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PRELIMINARY  
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TRANSCRIPT

HOUSE OF ASSEMBLY  
FOR THE PERIOD:  
10:00 A.M. TO 1:00 P.M.  
FRIDAY, APRIL 6, 1984

The House met at 10:00 A.M.

Mr. Speaker in the Chair.

MR. SPEAKER (Russell): Order, please!

Before we commence I would

like to welcome two groups to the galleries today.

One is a delegation from the

Town Council of Grand Falls, in the district of Grand Falls,

of course, with Mayor Paul Hennessey, Councillor Dave

Gilbert, and the Town Manager, Mr. Wilf Maloney.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: And we have one other group

in the gallery, a provincial group of young 4H people

who are on their way to Ottawa on an exchange visit, I

welcome them to the gallery today.

SOME HON. MEMBERS: Hear, hear!

STATEMENTS BY MINISTERS:

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

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: Mr. Speaker, the hon. House will recall that, following the March 8 decision of the National Energy Board, when questions were posed in the House with respect to it, I indicated that we were withholding comment with respect to that decision because we did not wish any comments that we make to impinge upon the negotiations as they were then going on. I could explain at that particular time, of course, we were aware of the fact that we were awaiting the first written proposal by the Province of Quebec in those negotiations, so we did not wish to make that statement until we received that proposal. Now it has been received, I wish to make a detailed statement with respect to the government's position with respect to it. It is as follows:

MR. MARSHALL: On Thursday, March 8, the same day, Mr. Speaker, that the Supreme Court of Canada brought down its decision on the offshore, the National Energy Board gave a ruling, which bore the date you will note of January 1984, approving Hydro-Quebec's application to export a substantial block of power to the New York Power Authority. Because we were then expecting a written proposal by Hydro-Quebec within two weeks, we withheld comment lest to cause Quebec to delay further presentation of their long awaited position at the negotiating table. As everyone knows, this proposal has now been received so we are free to comment.

While the export approvals were for a shorter term in the case of some licences than the nineteen year term that was requested, there appears to be no doubt that the board's ruling constitutes substantial approval of Quebec's request. This ruling was made notwithstanding

MR. MARSHALL:

the Province's strenuous objection against the exports. Our position was clearly stated, Mr. Speaker. This Province needs the power as it would, number one, reduce our projected increasing dependence upon expensive heavy fuel oil to generate electricity; and, secondly, enable the Province, and the Labrador portion particularly, to enjoy a greater chance of industrial development. When one considers that these very exports to America are possible for Hydro-Quebec because of the huge block of power, representing in excess of one fifth of their capacity, being obtained from us at inordinately low prices, it did seem that our intervention was most reasonable. In the press release accompanying its written Reasons for decision, the National Energy Board stated it does not have authority to order electricity sales from one province to another. While it may be precluded from doing this directly, Section 83 of the act regulating its constitution and duties clearly provides it must be satisfied that any powers sought to be exported is surplus to reasonably foreseeable Canadian requirements before an export license is to be granted. Thus, there is no doubt that the board has the indirect power to have caused Quebec to offer similar blocks of power to Newfoundland. If power being exported to America by one province, that is Quebec, is required by another, Newfoundland, how can that power be surplus to Canadian needs? - that is the power which is being exported. The National Energy Board seems to base its decision upon the fact that there is no interconnecting transmission line by which electricity could be transmitted to

MR. MARSHALL: the Island of Newfoundland and that there have been, " no firm commitments " -that was in the decision-from industries in Labrador. Now this causes me to ask three questions. Number one, how can one ever expect transmission lines to be constructed and industries established unless there is an assurance of a supply of electricity? It also causes me to ask, secondly, how can we finance and construct a major transmission facility without this supply of electricity? And, thirdly, to ask who in his right mind would expect an industry to build a plant in the middle of the Labrador without assurances of adequate energy?

The National Energy Board did exhibit some sensitivity to Newfoundland's argument

MR. MARSHALL: when it refused a licence of nineteen years duration for shorter term exports. I say 'a licence'. They approved a lot of it. In one case, they refused a licence for nineteen years. Instead, it only allowed the term of that particular licence to be five years, partly because, it stated - and here again, I quote from the board's own words - "The board would not wish to authorize any export which might preclude Hydro-Quebec from supplying Newfoundland's potential firm power and energy requirements." Now, while we may clearly appreciate this observation by the board, the words ring hollow indeed if an interconnecting transmission line must be constructed before these potential requirements are to be recognized.

If this is the prerequisite to Newfoundland gaining access to power, Mr. Speaker, Quebec will continue to receive a series of five-year approvals from the Canadian National Energy Board. Indeed, that licence might just as well have been granted for 105 years instead of the five years. What utility, Mr. Speaker, can afford to construct such a line without assurance that power is available and that the cost of power is known? I mean, it just defies common sense.

If an interconnection is a prerequisite to demonstrating our needs as Canadians, then Quebec will continue forever to be able to export large blocks of power, including that needed by Newfoundland.

Mr. Speaker, it is noted that the New York Power Authority was in a similar situation - now, just get this, Mr. Speaker - in that it would have to build a line known as the Marcy South line to access Hydro-Quebec's alleged surplus energy. I am advised the estimated cost of that line is in the amount of about

MR. MARSHALL:

\$500 million.

The recent National Energy Board ruling, Mr. Speaker, will enable that line to be built in the States, and one must question why an American state could be given the means to construct a line when this Province was not.

It is also interesting to note, Mr. Speaker, that in a ruling on the gas export licence within the past year - and this shows an inconsistency, I am going to point out, with a prior ruling - this same board denied an export licence to an applicant called Ocelot Industries Limited on similar principles proposed by Newfoundland in the hydro export application. The board ruled that it was not in the national interest to permit the export of gas from Saskatchewan, when it was purchasing a large portion of its requirements from Alberta at a domestic price which was lower than the U.S. export price and since no agreement had been worked out, in the board's words - and again I quote - "for the equitable sharing of revenues accruing from the export sales". In other words, they had to make a deal with Alberta before a Saskatchewan company could export to America or Saskatchewan could do it.

MR. NEARY:

A lot of garbage!

MR. MARSHALL:

'A lot of garbage', the hon. gentleman says. I could not think, Mr. Speaker, of a better analogy as between the Quebec - Newfoundland situation when Quebec imports a substantial quantity

MR. MARSHALL:

of electricity, about 20 per cent to 25 per cent of its total capability, from Newfoundland, while at the same time exporting sufficient blocks to the United States at prices more than ten times higher.

In that same gas export decision, Mr. Speaker, the board stated that it was concern there was no equitable sharing arrangement, and while it would not prescribe the precise terms of any such arrangements between the two provinces, that is, Alberta and Saskatchewan, it would withhold export permission until meaningful discussions had taken place and something had been worked out: - get this, Mr. Speaker! for to do otherwise was not in the best interests of Canada, so the board said, Mr. Speaker.

Newfoundland asked for similar consideration in the hydro export case, yet, the board did not even deal with this aspect in Newfoundland's intervention.

MR. NEARY: Sit down and stop making a fool of yourself.

MR. MARSHALL: Now, Mr. Speaker, I am making a statement that I had given to the Opposition before. The hon. gentleman can respond after. This is a very important decision. This is a matter affecting the principles of Newfoundland, and they should not be there continually defending -

MR. NEARY: Mr. Speaker, on a point of order.

MR. SPEAKER (Russell): Order, please!

The hon. Leader of the Opposition on a point of order.

MR. NEARY: I believe I heard Your Honour call Ministerial Statements. Now the hon. gentleman, I believe, has been side-tracked there.

MR. HICKEY: By?



MR. NEARY: Well, I do not know by whom, by his own narrow-mindedness and bigotry. Now, Mr. Speaker, I would submit that the hon. gentleman be ordered to carry on with his Ministerial Statement so that somebody on this side can respond. We do not need a lecture from the hon. gentleman.

MR. SPEAKER (Russell): Order, please!

To that point of order: The Chair did recognize the hon. President of the Council (Mr. Marshall) on a Ministerial Statement and at the same time I would suggest that he does have the right to be heard in silence.

MR. MARSHALL: Thank you, Mr. Speaker.

Now, getting back to the denial of Saskatchewan's application to export power and the approval of Quebec, they said, as I said, it was not in the best interest of Canada. Newfoundland asked for similar consideration in the hydro export case, yet the board did not even deal with this aspect of Newfoundland's intervention when it issued its decision. The bottom line, therefore, Mr. Speaker, appears to be Quebec is permitted to export power at the expense of Newfoundland while a Saskatchewan company is denied a similar licence, since it would profit from Albertan energy.

SOME HON. MEMBERS: Oh, oh!

MR. MARSHALL: Now we have to express obviously, Mr. Speaker, our extreme disappointment with this ruling.

SOME HON. MEMBERS: Oh, oh!

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

MR. MARSHALL: It is somewhat ironic the very day when the Supreme Court of Canada ruled we had no ownership or right to the oil which we brought into Confederation, the National Energy Board brought in a decision which will result in our continued dependency upon oil -

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER (Russell):

Order, please!

MR. MARSHALL:

Mr. Speaker, I can give this statement in the House or I can give it at a press conference, Mr. Speaker, where I will not be interrupted.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

MR. MARSHALL:

I say , Mr. Speaker, it is somewhat ironic that the very day the Supreme Court of Canada ruled we had no ownership or right to the oil which we brought into Confederation, the National Energy Board brought in a decision which will result in our continued dependency upon oil for electrical generation. Who knows? Perhaps we might be even privileged to repurchase our own oil at near world prices to keep these generators going!

MR. MARSHALL: All of this should be considered within the context that for some years we have generated ample hydro power -

SOME HON. MEMBERS: Oh, oh!

DR. COLLINS: A point of order, Mr. Speaker.

MR. SPEAKER (Russell): Order, please!

A point of order, the hon.

Minister of Finance.

DR. COLLINS: Mr. Speaker, I am sitting a few feet from the hon. minister, who is reading out one of the most important Ministerial Statements this House has heard read ever since this session started, and I am having great difficulty following the very valid and very important information he is giving because of noise in parts of the House. I would ask Your Honour to ensure that the members of the House can hear this important statement.

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

MR. SPEAKER: To that point of order, the hon. Leader of the Opposition.

MR. NEARY: What we are hearing in this House, Mr. Speaker, is paranoia. We are hearing the minister again saying that he thinks somebody is out to get him. They failed, they should have done their homework. What the National Energy Board is saying is build a transmission line, come back to us in five years and we will give you your electricity. That is what they are saying, Mr. Speaker. What we need is a full-time minister in this Province, not a part-time gentleman downtown actively practising law.

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

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

MR. MARSHALL: If I could just briefly respond to that point of order, Mr. Speaker: Hon. gentlemen have an opportunity to respond to this statement. They are getting

MR. MARSHALL: exercised because this is a statement where this Province is trying to address itself to the very real problem of the great giveaway of Upper Churchill power that was perpetrated by the hon. gentlemen when they were in office, and that is why they do not want to hear the positions that we are taking and the efforts we are making to this end.

SOME HON. MEMBERS: Oh, oh.

MR. SPEAKER (Russell): Order, please!

Whether or not hon. members agree with the context of the Ministerial Statement is not the point at all. Any hon. member when speaking does have the right to be heard in silence. I would again ask hon. members to grant that privilege to the minister.

The hon. President of the Council.

MR. MARSHALL: Again, I repeat, we have to express our disapproval with that ruling of the board. It is somewhat ironic that the very day when the Supreme Court of Canada ruled we had no ownership or right to the oil which we brought into Confederation, the National Energy Board brought in a decision which will result in our continued dependency upon oil for electrical generation. Who knows, Mr. Speaker? Perhaps we might even be privileged to repurchase our own oil at near world prices to keep these generators going! All of this should be considered within the context that for some years we have generated ample hydro power within our own boundaries to satisfy all the requirements of our people at much more reasonable rates than may now be obtained, but most of it is exported to Quebec for export to the States while Newfoundland's needs are not even given priority over those of New York State.

SOME HON. MEMBERS: Oh, oh.

MR. SPEAKER: Order, please!

MR. MARSHALL:

It is noted that these exports will reap huge profits also for Quebec, Mr. Speaker. Potential revenues from these exports alone have been identified to be in the order of \$550 million in the early years, growing to a potential of a yearly sum

MR. MARSHALL:

\$1.2 billion in the early 1990s. And how does that sock you, Mr. Speaker, when we are getting a paltry \$5 million to \$6 million or \$7 million from the Upper Churchill.

Now, Mr. Speaker, a government acting in the interests of the people is completely unable to accept the results of decisions of this nature. We merely ask the same right to the use of our resource, whether hydro, oil or fish, as other provinces enjoy.

MR. NEARY: Grow up, boy.

MR. SPEAKER (Russell): Order, please!

MR. MARSHALL: Government cannot accept treatment unequal not only to our sister provinces but to states of a foreign without employing every means possible to see the inequality redressed. Therefore, I wish to advise the House that the following actions have been taken in response to this decision of the National Energy Board.

The first thing is the National Energy Board Act requires the board rulings to be approved by the Federal Cabinet before they become effective. Accordingly, on March 12, 1984, a few days after the decision - once again, I did not make that letter public, as I will today, in the interest of negotiations - I wrote the Minister of Energy, Mines and Resources of Canada (Mr. Chretien) requesting a final decision be deferred until the requirements of Newfoundland are attempted to be met on a priority basis over those of the New York Power Authority. In the interests of the power negotiations, we refrained from making this letter public until now. I now table this letter. To date, Mr. Speaker, we have received no reply.

Our problem now lies where it can most effectively be resolved in the first instance, that is, within the Government of Canada. The law - whether it applies to

MR. MARSHALL: electricity, the offshore or the fisheries - applies unfairly to Newfoundland. It would seem the laws presently existing favour the majority over the minority. To make their substance and application fair, changes have to be made by the Cabinet -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Russell): Order, please!

MR. MARSHALL: - and the Parliament of Canada.

MR. NEARY: Everybody is against me!

MR. SPEAKER: Order, please!

MR. MARSHALL: In this case, the federal government now has an opportunity to help Newfoundland and, Mr. Speaker, we await its response with interest.

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

MR. SPEAKER: Order, please! The hon. Minister of Social Services on a point of order.

MR. HICKEY: Is there any law and order in the House, Mr. Speaker, or have hon. gentlemen opposite completely disregarded your presence? Have they forgotten the rules? Have they forgotten the fact there is a Speaker in the Chamber who controls the Chamber? He tells hon. gentlemen to shut their mouth and be quiet they are supposed to do so.

MR. TULK: Are you questioning the Speaker?

MR. HICKEY: What rules have you got over there? Are you following your own rules? The hon. gentlemen are very sensitive this morning, Mr. Speaker, they do not like what they are hearing. They have been sitting on the fence so long! They gave away everything we have. They have been sitting on the fence so long. They are still on the fence, and they do not like the fact, even though

April 6, 1984

Tape No. 744

NM - 3

MR. HICKEY: this Province stands to go  
down the tube, down the drain while they sit and watch  
Rome burn.

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

MR. NEARY: This is 'group think',  
we see it here again today. Mr. Speaker, I do not know if  
the hon. gentleman was in his seat last week when we



MR. NEARY: thought, on this side of the House, that we were going to have to start wearing hard hats, Mr. Speaker. I would submit there is no point of order. Mr. Speaker, we understand that hon. members have a right to be heard in silence. It is a pity they do not speak in silence, Mr. Speaker.

MR. SPEAKER (Russell): Order, please! Order, please!  
Two or three times in the last few minutes the Chair has had to remind hon. members that when a member is speaking he does have the right to be heard in silence. If hon. members persist in not adhering to that, I suppose there comes a time when the Chair has no other alternative but to name them.

MR. NEARY: Adjourn the House.

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

MR. MARSHALL: Thank you, Mr. Speaker.  
The first initiative, which I have described in detail, is the appeal to the federal cabinet and the reason for it. The second action being taken is to request a review of the National Energy Board decision. Under Section 17 of the NEB Act, provision is made to permit an application to the board for a rehearing. And, Mr. Speaker, we are making such an application. The main basis will be the apparent inconsistency between the board's ruling in the case above referred to where it precluded a Saskatchewan company from profiting at the expense of Alberta while it allows Hydro-Quebec to profit at the expense of Newfoundland. This glaring inconsistency will be drawn to the board's attention.

A third initiative was an appeal to the Federal Court of Canada, Mr. Speaker. We have also decided, using Section 18 of that act, to ask the Federal

MR. MARSHALL: Appeals Court to deal with Newfoundland's concerns, particularly with respect to the issues in our intervention which were not addressed. We believe very strongly that the board has an obligation not to approve exports until such time as the Canadian exporter has made an attempt to satisfy all Canadian needs. Moreover, we cannot accept that Newfoundland must first build a transmission line to the Island of Newfoundland before the need for surplus Canadian power can be effectively recognized.

Still a fourth initiative taken by this government is an objection to further exports. I should point out that Hydro-Quebec have signed an agreement with the New England Power Authority - the other one was in New York but now they are going into New England with the power -

MR. NEARY: More power to them.

MR. MARSHALL: Yes, more power to them. More power from Churchill Falls to them.

- which provides for their purchase of additional so-called surplus Quebec power on terms and conditions similar to those in Quebec's agreement with New York. A hearing is set for

MR. MARSHALL:

May 15th into their application for the export of a further significant block of power to that part of the United States. Newfoundland will continue to exercise its rights -

MR. NEARY:

In court again.

MR. MARSHALL:

Yes, in court again.

We will do everything we can to protect interests of the people.

SOME HON. MEMBERS:

Hear, hear!

MR. MARSHALL:

-- before the NEB with

respect to this application and continue to make vigorous argument with respect to our need for hydroelectric power in the Island of Newfoundland and the Province of Newfoundland generally.

From our perspective,

Mr. Speaker, on every front we are engaged in a determination to reclaim our resources. This we must continue and we cannot allow ourselves to be deterred in this aim by adverse decisions or any like happening. As the Throne Speech said, we must break from the cycle of dependency. Let it be understood that we will spare no efforts in our aim of reclaiming resources which are rightfully ours. We will employ every available means and explore all possibilities. In this present matter, we are asking the federal government to exercise its power to reject this decision and we are fully appealing the decision and fighting against further exports until our requirements are satisfied.

As can be seen from the

MR. MARSHALL:                   foregoing, we shall leave no stone unturned in pressing the rights of Newfoundland in its seemingly unending struggle to gain the rights to its resources. It is our desire to resolve these issues amiably through negotiations. We cannot, however, allow our rights to remain unexercised through every available channel. We do not feel these actions should affect negotiations which we initiated with Quebec. At the inception of these discussions it was clearly understood each side would continue to pursue its rights concerning any applications for export power.

Now, Mr. Speaker, I also table with the statement my letter to the Hon. Jean Chretien of March 13th last. I shall not read the first two pages because they are in substance the same as are contained in the statement there, but they are there for all members to see if they have any questions. But I will read the last three paragraphs in the letter. "My request to you is that the Government of Canada withhold approval of the export licences until such time as it is satisfied that the Canadian energy requirements which presently exist in Newfoundland have been canvassed by the exporter and that extensive discussions have taken place, thereby affording Newfoundland the same opportunity that was afforded the New York Power Authority and the New England Power Pool.

"Surely, a Canadian Province which has a requirement for such power should be given equal opportunity with an American State before any export is permitted. It is our understanding that, given the interim licence already approved by the National Energy Board, a deferment in any decision up to and including August 31, 1984, would not be particularly

April 6, 1984

Tape No. 746

ah-3

MR. MARSHALL: "harmful to Hydro-Quebec  
or to NYPA. Moreover, it would provide a realistic  
opportunity for Canadian energy requirements to be

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MR. MARSHALL: "given priority over that of the export market.

"I trust this explanation is satisfactory. However, I would be pleased to meet with you at any time to give you further details of the critical electrical energy situation which continues to face the Province of Newfoundland and Labrador."

So, Mr. Speaker, I table the statement and I also table the letter to Mr. Chretien which is there and is self-explanatory.

SOME HON. MEMBERS: Hear, hear.

MR. SPEAKER (Russell): Order, please!

Before I recognize the hon. member for Mount Scio, I would just like to welcome two more groups to the galleries. We have thirty students from the democracy class from the William Mercer Academy from Dover, Hare Bay, with their teacher Mr. Eastman.

SOME HON. MEMBERS: Hear, hear.

MR. SPEAKER: And we have forty students from St. Martin's High School in Dunville, with their teachers Debbie Philips, Beth Holloway and Kevin Yetman.

SOME HON. MEMBERS: Hear, hear.

MR. SPEAKER: The hon. member for Mount Scio.

MR. BARRY: Mr. Speaker, I listened to the statement by the Minister responsible for Energy (Mr. Marshall) this morning. Unfortunately, what I heard was nothing more than another lame excuse for failure.

SOME HON. MEMBERS: That is right.

MR. BARRY: Combined with what I consider to be a very sad and serious questioning of a quasi-judicial body. We have seen certain members opposite take the position of questioning the Newfoundland Court of Appeal on its decision. Of the Supreme Court of Canada, they were a little more muted in their criticism there. But I think, Mr. Speaker,

MR. BARRY: we are treading on very dangerous ground when we see members of the House of Assembly, particularly Ministers of the Crown, rising to criticize and imply that there is some conspiracy or some sinister motive underlining the decision of the National Energy Board. The clear message that comes from this statement is that the National Energy Board is hand in hand with the federal government -

MR. TULK: And Quebec.

MR. BARRY: - and Quebec to do Newfoundland out of its legitimate rights and interests. That is a very dangerous line for a Minister of the Crown to take. When the very institutions of government are undermined by one sworn to uphold government,

MR. BARRY: then that course, Mr. Speaker, is the first step down a long and slippery slope. Now what we have here is, presumably, another attempt at winning in a legal forum and the government failing.

Now, Mr. Speaker, there are a number of reasons why this might have come about. It might have come about because the case was inadequately prepared, it might have come about because government did not provide the resources to those presenting the case to permit adequate preparation, it might have come about because government was more concerned with making political mileage out of the issue rather than dealing with the case as it should be dealt with, in a professional, thorough way.

We have another failure by the minister, and a bad failure, and another failure by the government of which he is part. This, Mr. Speaker, is an example of what happens, also, when one throws all one's eggs into the one basket of a court case, whether it be before the National Energy Board, the Newfoundland Supreme Court, the Newfoundland Court of Appeal, or the Supreme Court of Canada. And I would ask the minister to take heed of the risks involved in the course which they just set upon last week.

The minister says they are continuing negotiations with the Province of Quebec on the Upper Churchill contract, and yet, Mr. Speaker, we have the admission that there is no counteroffer gone back to the Province of Quebec.

We have the statement from the Quebec Energy Minister that he has no invitation from the Government of Newfoundland -

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



MR. SPEAKER(Russell):

Order, please!

The hon. the member for  
St. John's North(Mr. Carter) on a point of order.

MR. CARTER:

Mr. Speaker, the hon.

gentleman is supposed to be replying to a Ministerial  
Statement. Instead, he is making a speech and engaging  
in debate. Now, it is quite clear that he was not  
prepared for his speech, because while the hon. minister  
was up making his speech the member for Mount Scio(Mr. Barry)  
came in late and the Leader of the Opposition(Mr. Neary)  
and some of his hacks were taking up the time of this  
House so that the member could put together a few words.  
But he is not replying to the Ministerial Statement, he is  
making a very rancorous debating speech and I think he  
should be called to order.

MR. NEARY:

To that point of order,

Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of

the Opposition.

MR. NEARY:

Mr. Speaker, I just

want to say that that is not a point of order, there is  
merely a difference of opinion. And I would also add, to  
reinforce that it is not a point of order, that the hon.  
gentleman has no credibility after his performance in this

MR. NEARY:

House in the last couple of days. He does not understand the rules, he has no credibility and all he wants to do, Mr. Speaker, is to try to get the hon. gentleman down roll in the mud with him. I would submit to my hon. colleague that he completely ignore him. Mr. Smallwood will deal with him in due course if he will only make the statements outside the House that he has made inside the House, Mr. Speaker, which he does not have the courage to do. So I would say there is no point of order. All he is trying to do is use up the time of my hon. colleague.

MR. SPEAKER (Russell): To that point of order, I submit that the rule of relevancy perhaps is, at the best of times, difficult to rule on. There is usually some flexibility allowed and it is a difference of opinion between two hon. members.

MR. NEARY: Well spoken, Sir!

MR. SPEAKER: The hon. the member for Mount Scio.

DR. COLLINS: On a point of order, Mr. Speaker.

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

The hon. the Minister of Finance  
on a point of order.

DR. COLLINS: Mr. Speaker, when the hon. the Leader of the Opposition (Mr. Neary) rose on that recent point of order, he stated that the hon. the member for St. John's North (Mr. Carter) had no credibility in this House and he asked the speaker to ignore him. Mr. Speaker, I think that is most unparliamentary and I would ask that the Leader of the Opposition be asked to withdraw those remarks.

SOME HON. MEMBERS: Hear, hear!

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

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

MR. NEARY: Mr. Speaker, the hon. gentleman gets up, says something is unparliamentary, does not refer to the Standing Rules of the House or Beauchesne, just gets up and tries to dictate an order to the Chair, tries to bully the Chair, tries to browbeat the Chair because the hon. gentleman did not like what I said about the hon. gentleman's credibility as far as the rules of this House are concerned and the statements he has made in the last few days. I would say that is tough! If I hurt the hon. gentleman's feelings, that is too bad! And if the hon. gentleman just cannot stand the heat, let him get out of the kitchen. Mr. Speaker, there is no point of order.

SOME HON. MEMBERS: Oh, oh!

DR. COLLINS: Mr. Speaker.

MR. SPEAKER (Russell): The hon. the Minister of Finance to the point of order.

DR. COLLINS: The point of my point of order was that the hon. the Leader of the Opposition (Mr. Neary) made a statement that a member of this House has no credibility. He just made a statement that a member has no credibility and I say that that is unparliamentary.

MR. SPEAKER: Order, please!

The Chair will reserve a ruling on that matter.

The hon. the member for Mount Scio.

MR. BARRY: Thank you, Mr. Speaker.

I think it should be pointed out here that the denial of the Quebec export licence would not necessarily have forced Quebec to sell to Newfoundland. It would not necessarily have meant that then the power would automatically come back to Newfoundland. There would still be the need

MR. BARRY:

to negotiate with the Province of Quebec. It may have, and probably would have improved the Province's bargaining position in the context of the Upper Churchill negotiations, it was an attempt at establishing a bargaining position, but it would not automatically have meant that Quebec then would have had to make power available to this Province.

It should also be noted that the board's decision is to permit exports only for five years. And now the minister has said, 'Well, it is just the same as though it were for 105 years because we are not going to be able to construct a transmission line.' Well, it is within the government's power to construct a transmission line. What the minister is saying is that we have difficulty in financing such a line. To a certain extent that is due to government's own self-imposed impecuniosity because of bad economic policies and so forth, but, Mr. Speaker, if the Water Rights Reversion Act strategy is successful and if the government is entitled to terminate the lease of water rights, Mr. Speaker, this will deal with this entire question. This is a secondary issue to the Water Rights Reversion Act and the entitlement of the province to -

MR. SPEAKER (Russell): Order, please!

I have to advise the hon. member that his time has elapsed.

MR. BARRY: No, no. That is not possible, Mr. Speaker. Mr. Speaker, there is something wrong with the clocks.

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

It is recognized that the hon. member has half of the time allocated to a minister in replying to a Ministerial Statement.

- MR. BARRY: There is something wrong.
- SOME HON. MEMBERS: Oh, oh!
- DR. COLLINS: A point of order, Mr. Speaker.
- MR. SPEAKER (Russell): Order, please!  
The hon. the Minister of Finance.
- DR. COLLINS: Mr. Speaker, it was clearly stated by the hon. the member for Mount Scio (Mr. Barry) that he was not accepting Your Honour's ruling. Your Honour stated that his time had elapsed and he said, 'That is not possible'. That is a clear denial of Your Honour's statement and I would ask the hon. the member for Mount Scio to withdraw that remark.
- MR. NEARY: To that point of order, Mr. Speaker.
- MR. SPEAKER: The hon. the Leader of the Opposition to that point of order.
- MR. NEARY: Mr. Speaker, I would submit that what the hon. gentleman just said should not be considered in this whole matter at all, Sir. The fact of the matter is that the Ministerial Statement was twenty-five minutes in duration. Mr. Speaker, allowing for the Minutes of the House to be read, the doors to be opened, Your Honour to ring the bell that would bring it down to about, I would say, 10:27 a.m. when the minister finished, Mr. Speaker. So taking into consideration the interruptions from the other side, the harassment, the hon. gentleman has still only gone about seven or eight minutes, Mr. Speaker, and so he has approximately three and a half to four minutes left according to our calculations. I am sure Your Honour is going to get the right calculations now from the table.
- MR. DINN: Mr. Speaker, that was an eight page document and anybody could read that in ten minutes.
- MR. NEARY: Mr. Speaker, we understand they do not like it over there. They cannot take the rebuttal,

April 6, 1984

Tape No. 750

MJ - 3

MR. NEARY:

we understand that.

MR. DINN:

Eight pages took twenty-five minutes?

MR. NEARY:

Yes. But remember the hon.

gentleman had to squirt his poison across the House too  
with his snake-like talk.

SOME HON. MEMBERS:

Oh, oh!

DR. COLLINS:

Mr. Speaker, to that point of order.

MR. SPEAKER (Russell): The hon. Minister of Finance to that point of order.

DR. COLLINS: The point of order was that the hon. Leader of the Opposition (Mr. Neary) questioned Your Honour's ruling. Now if he had difficulty with Your Honour's ruling there are clear ways of doing that. He could have risen on a point of order and asked for explanation or whatever, but he did not. When Your Honour made a ruling he said, 'Mr. Speaker, that is impossible'. That is a clear and obvious questioning of Your Honour's ruling. I ask him to withdraw that remark. If he wants to take some other measure, let him take it. But I ask him to show respect for the Chair and, as an honourable gentleman, to withdraw that remark questioning the authority of the Chair.

MR. BARRY: Mr. Speaker, on a point of order.

MR. SPEAKER: The hon. member for Mount Scio.

MR. BARRY: What the hon. Minister of Finance has said is total rubbish. I rose, Mr. Speaker, and I said, 'That is impossible' - a statement of fact. And I would ask the Speaker to check the time and see whether there might not have been an error made. If the Speaker finds that there has been no error made, then there is no question of my questioning Your Honour's authority or ruling. But I would ask in all fairness, Mr. Speaker, if you would check and make sure that the time had elapsed because my time indicated that I had another two or three minutes. And if that is not possible, I would ask, Mr. Speaker, with the interruptions that took place, if you would establish whether by leave I might finish.

SOME HON. MEMBERS: Oh, oh!

MR. MARSHALL: Mr. Speaker.

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

MR. MARSHALL: Mr. Speaker, I think we can resolve this. The Speaker's ruling is the Speaker's ruling. But as far as the government side of the House is concerned the hon. gentleman can have as much time as he wishes to. As a matter of fact, I am rather entertained by every word of the hon. gentleman, where he shows his great inconsistency between when he was over here and over there. So we all find it very entertaining so he can go on all morning if he wishes to with that.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Russell): Order, please!

To that point of order, certainly I think the hon. member for Mount Scio (Mr. Barry) was not really challenging the Speaker's ruling. I think he genuinely felt that the time had not elapsed. I have checked with the table people and there appears to be about one minute difference in the time the table had and the time that I had written down up here.

But now that a point of order has been raised certainly the half time has expired. Does the hon. member have leave to continue?

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: The hon. member for Mount Scio.

MR. BARRY: Thank you, Mr. Speaker.

I am glad that the Minister responsible for Energy (Mr. Marshall) slapped down the Minister of Finance (Dr. Collins) and keeps him in his place.

Mr. Speaker, just a couple of points that should be made here. If the Water Rights Revision Act strategy is successful, then this will enable the Province to obtain whatever power it needs, whatever energy it needs from the Upper Churchill. It may be, Mr. Speaker, that what we have here and the reason for this decision is because of



MR. BARRY: certain inadequacies in the current National Energy Act. This has come up before and there have been certain representations made. The representations of the minister, rather than criticizing the Board it may be that the minister should be pointing out the way that the act under which the National Energy Board was dealing with this case does not treat hydroelectricity in the same way that it treats hydrocarbon, in the same way it treats oil and gas. And, therefore, when the minister refers to

MR. BARRY:

a certain precedent, such as the Ocelot Industries case, the minister has conveniently omitted to refer to any of the differences in the statute, the statute which deals in more detail, Mr. Speaker, with oil and gas than it does with hydroelectricity.

Now members on this side of the House, Mr. Speaker, completely support the Province of Newfoundland and Labrador obtaining sufficient power from the Upper Churchill to meet Newfoundland's needs and completely supports, Mr. Speaker, the fact that this Province should have first priority. What the National Energy Board has said is that because there does not seem to be any immediate need, any immediate supply possible to where the demand is within the Province, it will review the matter in five years time and, if in fact there is a transmission line constructed to where the demand is in the Province, if there is then, therefore, as a result of that the opportunity of utilizing power within the Province of Newfoundland, then they will review their decision.

It should be noted, Mr. Speaker, that normally it would take in the range of three to five years to construct the transmission line, to do the necessary work to have a transmission line constructed from Labrador to the Island portion of the Province, so the time range is not greatly out of order.

And, Mr. Speaker, finally I would note that, as the minister has pointed out, appeal provisions are available, there are provisions for appeal. The minister intends to, and he has appealed to the political route of the Federal Cabinet, and he is, as I understand it,

MR. BARRY: going the legal route of the Federal Court of Appeal. I find it very strange to have a Minister of the Crown, while court proceedings are underway, standing up and criticizing the law applied by the quasi-judicial body in the first instance. I wonder if the minister has consulted with the Minister of Justice (Mr. Ottenheimer) as to the propriety of this approach. I repeat again, Mr. Speaker, while we would have liked to see another result, an opposite result, to improve the Province's bargaining position it is still not too late for members opposite, for the minister and the government of which he is a part, to sit down with the Government of Quebec, to sit down with Hydro-Quebec and to negotiate a deal which will avoid the necessity of putting all their eggs in a further legal basket.

MR. SPEAKER (Russell): The hon. Minister of Finance.

DR. COLLINS: Mr. Speaker, I have a brief statement to make. I would like to announce that the Province has completed a \$75 million US bond issue in the European capital market. The bonds, which have a term of seven years, carry a 13 per cent coupon, and have been priced at a premium of 100.25 per cent on their principal amount to yield an effective interest rate of 12.94. The issue has been very well received and it has already been fully taken

DR. COLLINS:

up by investors widely distributed throughout Europe. The issue is managed by the Province's European Fiscal Agents, Credit Commercial De France and Dominion Securities Ames Limited.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER (Russell):

The hon. Member for Port au Port.

MR. HODDER:

Mr. Speaker, there is not much to be said, The Province has to borrow and we have borrowed again. The only point I would like to make about this borrowing, Mr. Speaker, is that it is a very, very high rate of interest for borrowing coupon bonds. I understand it is the highest rate of interest, 12.94 , since October, 1982, which leads me to wonder if we are borrowing at the right time and whether we are getting good fiscal advice from the people who advise us on borrowing. We all hate to have to borrow but we know it is a fact of life, particularly with this government, Mr. Speaker. But this it is a very high rate of interest and certainly not something that we can be very proud of.

MR. NEARY:

They intend to run us to the ground.

MR. MARSHALL:

Mr. Speaker.

MR. SPEAKER:

The hon. President of the Council.

MR. MARSHALL:

Mr. Speaker, I have another Ministerial Statement. I should explain to the House as well as to the hon. gentlemen there opposite why we are bedecked with flowers and they are not bedecked with flowers. We are bedecked with flowers today because it

MR.MARSHALL: is the second anniversary  
of our victory.

SOME HON.MEMBERS: Hear, hear!

MR.MARSHALL: And I know the hon. gentlemen  
there opposite would like to share in our joy.

SOME HON.MEMBERS: Oh, oh!

MR.SPEAKER (Russell): Order, please!

MR.MARSHALL: I can indicate,I can send  
the hon. member for Harbour Grace (Mr. Young) in his  
private capacity,who, because of his profession  
could tell the hon. gentleman the best way to celebrate  
our victory.

SOME HON.MEMBERS: Oh, oh!

MR.MARSHALL: This is yet another statement,  
Mr. Speaker, I would appreciate the attention of the  
House so that we can -

MR. NEARY: Where is our copy of it?

MR.MARSHALL: I gave you a copy of it.

At yesterday's sitting  
of this House,Mr. Speaker, members heard me accord on  
behalf of the government a welcome befitting a minister  
from another jurisdiction in our country, to the Hon.  
John Chretien,while he was in the Speaker's Gallery.  
Now we all heard that.

I can also inform this  
House that immediately before yesterday's sitting I

MR. MARSHALL: visited Mr. Chretien in the Speaker's Office to privately extend a welcome.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: We had a conversation alone for approximately five to ten minutes before the House opened. During that time, Mr. Chretien mentioned not a single word about the \$750 million offshore exploration agreements he announced later that afternoon -

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: - during his press conference dealing primarily with the local aspects of his leadership campaign.

Now, Mr. Speaker, immediately after yesterday's Question Period, the government of this Province received its first news -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Russell): Order, please!

MR. MARSHALL: Immediately after yesterday's Question Period, the government of this Province received its first news of the coming announcement by the federal minister during a press interview which I had, outside this House, with Mr. Tim Naumetz of Canadian Press.

Mr. Speaker, the people of this Province would do well to consider the consequences of the actions and tactics of this nature by the federal Minister of Energy, Mines and Resources (Mr. Chretien).

The first and perhaps most obvious consequence is the blatant abuse by Mr. Chretien of the narrow legal jurisdiction which the Supreme Court of Canada recently placed in the Government of Canada.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: I am not aware that the court intended to confer upon Mr. Chretien this jurisdiction for

MR. MARSHALL: his own personal use. This is a blatant abuse of one's power, which is made all the more distasteful when exercised in a province so closely following a court decision which has such grave and serious implications for the people of this Province.

MR. DINN: Disgraceful!

MR. MARSHALL: The second, and perhaps more important question, is to ask whether this is the way the new found jurisdiction is to be exercised by Ottawa?

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: Unilateral announcements of exploration agreements, Mr. Speaker, in contemptuous disdain of the Province which brought the resource into Confederation, are not one step removed, not one single step removed, Mr. Speaker, from announcements that floating rather than concrete platforms will be used. Indeed, are we to hear from a national reporter that Newfoundland will not even see the oil, but it is to be transported to other provinces, by-passing us, say, to Quebec or to Nova Scotia? Are we to be advised that revenues will flow Westward, as well, with this Province merely receiving grants from its own resources in lieu of equalization payments?

The implications of the actions by the federal minister, Mr. Speaker, <sup>have</sup> most serious and grave implications for this Province, and we protest in the strongest possible terms.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: It must be noted, as well, that Mr. Chretien's actions belie his repeated contention that he wishes to be fair with the Province of Newfoundland. How can a man contend he wishes to

MR. MARSHALL: be fair with the Province of Newfoundland when he does not even mention to me about a \$750 million exploration agreement when I met with him privately to welcome him to the precincts of the House?

SOME HON. MEMBERS: Oh, oh.

MR. MARSHALL: It must be plain, Mr. Speaker, for all to see why it has been impossible to negotiate any agreement with the present government in Ottawa. When one sees action such as that perpetrated by Mr. Chretien yesterday, how can the present administration in the national capital possibly contend it is prepared to negotiate fairly or equally or, indeed, negotiate at all with this Province? This is a Province of Canada, Mr. Speaker, with a proud and rich history behind it. It is not a municipality, it will not accept colonial status and neither, Mr. Speaker, is it a fiefdom of either the central government or one of its ministers.

SOME HON. MEMBERS: Hear, hear.

MR. MARSHALL: The type of action which the federal minister employed yesterday, in direct opposition to the courteous way in which he was received by the government of this Province, must surely be unacceptable both within and without this Province. It must surely show all Canadians how impossible it is to negotiate an honourable and equal deal with those presently in office at Ottawa. You cannot strike, Mr. Speaker, an acceptable agreement with persons who obviously view the Supreme Court of Canada decision as a fiat to trample upon Newfoundland. And, Mr. Speaker, we will not be trampled upon.

SOME HON. MEMBERS: Hear, hear.

MR. MARSHALL: It now must be crystal clear, Mr. Speaker, that we will only be able to enter into an agreement with a new administration in Ottawa. Let me say the responsibility upon that new administration to conclude



MR. MARSHALL: a fair and just deal with this Province is very heavy. Otherwise the dream of Confederation will turn into a permanent nightmare.

SOME HON. MEMBERS: Hear, hear.

MR. SPEAKER (Russell): The hon. member for Mount Scio.

MR. BARRY: Mr. Speaker, I had the opportunity of speaking with Mr. Chretien after the announcement was made and Mr. Chretien's position, the federal minister's position, was very simple, very brief, very straightforward. He said, 'If the Newfoundland Minister responsible for Energy (Mr. Marshall) does not want to speak with me, does not want to negotiate with me, despite my repeated invitation for him to do so, then why should I speak with him? Why should I, Mr. Speaker, 'if I am given a blank wall, no response to my repeated offers to sit down and negotiate a fair deal for Newfoundland in the offshore, then why should I speak to them about the details when they will not deal with me on the essence?'

SOME HON. MEMBERS: Oh, oh.

MR. SPEAKER: Order, please!

MR. BARRY: I am giving hon. members Mr. Chretien's response.

SOME HON. MEMBERS: Oh, oh.

MR. SPEAKER: Order, please!

MR. BARRY: It is something that the Newfoundland minister has to deal with.

MR. BARRY: Mr. Speaker, the Newfoundland minister has to face certain facts. He has to face the fact that there is a Supreme Court of Canada, he has to face the fact that the Supreme Court of Canada has the final say on legal matters, he has to face the fact that that Court has said that ownership and jurisdiction lies with the Government of Canada, with the federal government, and he has to face the fact that the only way of changing that situation is by an agreement leading to a constitutional amendment, and, therefore, he has to face the fact that he must get back to the bargaining table to negotiate an agreement. And what we have instead, Mr. Speaker, we have a statement of bravado and defiance. 'There is not way they are going to make us' - what is the minister saying? Is he defying the authority of the Supreme Court of Canada? Is he unwilling to face the reality? I say to the minister, face the facts. You took your case to court and you lost and you have to live with the consequences. Be a man and face that fact, and sit down with the federal government, negotiate a deal on the offshore which will be fair to Newfoundland. And unless the government faces that fact, Mr. Speaker, they will see more and more failure as we had announced here again today.

MR. SPEAKER(Russell): Order, please!

ORAL QUESTIONS

MR. WARREN: Mr. Speaker.

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

MR. WARREN: Mr. Speaker, yesterday I was asking the Minister of Municipal Affairs (Mrs. Newhook) some questions when the time for the Question Period elapsed. However, today I would like to continue with questions to the hon. minister.

MR. WARREN: Are the requirements for town councils and communities throughout the Province of Newfoundland and Labrador the same for all communities when they are applying for grants and loans for water and sewerage projects?

MRS. NEWHOOK: I have already answered the question.

MR. WARREN: I will ask it again now. You listen.

MR. HICKEY: Do not bother answering him. You do not boil your cabbage twice.

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

MRS. NEWHOOK: Mr. Speaker, in applying for water and sewer projects the requirements are the same for all residents of the Province. I think the hon. member yesterday was talking about the payment toward water and sewer debt, and he was talking about 15 per cent, but I would like to explain, Mr. Speaker, that 15 per cent is a minimum requirement of repayment and that many municipalities pay anywhere from 15 per cent up to 100 per cent of their water and sewer debt.

MR. WARREN: Mr. Speaker, a supplementary to the minister.

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

MR. WARREN: However, when a town only has a tax base of some \$60,000 - for example, Cartwright and Nain have \$60,000 to \$100,000 as a tax base - even if that town has to pay the 100 per cent, why is the minister saying to the Nain Council, "You have to take \$170,000 out of the Native Peoples Agreement, out of federal money, and pay us back \$170,000 each year for phase one"? Why is the minister telling the Council in Nain, "You are going to be treated different because you are getting some money from Ottawa under the Native Peoples Agreement" which can be used to build houses?

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

MRS. NEWHOOK: Mr. Speaker, any other municipality in this Province receiving federal fundings, or any fundings from other sources, would be required to pay their installments on their water and sewer debts the same as we do for quite a number of municipalities.

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

MR. WARREN: Mr. Speaker, the minister is not factual in her answers. The minister has used the Native Peoples Agreement money from Nain, which is money for services, for houses, for so many things. The minister can understand from yesterday that Nain needs so much, and all of a sudden they have used this lever, Mr. Speaker, I would like to ask -

MR. SPEAKER: Order, please! The hon. member is making a speech; he should be asking a question.

MR. WARREN: Okay, Mr. Speaker, My final supplementary to the minister is would the minister review the circumstances that she has bound the Nain Council in repaying the debt charges? Would the minister review the

MR. WARREN: circumstances and see if this money can be released for some other worthwhile projects that are needed in Nain, such as some sixty houses for people to live in who are presently living in government owned houses which are unfit to live in.

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

MRS. NEWHOOK: Mr. Speaker, I think that the Native fundings available to the municipalities in Labrador is being very well spent in providing water and sewer. When it is necessary to have our programme reviewed it will be done, Mr. Speaker. But I understand from some of the municipalities that they are very happy to have their installments paid through the Native Fundings Agreement. It means that they do not have to take a percentage of their local revenues to pay for that water and sewer.

MR. NEARY: Mr. Speaker.

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

MR. NEARY: Mr. Speaker, I might say before I put my question to the Minister of Social Services (Mr. Hickey), yellow is certainly the right colour for hon. gentlemen there opposite. It seems like an eternity, not two years. I might point out for the benefit of hon. members of the House that the Prime Minister of Canada

MR. NEARY: was elected sixteen years ago today, April 6, as Leader of the Liberal Party of Canada, an outstanding Canadian, an outstanding Liberal, with a great record, Mr. Speaker, with a better record than that crowd over there.

MR. SPEAKER (Russell): Order, please!  
This appears to be a rather different kind of a preamble to a question.

MR. NEARY: Well, let me fling a quickie at the Minister of Social Services (Mr. Hickey) before I get back at the Minister of Transportation (Mr. Dawe). Could the minister tell the House if his department is negotiating with the owners of a very well-known motel in Corner Brook with a view to taking over that motel as a nursing home or a senior citizens' home?

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

MR. HICKEY: Mr. Speaker, the hon. gentleman might consider the Prime Minister of Canada the greatest Liberal, but even some Liberals would question that. If he is going to consider him the greatest Canadian, there is a great number of people who would question that. I am not sure what he is the greatest of and certainly the rules of the House will not permit me to say exactly how I feel about the hon. gentleman. It is a poor time for him to heap praise on the Prime Minister, a very poor time.

Mr. Speaker, to get to the question that the hon. gentleman asked: The Salvation Army more than a year ago came to my department with a proposal for a chronic care facility and they indicated their intent and wish to purchase a motel in the area. Discussions have been ongoing. The chronic care facility we could not go along with. We suggested other things that they might look at but not in relation to any purchase of a motel. It is immaterial

MR. HICKEY: to us, Mr. Speaker, whether they purchas any given building or whether they not. We have no interest in any building. We are not involved in any way in the purchase of any building . We are dealing with the Salvation Army which wishes to provide certain services which are not available in the West Coast city. And the Salvation Army has an enviable record in this Province in dealing with this government and delivering services to our people. .

So discussions are ongoing, and

MR. HICKEY: a number of areas of service have been discussed. Indeed, just about two weeks ago I met with a committee from the West Coast and had further discussions, refining some areas of service that they were now interested in but unfortunately I cannot say there was any agreement reached. I would emphasize again that the purchase of any building is of no interest to us. We are interested in the services that they might be able to provide and under what cost-sharing arrangement and what way we can help them provide them.

MR. NEARY: A supplementary, Mr. Speaker.

MR. SPEAKER (Russell): The hon. the Leader of the Opposition a supplementary.

MR. NEARY: Mr. Speaker, if the sale of the motel in Corner Brook does materialize, could the hon. gentleman tell the House what involvement the administration there opposite will have? Will there be, for instance, a guarantee of occupancy so that the Salvation Army, if they purchase that motel via Canada Mortgage and Housing Corporation or through some other source, will it be necessary, will the Province, will the hon. gentleman's department have to make any commitments in the way of guaranteed occupancy with a provision, a stipulation that they would have to pick up any deficits that may be incurred in the operation of that home if it becomes a home?

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

MR. HICKEY: Mr. Speaker, it is hard for me to believe that the hon. gentleman is serious in looking across at this government to think we would be so stupid, so crazy, to guarantee occupancy when in fact in 1972 I presided over the wiping out of that crazy system of guaranteed occupancy which cost the Province hundreds of millions of dollars over



MR. NEARY: the years. Now to say that we burnt those bridges and are now going to find ourselves in a situation to get right smack back into the same kind of policy is, to say the least, the ultimate. Let me assure the hon. gentleman and the House that this government through my department have no intentions, nor ever have there been any discussion of guaranteeing any occupancy. I am not at liberty, Mr. Speaker, to speak for the Salvation Army. I walk a very tight line here because it is

MR. HICKEY:

not my intention, nor do I wish to trespass upon what is properly the territory of the Salvation Army to say how and when and why and all the rest, that they would buy or purchase any given building in the West Coast city. Let me simply assure the House that my discussions - and I have been involved in all the discussions myself with my officials - have centered around the provision of services, such services to the largest extent being dealt with on a user-pay basis under the Social Assistance programme - no occupancy, guarantee, no grants, no nothing of any kind.

MR. NEARY: A supplementary, Mr. Speaker.

MR. SPEAKER (Russell): The hon. the Leader of the Opposition, a supplementary.

MR. NEARY: Mr. Speaker, let me make this abundantly clear. Is the hon. gentleman saying that the Salvation Army merely came to his department to enquire if they bought this motel, what kind of a service they would provide? The hon. gentleman's department certainly issues the licences and the permits and says what would be necessary, what would have to be done to adapt that building - we are talking about the Mamateek Motel, are we not? - what would be necessary to be done with that motel in order to convert it into a senior citizens home or a nursing home.

Now, Mr. Speaker, the hon. gentleman says the occupancy formula was dropped. The occupancy formula was not dropped and has not been dropped to this day. Is the hon. gentleman aware that all the interfaith homes that have been built in this Province and the ones that will be built in future are guaranteed 90 per cent occupancy and, Mr. Speaker, that this motel will not be purchased -

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

The Chair recognized the hon.

the Leader of the Opposition (Mr. Neary) on a supplementary question and he is certainly appearing, at least, to the Chair, to be getting into a round of debate on this issue. I would ask if he would like to direct a question.

MR. NEARY: Well, perhaps Your Honour was not listening, Mr. Speaker. I said is the hon. gentleman aware that the purchase of this motel hinges on whether or not they can get the guarantee of occupancy from the hon. gentleman and get the proper permits and licences from the hon. gentleman to operate a service, a senior citizens home or a nursing home?

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

MR. HICKEY: Mr. Speaker, the hon. gentleman may think his memory is pretty good, but I can assure him mine is better, at least today.

I personally presided over the wiping out of the 90 per cent occupancy formula for senior citizens homes in this Province in 1972 when I was Minister of Social Services.

Interfaith nursing homes, Mr. Speaker, are financed today as a non-profit venture by providing budgets and through the charges of rentals and the board and lodging rates of residents, so much, and the bulk of it by the Province, so as to arrive at a break-even situation at the end of the year. There is no guaranteed occupancy, that is why there are no vacant rooms around in those institutions today.

Now, Mr. Speaker, to come back to the central issue, the building the hon. gentleman refers to.

MR. HICKEY: He has said that the whole thing hinges on a guarantee of occupancy by my department. I can tell the hon. gentleman that from day one when I entered into discussions with the Salvation Army that I made it clear to the Salvation Army, one, I was not interested in the Mamateek Motel, I did not care whether it was the Mamateek Motel or any other motel or any other building, I was not going to deal with the Salvation Army, or anybody else, to try to fit a building on to a service. I told them if they wished to purchase the Mamateek Motel that was up to them. I told them if after inspection, if after our people inspecting it in relation to the services that we would be interested in having them provide, the building was found to be suitable, we might then be able to sit down and discuss the details. We have talked about, over the last year, Mr. Speaker, a whole range of services.

Some discussions have taken place and then ultimately dropped. One such service was a treatment centre for alcohol and drug abusers on the West Coast and the Salvation Army opted out of that. They did not want to get into the areas that we felt were necessary if in fact that service was going to be provided. When that would have started and the financial arrangements is a whole, brand-new issue, Mr. Speaker. We did not get into that at all, it was just in terms of a concept. Finally, Mr. Speaker, let me conclude by saying that the present situation with regards to the Salvation Army has no connection through my department with any building, including the Mamateek Motel. No purchase or anything else is conditional upon or

MR. HICKEY: agreement by this department of government on behalf of the government in saying, you know, we will do this, we will do that, we will do something else. I have told them repeatedly, and I told them again on evenings two weeks ago, three people having come in from Corner Brook, that really we are not interested in what building you buy, we cannot tailor our services to suit any building you have in mind. So I must repeat again, for the fourth or fifth time, what I have told you, if you end up with that building and we can use part of it, okay, we will sit down and talk to you, but our discussions cannot be predicated on your thinking or believing that in buying this building we will accept any responsibility or indeed guarantee occupancy of any portion thereof.

MR. NEARY: Supplementary, Mr. Speaker.

MR. SPEAKER (Russell): Supplementary, the hon. Leader of the Opposition.

MR. NEARY: Mr. Speaker, the hon. gentleman seems to like to play with words, 'guaranteed occupancy', 'picking up deficits for these interfaith homes', what is the difference? It is the same thing. You are going to guarantee their occupancy or you pick up a deficit, it is one thing or the other. And the hon. gentleman has been picking up the deficit for these homes.

Now let me ask the hon. gentleman a final supplementary question in connection with this proposal that is on the table. Could the hon. gentleman tell the House what the Salvation Army wanted when they came to see the hon. gentleman? Did they just merely want to put out feelers to determine if a home of a certain kind was necessary in Western Newfoundland, or did they ask the hon. gentleman if he would give them the same arrangement as he has given all the other homes in Newfoundland, the interfaith homes I am referring to, the same financial arrangement that they would pay so much of the cost of patients in these homes and pick up any deficit at the end of the year?

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

MR. HICKEY: Mr. Speaker, again, for the umpteenth time, there is a grave difference between 'guaranteed occupancy' and 'picking up deficits'. The critical difference is, Mr. Speaker, and one of the chief reasons why we wiped it out, is that when you guarantee an occupancy you could have fifty rooms vacant for twelve months of the year but you still have to pick up the tab. That is what I presided over the wiping out of, the absolute criminal waste of funds.

Now, Mr. Speaker, to pick up a

MR. HICKEY: deficit really enables a corporation or a board of directors to function effectively and efficiently and deliver a service, all rooms filled, because they have an incentive to keep those rooms filled. And, the bottom line, the total operating cost is divided by the number of people living in that institution. They contribute a small amount and the government, through the taxpayers of the Province, picks up the horrendously large amount. And that is how the interfaith homes function today.

Let me tell the hon. gentleman

MR. HICKEY:

again, I have not talked to the Salvation Army, they have not talked to me about picking up any deficits. I would not entertain such discussion. I do not have money to give away like that. I have talked to the Salvation Army, with, by the way, Mr. Speaker, a great deal of interest, in providing certain services. For example, there is no Harbour Light service in Corner Brook, there is no detox centre in Corner Brook, there is no emergency boarding home in Corner Brook, there is not sufficient licenced boarding homes in Corner Brook. There is a senior citizens' home in Corner Brook and that is why we rejected the initial proposal for another senior citizens' home. We have one there that we must work on and convert into a full-fledged chronic care facility so that it responds to the greatest need in the community, which is levels two and three nursing care. And that is why we had to reject that initial proposal. Where we are now is a number and variety of services that we are talking to the Salvation Army about and we are telling them, and being very frank with them, that we cannot guarantee anything, indeed we cannot even guarantee they would use any part of the building they are talking about even if they acquired it, or even if they came along tomorrow and acquired it.

Finally, Mr. Speaker, and most importantly of all, because this is what the Leader of the Opposition (Mr. Neary) has been centering on, we have no commitment or agreement, nor have we had any discussions about the purchase of the Mamateek Motel by way of giving any guaranteed occupancy for picking up any deficit, or in any way being responsible for it.



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

MR. SPEAKER (Russell): The hon. the Leader of the Opposition, a final supplementary.

MR. NEARY: Could the hon. gentleman inform the House, Mr. Speaker, as a result of his deliberations and his discussions with the Salvation Army, if he has brought this matter before his Cabinet colleagues?

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

MR. HICKEY: Mr. Speaker, I do not mind answering that question. I hesitate just on the basis as to whether or not I am setting a precedent, so I will take that question under advisement. I will simply say this, however; I do very little that I am unsure of, but most things I am fairly sure about when I discuss and meet with delegations throughout the Province. One gets to know one's department when one is there eight or nine years.

MR. NEARY: Mr. Speaker.

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

MR. NEARY: The hon. gentleman did not answer my question, Mr. Speaker. Did the hon. gentleman bring the proposal to his Cabinet colleagues or did he not? A simple yes or no answer.

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

MR. HICKEY: Mr. Speaker, I said I have no problem in answering if it admissable to answer such a question. I hesitate because I am not quite sure whether I would be setting a precedent to stand in my place and talk about what I have taken to Cabinet or what I have not. In the interest of not setting any precedent, and keeping myself

April 6, 1984

Tape No. 763

NM - 3

MR. HICKEY: out of trouble by answering  
wrongly, I will take that under advisement. If it is not  
to set a precedent, I will answer. I have not reason not to.

MR. BARRY: Mr. Speaker.

MR. SPEAKER(Russell): The hon. the member for Mount Scio.

MR. BARRY: I would like to ask the Minister responsible for Energy(Mr. Marshall) whether the case to which he referred, the Ocelot Industries case, has been reviewed in light of the different wording of the National Energy Act, the Act under which the National Energy Board functions, the way that deals differently with hydroelectricity and with oil and gas?

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

MR. MARSHALL: Mr. Speaker, I am glad the hon. gentleman addressed the question because it gives me a chance, in part, to respond to his response to my statement that I was not afforded before. That case has been reviewed, certainly it has been reviewed, and it is deemed to be exactly similar to our intervention before the National Energy Board.

Now, the hon. gentleman can get all bound up in legalistic jargon and all the rest of it, and I know that is his occupation as well as it is mine, but you also have to practical as well and realize the consequences of all of this, and really the consequences of all of this, Mr. Speaker, is that this Province has continued to be denied its rights and we were using this for the purpose of trying to secure these rights to the Upper Churchill contract where now we are getting some \$7 million or \$8 million a year. Through the National Energy Board we were attempting to get ourselves in a position where we could be in a much stronger position than we were before, and instead of that, I mean, the net practical result of all of this is that Quebec is given export licences to export in part power that it has gotten from us, where it is going to derive revenues of between \$500 million and \$1.2 billion

MR. MARSHALL: a year from that. And it is just not fair and the basis is just not fair. I am surprised to hear the hon. gentleman, when he crossed the House, take such a diametric opposite position as he has taken today on the two statements, on the one hand almost championing the position of the Liberals and the members there opposite against this Province trying to get justice and equity from the Upper Churchill, and, on the other hand, exulting in Mr. Chretien's despicable actions yesterday when he was accorded the courtesies of this House.

He wonders about me speaking to him. I went in to speak to him and to welcome him to the House. The hon. gentleman sees nothing wrong with that. He has had some conversion, Mr. Speaker, but he has had a conversion on a downward road.

SOME HON. MEMBERS: Hear, hear!  
MR. BARRY: Mr. Speaker.  
MR. SPEAKER (Russell): The hon. the member for Mount Scio.

MR. BARRY: Mr. Speaker, in light of the decision of the National Energy Board, is the minister saying that there is some form of concerted action or conspiracy between the National Energy Board and the Government of Canada? And in saying that the result is not fair, is the minister questioning the impartiality of the National Energy Board, this quasi-judicial body?

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

MR. MARSHALL: I know the hon. gentleman is paranoid. He was paranoid over the Premier when he was over here and that is why he is over there at the present time. Mr. Speaker, my statement speaks for itself. I recited facts. There was no mention made in that statement of any conspiracy. It was, I thought, a reasoned, rational statement of the reaction of this government to the decision and the reasons why the government deems the decisions to be unfair, and the actions which the government have taken.

Now the hon. gentleman can see flies on the wall all he likes. The fact of the matter is that this Province today is fighting for its life. It is fighting for its life with respect to the offshore resources, with respect to the hydro and with respect to the fishery. The position taken by the hon. gentleman, I mean nobody is infallible except the hon. gentleman. I heard one of the disgraceful comments he made on the National Energy Board decision, about was the case presented properly. I remember it, but I could not say anything about it because he was in the caucus at the time. But on television, just a few months before he crossed over on the offshore case he suggested it was not presented properly. So you could get the impression that he was a better lawyer than Mr. Jim Greene, an eminent lawyer here in this Province, and Dr. Marston. The Premier was not doing things properly, Mr. Speaker, so you got the impression he would be a better Premier than the Premier, and the Minister of Energy (Mr. Marshall) was not doing things properly so he would make a better Minister of Energy.

MR. BARRY: That is right.

DR. COLLINS: Not a lawyer.

MR. MARSHALL: Mr. Speaker, I might be prepared to concede him the latter but I am not going to concede him all of the former.

SOME HON. MEMBERS: Hear, hear!

MR. TULK: Well, at least you admitted to something.

MR. SPEAKER (Russell): The hon. member for Mount Scio.

MR. BARRY: In light of this additional setback and failure on the part of the minister, is the minister now in a position to inform this House whether he is prepared to look at putting a counteroffer to the Province of Quebec with a view to attempting to settle the Upper Churchill contract dispute before the minister risks getting another slap in the face and has to turn around and challenge the authority of the Supreme Court of Canada on the Water Rights Revision Act?

MR. MARSHALL: Mr. Speaker.

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

MR. MARSHALL: Now he exults with the people opposite. He calls it failures, he calls it setbacks. Mr. Speaker, the only failure in life is that you do not try, and this administration will try with every sinew in it to redress the wrongs which we face in Confederation. A large part of it has been cast upon us by the colleagues of the hon. gentlemen there opposite.

MR. SIMMS: Right on.

MR. MARSHALL: It was no setback and it was no failure, Mr. Speaker! We will continue and, eventually, we will get justice and equity from our

MR. MARSHALL:

resources, despite the kowtowing of the hon. gentlemen there opposite whom the hon. member has joined. He tries to say, 'Will we sit down.' Look, the negotiations with the Province of Quebec were initiated by this government and we succeeded in getting into the psyche of the Province of Quebec and the details of our relationship on the Upper Churchill in a way that no other minister had been able to do before.

SOME HON. MEMBERS:

Hear, hear!

MR. MARSHALL:

And, Mr. Speaker, I am not going to jeopardize it by giving the details in the House now because what we want and why we are striving is to see those negotiations continue. But I can tell the hon. gentleman there opposite something, as he sits down exulting with the people who are in Newfoundland but not for Newfoundland, I can tell him something; We will negotiate this and we will negotiate with honour, but we will not capitulate, as I am sure the hon. gentleman would have capitulated when the heat was too hot for him and he scrambled out of the Cabinet, and then for opportunism he scrambled over to the other side of the House.

SOME HON. MEMBERS:

Hear, hear!

MR. NEARY:

Mr. Speaker.

MR. SPEAKER (Russell):

The hon. the Leader of the Opposition.

MR. NEARY:

They should get a little button for the hon. gentleman marked, 'Our Hero' on it, Mr. Speaker.

I want to direct my question to the Minister of Forest Resources and Lands (Mr. Power), Mr. Speaker. The hon. gentleman seems to have caused some alarm and some concern in Grand Falls with statements he

MR. NEARY: made the other day in connection with the Grand Falls paper mill. The hon. gentleman, when speaking on the West Coast, told the people on the West Coast that in a few years the Grand Falls paper mill would be in serious trouble and then left the thing hanging in the air, did not elaborate on it. Now could the hon. gentleman spell out some of the details? What is wrong with the mill? What needs to be done? Has he talked to the company about it? What needs to be done to get new technology in that mill? Do not go out on the West Coast, just because he was invited for a speaking engagement, and make these off-the-cuff statements and then leave everybody hanging in the air. Will the hon. gentleman tell the House what is going to be done about it before it gets in trouble?

MR. SPEAKER (Russell): The hon. the Minister of Forest Resources and Lands.

MR. POWER: Mr. Speaker, let me just say that if there is any confusion it is confusion in the minds of the persons who have not followed the newsprint industry and who seem to pay only momentary notice to it. Certainly the members of the Opposition do not seem to be very well informed or very much aware of what is happening in the forestry industry in this Province. What I have said on the West Coast of this Province is what I have said many times in the Province, that we have an industry in Newfoundland of three parts in newsprint, one being the part in Stephenville, which is extremely modern, has an extremely secure future; the other mill is a mill, I guess,



MR. POWER:

at the other end of the scale in Corner Brook, which badly needs modernization, problems which are immediate, problems which require a fairly large amount of funds to rectify; and somewhere in between those two, the modern mill in Stephenville and the antiquated mill in Corner Brook, somewhere in the middle part of that scale is the mill in Grand Falls, which has and will have a need for modernization for some time to come.

As the modernization problems are rectified in Grand Falls, because the company, Abitibi-Price, has made a commitment -

SOME HON. MEMBERS: Hear, hear!

MR. POWER: - to Canadian newsprint on one hand, a particular commitment to Grand Falls, Stephenville and Newfoundland. They have made that commitment to modernize their plant in Grand Falls. It will take a very fair amount of capital for them to do that. They have made that commitment. The commitment now, I guess, lacks just the cash flow and dollars in order to do the work. What I have said on the West Coast, as I have said many, many times, Mr. Speaker, is that the mill in Grand Falls could be in the same situation as Bowater Corner Brook now is if the company were not to make that decision to modernize the mill. The decision has been made by the company to do the work; they know the work has to be done. They have made a commitment to Newfoundland because they know it is a good place to do business, it is a good place to make profit, it is a good place to produce newsprint and it has a good member for Grand Falls (Mr. Simms) besides. And as soon as cash flows of the Abitibi-Price company are improved to the

MR. POWER: point where they can do the modernization, then I am convinced, as the Premier and I have had negotiations with the senior executive of Abitibi, that the mill will be modernized and that we will have a very long-term, stable operation in Grand Falls, as Abitibi now has in Stephenville.

MR. SPEAKER (Russell): Order, please!

The time for Question Period has expired.

o o o

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

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

MR. NEARY: Mr. Speaker, as Your Honour knows, we keep going to the trouble and the expense and the inconvenience of writing questions, putting them on the Order Paper for hon. gentlemen to answer, Mr. Speaker, and they do not seem to be answering the questions very promptly. Now, I wonder is it within Your Honour's power to direct the administration there opposite to answer the written questions, or can they ignore them? Can they procrastinate? Can they let several hundred questions go unanswered every session, Mr. Speaker? Is this the crowd that are going to give the people of this Province all the information they can, Mr. Speaker, or are they going to continue to cover up and hide the information and keep the information away from the people of this Province?

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

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

MR. MARSHALL: Mr. Speaker, I would say that most of the questions are in the course of being answered;

MR. MARSHALL: a lot of them have been answered already. But a lot of the questions are of the type the hon. gentleman has on the Order Paper today - they only have thirty-eight questions after about twenty days of sitting - the same question he asked the Minister of Finance (Dr. Collins) yesterday, the request that he give the details of the guarantee involving Gerald Ryder and Walter Street. Now, the minister gave it to him yesterday. Mr. Speaker, if he cannot understand it orally he is not going to understand it in writing, but the government will strive to provide as much information as possible. This is the most open government that has ever been in the Province of Newfoundland and we are very responsive with respect to our responsibilities.

MR. SPEAKER (Russell): Order, please!

To that point of order, on three or four occasions now at this point in the proceedings, the hon. the Leader of the Opposition (Mr. Neary) has risen on a point of order to try to find out whether or not the Chair has any authority to force ministers to answer verbal questions. I am sure the hon. the Leader of the Opposition knows the answer to that. It would appear that it is sort of a waste of time of the Legislature. Indeed, it is not a valid point of order.

MR. SPEAKER (Russell): Before calling Orders of the Day, a couple of days ago there was a point of order raised by the hon. Leader of the Opposition (Mr. Neary), I guess when the hon. Minister of Transportation (Mr. Dawe) was answering a question, Subsequently the Chair recognized the hon. member for St. John's North (Mr. Carter), and the hon. Leader made a remark in the form of a question, I guess, "Is this the way it is going to be done now, Mr. Speaker, in this House?"

I have read the transcript and it does not appear to be challenging the authority of the Chair. Certain proceedings which took place that day perhaps were a little unusual. I would like to say that certainly it is the Chair's prerogative to recognize whomever he sees standing first and that is exactly what happened on that day. I would also like to say that certainly the opportunity to ask supplementary questions shall be continued in this House as well.

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

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

MR. NEARY: Mr. Speaker, I believe there is a very grave and serious matter outstanding that the Chair has not dealt with, I wonder if Your Honour could indicate to me when the Chair will be dealing with the most serious unparliamentary language that I have ever heard in this House since I have been here, in my twenty-two years, made by the member for St. John's North (Mr. Carter). Your Honour undertook to check the Hansard and to give a ruling. And, by the way, this point of order was before the one Your Honour just ruled on. So I do not know if Your Honour is still studying the matter, where the member for

MR. NEARY: St. John's North referred to six judges of the Supreme Court -

MR. SIMMS: That was ruled on.

MR. NEARY: It was ruled on? No.

MR. SIMMS: Which one? The McCarthyism one?

MR. NEARY: No, no. The hon. gentleman made a remark, I believe three times he shouted it across the House, that six judges of the Supreme Court were party hacks, And, Mr. Speaker, it has not been ruled on.

Mr. Speaker,

that is one incident that we cannot procrastinate on. That is the most serious example of unparliamentary language that we have ever had in this House. And I would like to know from the Chair when Your Honour intends to deal with that matter?

MR. MARSHALL: Mr. Speaker.

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

MR. MARSHALL: Obviously Your Honour will give whatever response Your Honour feels fit but, you know, that is not an appropriate question to ask the Chair. Your Honour has points of order under advisement and you do not get up and ask hypothetical questions of the Chair of the nature that the hon. gentleman is asking. The Chair does not report to this side of the House or to that side of the House, and he is not here at the direction or the fiat of the hon. gentleman.

MR. SPEAKER: Order, please! I am sure that the hon. gentleman who was in the Chair at the time that point was raised will be dealing with it shortly.

April 6, 1984

Tape No. 768

NM - 3

ORDERS OF THE DAY:

COMMITTEE OF SUPPLY

On motion, that the House  
resolve itself into Committee of the Whole on Supply,  
Mr. Speaker left the Chair.

COMMITTEE OF THE WHOLE

MR. CHAIRMAN (Aylward):

Order, please!

We are discussing Consolidated Fund.

The hon. Leader of the Opposition.

MR. NEARY:

Mr. Chairman, today in the House

when I asked when the government was going to give us answers to questions, the Government House Leader (Mr. Marshall) picked up the Order Paper and read out one question. Well, there are two other questions on that Order Paper that require answers, Mr. Chairman. Why did he pick that one and not pick the other two? Well, let me read the other two questions and then ask the Minister of Finance (Dr. Collins) if he can provide us with the information while we are on this subhead.

MR. SIMMS:

You will get your answers.

MR. NEARY:

'The log for the LFY aircraft (aerial survey plane) dating back to April 6, 1982, showing the following information: The purpose of the flight each time the aircraft went aloft; names of the PC MHAs carried on the aircraft during this time; stopovers made between point of departure and point of destination and reasons for such stopovers; cost of each trip carrying PC MHAs; purpose of trips carrying PC MHAs and cost of individual trips transporting PC MHAs.' Now, the hon. gentleman does not consider that question to be very important.

Now, who was the other question directed to? The other question was directed to the Minister of Transportation (Mr. Dawe) who, the other day in this House, Mr Chairman, I would not say he deliberately misled the House but he misled the House and in so doing attempted to mislead the people of this Province, because the hon. gentleman has chartered aircraft from Labrador Airways.

MR. SIMMS:

He did not say he had not.

MR. NEARY:

He certainly did say that he

had not.

MR. SIMMS:

You said he chartered it to go home.

MR. NEARY:

Yes, that was the purpose of

the exercise, with a few stops in between, to take him home.

That was what the aircraft was chartered for.

AN HON. MEMBER:

Just to make it look good.

MR. NEARY:

Just to make it look good. The

hon. gentleman was on the radio the day before saying that he

had business meetings, with a Navajo aircraft, \$1,600.

Anyway, Mr. Chairman, here is another question. The number of aircraft chartered from Labrador Airways by the minister since April 6, 1982, and the cost of these aircraft;



MR. NEARY: the type of aircraft; the purpose of the charter; stopovers made between point of departure and point of destination and reasons for such stopovers; the number of passengers on board each aircraft; names of passengers carried on each chartered flight; and the destination of the aircraft." Now, Mr. Chairman, the Government House Leader (Mr. Marshall) obviously does not seem to think that these questions are very important. The fact of the matter is, that the misuse and the abuse of the government aircraft continued after they grounded the King Air. When they grounded the King Air and tried to fool us into thinking that government aircraft would be only used in future for emergencies for hospital cases, we find out that just about every Friday the hon. Minister of Transportation (Mr. Dawe) zooms into Stephenville aboard a Labrador Airways Navajo, going home for the weekend.

MR. DOYLE: We are as clean as a hound's tooth.

MR. NEARY: Indeed you are as clean as a hound's tooth. So I ask the Minister of Finance (Dr. Collins), before we pass this subhead, if he could give us that information, Mr. Chairman: Table the log of the LFY. Has the hon. gentleman ever been aboard of the LFY?

MR. DOYLE: What is the LFY?

MR. NEARY: The LFY is the plane that was purchased and paid for by the Government of Canada for aerial photography in the forests.

MR. SIMMS: I believe I was on it once, yes. We were doing some wildlife photography.

MR. NEARY: Oh, you were. Well I wonder if the member for Humber West (Mr. Baird) has ever been aboard it? Or the Minister of Education (Ms Verge)?

MR. SIMMS: 'Steve', we were doing some wildlife photography.

MR. NEARY: Yes, indeed you were. I know the kind of wildlife that was going on.

MR. SIMMS: No, you do not.

MR. NEARY: Mr. Chairman, I do know.

MR. DAWE: Have you asked the members on your own side how often they have been on that particular aircraft?

MR. NEARY: On the LFY and on the chartered flights?

MR. SIMMS: Yes. Check with a couple of them.

MR. DOYLE: There were very legitimate reasons why we were on.

MR. NEARY: Who was on for very legitimate reasons? Mr. Chairman, these aircraft are not for taking the ministers home on weekends, flying ministers out to the West Coast and Central Newfoundland. So the question has to be answered. Mr. Chairman, also I would like to hear the minister elaborate on some of the other companies on the list that he provided the House with a couple of days ago. I would like to find out what these guarantees were given for. In the case of the Bay St. George Seafoods Limited, a \$150,000 guarantee? As far as I can see, that is not the first guarantee they had, it is not the first loan they had from government either directly or indirectly through an agency of government, and I would like to know what the \$150,000 guarantee was for? Blue Ocean Products Limited, \$25,000. What

MR. NEARY: was that guarantee for? And according to the principal and interest that had to be paid by the Province, not one cent of that was paid back. These two especially. We know Ocean Harvesters is for the dragger, Fishery Products, we do not know what that is for, probably operating capital to keep them afloat. The Bay St. George Seafoods Limited and the Newfoundland Food Processors Limited \$150,000, could the hon. gentleman tell us what these three amounts, these three guarantees were for?

MR. CHAIRMAN (Aylward): The hon. member for St. John's North.

MR. CARTER: Mr. Chairman, before getting more detailed answers from the minister I think it would be nice to return to a more general discussion and I would like to do that now. But before doing that, I would like to deal with a matter that was brought to the attention of the House by the Leader of the Opposition (Mr. Neary). I certainly take full responsibility for anything I may say even though I may say it in an unguarded moment when I am out of sorts and angry. On that business of the Supreme Court I did say, in a moment of anger, that the six remaining Justices of the Supreme Court were nothing but Liberal hacks. And I would like to apologize for that because I ought not to have said it. I said it in a moment of blind rage, and anger is a wretched counsellor. The six Justices who make up the present Supreme Court of Canada cannot be called Liberal hacks, even if one believes that in the light of their decision to give away our resources. Neither the Supreme Court of Canada nor the Supreme Court of Newfoundland can be called into question, as the Leader of the Opposition did earlier this week. Our system of government cannot work if those who have no right of direct reply can be personally abused. The Justices of the Supreme Court may all have been Liberal appointments but that is an accident of history. Their personal integrity cannot be called into question. So that perhaps disposed of that, Mr. Chairman.

MR. NEARY: No, it does not.

MR. CARTER: The Chair will be the judge of that. By the way, while I am speaking with the hon. Leader of the Opposition I would like to inform him that I do know the reason he did not get that ride back on the plane - the trash bins were all full. There was not room for any more trash on the plane.

SOME HON. MEMBERS:

Hear, hear!

MR. NEARY:

I noticed you were in there that is why you could not get anybody else on. They had to stuff you in there.

MR. CARTER:

Now to get serious, Mr. Chairman. I have in my pocket here a one cent coin dated 1865. It is a Newfoundland coin. It was the first Newfoundland coin that was issued. There were 240,000 of them issued and this was issued in 1865.

AN HON. MEMBER:

Joey had some of them I suppose.

MR. CARTER:

Probably. Now, the fact that a country issues its own coinage does not by itself argue, it is not an argument that the country was independent.

MR. BARRY:

Now it is debasing it.

MR. CARTER:

Well, the member for Mount Scio (Mr. Barry) says it is debasing its own coinage. I doubt that we did produce, I think, in three or four separate issues of gold coins, two dollar pieces, and, of course, even after Commission of Government we continued to mint our own money, or rather we had it minted. I think the Canadian Mint did the minting for us, but there are in existence some 1946 five cent pieces. They are quite rare, quite valuable, unfortunately, I do not have any. I have seen them. They are a matter of record. So even after our so-called responsible government was given up during Commission of Government, we still continued to mint or have minted our own coinage. That is one fact.

Another fact is that we did operate our own customs and immigration. I am old enough to have travelled between Newfoundland and Canada before we were part of Canada, and I had to have either a passport or a tremendous amount of documentation in order to get through customs going both ways. We did negotiate treaties. I think the members who are more learned than myself can quote the

MR. CARTER: times and the dates and the facts and figures. We did attend Dominion conferences. Now, Mr. Chairman, the Committee hearings are being heard down in the Colonial Building and the Colonial Building has some pictures on the walls and even more in the archives of Dominion conferences that were attended by the then Prime Ministers of Newfoundland, their photographs are included. So again by itself it is perhaps not conclusive, but it is certainly indicative that we were a sovereign independent country. But the most persuasive argument that one can advance is the fact

MR. CARTER: that in 1914 not only did we raise our own regiment, again perhaps not conclusive, but what was conclusive was the fact that we declared war.

Now, a dependent state as far as I know, and I will let the lawyers in this House on either side answer it in more detail, cannot declare war. The independent state, the Dominion of Newfoundland in 1914 declared war on the state of Germany. This is a matter of historical record, there are photographs of the proclamation being read, and I am sure the actual proclamation still exists.

Now, if we were an independent dominion prior to Confederation, then surely we went into Confederation with all our rights and privileges unimpaired. And I would add further, and again I am not a constitutional expert, but the Canada that we entered was not as independent as the Dominion of Newfoundland. The Canada that we entered, Mr. Chairman, had to rely upon the statute of Westminster and BNA Act of 1867 in order to effect any changes. In fact, this was not rectified until the Queen signed over the rights of the British Parliament, I think in 1981 or 1982. So the fact that you had was that an extremely independent and sovereign Dominion of Newfoundland, although with its form of government somewhat reduced, went into partnership or became a province of a lesser Dominion of Canada.

Now, if this does not make our claim to our offshore ownership absolutely airtight I do not know what does. I am surprised and disappointed, like a lot of people, that the Supreme Court of Canada decided to take a narrow interpretation.

MR. CARTER: I think they were mistaken, I think they were wrong. It is not unparliamentary for me to say that, it is not inappropriate for me to say that. I think they were wrong, I think they were misinformed, I think they took too narrow a position, and it is all very, very sad.

Now, all we will likely get unless we can affect a change is a few pipe yards and perhaps a few head offices, nothing more. We will get the slight difference in equalization payments, but anything we get in the form of oil royalties will only be offset against our equalization payments and it would be a long, long time before we get any net gain. I think it is too bad and I think it is shameful and frightening for the Opposition over there to go along with such a rape of our resources, such legalized piracy. I think it is scandalous and they ought to hang their heads in shame. I have that thirty pieces of silver waiting for the hon. the Leader of the Opposition (Mr. Neary) which he may claim at any time, and I will even add another thirty out of my own resources.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: Mr. Chairman.

MR. CHAIRMAN (Aylward): The hon. the Leader of the Opposition.

MR. NEARY: Mr. Chairman, for the reason I mentioned this morning, because the hon. gentleman has no credibility left at all, if he ever indeed had any credibility, we on this side just choose to ignore what the hon. gentleman has to say.

MR. TULK: Such rubbish and filth.

MR. NEARY: Because it is nothing but rubbish and filth and dirt, Tory dirt. As I indicated to the House on a number of occasions



MR. NEARY: there are three Anti-Confederates, three Anti-Canadians over there, three Separatists over there, the Minister of Finance (Dr. Collins), the Minister of Energy (Mr. Marshall) and the hon. gentleman, three Separatists in Newfoundland. No doubt if Mr. Devine had approached these gentlemen he would have gotten all of the funding that he wanted for his Separatist Party, Mr. Speaker.

MR. TULK: And probably did.

MR. NEARY: And probably did as my hon. colleague says, probably did benefit from contributions from the hon. gentlemen.

So, therefore, Mr. Chairman, we have no intention of commenting on these rotten, filthy, low statements that are made by hon. gentlemen there opposite. We intend to deal with the issue. Now, what are the issues in Newfoundland? Now, Mr. Chairman, in order to reduce a very serious deficit in current account for three years in a row, and I do not have to point out the seriousness of that to hon. gentlemen, because where you have a deficit in current account like we have had in this Province three years in a row, then that means that the administration there opposite cannot pay their bills, they cannot pay their ordinary every day housekeeping costs. They cannot pay them. And if we were not a Province of Canada today we would be bankrupt, Mr. Chairman.

But in order to reduce these deficits and try to help the government to balance the budget what is needed, Mr. Chairman, is a change of direction, a change of policy. For four years now that administration has been on a disaster course and as a result of their disaster course they have brought Newfoundland and Labrador, brought the Province

MR. NEARY: to the brink of financial ruin. It would not take very much now to push us here in this Province into financial and economic oblivion, push us over the edge, Mr. Chairman.

But in order to correct that, what we have been saying in this session of the House so far is that the administration have to change their course. You know, if a captain sees his ship headed for the rocks what does he do ?

MR. CARTER: He calls on you.

MR. NEARY: What does he do, Mr. Chairman? The captain is on the bridge, the wheel's man is there, and he is looking out and he can see his ship headed for the rocks does he issue instructions for the wheel's man to change course or does he let her go for the rocks? Well, Mr. Chairman, that is what is happening to this administration.

Sometimes the captain is on the bridge and sometimes he is not. Most of the time he is out of his office, out of Confederation Building, out of the House of Assembly, will use any excuse to get out of his office, will accept an invitation in any part of Newfoundland to speak or to have his picture taken or to shake hands with this group or that group, anything to get out of his office, to get away from thinking about the serious unemployment problems in this Province, anything! That is why I said yesterday, Mr. Chairman, that not only is the hon. gentleman the greediest negotiator that we have ever seen in our whole history, but is also, I would say, rapidly gaining the reputation of the laziest Premier in our history.

Having your picture taken, you do not exert yourself having your picture taken, or having somebody down in your office write a speech for you and you go out

MR. NEARY: and deliver it. There is not very much work in that. You do not require six or seven holidays a year in the sunshine to recoup from that kind of exertion.

MR. CARTER: Tell us how hard Joey worked.

MR. NEARY: Joey worked eighteen hours a day and worked pretty hard and had an open-door policy. When you came to see Joey you could get into his office. That is more than you can say about the Premier and the ministers there opposite. You cannot get to see them. They run a closed-door policy. They have carpet outside of their door that will last forever because nobody ever uses it.

But, Mr. Chairman, the problems confronting the Newfoundland people are horrendous; record unemployment, especially amongst young people. We have now the expanded high school system, we are building a new College of Fisheries, we have the College of Trades and Technology, the sixteen vocational schools, the university. We are training young people, we are saying to them stay in school and get yourself a good education if you want to get a job today.

And one of the most heartbreaking experiences that members of this House are having are letters from young people anywhere from eighteen to twenty-five, twenty-six, twenty-seven years of age saying,

MR. NEARY: I did what you told me, I got my certificates and I got my training and I got my skills and I am qualified, so where are the jobs? Almost 50 per cent of the unemployed in this Province are between the ages of sixteen and twenty-five.

MR. REID: Sure the LIP programmes are not able to hire them.

MR. NEARY: I beg your pardon?

MR. REID: The LIP programmes will not hire them, a federal programme.

MR. NEARY: Mr. Chairman, the hon. gentleman has not got enough government contracts to hire them yet. And if the hon. gentleman had the government contracts he would only hire PCs anyway, Mr. Chairman. And you have not got a chance. The hon. gentleman should go out and pedal his contracts, look after his little PC buddies over there. Mr. Chairman, and the tragic part of it is that in order to get a -

MR. REID: (Inaudible)

MR. CHAIRMAN (Aylward): Order, please!

MR. REID: The federal government will not hire them.

MR. NEARY: Mr. Chairman, this morning Your Honour ruled that we have a right to be heard in silence.

MR. CHAIRMAN: Order, please!

MR. NEARY: The tragic part of it is this, that young people cannot get jobs with the government. It is not what you know, it is who you know if you want to get a job. Mr. Chairman, if you want to get a job as Chief Finance Agent down at the Workers' Compensation Board you have to be the brother of the Premier. That is what you have to be. The hon. gentleman should hang his head in shame, Mr. Chairman. It is not what you know, it is who you know on that side of the House that will get you a job. That is

MR. NEARY: solving the unemployment problem.

DR. COLLINS: A point of order, Mr. Chairman.

MR. CHAIRMAN (Aylward): A point of order the hon. the Minister of Finance.

DR. COLLINS: Mr. Chairman, the hon. the Leader of the Opposition (Mr. Neary) is up to his old tricks now. He is making innuendo and so on and so forth, he is suggesting that there has been a position filled at the Workers' Compensation Board and that was improper. Now, Mr. Chairman, everyone in this House knows, and I think everyone in the Province knows that when this administration came in, and when the previous administration was here, they very strongly supported the Public Service Commission which is a body that does the hiring, does the interviewing and makes the recommendations as to the filling of positions other than temporary positions. So what the hon. the Leader of the Opposition is doing there now is making an innuendo which has got absolutely no foundation, not even a suspicion of a foundation in fact, and what he is doing is he is harping back to what used to happen in the Smallwood administration, this is where there was no Public Service Commission and things happened just as the Leader of the Opposition said.

MR. NEARY: To that point of order, Mr. Chairman.

MR. CHAIRMAN: To that point of order, the hon. the Leader of the Opposition.

MR. NEARY: Mr. Chairman, let me see if I correctly understand what the hon. gentleman is saying. Is he saying that the Premier's brother is not ensconced in a high position at the Workers' Compensation Board? Is that what he is saying?

DR. COLLINS: No.

MR. NEARY: He is not saying that?

DR. COLLINS: No.

MR. NEARY: No, because he cannot say it.

He cannot deny it, Mr. Chairman. And they can set up all phoney consulting firms they like to look at these positions, but the fact of the matter is, Mr. Chairman, that nobody else had a chance to get a crack at that very high position, high paying position, on the Workers' Compensation Board.

MR. CHAIRMAN (Aylward): Order, please! Order, please!

To that point of order I rule there is a difference of opinion between two hon. members.

The hon. the Leader of the Opposition.

MR. NEARY: Mr. Chairman, so what I am saying is this, that young people who are qualified do not have a chance of getting on the payroll of the government.

MR. CHAIRMAN: Order, please!

The hon. the member's time has elapsed.

DR. COLLINS: Mr. Chairman.

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

DR. COLLINS: Mr. Chairman, I think that was vintage Leader of the Opposition. You know, innuendo, speaking of people who are not in this House, who have no opportunity to defend themselves, speaking of people who have a record of high performance in the public service, who have had years in the public service, who have gone through the normal processes in terms of their promotion activities and so on and so forth. And the Leader of the Opposition (Mr. Neary)

DR. COLLINS: does not come out and make an accusation. I think the hon. members of the Committee will note that. There is no accusation, there are no facts laid out, it is all innuendo: 'Did this happen?' 'What do you think of that?' 'How about So-and-So?', all innuendo. Mr. Chairman, I am not going to dwell on it, it is so foolish!

But the other innuendo I would bring out is this business about travelling on government aircraft. The hon. the Leader of the Opposition (Mr. Neary) is suggesting there is something improper there. You will notice again, he did not come out and specify, it is all suggestion that there is something improper, no facts, no details, no evidence of any impropriety, all just suggestion, questions, innuendo.

Now, Mr. Chairman, one of the servants of this House whose job it is to look into things where there might be impropriety, of course, is the Auditor General. The Auditor General lauded the Department of Transportation in his last report. There was no evidence to fit in with what the hon. the Leader of the Opposition said. He gave the Department of Transportation, to all intents and purposes, a clean bill of health.

It is rather ironic, Mr. Chairman, especially around this time when the Leader of the Opposition brings up this innuendo about the improper use of government aircraft. It is very ironic that this should come up now, when I heard the other day about certain federal Liberal ministers who said, 'Sure, I am politicking. I am making no bones about it and I am going to do it in barefaced fashion.' You know, 'I have

DR. COLLINS: the privileges that are given to me for government purposes, obviously. Sure, I am going to fly to Halifax to a political meeting and I am going to do it in barefaced fashion.' You know, it is very ironic that the hon. the Leader of the Opposition (Mr. Neary), who supports these gentlemen who barefacedly come out and make statements like that, who admit it in public and seem to do it proudly - you know, that the Canadian people are ripe for the plucking - 'This is my right, I will pluck the Canadian taxpayer just because I have the opportunity to do so.' And it is very ironic that the hon. the Leader of the Opposition should bring this in here where he shows no evidence and he does not make any comment whether his evidence is applicable what is going on with regard to the people that he himself supports.

MR. NEARY: On a point of order, Mr. Chairman.

MR. CHAIRMAN (Aylward): Order, please!

On a point of order, the hon. the Leader of the Opposition.

MR. NEARY: Mr. Chairman, it is probably better late than never, but I believe one of the rules of this House is that you are not allowed to have objects displayed on your desk, not like in school. The yellow flowers which are typical of the colour of the hon. gentlemen there opposite are putting the hon. the member for St. John's North (Mr. Carter) asleep. They are putting him asleep, Mr. Chairman.

SOME HON. MEMBERS: Oh, oh!

MR. CHAIRMAN: Order, please! Order, please!

The point of order raised by the hon. the Leader of the Opposition is correct. Members are not permitted to display objects on their desks within the House.



MR. CHAIRMAN (Aylward): The hon. the member for St. John's North (Mr. Carter) and the hon. the member for Mount Scio (Mr. Barry) who is not here right now - I would ask one of the Pages to remove the exhibits from the desks.

The hon. the Minister of Finance.

DR. COLLINS: Mr. Chairman, again it is rather ironic that the hon. the Leader of the Opposition himself (Mr. Neary) complained the other day that he was out on the West Coast of the Province and he tried to weasel his way on to an aircraft and he claims he was refused. Now, there is even doubt about that, whether he was refused or not, but it is ironic that he was actually complaining that he could not do what he is accusing certain ministers of doing. If they do it, it is impropriety but if he tries to do it and does not get it, it is an outrage! I mean, it is so ridiculous!

DR. COLLINS: I would just like to respond to that anti-Confederate thing too, because I watched that news on TV this morning, that printed news there, and the hon. member for the Strait of Belle Isle (Mr. Roberts) was quoted as saying, "The Finance Minister Collins in Newfoundland has made recent anti-Confederate speeches, and the Premier of the Province is not asking him to tone down his rhetoric." Now, Mr. Speaker, I would like to respond to that.

Firstly, I have not made any recent speeches in that vein that I am aware of. Secondly, I did make a speech to a service club sometime ago when I laid out my views on our Confederation situation. These were not anti-Confederate views. I said that the Terms of Union were terribly deficient and defective and I stand by that, and that is not an anti-Confederate statement. It is an anti-Liberal statement if anything. Because, of course, our Terms of Union were negotiated in a very defective way, which was typical of him, by the so-called Living Father of Confederation, the former Liberal Premier of this Province.

The Terms of Union are so shortsighted. As long as there were some bucks up front you know it did not matter about the rest. And we have been trying valiantly to correct those terrible Terms of Union ever since. We want to have strong Terms of Union so that our contract with Confederation is made stronger, we do not want defective Terms of Union. But that was typical of the Liberal approach, as long as they had a few bucks up front they paid no attention to the rest.

Now I think that you might say, "Well, they must have been stupid, were they not?" It could be stupidity. I prefer to think it was not stupidity.

DR. COLLINS: I prefer to think it was abject naiveté. They thought if they got a few bucks up front they could always go cap in hand and get a few more bucks.

And, of course, we did not only see it with the Terms of Union, we saw the abject naiveté over the Upper Churchill contract. We saw the abject naiveté over giving away our fisheries. We saw the abject naiveté of not ensuring that our Dominion status, Continental Shelf rights were clearly and in a written fashion preserved in the Terms of Union. We even saw it in the Term 29 which, I suppose, will ever be associated with the former Liberal Premier of this Province's name, Term 29.

It was an amount of money that totally ignored the purpose for what it was going to be needed for in the future.

MR. MARSHALL: \$8 million.

DR. COLLINS: \$8 million, no reopener clause, no escalation clause. As long as there were a few bucks up front that is all, you know, no thought of the future and what is to flow therefrom.

I mean, this is totally the Liberal way of thinking, total naiveté. If the Liberal Party were running the Province at the present time, they are so naive that we would have probably an agreement on our offshore worse than Nova Scotia and the thought would be, oh, the party in power in Ottawa will always correct any fault, will always do right by us. They are so naive they are incapable of putting in place an agreement that has some lasting vitality and lasting validity.

DR. COLLINS:

Now, Mr. Chairman, just let me make another non-controversial statement in regard to the deficit. And I do not do this in any pejorative term in terms of our sister province, but I would like to refer to the budgets of Nova Scotia. In 1982/83 the budget of Nova Scotia had a deficit on current account of \$249 million which was 11.2 per cent of their total expenditure budget. That same year this Province had a deficit on current account of \$47.6 million which was 3.1 per cent of its total expenditure budget. 11.2 in the case of Nova Scotia, 3.1 per cent here.

In 1983/84 the figures were much the same. In Nova Scotia 9.7 per cent of their total expenditure budget was a deficit situation, here 3.9 per cent.

Now one one likes a deficit, least of all a minister of finance. But our record, given our straited circumstances, our difficult situation in this Province because of our narrow economic base and so on, has been good management. Our situation is improving and what the hon. Leader of the Opposition (Mr. Neary) is saying, that everything is gone, the future is bleak, our whole economy is going to collapse and so on, these are all wolves crying in the wilderness. You have to ignore them. You have to see them for what they are. They are putting the blackest aspects on the picture, they have no sense of reality, because you have to compare one situation with other situations to get a feel for reality, but, of course, the Leader of the Opposition does not deal in reality, he just deals in innuendo, jargon, and just off-the-cuff partisan remarks.

MR. CHAIRMAN (Aylward):

Order, please!

has elapsed.

The hon. minister's time

MR. WARREN:

Mr. Chairman.

MR. CHAIRMAN:

Torngat Mountains.

The hon. the member for

MR. WARREN:

Mr. Chairman, I did not intend getting into this debate, however, after the Question Period we had today I am forced to get into it because I do not think the Minister of Municipal Affairs (Mr. Newhook) was laying the facts on the table as they pertained to the water and sewerage projects throughout this Province.

Mr. Chairman, I believe it is downright - I do not know if this is parliamentary or not, but this government is practically stealing, or practically taking - if it is unparliamentary I will withdraw it, Mr. Chairman - federal monies which are allotted for Native communities within this Province. And I would venture to say that the \$170,000 that the council in Nain is obligated to pay back to Municipal Affairs each year is really used for other projects throughout the Province. This government is deliberately using the Native people's money, money that is for services in Northern Labrador and in Conne River, for administrative purposes, and using it for anything but what it was intended for. The only way that the council in Nain could get a water and sewerage project approved by this government was if they would give this government and this minister a guarantee that phase one, they would pay back \$170,000 out of the Native people's money, and phase two, they would pay back \$200,000. Now, phase three, which the minister's department has tendered, they are asking the federal

MR. WARREN: government to make sure that the monies come directly to Municipal Affairs from the Native people's agreement. To me that is blatantly putting your hand into the cookie jar. And this is what this government is doing time and time again. I have asked the Minister of Rural, Agricultural and Northern Development (Mr. Goudie) to lay on the table of this House the package -

MR. PATTERSON: (inaudible).

MR. WARREN: I beg the pardon of the member for Placentia (Mr. Patterson). In due course he may not be in this House, when the next election is called. So I would suggest that he should keep quiet and try to look after his constituents, because I understand they are really up in arms about him.

However, he disrupted my train of thought, Mr. Chairman.

MR. PATTERSON: Good!

MR. WARREN: I have asked the Minister of Rural, Agricultural and Northern Development to lay on the table the number of dollars of the federal/provincial Native agreement that his department alone is using which do not go into the Native communities. He will not do it. Now I will ask the Minister of Municipal Affairs (Mrs. Newhook) if she will lay on the table of the House the number of dollars that is going through her department and is used in the Native communities. Why is it a town such as Spaniard's Bay, for example, or Harbour Grace, or any other towns throughout the Province do not have to go over and above their tax base? The tax base in Nain is only \$60,000, Madam Minister, it is not \$176,000. So why is it? I think it is very unfair.

MR. WARREN:

We heard in the House yesterday that there are homes up there not fit to live in. The Minister of Health (Mr. House) will not even carry out an inspection on government owned homes, saying he said

MR. WARREN: it infringes on people's rights. I think it is infringing on people's rights to be allowed to live in government homes that are not fit to live in. Just because they are way up in Nain to hell with them, the minister says. This is his attitude.

In St. John's, once the Community Services Group led by Peggy Rowe or Penney Rowe whatever the case may be.

MR. SIMMS: What is in a name?

MR. WARREN: Well, what is the difference? There are two Ps anyhow, so what difference?

MR. SIMMS: Two Ps in Peggy?

MR. WARREN: Mr. Chairman, all of a sudden, because the Community Services showed that there was need in St. John's, action was taken. Are these necessary or unnecessary? I would say it is necessary to get it into the num skulls of members opposite. They do not realize that we cannot in this Province treat people differently. People should be treated equally. Madam minister, do not go carrying out your obligations throughout this Province to other municipalities on the backs of the federal/provincial monies. This is exactly what is happening with the money that is coming in from the federal government, and this is the same government that does not like Ottawa. This is the same government that says Ottawa does not do anything for them.

DR. COLLINS: Are you presenting a one-sided view of this?

MR. WARREN: I would venture to say that the hon. Minister of Finance (Dr. Collins) will have his say, and I am sure he will get up and say something else. But I am just giving the facts. At least I will lay the facts



MR. WARREN: on the table. Let us face it now, this is money that is solely used for the Native people. I will ask the minister again before I sit down to tell us why it is that the \$170,000 that came out last year or the \$200,000 that have come out this year is needed to repay the loan in such fast pace as compared to, say, Cartwright, or North West River, for that matter, in the hon. Minister of Rural, Agriculture and Northern Development's (Mr. Goudie) district, In North West River, what number of dollars that town has to pay back? And I am afraid the minister will come back and concoct some excuse. She will say that because it is federal money it is supposed to be used for water and sewerage. But, Madam Minister (Mrs. Newhook), there are other essential things that have to be done first. The people up there need a decent roof over their heads. There is a school needed.

I understand that out in Conception Bay South there are people almost in closets trying to learn. It is the same thing in Nain, Mr. Chairman. There are people in hallways with blankets used as walls in order for people to try to learn. The needs are there. There is no need of the minister using such an excuse

Mr. Chairman, another thing that I am quite concerned over with the Department of Municipal Affairs, is it saying to the towns throughout Newfoundland and Labrador - she may not have said it right out, but she means it - raise your taxes. The only way you are going to survive is raise your taxes because we are not going to give you as much as we gave you last year. The minister has the responsibility of 300 towns throughout the Province and her responsibility is to make sure -

April 6, 1984

Tape 778

PK - 3

MR. TULK:

Which minister?

MR. WARREN:

The Minister of Municipal Affairs

(Mrs. Newhook).

MR. TULK:

She is half decent. It is the

Cabinet doing it.

MR. WARREN:

I think she is too. But it is unfortunate that I have to make this attack on the hon. minister at this time. But I think it is unfair and an injustice has been done. I hope now when I sit down, Mr. Chairman, that the hon. minister will get up and explain to the House exactly how her grants and loan guarantees are working in Nain compared to some other towns throughout this Province.

So with these few words, Mr.

Chairman, I am going to take my seat and I am sure that one of my colleagues will say something if the hon. members on the other side do not.

MR. CHAIRMAN (Aylward): The hon. Minister of  
Municipal Affairs.

SOME HON. MEMBERS: Hear, hear!

MRS. NEWHOOK: I am just going to take a few minutes, Mr. Chairman, to respond to my hon. colleague over there. I have a commitment now, in a few minutes, but I will stay for this, though. I would like to point out that in Nain we have spent over the past two years \$2 million in water and sewer and I understand that there probably might be another phase this year. Our provincial government has to come up with guaranteed funds to provide that money for water and sewer in Nain. And the fact that we are asking that \$170,000 be paid towards the interest and the principal on that funding I do not think is unreasonable. If North West River were receiving fundings from Ottawa they would be required to pay more towards their water and sewer. And I do not know of any municipality in our Province who would not get down on bended knee to have Ottawa pay off their water and sewer debt, or at least just pay the interest toward it. Now we do not know how long that Native Funding Agreement is going to be in place and the fact that it is going to cost maybe \$3 million - I forget now just how much the whole system in Nain will cost - does mean that the Province is going to have to pick up the payments on that debt, that we are going to have to subsidize Nain. I feel quite sure that the only thing the council of Nain is concerned about now is that they will not get continued phases of their water and sewer system, and for us to go on until it is completed.

MR. WARREN: That is up to you.

MRS NEWHOOK: If the payment were not coming from the Native People's Funding, well then the town council of Nain would be required to pay their share towards the water and sewer debt the same as any other municipality in the Province.

SOME HON. MEMBERS: Oh, oh!

MR. CHAIRMAN (Aylward): Order, please!

MRS NEWHOOK: So I feel that the municipality of Nain are quite happy with the arrangements that are now in place.

MR. WARREN: They are not happy with the agreement.

MRS NEWHOOK: Well, from what I hear and from talking with the council the only concerns that they expressed to me is the fear that maybe the water and sewer system might not be extended as quickly as they would like to see it go ahead.

MR. WARREN: Have you assured them of the completion of the job yet?

MRS NEWHOOK: Well, we have more or less assured the community of Nain that to the best of our fiscal ability we will continue that project. So I think these few remarks—and my colleague here he wishes to have something to say — cover the issue. Any other questions that come up, I will be glad to answer.

MR. CHAIRMAN: The hon. member for Mount Scio.

MR. TULK: I am some glad you got up, 'Leo.'

MR. BARRY: Mr. Chairman, I would like to ask the Minister of Finance (Dr. Collins) whether in view of the statement that we received today from the

MR. BARRY: Minister responsible for Energy (Mr. Marshall), in view of the position taken by that minister, that the National Energy Board should have taken into consideration Newfoundland's position that there should be a transmission line constructed from the Upper Churchill to the Island of Newfoundland and that energy now flowing from the Upper Churchill to Quebec, which presumably is assisting Quebec in making exports to the United States, that that energy should be refused export licenses until the Province of Newfoundland has had the opportunity of meeting its needs from such energy. Now I would like to ask the minister and have him comment on whether his department has had the opportunity of participating in any studies, in any approaches to the financial community with the Minister responsible for Energy, with Newfoundland Hydro, to establish the financial viability of constructing such a transmission line?

MR. BARRY: I wonder if the minister is in receipt of any updated load growth studies for the Island? I wonder if the minister is in a position to tell the House what additional load growth will be required, if any, to justify financing of such a transmission line? Would the normal load growth with the closedown of the Holyrood generating plants, would that permit the financing of a hydro transmission line from the Upper Churchill to the Island if it were assumed that power, energy was available from the Upper Churchill at a reasonable price? And I would like to know just what price we would have to obtain that power for. Would it have to be at the rate that it is now being sold to the Province of Quebec? In other words, what factors must be put in place, if any, in order for this Province to be able to satisfy the financial community that it is financially viable to construct a transmission line from the Upper Churchill to the Island of Newfoundland? We will have the opportunity putting the same question to the Minister for Energy (Mr. Marshall) if that has to be the case, but I would like to know if the minister has any information and whether his department participated in supplying any information to establish to the National Energy Board that if in fact energy were made available at the Upper Churchill, that a transmission line could in fact be financed? In other words, were we able to show the National Energy Board that such a transmission line is viable today provided and on the assumption that hydroelectricity is made available from the Upper Churchill? Were we able to do that or did we merely go to the National Energy Board with vague generalities about the possible need for power in Newfoundland - both in Labrador and on the Island - at some vague future time? To what extent did we precisely put before the National Energy Board our position with

MR. BARRY: respect to the construction of such a transmission line? Do we have the updated figures from the last studies done by Newfoundland and Labrador Hydro to establish what the cost of such a line would be? Presumably that is one thing which the business community, the financiers, would require to see in order to be prepared to fund the construction of such a line. Are we in a position to say, if construction were to start this year, for example, what the cost of such a line would be?

So could the minister tell us a little bit about the information that he has and the information which his department supplied to the National Energy Board along these lines?

MR. CHAIRMAN (Aylward): The hon. Minister of Transportation.

MR. DAWE: Mr. Chairman, I am glad the member for LaPoile (Mr. Neary) is in his seat. I would just like to make a few comments. I think it is important that they be made. The Minister of Finance (Dr. Collins) was correct, of course, in what he said, in his remarks, about what the member for LaPoile indicated, that he is full of innuendo and suggestiveness without any basis in fact. But I think it is important, Mr. Chairman, to realize the concept and the context that aircraft are used in this Province by various government agencies and by ministers. Since the member referred specifically to the various MHAs on this side of the House and also the various ministers,

MR. DAWE: I think it is perhaps as well to try and give a little bit of historic background on how aircraft have been used and the kinds of controls that have been placed on the use of aircrafts by various departmental officials and by ministers. Mr. Chairman, as was indicated, we have addressed concerns that the Auditor General had in place. We were not completely convinced that perhaps what the Auditor General was saying would improve the situation all that much, but we went along with it and were so justly complimented by the Auditor General in his report of last year as it relates to the controls on the use of aircraft.

We have also taken an additional step this year, Mr. Chairman, by which we have made the accountability of the use of various aspects of government aircraft, whether they be the contract agreements with helicopters, the chartering of fixed wing, the chartering of helicopters, and the use of government owned aircraft, we have assigned responsibility in the financial matter of the use of this particular government programme to each department now. So instead of their block funding occurring in the Department of Transportation, each line department is responsible for its own expenditure and its own controls as it relates to the use of aircraft.

Mr. Chairman, this Province is a very large one, it is spread over a large geographic area. In response to the member for Bellevue (Mr. Callan) yesterday in a petition that he presented to this House, we talked about the problems of bringing government services



MR. DAWE: in the sense of road networks to the people of this Province, adequate road networks. We also have a very large responsibility to the people of this Province to bring all forms of government to them. Because of the geography, the only way to do this, Mr. Chairman, effectively, the only way that government business can be carried on in large parts of this Province, what with the kind of scheduling that the member for LaPoile (Mr. Neary) was subjected to by commercial airlines, where I understand he had to go from Stephenville, Halifax, back to St. John's, that kind of irregularity, that kind of inconsistent scheduling, the kind that we should not be subject to by any scheduled airline in this Province is there, Mr. Chairman. It is the kind of a thing that you have to try and work around. So there are times, because of circumstance, where ministers, where various government officials have to use all forms of air travel, whether they be helicopters, whether they fixed wing charters, or the use of government owned aircraft in order to carry on government business. It is a discretionary use of expenditure that is assigned to various people in government. It is the same kind of discretion that is used in various other aspects of government activity where an individual is assigned a responsibility and has the discretionary power to use a variety of modes of transportation.

Mr. Chairman, I can remember the same privileges that are assigned to Ministers of the Crown are also assigned to the Leader of the Opposition, Mr. Chairman, when the government aircraft G and L was in service and was being used not only as an air ambulance, which was its primary use and is now its sole use, it was

April 6, 1984

Tape No. 781

NM - 3

MR. DAWE: also used from time to time for government business by senior officials, by Ministers of the Crown, and also by the Leader of the Opposition (Mr. Neary).

MR. NEARY: Not me, Not this Leader.

MR. DAWE: Mr. Chairman, the former Leader of the Opposition used the aircraft on a number of occasions, A couple that I think of off hand where he booked the aircraft to take him to St. Anthony,

MR. DAWE: the reason being that he felt that he was on government business, so he booked the aircraft to go to St. Anthony and took along with him the member for the Strait of Belle Isle (Mr. Roberts), St. Anthony being in his constituency. You know, there was no reason for me to suspect, Mr. Chairman - and I do not have the kind of butter mentality probably that is displayed by the member for LaPoile (Mr. Neary) - there was no reason for me to suspect that for some reason or other that plane might have been seconded to take the member for the Strait of Belle Isle to his constituency for the weekend. There have been a number of occasions when the member for Port au Port (Mr. Hodder) has taken advantage of travelling on government business when ministers had the aircraft assigned to go to Western Newfoundland where he -

MR. HODDER: On a point of order, Mr. Chairman.

MR. CHAIRMAN (Aylward): On a point of order, the hon. the member for Port au Port.

MR. SIMMS: Never had a ride on the government plane?

MR. HODDER: Mr. Chairman, I cannot remember. It would have to go back to Frank Moores' day the last time that I was on a government plane. The minister is making the statement, but I have not been on any plane since the government aircraft was down and not a year before that.

DR. COLLINS: To that point of order, Mr. Chairman.

MR. CHAIRMAN: To that point of order, the hon. the Minister of Finance.

DR. COLLINS: Mr. Chairman, the hon. the House Leader opposite (Mr. Hodder) rose on a spurious

DR. COLLINS: point of order there. He wanted to make an interjection. He wanted to give his interpretation of the facts. Well, if he wants to do that, he has opportunities to rise and speak in his turn. He should not rise on spurious points of order to interrupt the hon. minister is continuing his remarks.

MR. CHAIRMAN (Aylward): Order, please!

To that point of order, I rule there is no point of order. The hon. the member for Port au Port (Mr. Hodder) took the opportunity to clarify statements that were attributed to him.

MR. HODDER: A further point of order, Mr. Chairman.

MR. CHAIRMAN: On a point of order, the hon. the member for Port au Port.

MR. HODDER: Something that I neglected to say is that I was offered a ride by two Cabinet ministers and refused them, Mr. Chairman.

MR. NEARY: Hear, hear! Well done yourself!

MR. CHAIRMAN: There is no point of order.

The hon. the Minister of Transportation.

MR. DAWE: Mr. Chairman,

I was merely outling the situation and there is really no reason for the member to become testy and upset about the fact that he is included in this whole thing. For anyone, Mr. Chairman, to suggest in this House that perhaps a minister or a senior government official or someone would authorize the use of government aircraft, whether it is its own aircraft or whether it is the use of charter, for their own personal use is about as - well, if I might use just sort of an extreme example - it is about as silly as someone chartering a government helicopter to go skinnydipping in Labrador! I mean, it is just not worthy

MR. DAWE: of even commenting on, Mr. Chairman. And that is the kind of a thing that the member for LaPoile (Mr. Neary) refers to. He makes innuendo and suggestions and there is no basis in fact. We are very proud of the fact that we have refined the use of and the controls on government aircraft as well as many other areas of government activity but, Mr. Chairman, we can only refine them in the light of carrying out our mandate to provide government service to the residents of this Province, and if it requires the chartering of aircraft to carry out that mandate, then we are doing it under the context and the guidelines set out by the Legislature, by the Orders-in-Council and by guidelines that we were helped along with by the Auditor General.

There is no impropriety that I am aware of, no abuse of government air services by any members on this side of the House nor any members on the other side of the House. And not wishing to paint it in any derogatory way but just as an example, Mr. Chairman, as was indicated, MHAs from this side of the House, if an aircraft is going into their constituency on other government business, then from time to time they do accompany the minister or the senior government official who is going on that business and members of the Opposition have done the same thing. I understand from time to time, and I am not aware of the specifics, but from time to time, the member representing a very large geographic area in Labrador, the member for Torngat Mountains (Mr. Warren) has taken advantage, where there was space available, of using government chartered aircraft on the coast of Labrador or back from there.

I understand the former Speaker, when he was in the Chair,

April 6, 1984

Tape 782

EC - 4

MR. DAWE:                   made some arrangements along  
those lines where the member for Torngat Mountains  
(Mr. Warren) could take advantage of that, and rightly

MR. DAWE: so, Mr. Chairman.

When the aircraft is travelling on government business and there is a seat available, there is nothing wrong with that. We have to charter aircrafts, we have to use government Air Services in this Province because of our geography.

MR. CHAIRMAN (Aylward): Order, please!

The hon. the Minister's time has elapsed.

MR. DAWE: Oh, that is a pity, Mr. Chairman.

Thank you.

MR. TULK: Mr. Chairman.

MR. CHAIRMAN: The hon. the member for Fogo.

MR. TULK: Mr. Chairman, yesterday evening

in the debate in the House on Consolidated Revenue, the Leader of the Opposition (Mr. Neary) and myself were asking the Minister of Finance (Dr. Collins) a number of questions - if I can get his attention now, Mr. Chairman.

DR. COLLINS: I hear you.

MR. TULK: You heard?

DR. COLLINS: Yes.

MR. TULK: Good. I hope you understand.

We asked the Minister of Finance a number of questions on some fishing companies in this Province that had received guaranteed loans from the government and defaulted on their payments, and we happened to take one particular fish company, which we wanted to use to illustrate our point, by the name of Cape Pine Fisheries Limited. The report submitted to the House by the Finance Minister showed that the principal amount that had been guaranteed was

MR. TULK: \$1,275,000 and what it had cost the government to this point was \$17,659.04, because those people have not made their payments. We then proceeded to ask the Minister of Finance (Dr. Collins) if indeed that was the total amount of loans, guaranteed loans or grants that had been given to Cape Pine Fisheries Limited, using that one as an example. The minister got kind of nasty after we asked the question three or four times, because we suspected that that was not the case, that there had been more funds either guaranteed or given to that company or loaned to that company by the government, and when we proceeded to question him again the Minister of Finance got kind of nasty, wondered if we could add, wondered if we could put figures together, wondered if indeed he had to put all those things into baby talk and, in usual nasty way, tried to point out that indeed there was no basis for us asking the question. Yet last Fall, and I know it had to be sometime last Fall because there is also in this statement that was given by the Minister of Fisheries (Mr. Morgan) in this House, there is also a statement there about Fogo Island Co-op receiving \$700,000, so that establishes for me that it was some time last Fall. Although there is no date on it, the Minister of Fisheries gave a list of loans and guaranteed loans and grants that had been given to fish companies in the Province. The Minister of Finance will recall that the question asked to him specifically by the Leader of the Opposition (Mr. Neary) and myself was: Is that all, is that the total amount of the loan guarantees, of the loans and of the grants that were given to Cape Pine Fisheries? And, as I said, in his usual, nasty, buttoned-down mind way, without thinking, without getting the information, the minister stood in his place and said, 'Well, if I can put it in baby talk, yes, that is the total amount. I have given you everything that there is to give you.'



MR. TULK: Now what did we find the Minister of Fisheries (Mr. Morgan) saying last Fall in his statement to this House with regards to the amount of money that had been given to the fish companies? The amount given to Cape Pine Fisheries - \$2,825,000. That was a statement given in this House by the Minister of Fisheries yet the Minister of Finance (Dr. Collins) said yesterday evening that the total amount was \$1,275,000 plus \$200,00, I think he said, for operating capital, which really is \$1,475,000. Now that leaves a difference of about \$1.5 million in what the Minister of Fisheries said had been given or loaned - no, it is loans, total loans says the Minister of Fisheries - loans of \$2,825,000. Now the minister owes the House an explanation as to why the financial affairs of this government, the keeping and the recording and the looking after of the financial affairs of this government is in such a mess that the Minister of Fisheries will stand in this House and say one thing and the Minister of Finance will come in in a sarcastic manner and say something different. So would the Finance Minister now please clear up, once and for all, is \$1.275 million the total amount that was given to Cape Pine Fisheries or is there more -

MR. NEARY: Or the banks or the guarantees.

MR. TULK: - or the banks or the guarantees, loans, the amount of financing that was made available either in loans - and that was the question - guaranteed loans or in grants? Will he also, when he gets on his feet, in relation to that same question, answer a question on the Bay St. George Seafoods Limited? I understand from the member for Port au Port (Mr. Hodder) that that company has gone bankrupt owing the government \$72,000.

DR. COLLINS: What Company?

MR. TULK: The Bay St. George Seafoods Limited. I understand that that company went bankrupt and

MR. TULK: that the government paid out \$73,000 on a loan of \$72,000 in principal. The principal amount was \$72,000; it cost the government in principal payments and interest payments \$73,691. Did the government recover, if that company indeed went bankrupt, any of those funds or are those funds lost to this Province forever? And are there any other companies like that?

MR. NEARY: Or any of the assets.

MR. TULK: Yes, did they get any of the assets? Did they have any control at all, did they get anything out of that company or is that \$73,000 that we will never recover in this Province? And will he answer the question, the same kind of question in relation to the other fish companies on his list? Which of those companies does he see, as we asked him yesterday evening, that will recover, or are there companies that will not recover to pay back those funds? And can we assume that the Province is out those many dollars?

MR. CHAIRMAN (Aylward): The hon. Minister of Finance.

DR. COLLINS: Mr. Chairman, a number of question. The hon. Leader of the Opposition (Mr. Neary) asked also about Bay St. George and he wanted to know what that guarantee was for. The guarantee was for working capital. It was in the amount of \$72,000. Unfortunately, the company did not operate profitably and was put into receivership and the bank required us to pay on our guarantee and we had to pay up the \$72,000. Now we had the security that was available to us when we put that guarantee in place and we realized on the security. I understand now that that plant - I think I am correct in saying that - now is wrapped into a bigger operation and it will operate under new management.

DR. COLLINS:

In regard to Blue Ocean, the hon. Leader of the Opposition (Mr. Neary) also asked about that, there was \$500,000 there; that was a guarantee given so that the company could secure working capital. The company has turned a small profit by the look of things this year, so that we have not had to deliver, pay up on that guarantee. Whether they will need a further guarantee to secure an adequate bank loan this year remains to be seen, it might be possible. But, anyway, the fact that they operated profitably, although it was a small profit last year, is encouraging.

DR. COLLINS: In regard to Newfoundland Food Processors, there was a guarantee there also for working capital. Unfortunately, that also was one of the few inshore fishing companies, Newfoundland Food Processors, and Conception Bay Seafoods, two of the few of the vast number we did help out with guarantees and so on and so forth. This was one of the few that also was not successful and they could not meet their obligations. We also had to deliver on that guarantee. We are now negotiating with some new people, or at least some new management, to now get that operation back into production. Of course, we had security and we took our security when we had to deliver on that particular item.

The next thing I have here, Mr. Speaker, is the hon. member for Mount Scio (Mr. Barry) wondering about our activities before the National Energy Board. The hon. President of the Council (Mr. Marshall) I think laid it out in full details this morning. The essence of the case is that we export a lot of electricity to Quebec.

MR. WARREN: Who does?

DR. COLLINS: Newfoundland does, CFLCo is a Newfoundland Crown Corporation. We export a lot there under a most foolish contract which was entered into by the Smallwood Administration.

MR. NEARY: On a point of order, Mr. Chairman.

MR. CHAIRMAN (Aylward): A point of order, the hon. Leader of the Opposition.

MR. NEARY: I would submit that the hon. gentleman is not deliberately trying to mislead the House, but nevertheless he is making false and erroneous statements. The hon. gentleman should know that the government's own lawyer in the Water Revision Act now before the court told the judges of the Supreme Court that the Smallwood Administration had nothing to do with that contract. They did not enter into

MR. NEARY: any contract. They did not see it. Mr. Crosbie, when he was a member of this House, said that the Newfoundland Government did not negotiate the contract. And Mr. Vic Young, the Chief Executive Officer of Newfoundland Hydro put out a brochure saying that the Newfoundland Government did not negotiate a contract. That makes three legitimate sources.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: The Minister of Finance does not know what he is talking about. He is just displaying to the House what an ignorant incompetent he is as far as these matters are concerned, Mr. Chairman. And I would say to the Chair that the Minister of Finance is not entitled to mislead this House or mislead the people of this Province, and let him withdraw his false, inaccurate and erroneous statements and apologize to the people of this Province who are trying to fool them.

DR. COLLINS: Mr. Chairman, to that point of order.

MR. CHAIRMAN (Aylward): To that point of order, the hon. Minister of Finance.

DR. COLLINS: I could, of course, let you rule on that foolish point of order and then get back to my remarks and cover this issue in my remarks, but perhaps I just could cover it in commenting on the point of order.

Yesterday I read into the record of this House evidence from a published book whereby

DR. COLLINS: it was clearly shown that Mr. Smallwood was in the negotiations up to his neck, and that no comma was put in what BRINCO at that time was negotiatng with Hydro-Quebec, no comma was put in without being vetted, scrutinized and judged upon by Mr. Smallwood. It is quite clear. There is factual evidence there. The evidence was written by a scholar. It was not written by this government. It was written by a scholar, it was an academician. He laid out the history, the details of what went on, and it was absolutely, transparently clear that Mr. Smallwood was calling the shots right from the word go.

Now, of course, the hon.

Leader of the Opposition (Mr. Neary) is playing that old game, you know, looking the other way and saying, "I do not see this," you know. He had his hands over his eyes when he said, "Yes, do not give those fellows this", or "Give them that, but I am not seeing what I am doing." You know, there is this sort of little game playing that the Opposition, and particularly the Liberal Party traditionally, and apparently inherently do this, play these little foolish games.

Mr. Smallwood was behind, accomplice to, party to the power contracts, no shade or doubt about it.

MR. NEARY: Further to that point of order, Mr. Chairman.

MR. CHAIRMAN (Aylward): Order, please! To that point of order; I have heard arguments from both sides, I rule that there is a difference of opinion between two hon. members.

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

MR. CHAIRMAN (Aylward): The hon. Leader of the Opposition, on a point of order.

MR. NEARY: Mr. Chairman, yesterday in this hon. House the hon. gentleman read from a book, I believe the title of the book was BRINCO.

MR. HODDER: He did not table it either.

MR. NEARY: And he did not table the book, Your Honour. That is my first point. And the second point is that the hon. gentleman read a couple of paragraphs from that book, and the hon. gentleman could not even interpret, he did not have sense enough to interpret what he was reading. What he read out in this House yesterday was an indication that the Smallwood Administration were into a battle over wheeling the power across the Province of Quebec, province to province, trying to get a corridor across the Province of Quebec. That is what the hon. gentleman was quoting from the book yesterday. He was too silly and too stupid to realize it. He really put his foot in his mouth yesterday, Mr. Chairman. And let the hon. gentleman go back and look at the pages that he was quoting from and he will see what the argument was, what Mr. Smallwood was involved in, was trying to get the electricity transported across the Province of Quebec. And the hon. gentleman does not want to hear that, I know.

The fact of the matter is, Mr. Chairman, that the Smallwood Administration, or no other administration in this Province had anything to do with that contract.

DR. COLLINS: To that point of order, Mr. Chairman.

MR. CHAIRMAN (Aylward): Order, please! To that point of order, the hon. Minister of Finance.

DR. COLLINS: Mr. Chairman, you know, I think it is quite clear what happened. When I read that into the record yesterday, last evening, the hon. the Leader of the Opposition (Mr. Neary) obviously went or telephoned, I have to be careful of my words here, or got a post card, or got a letter from, or got a telex from, or got flag signals from, or got smoke signals from - anyway there was some communication between himself and Mr. Smallwood and Mr. Smallwood laid down the counter remarks -

MR. NEARY: Now who is talking about innuendo?

DR. COLLINS: - to the written statement that was there for everyone to see.

MR. NEARY: The dirt and the innuendo. The slime.

MR. CHAIRMAN: Order, please!

MR. NEARY: The slime, the innuendo and the dirt.

DR. COLLINS: So in regard to the book, I do have a bit of an apology to make to the House, As hon. members know you do have to table anything you read from; it does not say when you have to table it. I did not table it yesterday because I suspected that what has happened today would happen, that the hon. Leader of the Opposition would go to his mentor and he would come back on it and I would want to have the book here. Now my apology is this, that I regretted I neglected to bring it up with me, it is in my office. It is my full intention to table the book and I will do it at the very next opportunity. If we have time this morning I will send down for the book. We



DR. COLLINS: obviously do not have time now. But I will table it at the very earliest opportunity.

MR. CHAIRMAN (Aylward): Order, please! To that point of order, the hon. minister has indicated he will table the book and I can only assume that he will table it.

The hon. Minister of Finance has about one minute left.

DR. COLLINS: Well, Mr. Speaker, I can hardly answer the hon. member for Mount Scio's (Mr. Barry) question on that. I think what he was saying was that, you know, you put this before the NEB, you said it was not fair that Quebec should be able to export that power to the United States when we in this Province need it. You know, this is what

DR. COLLINS:

what Canada is all about. And we also put it to the NEB that if they ruled in our favour, or at least I suppose ruled against Quebec, that we would be capable of taking that power. Now, Mr. Chairman, he has asked us did we make cogent arguments on that and, in a word, I mean clearly we did make cogent arguments. We would not go before the NEB without a full brief and a full brief was arranged by this government, by Newfoundland Hydro, by its energy advisors and by its legal advisors. So it is inconceivable that we would go before the NEB without a good brief. Now what the hon. the President of the Council (Mr. Marshall) said was not that the NEB said we did not have a good brief.

MR. CHAIRMAN (Aylward): Order, please!

The hon. the minister's time has elapsed.

MR. NEARY: Mr. Chairman.

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

MR. NEARY: Mr. Chairman, first of all I want to deal with the Minister of Transportation (Mr. Dawe). Mr. Chairman, I do not know if hon. members followed what the hon. gentleman was saying in trying to justify his misuse and abuse of aircrafts. Now, Mr. Chairman, when they are cornered their favorite trick is to say, 'The Opposition is using innuendo.' They try to hide behind that. They say, 'Produce the evidence.' I say to the hon. gentleman that it is incumbent upon him to produce the logs of the number of times the LFY went aloft and who was aboard it and the purpose of the flight. And it is incumbent upon the hon. gentleman, who is using taxpayer money, who is a position of trust, to table the number of charters that he has had in his department in the last six

MR. NEARY: months or the last year. It is incumbent upon the hon. gentleman -

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Mr. Chairman, I am not in a decision making role, I am not privy to that information. I can only tell the hon. gentleman what his constituents tell me and what the people in Stephenville and Gander tell me about the number of times that the hon. gentleman will zoom in aboard a Navajo aircraft, a \$1,600 charter charged to the taxpayers so that the hon. gentleman can get home for the weekend. Now, Mr. Chairman, if the hon. gentleman has nothing to hide let him produce the logs and let him produce the documents.

SOME HON. MEMBERS: Oh, oh!

MR. CHAIRMAN (Aylward): Order, please!

MR. NEARY: Mr. Chairman, I have a question on the Order Paper, a written question, and the hon. gentleman has ample opportunity to answer that question. If he has nothing to hide and if he is an honourable man and if he is interested in telling the people of this Province how he spends their tax dollars, let him answer the question.

Mr. Chairman, the Auditor General in his last three reports said that the hon. gentleman was not keeping proper records on helicopters and aircrafts. And he said again the last time, 'Some changes have been made but I am still not satisfied that we are getting a true record of how the hon. gentleman is misusing and abusing the government aircraft.'

MR. DAWE: A point of order, Mr. Chairman.

MR. CHAIRMAN: Order, please!

A point of order, the hon. the Minister of Transportation.

MR. DAWE: Mr. Chairman, there is some indication where the Leader of the Opposition (Mr. Neary) allegedly quotes members on this side of the House and of course he is not allowed to quote unless he quotes accurately. If he is going to refer to comments made by the Auditor General as it relates to the accounting procedures that the department has instituted, then, Mr. Chairman, I would suggest that he at least quote him accurately, He never does.

MR. NEARY: To that point of order, Mr. Chairman.

MR. CHAIRMAN (Aylward): To that point of order, the hon. the Leader of the Opposition.

MR. NEARY: Mr. Chairman, what I said I quoted accurately and I would say that all the hon. gentleman is trying

MR. NEARY:

to do is to hide behind the point of order. It is now 1:00 p.m. and the House has to rise. The hon. gentleman can be as testy as he wants, he can smart all he wants under being caught. The hon. gentleman is cornered. He is cornered and he is caught.

SOME HON. MEMBERS: Oh, oh!

MR. CHAIRMAN (Aylward): Order, please! Order, please!

MR. NEARY: Now, Mr. Chairman, let him admit man-fashion -

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Could we have order, Mr. Chairman?

MR. CHAIRMAN: Order, please! Order, please!

To that point of order, I rule that there is a difference of opinion between two hon. members.

MR. NEARY: I move the adjournment of the debate, Mr. Chairman.

On motion, that the Committee rise, report progress and ask leave to sit again, Mr. Speaker returned to the Chair.

MR. SPEAKER (Russell): The hon. the member for Kilbride.

MR. AYLWARD: Mr. Speaker, the Committee of Supply have considered the matters to them referred, have asked me to report progress and ask leave to sit again.

MR. SPEAKER: The Chairman of the Committee of Supply reports that they have considered the matters to them referred, report having made some progress and ask leave to sit again

On motion, report received and adopted, Committee ordered to sit again on tomorrow.

MR. MARSHALL: Mr. Speaker.

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

MR. MARSHALL: Mr. Speaker, I wonder, with the co-operation of the House, since I understand the Government Services Committee has finished its deliberations, if its Chairman could just get up and say he gives the report of the Government Services Committee so we can get it on the Order Paper?

MR. NEARY: No.

MR. MARSHALL: Okay, fine.  
Mr. Speaker, on Monday, at 9:30 a.m., the Resource Committee will examine the estimates of the Department of Development, and at 11:00 a.m., the Department of Forestry, that is 9:30 a.m. for Development and 11:00 a.m. for Forestry.

AN HON. MEMBER: What time on Monday did you say?

MR. MARSHALL: 9:30, Monday, Development, and 11:00 a.m., Forestry.

MR. NEARY: You want to get her closed up.

MR. MARSHALL: To have to listen to the garbage that comes from the hon. gentleman!

On Monday at 7:30 p.m., we will examine the estimates of the Department of the Environment and at 9:00 p.m., the Department of Culture, Recreation and Youth.

Mr. Speaker, I move 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, April 9, 1984 at 3:00 p.m.