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***VERBATIM REPORT***  
***(Hansard)***

***Speaker: Honourable Patrick McNicholas***

Monday

2 June 1986

The House met at 3:00 p.m.

MR. SPEAKER (McNicholas):  
Order, please!

Statements by Ministers

MR. MARSHALL:  
Mr. Speaker.

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

MR. MARSHALL:  
I have a statement to make on behalf of the Minister of Mines and Energy, the hon. Mr. Dinn, who is making this same statement to the people who are most directly affected today.

As hon. members are aware, Newfoundland Zinc Mines Limited closed down its operation at Daniel's Harbour in the middle of last April. The price of zinc had declined to the point that heavy losses were being incurred and it was decided that the future of the operation would be best served by ceasing production and waiting out the current depressed state of the market. There has been some improvement and, if this continues, it is possible that operations could resume in about a year's time. The proven reserves of zinc ore could then support the operation for an additional couple of years.

The controlling shareholder in Newfoundland Zinc, Teck Corporation, which is a Canadian Mining Company, requested assistance from the Newfoundland Government in keeping the mine ready for resumption of production. The major requirement in that regard is keeping the

underground facility pumped dry as it is a very wet mine.

Because government recognizes the economic importance of the mine at Daniel's Harbour, it has considered favourably the request of the operating company management for assistance in maintaining the mine in suitable condition so that it can be reopened promptly when the zinc market recovers from its current depressed state. My colleague, the hon. the Minister of Mines and Energy, is in Daniels Harbour today to announce the decision in that community.

The government has agreed to provide over \$400,000 in grants over a period of a year, with monthly payments not exceeding \$35,000. This assistance will be made available to keep the mine pumped out and to properly maintain the equipment. This assistance will be dependent upon signing an agreement to be made between the company and the government which will oblige the company to keep the mine and equipment in top notch operating condition. If the price of zinc rebounds to a point such that the operation becomes profitable again, then it is expected that part or all of the grant will be repaid.

My colleague, the Hon. Jerome Dinn, and all of us, hope that the price of zinc will quickly recover to a level that will enable reactivation so that the trained staff, miners and mill operators as well as the maintenance and other operating personnel will not suffer from a long term lay-off.

MR. FUREY:  
Mr. Speaker.

MR. SPEAKER:

The hon. the member for St. Barbe.

MR. FUREY:

Mr. Speaker, we welcome this statement put forward by the minister today with respect to Newfoundland zinc mines. We thank him for giving it to us five seconds before he stood to announce it. Mr. Speaker, I guess the old adage comes into play, that if you say something long and loud enough it finally gets listened to. For six months we, on this side, have been talking about the problems at the Newfoundland zinc mine. We have been talking about the imminent closure, talking about the potential suffering of 165 families, and particularly the miners who have been making a living from that mine for the last ten years. I guess today what we are witnessing is that if you say something long and loud enough it finally gets listened to.

Mr. Speaker, let me be positive and let me thank the minister for considering the people and the mine in Daniel's Harbour in the light that government has. We welcome this \$400,000 over a twelve month period, and I am sure the people in Daniel's Harbour and the many various communities sprinkled from North to South on the coast who have in the past gained a livelihood from this mine, welcome this announcement today as well.

We recognize it is not an announcement as positive as we hoped, that the mine would be opened, but we all recognize that current world prices and market conditions will dictate just when that will happen. We were encouraged to see zinc on the world metal exchange rise slightly

last week, and we keep our fingers crossed and hope that it will reach the magic mark whereby we can go back into full production. On behalf of the people in Daniel's Harbour, the workers at the Newfoundland zinc mine, we welcome this statement today and we see it as a positive sign and a hopeful gesture that something good may happen in the very near future for my people.

Thank you.

MR. R. AYLWARD:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Rural, Agricultural and Northern Development.

MR. R. AYLWARD:

Mr. Speaker, because my colleague, the Minister of Environment (Mr. Butt), was unable to be here today, he asked me to present this statement on his behalf.

I would like to inform hon. members that this week, June 1 to June 7, 1986, has been designated as Canadian Environment Week, with World Environment Day to be on Thursday, June 5.

Environment Week was established in 1971 by an act of Parliament, with the hope this special week would encourage all Canadians to become more aware of environmental concerns and, hopefully, to become actively involved in finding solutions to environmental problems.

My department is co-ordinating this event in conjunction with the Newfoundland office of Environment Canada. There are a number of projects planned, including a free auto emission test to be held at

the Avalon Mall, an Environmental Trivia Quiz on CBC Radio stations throughout the Province, a Lunch Hour Lecture Series on issues of environmental importance and an evening film series at the Signal Hill Interpretation Center. I have attached copies of the schedules for your information.

I realize that there have been quite a few special 'weeks' during the past two months and, while I wholeheartedly support the causes that were promoted, I would like to take this opportunity to ask all the hon. members to support Canadian Environment Week and to help promote environmental awareness in our Province. While there is an urgent need for all Newfoundlanders and Labradorians to place a greater importance on the need for environmental protection, maintaining a clean, safe, and pollution-free environment has to be a priority for all levels of government. I am pleased to say that my department has accomplished a number of important objectives in the past and I am sure that, with the co-operation of the members of this government, we will only see greater accomplishments in this area in the future.

It's up to ALL of US.

Thank you, Mr. Speaker.

MR. FLIGHT:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Windsor - Buchans.

MR. FLIGHT:

Mr. Speaker, I thank the minister for the statement and thank him for providing me with a copy. We have been aware, of course, that

Environment Week has been declared. I note here, though, Mr. Speaker, that it says, 'We encourage all Canadians' - and, I presume, Newfoundlanders - 'to become more aware of environmental concerns and to become actively involved in finding solutions.' Well, the only way Newfoundlanders can become actively involved is if the minister creates an atmosphere in which they can become actively involved.

An interested group in St. John's and other people, I understand, have been requesting from the minister the monitoring report on last year's spray programme. That has been done, it has been finished, but the Wilderness Society and groups like that have not been given the report. I do not know how they can be encouraged to co-operate in environmental matters if that is the kind of treatment they are going to get from the minister.

I also note, in the minister's statement, Mr. Speaker, that there are a number of projects planned, including a free emission test to be held at Avalon Mall. Well, I will tell the minister that there are malls in Gander, there are malls in Grand Falls and there are malls in Corner Brook, and people outside St. John's are just as interested in maintaining a clean environment and want to be given the benefit of any information that may be provided by the Department of Environment.

It would not seem, to me, to be too much to ask that if anything was planned for Environment Week that it be made available to all of Newfoundland, particularly the major centres.

I am also interested in the last

few lines of the minister's statement, Mr. Speaker. It says, 'I am pleased to say that my department has accomplished a number of important objectives in the past and with the co-operation of the members of this government...' I say to the minister, and he can make sure that the Minister of Environment (Mr. Butt) is aware of this concern, he will have to make sure that as Minister of Environment he has the co-operation of the Minister of Forest Resources and Lands, the Minister Responsible for Newfoundland Hydro, and the major companies in this Province which are capable of taking on projects that are real threats to the environment of this Province. He is going to have to be very strong and demand of the Minister of Forest Resources and Lands and the Minister Responsible for Hydro that if any projects are undertaken, the environmental concerns of the people relative to those projects are addressed. Because that has not been happening in the past, where all the projects that had any amount of environmental threats were exempted from any legislation existing in this Province which would have seen to it that the projects were carried on in an environmentally sound way as possible.

MR. SPEAKER:

Before calling Oral Questions, I would like to welcome Mayor Jack Windsor, Deputy Mayor Russell Engram, Councillor Roy Engram and Town Clerk Everett Simms from the town of Gaultois.

SOME HON. MEMBERS:

Hear, hear!

### Oral Questions

MR. BARRY:

Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. BARRY:

Mr. Speaker, I would like to direct a question to the Government House Leader, the President of the Council (Mr. Marshall). I have a copy of the Hansard of May 30 in which the Government House Leader denies that Mr. Mazankowski reported that the Premier of this Province was looking for \$ 1 billion for the dismantlement of the railway. In light of the fact that Mr. Mazankowski has not confirmed that he did state that the Premier of Newfoundland and Labrador was prepared to accept \$1 billion for the railway, would the President of the Council care to explain his remarks made on May 30 in this House?

MR. SPEAKER:

The hon. the President of the Council.

MR. MARSHALL:

If the hon. gentleman had been here he would have heard the tenor in which I made the remarks, but he was not here.

MR. BARRY:

Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. BARRY:

Mr. Speaker, then I wonder if the President of the Council would indicate, and perhaps have the Premier indicate as well, whenever they make a comment on the railway they follow it with a little

postscript, 'Please note the tenor of my remarks'?

No answer.

Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. BARRY:

I would ask the Minister of Transportation (Mr. Dawe) would the Minister of Transportation indicate whether in fact his department has been involved in the preparation of a proposal involving the \$1 billion offer that Mr. Mazankowski said that the Premier of this Province put on the table for the sale of the railway?

MR. SPEAKER:

The hon. the Minister of Transportation.

MR. DAWE:

Mr. Speaker, members of the Opposition, including the Leader of the Opposition continually grasp at straws as it relates to discussions that have been ongoing with regard to the railway. We have made our position very clear as it relates to the railway. Only late last week we emphasized again the Province's position with regard to the railway was for the railway to be retained and significant upgrading to be undertaken to make sure it continued to be a viable and important aspect of transportation in the Province. And that is still the position. It was, is, and as far as I know, Mr. Speaker, from everything that I have been able to gather, still will be in the future this particular government's position on the future of the railway.

As it relates to amounts of money and so on, I would just like to clarify one point: At no point in time has the Province made a proposal with regard to abandoning the railway. Never, at no point, whether for an amount of money or for a number of cattle or for anything else, at no point in time have we ever even suggested that we would entertain that particular notion. On the contrary, Mr. Speaker, since last November when Mr. Mazankowski was down here, we have been anxiously awaiting a proposal from the federal government as it relates to transportation generally, all aspects of transportation, involving airports, ferry subsidy assistance, the railway, secondary roads, and a number of other issues. We have been anxiously awaiting that.

The Premier and I had a meeting last week, as the Premier indicated, with Mr. Crosbie and Mr. Mazankowski, and we discussed the issue relative to the railway as well as a number of other topics. But at no point in time has the Province ever put forward a proposal as outlined by the Leader of the Opposition. That is not true, it has never been done, and I would suggest, Mr. Speaker, it never will be.

MR. BARRY:

Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. BARRY:

It was interesting to hear the Minister of Transportation refer to the discussions which have been ongoing with the Government of Canada, because the Premier has consistently stood in this House

and said there were no discussions ongoing. Now Mr. Mazankowski, before a Standing Committee of the House of Commons last week, said that there had been a serious of negotiations going on for some time with the Province. Would the Minister of Transportation confirm whether in fact Mr. Mazankowski was suffering under a delusion when he thought there were negotiations underway in the same way he was suffering under a delusion when he thought he heard the Premier say he would take \$1 billion for the railway?

MR. SPEAKER:

The hon. the Minister of Transportation.

MR. DAWE:

Mr. Speaker, the Leader of the Opposition is again suffering a delusion - fortunately for this side, I suppose; unfortunately for the other side. What I have indicated consistently, and what the Premier has indicated consistently, if members opposite had been listening, is in 1981 we signed a memorandum of understanding with the federal government dealing with transportation. That memorandum of understanding set up a mechanism through the bureaucracy: Members of the federal Transport Department, members of the provincial Transportation Department, and at least twice yearly meetings between the Minister of Transportation federally and the Minister of Transportation in this Province to deal with transportation issues. That particular committee at the bureaucratic level meet on a regular, ongoing schedule. They discuss all transportation issues. They discuss our ongoing agreements that are in place. They

discuss evaluation of those agreements. They discuss what agreements we should enter into in the future and how they should be proceeded with. Then the ministers, from a policy perspective, get together and address those concerns.

In November of last year Mr. Mazankowski came to this Province and had a meeting. During the course of that meeting, when we discussed a number of transportation issues, Mr. Mazankowski asked what the Province's position would be with regard to the railway. He was told at that time - we publicly indicated what we told Mr. Mazankowski and he confirmed it publicly - that the Province's preferred position on the Newfoundland railway was for -

MR. BARRY:

Preferred position?

MR. DAWE:

Well, we have to have a preferred position because in 1949 Newfoundland gave up its control over the railway and passed over ownership to the Government of Canada. So we have a preferred position and we will continue to try to enunciate and try to make sure that we can convince the people, who are in control of the railway, of our preferred position, that we want the railway to continue not in its present state but very much improved from a capital perspective and to continue on with the very good steps that have been made with containerization and recapturing the freight market. That is our preferred position; retention of the railway and upgrading so that the railway can continue to be an important part of the freight movement and transportation sector

in this Province. That is the kind of discussion that has been going on.

MR. SPEAKER:  
Order, please!

I would ask the hon. minister if he could cut his reply down as much as possible.

MR. DAWE:  
I was just getting to the kernel of the point, Mr. Speaker. As it relates to the discussions that have been ongoing, they have been explained and I just went over it again for members opposite because obviously, Mr. Speaker, they have not listened and they jump from day to day and they forget about what happened the day before.

As it relates to negotiations, if you will, the Premier has indicated, I have indicated, and others have indicated as well, that if and when the federal government were to make a proposal with regard to the Newfoundland Railway, then we would be in a position to either say yes, we will negotiate on the basis of that proposal, or we will not. That is the position we have been in and that is the position we continue to be in. We had discussions on Friday as it related to it. And the discussions on Friday, as the Premier indicated, went from discussions into negotiations and, as the Premier indicated, neither he nor I nor anyone on this side will negotiate in public. Discussions that we had and discussions that we will have will become public at the appropriate time.

MR. CALLAN:  
A supplementary, Mr. Speaker.

MR. SPEAKER:  
The hon. member for Bellevue, a supplementary.

MR. CALLAN:  
Mr. Speaker, I have a question for the Minister of Transportation. The Premier was on record a couple of weeks ago, and the Minister of Transportation just said the same thing, that this government is admitting they are taking a defeatist attitude, that they are saying publicly, and I suppose privately, that this Province has no constitutional guarantee regarding the railway. Now, nobody else in the country is saying that. I ask the Minister of Transportation, Mr. Speaker, why is it that he and the Premier and this government are saying publicly that we have no constitutional guarantee? Nobody in Ottawa, apparently, seems to be saying that. Why is the government taking this defeatist attitude? Do they know, are they now aware, Mr. Speaker, that the railway is going to go? Are they posturing as they did on FFTs? Is that why? Can the minister answer that question?

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

MR. DAWE:  
Mr. Speaker, the Terms of Union, of course, are there for anyone to read. Again, we have indicated that we do have a constitutional position as it relates to the railway, and certainly, in the opinion of this administration and in the opinion of many Newfoundlanders, that position can transform itself into what can be a moral position. But as it relates to a guarantee, either legally or in any written text it is just not there in that



particular term. It certainly is unfortunate, Mr. Speaker, that at the time of Confederation perhaps people could not see far enough ahead to see that that particular term only dealt with property acquisition. It did not deal with an ongoing, operational position with regard to the railway. It is a very clear, concise, small part of the Terms of Union. It is a property acquisition and not an operational position put forward by the federal government or the Province at that particular time. It is unfortunate, but that is the way it is.

MR. CALLAN:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A final supplementary, the hon. the member for Bellevue.

MR. CALLAN:

Mr. Speaker, the Minister of Transport Canada (Mr. Mazankowski) says that we have a legal right, the Sullivan Commission indicates that we have rights to stand on, so why are the Premier, the Minister of Transportation and this government going against what everybody else is saying that not only do we have a moral right, we have a legal right? Why is that?

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the Minister of Transportation.

MR. DAWE:

Mr. Speaker, I would only like to point out to the hon. gentleman that perhaps he should consult with a political mate of his, Senator Forsey, and ask him what he thinks because Senator Forsey agrees with what we have been

saying.

MR. BARRY:

Senator Forsey is not a lawyer.

MR. TOBIN:

Senator Forsey is a constitutional expert.

MR. BARRY:

Senator Forsey is a political scientist.

MR. SIMMONS:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Fortune - Hermitage.

MR. SIMMONS:

Mr. Speaker, I have a question for the distinguished President of the Council, the member for St. John's East, acting Premier, and Government House Leader (Mr. Marshall). In the absence of the Premier, I wonder could he indicate to the House, in respect to the free trade issue, why is that this administration taking a decidedly different tack than other Tory administrations across the country? I mention in particular Premier Don Getty's administration in Alberta. Why is it this Province, this provincial administration, has not recorded its concerns on the issue of free trade, the need for provincial consultation and the need for provincial interests to be adequately protected?

MR. SPEAKER:

The hon. the President of the Council.

MR. MARSHALL:

Mr. Speaker, I do not know that this administration has taken any diametrically opposite position from Premier Getty and the other

premiers of Canada. Just let me say this, that this Premier and this government at all times take steps and stands that are in the best interest of the people of Newfoundland and Labrador, and the Premier is very well able to articulate them, no matter what the effect of them may be and how contradictory they may be to a Tory Premier Minister or a Liberal Prime Minister, a Liberal premier, an NDP premier or another PC premier. So all I will say to the hon. gentleman is I am not really aware that we are taking that much different a position than certain other Premiers, but the steps that we are taking are geared to be in the best interests of the people of Newfoundland and Labrador.

MR. LUSH:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Bonavista North.

MR. LUSH:

Mr. Speaker, I have a question for the Minister of Fisheries (Mr. Rideout). I have just returned from Bonavista North, where there is a lot of disenchantment, Mr. Speaker, among the fishermen. The fishermen, pulling in their nets, and so on, are tremendously dissatisfied with what is happening with respect to fish prices this year. I wonder if the minister can indicate what is happening with respect to the negotiations between the union and the Fish Trades people? I wonder how soon they will be coming up with prices for fish and, whether indeed, these prices are standard for the Province or whether they are done on a regional basis for the different species of fish?

MR. SPEAKER:

The hon. the Minister of Fisheries.

MR. RIDEOUT:

Mr. Speaker, I can indicate to the hon. gentleman that it is my understanding that negotiations are presently ongoing between the Fishermen's Union and representatives of the fishing industry in the Province on prices for groundfish. I understand that in terms of prices for groundfish, considerable progress has been made. I want to be rather careful in what I say, but I believe there has been public indication just over the last day or so that both sides are relatively close to coming to an agreement on prices for groundfish, but that there is still a wide divergence of opinion, perhaps, in terms of prices for caplin.

But the negotiations are ongoing, and it is my understanding both sides are meeting again today, and we are hopeful that an agreement can be reached soon that provides a fair share for fishermen of the increased prices in the marketplace. We are hopeful that that can happen rather quickly.

In terms of whether they are regional prices or provincial prices, the prices that will be negotiated for inshore groundfish will be a minimum price, and that minimum price, the union-negotiated price, is the minimum that can be paid under the collective agreement to fishermen. But that does not stop processors, if they so wish, or buyers, if they so wish, as I understand it, from paying a higher price in different areas of the Province. But they cannot pay below the base minimum that is negotiated between the industry and the union.

MR. LUSH:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for Bonavista North.

MR. LUSH:

The minister practically answered my supplementary, but I will get into another, and it is a point that concerns me, I was about to ask the minister whether the prices entered into were minimal prices because that is certainly causing the problem. And the fishermen in Bonavista North right now are beginning to realize that they have been paid the minimal prices. They figure it is long enough for them, that they are not going to tolerate this any longer. This creates quite a variance in prices around the Province. But much more importantly, I ask the minister why is it that fishermen throughout Newfoundland get lower prices for fish than their counterparts in Nova Scotia? I understand there is a tremendous difference. Why should this discrepancy exist not only within the Province, but particularly compared with another province, Nova Scotia?

MR. SPEAKER:

The hon. the Minister of Fisheries.

MR. RIDEOUT:

Mr. Speaker, as I indicated in my previous answer to the hon. gentleman, he is correct. The price that is negotiated between the Fishermen's Union and the industry, representatives of the industry, FANL principally, is a minimum price. It is a minimum price based on size, based on grade, and based on quality. That is a guarantee to fishermen, wherever they are in the Province,

that they cannot be paid below that price.

From time to time, because of market conditions or competition in particular areas, he is again correct. Buyers find from time to time that they are in a position, because of market conditions or because of exceptional quality of fish in some areas, to offer a better price. That happens from time to time in all species. But the negotiated price is a minimum price between the union representing the fishermen, on the one hand, and the associations, principally FANL, representing the industry on the other hand.

In terms of the difference of fish prices between Newfoundland and other parts of Atlantic Canada - it is true of salt fish and it is true of fresh fish - many of the people producing fresh fish in Nova Scotia are what they call fishermen packers, I guess, in the jargon of the industry, and they produce their own fish and they market their own fish in a non-processed, basically round form to the U.S. marketplace. So there is not that in-between processing that we have significantly and which we try to encourage in Newfoundland and Labrador. They are a little closer to the marketplace than we are, so that has some impact as well.

So there has always been historically, as far as I know and I have asked questions about this from time to time, a difference between the price paid for all species of fish, whether it is salt fish or fresh produced fish, between Newfoundland and Nova Scotia, Mr. Speaker.

MR. W. CARTER:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Twillingate.

MR. W. CARTER:

Mr. Speaker, my question is to the Minister of Fisheries and it concerns the announcement that came in over the weekend from the EEC that they would imposing sanctions against the import of cod from Canada.

In view of the fact, Mr. Speaker, that the EEC has seen fit to impose sanctions, or at least to threaten to impose sanctions on the pretence that it is against the arrest of the two Spanish trawlers when in fact there are other ramifications that they are not talking about, is the minister, Mr. Speaker, prepared to recommend to his federal counterpart that if the EEC goes ahead with those sanctions that Canada will suspend all EEC quotas within our 200-mile limit?

MR. SPEAKER:

The hon. the Minister of Fisheries.

MR. RIDEOUT:

Mr. Speaker, first of all let me say to the hon. gentleman that factually he is basically correct. It is my understanding, and I attempted to have this checked today, that the news reports that we are hearing on this proposed ban on the importation of fish products by the EEC was a comment made by the federal Minister of Trade, Mr. Kelleher, in Korea, where he is meeting with officials from the EEC. It is not quite certain yet whether it was a link as a result of the Spanish incident or whether it is a link as a result of the deterioration in fisheries trade matters between

Canada and EEC that has been ongoing over the last eighteen months. Anyway, that is kind of immaterial, but we are trying to have that secured so that we know where we are coming from.

The answer to the hon. gentleman's question is yes. If the EEC are prepared to retaliate against Canada for enforcement of Canadian laws within Canadian jurisdiction, then we, as a Province, have no difficulty in asking and requesting that the federal government terminate the long-term agreement with the EEC, which runs out next year anyway, an agreement that we never did agree should have been put in place and an agreement that we sought to have cancelled last year.

MR. W. CARTER:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for Twillingate.

MR. W. CARTER:

Mr. Speaker, in view of the fact that one of the real reasons why the EEC is threatening sanctions is as a countermeasure against action taken by this country last year against the EEC, when the EEC dumped into the Canadian market a lot of red beef at prices that undercut the Canadian beef industry and Canada had to impose sanctions; in view of the fact, Mr. Speaker, that it has been suggested that the action now contemplated by the EEC is another way of getting even, or at least using that as a lever against Canada's actions, if that is the case, Mr. Speaker, will the minister not then recommend to his counterpart that if, in fact, these sanctions are imposed, and if Newfoundland fishermen are

financially hurt by that fact, will he suggest to his federal counterpart that there be compensation from the Government of Canada, or at least that we are not going to have our Newfoundland exports of fish traded off for red beef coming in here from Ireland or from the EEC?

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

MR. RIDEOUT:  
Mr. Speaker, I totally agree with the hon. gentleman and not only in terms of beef or any other product. I think we were wrong in this country to trade access to markets, whether it be to the EEC or any other country in the world, for access to our fish stocks, which was the principle enshrined in the long-term agreement between Canada and the EEC that runs out next year. It is the position of this Province that under no circumstances, or any scenario, should that agreement be prolonged, nor should it be based on access to non-surplus stocks within our own waters. But if it is prolonged, it should be based on countries that are willing to use the highest principles of conservation. That is what we are interested in, Mr. Speaker, and, as I indicated to the hon. gentleman in my previous answer, we will be discussing the matter in a week or ten days with the federal minister. We will see what the lay of the land is then and if action is required, if in fact the reports we are hearing are true, then we will be reviewing them and recommending the strongest possible action on behalf of the federal government, and that would include compensation if compensation is necessary, Mr. Speaker.

MR. EFFORD:  
Mr. Speaker.

MR. SPEAKER:  
The hon. the member for Port de Grave.

MR. EFFORD:  
Thank you, Mr. Speaker.

My question, Mr. Speaker, is also to the Minister of Fisheries. Recently, as the minister is aware, the issue of sixty-five foot boats on the 3NO division came up. They were told that there were alternate fishing grounds, but since then they have gone to the fishing grounds and some of them went to the hole as much as \$6,000 or \$7,000 on a trip. At that time the minister indicated that possibly at some time there would be some quota provided for those fishermen on the 3NO division. I would like to ask the minister, Mr. Speaker, if he can give us any indication if that quota is available or when can we expect fishermen to be able to go into that particular area?

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

MR. RIDEOUT:  
Mr. Speaker, the hon. gentleman will no doubt recall that Canada was able to arrange for a transfer of 2,500 tons of cod in NAFO area 3NO from the Soviet Union two or three or four weeks ago. The NAFO organization have now in fact approved that transfer, have approved that allocation of fish from the Soviet Union to Canada. Now the process is that what we call AGMC, the Atlantic Groundfish Management Committee meets to decide how that quota is to be split up between the various fleet sectors in Atlantic Canada. That meeting took place last week,

recommendations have been made to the federal minister, and it is my understanding that Mr. Siddon will be making a public announcement relatively soon, -within the next few days. As to the actual allocations of that 2,500 tons between the various fleet sectors in Atlantic Canada, we hope, according to the position put forward by us, an allocation "for vessels less than sixty-five feet based in Newfoundland." That is the key question.

MR. EFFORD:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for Port de Grave.

MR. EFFORD:

Mr. Speaker, what the minister is saying is correct, there is no doubt it is. But the situation right now is a lot of people are getting laid off from fish plants and, because of the slackness in the crab industry and the tremendous cost of those boats going out into the proposed area, what they are worried about actually is whether the minister can say to them now, 'Yes, you are going to be allowed some quota in that area.' Surely the provincial Minister of Fisheries must be able to make that indication.

MR. SPEAKER:

Order, please! Order, please!

I was not aware there was a question, but I recognize the hon. the Minister of Fisheries.

MR. RIDEOUT:

Mr. Speaker, what I am saying is correct and no doubt what the hon. gentleman is saying in describing the conditions that some of his constituents are facing is also

correct. The fact of the matter is, Mr. Speaker, no, I cannot give that medication. I have no constitutional authority or any authority the hon. gentleman or to tell his constituents that they have 500 tons or 600 tons or 2500 tons of fish in 3NO or 3PS to 2J3KL or anywhere else. I do not have that authority, Mr. Speaker, I can only make their case to the federal people, as I have done, and the AGMC recommendations are now in and we understand and hope that the federal Minister of Fisheries will make a decision within a few days. That is the best information that I have, and that decision will be reflective of our position that there must be an allocation 'for vessels less than 65 feet based in Newfoundland in 3NO.' Again I say 'quote' 'unquote' because if it is wide open for Atlantic Canada, forget it.

MR. FENWICK:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Menihek.

MR. FENWICK:

My question, Mr. Speaker, is for the Government House Leader in lieu of the fact that the Minister of Development (Mr. Barrett) is not here. It has to do with the local preference policy that was expanded in December of 1984 which the then Minister of Development said would be of tremendous benefit for local industry. My question to the Government House Leader: Has the government now changed its mind about the local preference policy as applying to school boards and Crown corporations and municipalities, etcetera?

MR. SPEAKER:

The hon. the President of the Council.

MR. MARSHALL:

Well, Mr. Speaker, the local preference policy was a policy that had its birth from a desire of this government to do the best thing for the people of Newfoundland and Labrador and particularly to provide jobs for younger people. It is essentially the same and it will continue to be enforced to the optimum degree that we have the powers to do.

MR. FENWICK:

Mr. Speaker.

MR. SPEAKER:

A final supplementary - there is just time for a short question - the hon. the member for Menihek.

MR. FENWICK:

My final supplementary is: If that is the case, and the local preference policy is supposed to apply to all these Crown corporations and so on, why is it that about one year and six months later, which is now, that the particular act has not yet been enforced? In other words, it has not been promulgated and therefore it is not the law of the land and it is not helping any of the local industry in our Province. Why eighteen months later is that law, and also the new revised Public Tendering Act, have they not been promulgated?

MR. SPEAKER:

The hon. the President of the Council.

MR. MARSHALL:

Mr. Speaker, it is in the process. Changes of this nature are changes that have to be brought in in a manner that is proper so that every organization

and every group within the Province can adjust to them. I can say that those actions that the hon. gentleman refers to will be taken as soon as they possibly can be. In the meantime, you do not need laws to enforce policies, and the policies of this government are very, very definite. I do not think anyone could possibly even question it because we have put, as it were, our governmental head on the line outside with respect to local preference so that they are being enforced assiduously.

MR. SPEAKER:

Order, please!

The time for Oral Questions has elapsed.

#### Petitions

MR. FENWICK:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Menihek.

MR. FENWICK:

Mr. Speaker, we will see if we can get through a few more today. These petitions are similar to the ones presented during previous times. They read: "To the hon. House of Assembly of Newfoundland and Labrador. We, the undersigned, petition the provincial government to put in place the necessary funding to complete The Encyclopaedia of Newfoundland and Labrador.

Mr. Speaker, without going into too much detail I will try and introduce as many as I can. The first one is from the Old Trinity Regional High School in Heart's Content and has a number of

individuals who signed it, including most of the teachers at that particular school. It again indicates more regional interest in this particular endeavor.

The next one is from the librarian at the St. Lawrence Public Library, St. Lawrence, Newfoundland. I say it is from the librarian, Mr. Speaker. She is the individual who addressed it here but there are a substantial number of names from the individuals in St. Lawrence. As a matter of fact, since St. Lawrence is an area that is represented by the Minister of Culture, Recreation and Youth (Mr. Matthews) I would appreciate it if, once I introduce the petitions in here, we could have a response from the minister.

I must admit that I have received a letter back from him where he indicates that the funding is one of the major problems with the completion of the encyclopedia. As a matter of fact, he says in principle he believes it is a good idea to finish the encyclopedia. What I would like from him as a response to these petitions which are now coming from all over the Province is an indication of what the problem is with the funding. Is it too much money? Is it that we need another organization to be set up in order to complete the encyclopedia and so on? It would be very nice to get some specifics from the minister in order to give an indication of where there is a tragic flaw in this because I can assure the minister that we have now gotten responses from a huge number of high schools and libraries and there is a strong desire out there to see the particular encyclopedia completed.

The next petition, Mr. Speaker, is

from the district of Fogo, from Fogo Island Central High School. This one has 154 signatures on it and it looks like it was signed by just about all the students who go to the Fogo Island Central High School.

Mr. Speaker, these are the ones, I think, that we should listen to because if you are looking at a school on Fogo Island, a school on St. Brendan's or in some other isolated community, you are not looking at an institution that has access to large, well equipped libraries, such as individuals in St. John's do. I think that is one of the reasons why we are getting such a strong response from high schools in more isolated areas in the Province.

I would also like to read into the record, Mr. Speaker, a letter from the librarian at St. Lawrence. I was wishing that the minister would be here. It is a copy of a letter to the minister of Culture, Recreation and Youth and it says, "Dear Mr. Matthews: On behalf of the names on the petition sheet sent to Mr. Fenwick and myself, I would like to support the proposal requesting the government to come forward with the necessary funding to have former Premier Joey Smallwood's encyclopedia of Newfoundland, volumes three, four and five, printed and completed. I feel it is a valuable account of our Newfoundland history and it would be sad indeed if the completion died by the wayside." That is from the Librarian.

Here is another letter of endorsement. This one is from the Botwood Public Library. The Botwood library, by the way, has a policy of not circulating petitions so I do not have a petition from them, but I will



read a copy of the letter that they sent to Brian Peckford, Premier, Province of Newfoundland and Labrador.

"Dear Premier Peckford: The Botwood Public Library would like to support the request for funding for the completion of the Smallwood encyclopedia. We do realize it is a large sum of money, but the board feels that the encyclopedia to be a great asset to our library and it would certainly help the Province employment and education-wise. We trust you will once again reconsider the request for funding to assist in the completion of this project."

It is unfortunate that the Premier is not in the House today in order to respond to it as well.

Mr. Speaker, there is a number of other ones here, but I think that I have taken enough time from the House.

I would like to also get some response from the members opposite because I believe they have an obligation, seeing that we are getting responses from all over the Province, to at least give an indication of whether they feel that there should be an encyclopedia of Newfoundland, whether it is called Mr. Smallwood's, or Grolier's or Americana or whatever.

As far as I am concerned, it is a worthwhile project no matter who the instigators were. The fact is it happens to be an individual who was Premier of the Province for something like twenty-two or twenty-three years. I think from that point of view it also has an added urgency in this particular House. With those comments, Mr.

Speaker, I will sit down.

### Orders of the Day

MR. MARSHALL:

Mr. Speaker, the adjourned debate on Bill No. 1.

MR. SPEAKER:

Bill No. 1. The debate was adjourned by the hon. the member for Carbonear who has spoken for seven minutes.

The hon. the member for Carbonear.

MR. PEACH:

Thank you, Mr. Speaker.

On Friday, I took the opportunity to make a few brief comments on the Atlantic Accord, or Bill No. 1 which we now have before the hon. House. At that particular time I made some reference to the Leader of the Opposition who was not in his seat. I am glad to see he is here today. I was not sure of the reason why he was away, but probably it was because he is not overly happy that the Atlantic Accord shows such favour for our Province and the conditions outlined in the Atlantic Accord will become a reality and he will not have the opportunity of going to the electorate on something negative.

I am glad to see, Mr. Speaker, the Leader of the Opposition is in his seat today. I am sure, if he stays around until Wednesday, when my good friend the member for Placentia (Mr. Patterson) rises on his resolution as it pertains to the railway, we will probably lose the Leader of the Opposition again for another week.. Because he took an awful beating last Wednesday when my good friend, the member

for Placentia attacked him, and it is only today he came back.

Mr. Speaker, the Atlantic Accord and the legislation that is presently before this House, I am sure we all realize, is a very valuable piece of legislation and will serve to benefit all the people of this Province for a long time to come.

I have to refer, Mr. Speaker, to a copy of the Atlantic Accord that I happened to have found here on my desk. Mr. Speaker, I made some reference, on Friday past, to the splendid, the admirable job that the Minister responsible for the Petroleum Directorate has done. I refer to a letter that I just noticed in this copy I have of the Atlantic Accord. It is from the Federal Minister of Energy, Mines and Resources Canada (Mrs. Carney). Some of her comments, Mr. Speaker, I am sure, are shared by many Newfoundlanders and Labradorians and are very similar to comments I made in praise of our great Minister Responsible for the Petroleum Directorate (Mr. Marshall). Mrs. Carney at the time, Mr. Speaker, said - and she addressed this letter, by the way, to the Prime Minister and to the Premier - "As you both have said, this is indeed a great day for Newfoundland and for Canada." She said, "Over these many months, it has been a pleasure working with Bill Marshall." I am quoting this, so I am assuming I am allowed to refer to the minister by his name.

"It was not always smooth sailing, but when we encountered problems, we resolved them." Mr. Speaker, that speaks very highly of our minister, in that it was not smooth sailing because our minister wanted to ensure that the

best possible deal could be gotten for this Province. "At times", she says, "we held different views but we strove to accommodate them. We worked on the basis of trust and a deep sense of shared interest. In the process I came to have a great admiration for Mr. Marshall and his team."

MR. CALLAN:

Will you table that?

MR. PEACH:

Yes. I have no hesitation, Mr. Speaker, in tabling this. I think it should go out to all the media in this Province. "I look forward to working with you, Bill, on the challenge of bringing resources like Hibernia on stream." Mr. Speaker, she was referring to Bill 1, the Atlantic Accord. She was also referring to the Minister responsible for the Petroleum Directorate, the minister who has put a great deal of time into seeing that the Atlantic Accord came to be what it is today.

I was also interested to note, Mr. Speaker, that the letter referred to, "The Atlantic Accord is designed to facilitate the development of the vast oil and gas resources in the offshore." She indicated in that letter some of the basic principles, the basic fundamental concepts that the Atlantic Accord has in it. First of all is the principle that the people who will benefit from this great resource are the people of Newfoundland and Labrador because that is in the national interest. We have made that, Mr. Speaker, very clear from the beginning. We were not looking for a deal that would only serve the best interests of this Province but a deal that would serve the interests of the Province of Newfoundland and Labrador and

Canada as a whole.

The second concept referred to in that letter is that the resources should contribute to energy security for all Canadians. I think, Mr. Speaker, that is a very important point and very worthy of note. This letter, Mr. Speaker, also refers to what the Prime Minister said: 'This agreement is just the beginning of things to come'. I am sure it will be a very sad day for the Leader of the Opposition and his party opposite. I am not sure, however, that they all share his view. It will be a very sad day, Mr. Speaker, when this, not too long down the road as has been indicated by our Premier and the minister several days ago, actually becomes a reality, when the people out in rural Newfoundland and Labrador will see the economic activity, will see the jobs that will be created and the development fund, Mr. Speaker, I would say, yes, many members opposite will have to put on their dark glasses, as the member for Bellevue (Mr. Callan) just did. They cannot bear to look at the activity and the economic prosperity that will come to this Province.

Mr. Speaker, several days ago we saw the Leader of the Opposition get up and rant and roar and make very negative comments about the Minister responsible for the Petroleum Directorate.

Mr. Speaker, the Leader of the Opposition was ranting and roaring that 'Newfoundland should have signed this deal. The deal should have been signed several years ago.'

MR. CALLAN:

Yes, that is right.

MR. PEACH:

The member for Bellevue says, 'Yes, that is right.'. The time has passed when we should have signed the Atlantic Accord. Well, Mr. Speaker, I would like to refer the member for Bellevue and the Leader of the Opposition to a front page story in The Evening Telegram of Friday past, and we will see what the people of this Province and what the people in Nova Scotia really think of that agreement we should have signed.

It says, Mr. Speaker, "A new agreement for Nova Scotia only weeks away." Well, everybody on the opposite side was complaining that Nova Scotia had an agreement. They forgot, Mr. Speaker, that in that agreement it said that if a better agreement was reached by another Province then they would have their agreement reopened and negotiated again. Today, Mr. Speaker, this is what we are seeing happening.

So that speaks very loud and clear, Mr. Speaker.

MR. FUREY:

Brilliant! That was brilliant.

MR. SPEAKER:

Order, please!

MR. PEACH:

The Nova Scotia Government realized very quickly that Newfoundland was about to get a better deal than they had. Because of that, they have, over the past several months, been negotiating with the federal government to work out a deal that is very similar to the deal that was worked out by this Province.

Mr. Speaker, this particular article says: "'I think most of the areas have been agreed,' said

the Premier," referring to the Premier of Nova Scotia, "'it is now a matter of the people in the Provincial Department of Finance to determine the net financial result for Nova Scotia.'"

"Negotiations for the agreement, to replace the 1982 deal Nova Scotia signed with the former Liberal Government, began in the Spring of 1985 and were expected to be completed by last November."

Mr. Speaker, this agreement that Nova Scotia is now working on, is now about to sign in several weeks, they want to get an agreement like the Government of Newfoundland negotiated with the Government of Canada. That speaks very highly, Mr. Speaker, of our Premier and our Minister Responsible for Energy (Mr. Marshall).

As well, Mr. Speaker, I just noted in running through this that the article credits Mr. Mulroney with saying, "'This is Canada - we do not play one Province off against another,' he said, 'that was the previous government that used to do it.'" That statement, Mr. Speaker, makes very clear what the former federal government tried to do prior to the federal election; they rushed off and signed an oil agreement with the Province of Nova Scotia, playing them off against this Province, so that they would have what they hoped would be the upper hand in the election.

As we all know, that, Mr. Speaker, did not work and, therefore, we found we had elected in Ottawa a federal government which made a commitment to this Province that we would see a deal to develop offshore oil and gas reserves that would be beneficial to the

Province of Newfoundland and Labrador, as well beneficial to Canada as a whole.

Mr. Speaker, the Government of Nova Scotia has said that their agreement will contain measures to encourage Mobil Oil, Canada, and its partners to proceed quickly with the development of the gas field off Sable Island, and that, hopefully, this field that they had some market work done on in 1981 will come on stream and will be developed fully by 1991.

I think if we look at that in the right perspective, Mr. Speaker, we will realize that this government is on the right track and that the reserves of oil we have off our Province, on the Continental Shelf, will be developed and be on stream by the early 1990s. Mr. Speaker, for any of us to have thought that the oil reserves we have should have come on stream in 1986 and 1987, was not reality.

MR. CALLAN:

Do you have a position on the railway?

MR. PEACH:

Yes, Mr. Speaker, I do have a position on the railway. It is very similar, as a matter of fact, to the position put forward by my good friend the Minister of Transportation (Mr. Dawe) in his remarks made in answering questions during Question Period.

Mr. Speaker, the time had not passed when we should have rushed into an agreement with the federal government to see that our Province signed the Atlantic Accord. I am sure we now realize that in signing the Atlantic Accord we did, we do have something our Province can live with. It is only a matter of

members opposite taking the Atlantic Accord and reading it which, I realize, many of them have not done, and they have not done to understand it, for sure.

If we look at some of the purposes of that Accord, Mr. Speaker, we find that it is to provide for the development of oil and gas resources offshore Newfoundland for the benefit of Canada as a whole. I cannot emphasize that too much. We continue to say that we want this for the benefit of all Canadians. It also indicates that the rights of Newfoundland and Labrador to benefits from this reserve as though it was on land are recognized. This, Mr. Speaker, was something that we could not reach agreement on with the former government that was in Ottawa but, thank goodness, we now have this in place.

One need only thumb through the Atlantic Accord as it was presented last year to very quickly see what kind of deal this is for our Province with regard to joint management. Decisions relating to offshore management are to be made by the Government of Canada and the provincial government, and those have to be put in place by a joint management board, decisions made equally so that we are able to be part of the development and be part of the method of development.

There is also a process in place for a review of the Atlantic Accord. It is also noted, as it relates to pricing, that the Government of Newfoundland and Labrador will be a full participant in negotiations and consultations with the Government of Canada from time to time, in the same manner as governments of other producing provinces, for the

establishment of prices of oil and natural gas in the offshore area. That, Mr. Speaker, is worthy of note.

I notice the member for Bonavista North (Mr. Lush) is trying to put some of his thoughts together. I am sure when he gets up we will all be interested to hear what he has to say on the Atlantic Accord. He is probably one of the members opposite who will stand in his place in a couple of days time, when we put this before our hon. House, and support this legislation which, I am sure, will put his leader in a very awkward position. They will probably have several caucuses in the next several days to see what direction they are going to take, and it will be, as was pointed out several days ago, very interesting to see what the man who left the party on this side of the House over the development of our offshore oil, who crossed the House because he did not agree with the manner in which we were proceeding - or he was sooking and sulking at the time because he could not get his own way with the Cabinet and with the members on this side of the House - will do sometime during this week, when this legislation has to be voted on. It will be very interesting to see then, Mr. Speaker, what he will do. It will prove once and for all that he resigned for very personal and selfish motives, or it will prove he did not want for the people of this Province the type of an agreement that we have today in the Atlantic Accord.

Although the member for Bonavista North (Mr. Lush) is putting a lot of serious thought into what he is going to say when he speaks, I understand, Mr. Speaker, that the alarmist from Windsor - Buchans

(Mr. Flight) is probably going to be next.

MR. SPEAKER:  
Order, please!

MR. PEACH:  
Mr. Speaker, revenue sharing is another area that is of utmost interest to all parts of this Province, to rural Newfoundland in particular. The federal legislation implementing the Accord, therefore, will permit the Government of Newfoundland and Labrador to establish and collect revenues and provincial taxes of general application as if those petroleum related activities were on land in this Province.

Equalization offset payments: Mr. Speaker, both governments recognize that there should not be a dollar for dollar loss of equalization payments as a result of offshore revenues flowing to this Province. That, Mr. Speaker, is very, very, very worthy of note. It was something that the Leader of the Opposition could not get when he was negotiating and, obviously, there is a good reason why. The Liberal government in Ottawa at the time was not prepared to do anything but make amendments for their own political gain, when they were running into a federal election and they wanted to pair and play off one province in this country against another. I guess they succeeded, in part, in doing that. But, of course, we find today, as I referred to earlier, the Province of Nova Scotia now back to the bargaining table.

In a couple of weeks, about the same time that our legislation will put the Atlantic Accord in the Constitution of this country forever, the Nova Scotia

Government will hopefully, I guess, and we all hope as Canadians, have an agreement that they can live with as well. But it is not the agreement, Mr. Speaker, that they negotiated and signed when we were, as most people would say, backed into a corner by a great deal of pressure to sign an agreement. We have to commend the Premier, we have to commend the Minister responsible for the Petroleum Directorate for standing firm, Mr. Speaker, and not playing off this Province in the way it was played off by the former provincial Liberal government, where we see our Churchill Falls power flowing away, being sold for the benefit of another province.

We did not decide to do that, Mr. Speaker, our minister stood firm. I am sure he will be proclaimed some day as one of the great leaders in this Province for standing firm and making sure that we had, and have today in front of us, an Accord that we as all true Newfoundlanders can live with in the years ahead.

I am sure, Mr. Speaker, as the Leader of the Opposition said the other day, with his shouting and bawling and arms flying, this will bring our young Newfoundlanders back from Alberta and Saskatchewan.

Mr. Speaker, we all know that when the election was called last year the Leader of the Opposition and the party opposite were scrabbling off to Saskatchewan to find somebody to come to Carbonear district to run against me. Mr. Speaker, they got him back and we know what happened to him. I wished him well, but if they want to send a Telex down the road to bring him back again, I will be only too pleased to take that

gentleman on. Probably the Leader of the Opposition (Mr. Barry) has somebody else in mind, but it does not really matter. Because, as I said previously in speaking on the Atlantic Accord, I would be very pleased and proud to face the electorate in the Carbonear district six months or a year down the road, whenever the Premier sees fit to call an election.

The Leader of the Opposition can appoint spokesmen on municipal affairs and get them to advise him and write briefs for him, but it does not really matter, Mr. Speaker. When this legislation is proclaimed and we have our economy moving in this Province so that Newfoundlanders, yes, can remain here in this Province to take part in the economic activity, to take part in the development of our offshore oil and gas, I am sure that many Newfoundlanders, yes, will be pleased and indeed happy to be back home and to be able to come back to jobs, and our youth will be able to find jobs in this Province rather than have to move away.

Mr. Speaker, in concluding, I am sure we are very pleased, indeed, that we have an Accord in place that will permit this. I, as one person on this side of the House, Mr. Speaker, representing rural Newfoundland, am very pleased to be able to thank the federal Minister of Energy (Mrs Carney), our provincial Minister responsible for Energy (Mr. Marshall), our Prime Minister (Mr. Mulroney), our Premier and all other people involved. I thank them sincerely, Mr. Speaker, for putting such a piece of legislation before this House and the House of Commons in Ottawa.

Thank you, Mr. Speaker.

MR. SPEAKER:  
Order, please!

MR. DECKER:  
Mr. Speaker.

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

MR. DECKER:  
Mr. Speaker, I think I am going to discuss the same Bill. I am not so sure I have the same glowing admiration for it as the hon. member for Carbonear (Mr. Peach) does.

Today, Mr. Speaker, we are dealing with Bill No. 1 which is "An Act To Implement An Agreement Between The Government Of Canada, etc," the Act which is normally now referred to as the Atlantic Accord. It has to be inacted in part in this House, I understand.

I am sure that it is no mere coincidence that the number that has been attached to this Bill is No 1 because the whole offshore oil question has been the flagship of the Peckford administration right from its very beginning, right from day one. I suppose this Atlantic Accord is the yardstick by which this administration has to be measured. This is certainly the indication they have given us for a number of years. I am not sure that they are not changing their tune today but this has been accepted to be the yardstick by which this administration is measured.

To be quite frank and honest, I am satisfied to judge this administration by this Atlantic Accord, especially from where I sit. I think it would be to my advantage to judge the

administration by the Atlantic Accord. I am not so sure they would come out smelling of roses. The Atlantic Accord is the yardstick -- to measure this government.

One of the criticisms which has been levied at the Premier and his administration is that he is obsessed with oil to the point of neglecting other sectors of the Province's economy. It has been said that the Premier is like the owner of the lottery ticket who is so sure that there is going to be a grand prize and he is going to win it that he neglects every other source of income at his disposal, including his job. It has been said jokingly by outport people and by other people in this Province that the Premier has oil on his brain and this is what is interfering with his thinking; this is what is interfering with the way he is behaving.

In discussing this bill today, Mr. Speaker, there are two things which we have to consider. First there is the bill itself and then there is the politics surrounding the bill. These are the two things, the bill and the politics and first I want to address the politics that surround the bill. Let nobody deny today that the Premier and his party have used offshore oil for maximum political gains.

I was a candidate in the 1982 election. The election was totally based on the offshore oil question. Reason was completely thrown to the wind and the Tories very skillfully used the tactics which suggested that if anyone was against the Tory Government, he was against the offshore oil. This is a tactic they used. It is not a new tactic. It is a tactic

that intelligent, smart, slippery, slimey politicians have been using for generations. It was a very slippery tactic which worked.

I entered into the election in '82 just as committed to the belief that Newfoundland should get the maximum benefits from the offshore as any other single person in Newfoundland. One can imagine my surprise when I learned, Mr. Speaker, that I was against the offshore because I was not a Tory. The political posturing has continued right up to the day on which the hon. Minister Responsible for the Petroleum Directorate presented the bill to the House in February of 1986. And what a fiasco that was, Mr. Speaker.

Members from all over this Province were called back at a tremendous expense to the Treasury; we were called back to have this bill introduced. I was expecting some very serious debate and when the hon. minister got up to introduce it, the basis of his argument was this, that Leo Barry was not as good a Minister Responsible for Energy as the present minister, the Minister in charge of the Petroleum Directorate. That was about all it was. It cost this Province I suppose \$1 million to argue whether or not one was better than the other, a purely political fiasco, political nonsense.

I suppose it would be unfair to criticize the Premier or his ministers for using politics. I too am a politician, albeit a rookie politician, but I am getting a feel more and more for the procedures that must be used in the political ring. I am pleased, Mr. Speaker, though to have had the advantage of hearing



the Premier publicly admit that he used political posturing in the railway debate back in 1978. When we hear the Premier talk about the political posturing that he performed in the railway arguments, it gives Newfoundlanders, it gives me, a better insight into the game that the Tories are now playing.

I am certain, Sir, that within a few years many of us will live long enough to hear the Premier admit again publicly that he used political posturing in the whole offshore oil debate. So when we discuss the Atlantic Accord, Mr. Speaker, we have to be constantly aware that political posturing is taking place. Now, by and large Newfoundlanders are aware of that now. Everybody in Newfoundland knows. And, as the hon. minister pointed out - although he is not in his chair - the whole political thing is a dead issue. One would hope, though, Your Honour, that somewhere beneath all this political posturing, there is, indeed, an agreement. One would hope that there is an agreement somewhere.

Therefore, the real question today, Mr. Speaker, that Newfoundlanders must ask and are asking is not whether Tories are better or worse than Liberals. The question is not whether Leo Barry was a better Energy minister than Bill Marshall, or whether Brian Peckford is a better Premier than J. R. Smallwood. Now, there might be a place for those questions, Mr. Speaker. I could suggest where the place would be. But the questions, by and large, are totally irrelevant when it comes to debating Bill No. 1, the actual bill which we have before us. The questions of whether one man is a better Energy minister or

whether one man or woman is a better Premier than the other might have a place somewhere, but in discussing this bill, this actual document, they are totally irrelevant.

The real question today, Mr. Speaker, that Newfoundlanders are asking is this: Is this Atlantic Accord or this Bill No. 1, this agreement, the best possible agreement that could have been gotten for Newfoundland as far as offshore oil is concerned? Here is the crucial question which Newfoundlanders are asking.

From where I stand, Mr. Speaker, this agreement is not the best agreement that could have been gotten for the simple reason that we cannot refine our own oil. We cannot refine our own oil. Now, as I understand this bill, Mr. Speaker, despite what members opposite would like to suggest, we cannot refine our own oil that is out there off those Grand Banks.

MR. J. CARTER:

Would the member permit a question?

MR. DECKER:

No.

Clause 41(b), Mr. Speaker, comes very close to allowing us to refine, but the clause stops short just before the oil reaches the refinery. Now, Clause 41 in this bill deals with "Regional Security of Supply." Clause 41(b) suggests that supplies are made available to Come By Chance to meet the requirements of Come By Chance "on the day of the coming into force of this Act." That is what Clause 41(b) says. The supplies that are available to Come By Chance will meet the requirements of Come By Chance "on the day of the coming into force of this Act." How much

oil does Come By Chance need today? How much oil will Come By Chance need on the day that this bill comes into force? It is indeed ambiguous, Mr. Speaker, as it is written.

Now, speaking of ambiguity, I refer here to **An Analysis Of The Impact Of A Nova Scotian-Type Offshore Oil Agreement On Newfoundland**. This analysis was prepared by the Minister Responsible for the Petroleum Directorate (Mr. Marshall) and the Executive Director, Mr. Stephen Millan. It was prepared in August, 1982. This document states, Mr. Speaker: "Ambiguity exists in determining whether the concept of existing industrial facilities would include a mothballed refinery such as Come By Chance and whether only industrial facilities existing as of the signing of the agreement or such facilities as exist from time to time, will be given preference under this clause."

Here is the minister saying there was ambiguity in the deal which Nova Scotia accepted, ambiguity which would make it irrelevant for Newfoundland. As I understand Clause 41 (b), Mr. Speaker, that ambiguity is still there. That ambiguity has not been taken out, therefore it is not crystal clear that Newfoundland can ever hope to refine at Come By Chance unless Come By Chance requires oil on the day that this agreement comes into effect.

Surely, Mr. Speaker, someone somewhere must realize that Come By Chance is not working today, and that Come By Chance will not be working within the next few months. Therefore, Clause 41 (b) is a total waste of space in this agreement. It was a waste of

space in the original agreement as the minister insinuated. It is just a big a waste of space in this particular agreement.

Then, Mr. Speaker, Clause 41 (c) gives a little bit of hope until it is examined. This Section 41 (c) refers to any new refineries that might be built, any new refinery or refineries can be given oil, but, Mr. Speaker, only after the requirements of the industrial demands of Nova Scotia, New Brunswick and Prince Edward Island are met.

Again, in this document that I quoted from earlier, the minister said this, 'However, what is clear' - now he is referring to the first agreement - 'under the agreement new Nova Scotia based' - which in this case would be the new Newfoundland based - 'industrial buyers will not be given access to offshore production unless such feedstock is excess to the feedstock required to meet the demand of presently existing industrial capacity in Eastern Canada.' That very same clause, Mr. Speaker, is right here in the Atlantic Accord, and it has the same effect as it has in the Chretien agreement, Mr. Speaker.

It will be years into the future before Newfoundland can ever hope to refine, and oil as a fuel could well be obsolete by the time that we ever get access to our own oil, Mr. Speaker. There are people who think that Churchill Falls denies Newfoundland access to its own resource for a long time. The Atlantic Accord will deny us access to our oil for just as many years, Mr. Speaker, and possibly more.

After this contract is signed some

day, somewhere in the future depending on the world market for oil, oil will be pumped from the Grand Banks, it will be loaded on tankers and it will be shipped away. This is what this Atlantic Accord is going to do. Our people will get a few jobs during construction just as they got a few jobs during construction of Churchill Falls. And even that bit of activity will only take place, Mr. Speaker, even the construction jobs will only take place if the world price of oil dictates that it will. There are just as many experts today who are saying that the world price of oil will stay below \$20 until the year 2000 as there are experts saying that the price will go above \$20 before 2000. Wilbur Hopper, in a document that has already been tabled in this House, said that unless there is \$20 a barrel production of Hibernia oil would have to be subsidized. Pat Carney, the Minister of Energy in Ottawa, in a speech to Rotary said that today's prices is a blip on the world oil prices. She is anticipating that the prices will go back up to the prices of the 1970s. I ask Mrs. Carney, and I ask other experts where is the real blip on the oil prices of the world, Mr. Speaker? Where is the real blip? Was it the blip in the 1970's or are we in the blip today? Traditionally oil has been an awful lot cheaper than it was during the OPEC embargo. The real blip could well have been in the 1970's when the price of oil went up into the forty and fifty dollar range and we are now returning to sanity.

If Hibernia and the whole offshore has to be subsidized, then the subsidy will have to come from all refineries and the petro-chemical industry. Bill 1 ensures that it

is unlikely that the petro-chemical industry will ever be here in Newfoundland. Therefore, the subsidy will once again have to come from outside of Newfoundland. It will be a sad day for Newfoundland, Mr. Speaker, if a subsidy to pump our own oil must come from the other provinces which are going to have the oil refineries. We will continue to be a have-not province, Mr. Speaker, forever.

It is indeed very unfortunate for this Province that an agreement could not have been reached five or six years ago, Mr. Speaker. It is indeed unfortunate that our negotiators were not able to pull off the same deal that Nova Scotia did having a clause to protect them in it, just as the member for Carbonear (Mr. Peach) pointed out. It is unfortunate that we could not have put an escape clause in as they did. It is unfortunate that we could not have started this process five or six years ago. That is where Newfoundland has lost out.

Now, Mr. Speaker, I am not well enough versed in the Chretien agreement to judge whether or not it is better or worse than this bill which we are debating today. I am not familiar enough. But I am familiar, Mr. Speaker, with the players in this game. I am familiar with the politics that is surrounding this game. I am familiar with the Premier who gets up and confessed, publicly and otherwise, to political posturing. So I know, Mr. Speaker, that there is indeed political posturing here. So I cannot accept the judgement of the hon. Premier or the judgement of the hon. Minister Responsible for the Petroleum Board when they say this agreement is better because

it is signed by a Tory administration. I do not have the ability to say that. I cannot judge the two, but I can only say that the present agreement which we are discussing, Mr. Speaker, has to be an awful lot better than the Chretien agreement to compensate for the five years that we have lost, Mr. Speaker.

Five years ago the oil prices in this world had gone crazy. The whole world and our Premier was convinced that the price of oil would never again be reduced. If Newfoundland had signed an agreement five years ago, by now the development stage would have been so far advanced that the companies would not have been able to back off. St. John's, Newfoundland, by now would have experienced our boom years and the Newfoundland economy would certainly have been better off. We would not have had to serve this five year sentence. We would not have had to service this five year prison term even, Mr. Speaker, with a Tory government.

Mr. Speaker, I am not going to speak much longer because this bill is important, I think. I have deliberately stayed to my point, I have not used any padding in my speech, because I think it is too important. I think we just have to discuss the bill as it is. The only question I have, and, I guess, it will be years and years before I know the answer, is: Did we wait too long? Did we miss the boat by waiting these five years?

Maybe, Mr. Speaker, in closing I could say that it is too bad that the former English teacher did not pay more attention to the words of Julius Caesar, when Julius Caesar said, 'There is a tide in the

affairs of men,/Which taken at the flood, leads on to fortune;/ Omitted, all the voyage of their life/Is bound in shallows and in miseries.'

Mr. Speaker, my question: Did we miss the tide? Should we not have signed a deal five years ago, and, by not signing that deal five years ago did we not sentence our people to a lifetime of being a have-not province? If that is the case, Mr. Speaker, I would not want to be in the shoes of this Premier if the tide for the Atlantic Accord was five years ago.

Thank you, Mr. Speaker, and thank you, members for your attention.

MR. J. CARTER:

Mr. Speaker.

MR. SPEAKER:

Order, please!

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

MR. J. CARTER:

Mr. Speaker, there are some advantages in speaking late because this debate has boiled down to a very interesting but very simple argument. The Opposition's opinion, or their position, is that all, or most, offshore oil should be refined here. In other words, it should all be funnelled through local refineries, or at least as much as possible. I think they would accept the position that excess crude oil could be sold, but it would only be the bulges that could be sold and the bulk of it should be refined here. Now, Mr. Speaker, I think that this is a false argument, it is a wrong argument and it is wrong-headed, and in the few minutes allotted to me I will try and give my reasons

for that.

There is a market for crude oil, there is no doubt about that. The market seems to vary a bit, but if you stop and think about it oil enters every aspect of our lives, we wear it, we either eat it or cook our food with it, it powers our cars, a lot of our fabrics, I would think, are made of oil. There is hardly a product that does not either consist of oil or is not related or produced by oil power. Even with hydropower, the machines have to be lubricated with petroleum. So it enters every aspect of our lives. All our chemical industries, all our insecticides and pesticides that the member from Gander (Mr. Baker) loves so much, are oil related, and a great many of our artifacts, furniture and the list goes on and on and on. I suppose there must be thousands and thousands of products that are oil related.

So there is a market for crude oil but I would argue that there is not necessarily a market for refined oil. In other words, consider the following: Supposing for some reason or other that you came upon a million liters, a million cans of motor oil. I think motor oil now is about \$2-something a liter, and you would say to yourself, 'My, I have \$2 million worth of oil.' Try and sell it. Try and sell it for anything like its market value. The market for motor oil is already well supplied, taken up with Esso, with Irving oil, with Quaker State, and all these various oil companies have their customers, they have their contracts, and if you want to try and sell one million liters or one million cans of motor oil, good luck to you, you will not get much for it. It will only be sold at

distress prices. Perhaps you could sell it at a great loss, you could unload it. So there is not much of a market for refined oil and that is to say that all the oil, all the refined products already have markets.

K.C. Irving in New Brunswick, one of the hardest nosed businessmen ever to draw breath in Eastern Canada, built up his considerable markets very slowly and with difficulty. These markets just cannot appear overnight, so to suggest that Hibernia Oil should be refined in Newfoundland first is to create the most extraordinary bottle neck that you can imagine. There is no way that much oil could flow from Hibernia and be pushed through local refineries. And if you want any further proof of what I am saying, consider the fate of Come By Chance. Come By Chance failed. It failed miserably!

I had the opportunity to be shown over Come By Chance while it was "operating". Homer White said to me, "The problem is we have to pay so much for our oil. If oil was not so expensive, we could perhaps turn a profit." I did not know then what I know now, that he had not paid for any of his oil. So, his oil cost him nothing, but they still could not make a go of it. I will go to my grave believing that Come By Chance was one of the biggest scams that was ever put together. It worked very well because, according to public statements, the Shaheen companies managed to siphon off something like \$60 million into their related companies. So they did very well by it. But Come By Chance was a flop from the beginning to the end. Apparently they did not even bother to put beaters in the tanks to keep it

mixed, so you have these heavy fractions sitting in the bottom of these huge tanks out there. They must be like tar now, very hard to dig out. Not only did Come By Chance not work, I cannot see any of the equipment being activated.

Now, one of the engineers who did a work term there, -

MR. FUREY:  
Even now?

MR. J. CARTER:  
Even now.

MR. SPEAKER (Hickey):  
Order, please!

MR. J. CARTER:  
One of the engineers who did a work term out there, whom I knew quite well, said it was the biggest scam he had ever seen. Pipes were connected to themselves.

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

MR. J. CARTER:  
No, no questions.

So Come By Chance did not work. Now, what makes you think that even a new Come By Chance could work using Hibernia oil? There is nothing special about Hibernia oil. You can always get crude oil if you want to get it. There is a market for crude oil, and I do not suppose you could hope to get Hibernia crude any cheaper than you could get West Texas crude or any other kind of crude. The only difference would be in the cost of transportation. If you have to load it and unload it that is the biggest cost, so there is no advantage, or very little advantage to getting Hibernia crude for an oil refinery.

MR. FUREY:  
Are you saying the Newfoundland consumer would not get a break from having local oil?

MR. J. CARTER:  
No, the Newfoundland consumer would get no break from having local oil. He will get a break because it is sold as crude, he will not get a break because it is refined. You cannot refine it here because a refinery will not work here, or, if it will work here, it does not need Hibernia oil. Hibernia oil has nothing to do with it. The two arguments are quite separate. If a refinery will work here, you can get lots of crude.

MR. FLIGHT:  
Why does it work in Nova Scotia?

MR. J. CARTER:  
Because they have built up a long tradition. It takes years and years and years to build up -

MR. FUREY:  
Well, why do we not start it?

MR. J. CARTER:  
Well, we can do it without Hibernia. We do not need Hibernia oil to build up a refinery operation, and I use K.C. Irving as the example. You have to build your network of garages and distributors and all the rest of it before you can start selling refined products. But there is a market for crude, a good market for crude and I will later on, if time permits, argue that there should be no difficulty whatsoever in disposing of any reasonable amount of crude oil.

A lot has been made of the Nova Scotia deal. Now I am not an expert on either of the deals but I do know this, that the deal that

we were offered based upon the Nova Scotia deal did to take into account our equalization payments. In other words, our equalization payments would have gone to zero before we would get any considerable amount of money from Hibernia. Now, that is not the case with the present deal, and I will let others more versed in the fine points of this deal explain it. But the Minister Responsible for Energy (Mr. Marshall), when he closes the debate, if there is any question about that, will be more than able to set reasonable fears from the Opposition at rest. I think it is quite sensible, if the Opposition are worried that this is a bad deal, that now is the time to ask the questions and the minister, I am sure, can set any legitimate concerns to rest.

The Opposition, I know, will continue to play this old familiar tune, that we are getting raw deal because Hibernia oil is not necessarily going to be all or mostly refined in Newfoundland. That is the theme that you are going to hear. That is the theme that they have developed. I think it is a slippery theme. I think it is a wrongheaded theme. I think it is designed to fool the people and it is wrong. In fact, I think it is criminal not only to raise peoples' hopes above levels that cannot be realized but to spread misinformation about to such an extent. I know that it is being deliberately done. I realize it is a clever, political trick and I think it is absolutely disgraceful, but I am not at all surprised to see it being done.

I will say this, that I would not do it if the position were reversed, (a) because I think it is not worthy, but (b) I do not

think it will sell, I do not think it will fly. If hon. gentlemen opposite will sit down and think it through, how can you possibly sell such a position? Anyway, I am sure my words are falling on deaf ears, Mr. Speaker, but there it is.

Now, the Liberal heritage that they have left us with, and here I lump the two parties, the federal and the provincial together, because for some reason or other, I suppose, the Liberal Party here traditionally was more closely tied to its federal counterpart than is the case with any other party. Now this is either because there are ties of blood or ties of community of interest. But it does seem to me that the two parties - I do tend to lump the two parties together, federal and provincial, I do not see much difference between them. They interchanged some characters and there are, as I say, some very close ties of blood and I just see the two parties as being very similar. They have left us a terrible legacy, a \$30 billion deficit this year. It is slightly less than \$30 billion this year but it was \$33 billion, I think, when our party took over federally. Thirty billion, in round figures, is one extraordinary sum of money. In order to pay the interest on one year's federal deficit, every single private house in Newfoundland would have to be sold for market value - that is just for openers - and that would not quite cover the interest on Canada's deficit in one year, all private property at market value. It is an extraordinary fact, the legacy that has been left to us. I am, perhaps, wandering.

I could argue that oil is almost a

standard of value. In other words, we talk about the gold standards and, if you have a stock of gold, it does not matter what happens to the price of gold, you are equally well off because it is so readily acceptable. With oil being so valuable and so necessary in every aspect of our lives you could argue that even though the asking price for oil varies from time to time, the real value of oil does not. If the price of oil is low there will be a agonizing period of readjustment but that does not mean to say that we are any worse off or any better off. The dislocation that occurs because of a fluctuation in oil prices is hard to deal with, but not the fact that oil is cheap or oil is expensive. The Arabs got together and they thought that they would jack up the price of oil. What happened to the Western economies? They became inflated. Now, a lot of people were hurt while the economy was inflated, but the basic price of oil, I would argue, stayed almost the same. Take a standard of value, if you like, a Rolls Royce - you would be able to buy a Rolls Royce in 1939, 1949, 1959 and 1979 for roughly the same amount of oil. So the adjustment is a problem and it sometimes takes time. If you were to keep a graph of what you could buy with so much oil, you would find that it would probably be very similar over the long haul. In other words, I do not think you need to be excessively upset by slight fluctuations in the price of oil.

MR. CALLAN:

Would the hon. member permit a question?

MR. J. CARTER:

Yes. A question from the member for Bellevue.

MR. SPEAKER:

The hon. member for Bellevue.

MR. CALLAN:

Mr. Speaker, I thank the hon. member for St. John's North (Mr. J. Carter). The member for St. John's North was saying earlier in his comments that the problem with Hibernia is going to be markets for our products no matter where it is refined, whether it is in Newfoundland or elsewhere. I want to ask the member whether or not that is based on a false premise. We are not talking about a renewable resource, we are talking about a resource that obviously gets used up no matter where the resource is and, when we start marketing our crude oil in five or six years time, whenever it is, is there not a likelihood that some of the markets we will be looking for will be there because other sources of crude oil will have dried up? Is that not a fair premise?

MR. SPEAKER:

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

MR. J. CARTER:

Mr. Speaker, I do not think this is a problem. I hope I was not misunderstood. I said, and I still continue to say, there is not a big problem in finding a market for crude oil. The problem is finding a market for refined oil and, if you are going to try and find a market for refined oil, you have to set up a very complex organization. The example I would quote is K.C. Irving in New Brunswick. It is no accident that K.C. Irving has a network of service stations with restaurants, he has his own ships and he has his own tanks for holding. Without a complex like that, an oil refinery cannot really work.



I think that even if I ascribe, which I do not willingly, good motives to Shaheen, he did not have that complex.

He said he had contracts, airy-fairy contracts for aviation fuel, but he did not have that network that a successful refinery must have. And this is why I cannot understand why people were not more suspicious of him when he started talking about the size refinery he was talking about - 100,000 barrels a day is not small. Now, the one at Holyrood was manageable, it just turned out a little bit of stuff for the local economy and that was not too hard to sell. But a refinery the size of the Come By Chance refinery cannot possibly work without the network of distributorships that are necessary. I used the example earlier that if someone should come upon a million quarts or a million litres of motor oil, you could in no way sell that for its market value, you would have to take a loss.

MR. CALLAN:

That is what competition is all about.

MR. J. CARTER:

That is right. You just cannot come in and set up a refinery with all its complex network.

MR. CALLAN:

You have a defeatist attitude.

MR. J. CARTER:

No, it is not a defeatist attitude at all, it is just that to try and sell the position that all Hibernia oil should flow through a refinery in Newfoundland is to suggest that we will set up the biggest bottleneck that the Western World has ever seen.

There is a need and a requirement and a demand, especially a demand, for a secure source of crude oil, but if you start and say, oh, no, we must push this all through our own refinery, well, then, you have got a great deal of trouble selling refined products, because you do not have the network set up. Now, in time you could, but the availability or non-availability of Hibernia oil has nothing to do with that. An oil refinery will either fly in Newfoundland or it will not fly, but it has nothing to do with Hibernia oil unless Hibernia oil were offered at rock bottom prices to a local refinery which, again, would not be fair, would not be right. The crude oil from Hibernia must sell at or about at market prices. That is the logic of it. There is no way you can get away from that. Now, there might be certain small savings in transportation, but that is the only economy that you could see.

I realize that my arguments are falling on deaf ears on the other side, but I think they would be accepted by our side and I urge members on our side to hone their arguments very carefully, because this misinformation is not only being held either for good or bad reasons by the Opposition, but is going to be spread about. We are going to hear a lot of it in the next few months, and possibly in the next few years, because they are going to try and make as much of this as they possibly can. I am doing my best to cut the legs out from under that argument because I think it is a false argument. I do not think I am having much success as far as members opposite are concerned, but I think I will have some success as far as our own side are concerned.

So with those few remarks, Mr. Speaker, I will leave it to someone else.

MR. FLIGHT:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Windsor - Buchans.

MR. FLIGHT:

Thank you, Mr. Speaker.

Mr. Speaker, I suppose this will be considered a very historic debate and for that reason, I suppose, every member in the House of Assembly will want to have been on record as having spoken to the Atlantic Accord.

In my case, I spoke before, Mr. Speaker, in excess of an hour, I think, and I do not intend to do what the President of the Council (Mr. Marshall) did. He stood up, Mr. Speaker, and in the first two minutes that he was up he indicated to the House that he had already spoken for two hours and he had no intention of being repetitious and he, therefore, would now highlight a few things in the debate. Then he said, 'And in conclusion,' and an hour and a half later, Mr. Speaker, he was still saying, 'In conclusion,' and he was still going on with the same political dribble that he went on with when he introduced the bill in the first place.

Mr. Speaker, whatever the government wants the people of Newfoundland to think about the Atlantic Accord, it has now been a year since the Atlantic Accord was signed. No one would expect the people on the streets of Newfoundland to understand all the clauses and all the details in that, Mr. Speaker, but there are

two or three major items coming through and people are beginning to understand. They are beginning to understand that we have the basis here of the biggest giveaway that is conceivable to man. Now, that is what the general public of Newfoundland are zeroing in on, Mr. Speaker, two or three issues.

One is the lack of refining that is guaranteed Newfoundland, the inability to refine our own Hibernia oil in this Province. That is one that the ordinary person in Newfoundland on the street understands, cannot believe and will never accept. The other one, Mr. Speaker, is that the average Newfoundlander understands is our giving up the right to participate in the development.

In 1977, when the Premier was playing politics in Newfoundland with the offshore, Mr. Speaker, when he was appealing to the emotions and even to the patriotism of Newfoundlanders, he was making all sorts of demands on the government in Ottawa at the time. He was telling Newfoundlanders that, 'For once we have a resource that we will not giveaway. That resource will not be exploited, that resource will not be shipped off to provide employment and wealth in other parts of Canada or other parts of the world.' Mr. Speaker, one of the things that he was going to do was demand Newfoundland's right to have a 40 per cent participation in any leases issued offshore.

Mr. Speaker, the President of the Council tried to indicate to this House that we really do not need the right to participate; we gave that up because we are going to make up the revenue to Newfoundland in royalties and taxes. That is silly, Mr.

Speaker. The fact is that the royalties and taxes will come out of the dollar generated. With participation we would have had a share of that dollar before taxes or royalties would have been imposed.

Mr. Speaker, if we want somebody who is knowledgeable in the situation, or the government thinks is knowledgeable, we only have to quote the Chairman of the Royal Commission on Employment and Unemployment, Mr. House. Listen to what Mr. House says about participation. He stated:

"By far the most important weakness in this agreement is state participation. The 1977 regulations provided for the Newfoundland Petroleum Board to take an undivided 40 per cent interest in every lease. This participation was to provide both a major source of revenue and, more importantly, a direct say for the Province through 40 per cent representation.

"Although radical for North America, such a participation agreement is now standard practice in offshore industry internationally. Participation has all but been abandoned in the Accord." That is what Dr. J.D. House, Mr. Speaker, said.

The Premier and the President of the Council (Mr. Marshall), and maybe the Minister of Finance (Dr. Collins), who are the chief spokesmen for the government on matters relating to the offshore, will have to explain one day to the people of Newfoundland why they gave up the participation; why they gave up our right to back in and have a 40 per cent ownership in those leases and enjoy the benefits that would have

flowed from such a -

DR. COLLINS:

We were putting something better in its place.

MR. FLIGHT:

Nothing can be better put in its place.

That is what the minister is going to have to do. It is very easy in this House of Assembly to stand up and say, "We put something better in its place." But the people of Newfoundland are going to say, "What did you put in better? What could have been better than a 40 per cent interest or ownership. We owned 40 per cent of Hibernia. What could have been better?" The royalties and the taxes are levied on the dollars made. We had a right to have 40 per cent of that dollar before royalties, before taxes. The minister is going to be hard pressed to explain to anyone what he put back in its place.

Mr. Speaker, I will not attempt to kill any amount of time on this. The Premier of Newfoundland and his cohorts, the President of the Council, starting the mid-seventies, right through to 1984, held up the offshore as the Utopia. The Premier is on record as saying publicly that the only thing we have left on this rock is offshore. "If the offshore does not work for us, it is all over." Now, he said that. He is on record as saying it, whether he meant it or not, Mr. Speaker. Oil was then probably \$39 a barrel and that is what he told the people of this Province.

He then proceeded in 1984, when the political scene changed in Ottawa and he realized the position he was in, he then sat

down and gave away, literally under duress, for reasons of political blackmail, for whatever reasons, one day the truth will be told as to why the Premier of this Province caved in on all the things that he considered absolutely necessary that he would not even consider prior to 1984.

Remember the ownership issue and how the Premier of this Province attempted to convince Newfoundlanders that we could never really control the offshore if we did not have ownership. Well, he went to court on the ownership issue and he lost both cases and, in doing it, he gave to Mr. Mulroney and Mr. Crosbie the tool they needed, Mr. Speaker, to effectively deny Newfoundland ownership. Suddenly the Premier changed his tactics and said, "Oh well, ownership is not important anyway. All that is important is that we have a joint board for management and profit-sharing." Then, Mr. Speaker, came the bomb. If there is an explosive bomb that will come back to help destroy this administration, it is Clause 59 and all that entails for Newfoundland, Mr. Speaker.

Mr. Speaker, the President of Treasury Board and the Premier hung their hats on the fact that the Nova Scotia agreement was not a good agreement. It was a terrible agreement and they would never be prepared to accept an agreement like Nova Scotia. The hon. the President of the Treasury Board (Mr. Windsor) nods. They may well have been right, Mr. Speaker, but listen to this. Let me quote a statement for the House of Assembly. This is a criticism, a critique, if you would, of the Nova Scotia agreement. The Minister of Finance (Dr. Collins) would do well to listen to this

quote.

"However, what is clear is that under the Nova Scotia agreement, new Nova Scotia-based industrial buyers will not be given access to offshore production unless such feedstock is in excess to feedstock required to meet the demand of presently existing industrial capacity in Eastern Canada." Now, that is from the Nova Scotia agreement.

It goes on to say, "This means that, unlike Alberta, which can use its oil and gas resources to start new industries which can compete with existing facilities in Ontario and Quebec, Nova Scotia can only hope that more oil and gas is found off its Coast than Ontario and Quebec" - Ontario is dragged into this now - "will need. This is hardly consistent to a commitment to using the resources to promote local economic development."

That was a criticism of the Nova Scotia agreement, and by who? Who is 1982 criticized the Nova Scotia agreement because they were not being allowed oil or crude from the reserves off Sable Island? Who criticized it? Who made that statement? Who said that one of the reasons that the Nova Scotia agreement is not acceptable to Newfoundland is because under the Nova Scotia agreement they cannot have feedstock for any existing or new capacity until everything is operating at 100 per cent in Ontario and Quebec? Who said that? Who said that we will not accept -

MR. WARREN:

The Leader of the Opposition.

MR. FLIGHT:

No, Mr. Speaker. The Leader of

the Opposition did not say it. The present Energy Minister said it when he was being critical. The President of Treasury Board said it when he was using the Nova Scotia agreement to compare the -

SOME HON. MEMBERS:

Oh, oh!

MR. FLIGHT:

We were supposed to have been. This party was supposed to have been supporting or looking for a Nova Scotia type agreement. Attempting, Mr. Speaker, to indicate how terrible and how silly the Nova Scotia agreement was the present President of Treasury Board, Mr. Speaker, the present minister responsible for the Petroleum Directorate, the man who was negotiating, the author of the Atlantic Accord.

AN HON. MEMBER:

The President of the Council.

MR. FLIGHT:

The minister is right, the President of the Council. The author of the present Atlantic Accord, in which Clause 59 says that Newfoundland will never have refining capacity, that is the minister who, in 1982, was criticizing the Nova Scotia agreement because under the agreement no feedstock will be available to Nova Scotia refineries.

Now 1982 - 1984, the Atlantic Accord was signed in February of 1985. What kind of a hypocrite, Mr. Speaker, could stand in this House of Assembly and defend the Accord as we have it, denying Newfoundland the ability to ever having refining capacity, denying us the jobs associated with the refining capacity, denying us everything. I recall, and this

dates back in this House of Assembly to 1975 when members were standing up. There was no thought, Mr. Speaker, nobody in their right mind in this Province ever believed that we would see an accord signed with the federal government or a deal struck with the federal government that would not permit refining in Newfoundland. Nobody in Newfoundland would have believed that.

So, Mr. Speaker, the President of Council now brings in the Accord he authored, an Accord that effectively guarantees that we are going to see another resource, Mr. Speaker, exploited and shipped off to make other parts of Canada and other parts of the world rich; to create high employment areas in other parts of Canada and other parts of the world, the same as we have seen with practically every resource that this Province had, Mr. Speaker.

If there is a criticism in Newfoundland of the performance of governments in this Province for the past 300 or 400 years it is that consistently, resource after resource after resource was allowed to be exploited, shipped off creating high employment areas and wealthy towns and communities in other parts of Canada, in other parts of the world.

We, Mr. Speaker, under this Accord is now committing that last resource, the resource that the Premier said, 'this is it, ladies and gentleman. If we do not make it on this one, if we do not handle this resource right, if we allow this resource to be exploited the way our other resources were, then Newfoundland is doomed. It is the last chance the sun will have to shine, Mr.

Speaker, in Newfoundland, will be if we properly manage the offshore, the oil that is out there.'

Now all of this, Mr. Speaker, was said when oil was \$39 a barrel, when everybody was going to get rich. Now, Mr. Speaker, we are debating the Accord with \$16 a barrel for oil. It is inconceivable, Mr. Speaker. The cost of extracting a barrel of oil in Hibernia is not going to significantly change in the next five or six years. If you account for the normal inflation, cost of goods, cost of labour, the \$500 billion investment that we hear tell of for this fixed platform will remain the same. The size of the reservoir will not change.

Mobil knows the cost of extracting a barrel of oil from Hibernia. I do not believe it is a silly question. I do not believe there is any reason why the President of Council or the Premier or the President of Mobil Oil cannot tell the people of Newfoundland what it would cost to extract a barrel of oil. But they will not. I do not know why, Mr. Speaker, I think it is part of the political cover up. It is part of the secret agenda.

Mr. Speaker, since this marriage of the government in Ottawa to the same party stripe as the government in Newfoundland, we have seen some terrible things happening in our offshore. We read today, Mr. Speaker, in *The Globe and Mail* "Bow Valley Resources Selling Off Assets."

"The company is now experiencing a major drop in revenue because one of its three offshore rigs is sitting idle in Mortier Bay. Mr. Seaman said the prospects of the

rig finding work this year are remote. Mr. Seaman said the major multinational oil companies are reluctant to become involved in costly offshore drilling."

That must make the people of Newfoundland who have been for the past two or three years, following the rhetoric of the Premier and the President of Treasury Board, Mr. Speaker, talking about how great it was, how the sun was going to shine, how the offshore was going to be the new Jerusalem, the new utopia, that kind of a headline and detailed explanation as to why Bow Valley are selling off their rigs must send shivers down the backs, Mr. Speaker, of people whose investments have been predicated on what was supposed to happen. It must send shivers down the spines of the real estate industry in this city, Mr. Speaker, and it must send shivers down the spines of the thousands of young Newfoundlanders out there who were sucked in by the Premier in 1982, who were led to believe by the Premier, 'Give me a mandate and everybody in Newfoundland will be working.'

The knowledge, Mr. Speaker, that one of the major players in the offshore is selling off its rigs and saying that it is not a good investment to continue or to try to drill in the offshore. The National Energy Policy that provided 80 per cent or 90 per cent in PIP grants, Mr. Speaker, that found Hibernia in the first place, is gone and with it is gone any hope for exploration out there, other than by the major, major multinational companies.

One thing we have done with this Accord and one thing we have done by cancelling out the PIP grants, Mr. Speaker, is to guarantee that

there will never be anybody involved in the offshore expect the multinationals, the Mobils of the world. Mr. Mulroney has effectively made sure, Mr. Speaker, that there will be no small Canadian companies getting involved in the offshore other than in partnership. This past year we have seen a bit too much political patronage, political favours being repaid with joint ventures.

So, Mr. Speaker, the people of Newfoundland are starting to see, and will see as this debate goes on and as the offshore story unfolds, the giveaway, the unbelievable turnaround, the unbelievable hypocrisy practiced by that administration in managing one of the last resources. A resource, if managed properly, might well indeed have caused the sun to shine for fifteen or twenty years in this Province. If we had, Mr. Speaker, the refining capacity, if we were permitted to refine our oil, if we had the petrochemical industry that would have sprung up around an oil refinery, if Newfoundland had not been denied that, then it is possible that the offshore, Hibernia, would have provided the funding that we needed to put the infrastructure in place for development of small cottage industries, forestry, the fishery, mining and rural development. It is possible that could have happened.

But, Mr. Speaker, at \$16 a barrel, the people of Newfoundland will wait a long time before there are any profits or royalties to apply to any expenditure that this government or any other government wants. That might well hold true, Mr. Speaker, if we see oil go to \$20 a barrel or more. We are not

talking about Alberta oil or Venezuela oil. We are not talking about oil that one can get by drilling a hole and setting a pump on the ground and changing a bearing every nine years and it is just pumped up. We are not talking about \$4 or \$5 a barrel to produce.

When OPEC, Mr. Speaker, and the people speaking for the industry talk about actions to force the price of oil up, they may be talking, Mr. Speaker, about forcing that oil up to \$20 a barrel not to \$39, maybe \$22. In 1966, Mr. Speaker, the price of the oil in this world was \$1.80 a barrel. In 1984 it went to \$39 a barrel. Now, Mr. Speaker, in 1966 it was unrealistically low, \$39 might have been unrealistically high, so somewhere in there is the happy medium that the oil producers of this world will accept and make all the money they want to make on. Well, if that acceptable price, Mr. Speaker, happened to be in the \$20 or \$21 range, I would like the Minister of Finance (Dr. Collins) to stand up and tell us what our cut will be. If we have to go into production of Hibernia at \$21 or \$22 or \$23 a barrel, I would like for the Minister responsible for Energy (Mr. Marshall) to stand up and tell us how many dollars of that \$21 will be available for royalties to the federal government and the provincial government? How much profit will Mobil make on a barrel of \$22 a barrel of oil? Remember it has to go \$6. It has got to start coming up some, Mr. Speaker.

Maybe we can go a little higher. Maybe we can go to \$25 a barrel oil and at \$25 a barrel oil how much profit will Mobil have? How many royalty dollars from a barrel

of Hibernia oil will be available to this Province? How much taxation will be available to this Province on a barrel of \$25 a barrel oil? That is allowing it to go, Mr. Speaker, almost \$10 from where it is.

So, Mr. Speaker, that is the main thrust. The only thing that is important in that Atlantic Accord, the only thing that is important to the people of Newfoundland is that their government sold out and refused to stand up and demand their right to have the refining of this Province. That is where the jobs are. There is nothing else, Mr. Speaker, they will never share. It will be a long day, regardless of what the price of oil is, before the people of Badger feel the affects of the petro dollars from royalties. Knowing this government, they will want to pay off the provincial debt before they send a few dollars, a few cents of the profits of oil into Badger or Millertown or Buchans.

Mr. Speaker, the two things that the opinions of Newfoundland will crystallize around, that the minds of people will wrap themselves around and they will understand as this debate goes on and as the offshore unfolds, is that they have been denied the right to have refining in Newfoundland. They have been denied the one facet of the offshore that would improve their lifestyles, that would have created jobs, that would have given them jobs. There is no point in making a lot of money from royalties and paving the roads of Badger if nobody in Badger are working. These young people in Badger and the Newfoundland people felt with the oil would come the refining, would come the jobs, would come the

petrochemical industries, and it could have happened.

It would have happened if we had stood as firm in 1985 as the Premier appeared to stand from 1975 to 1984 when he was forced to negotiate that Atlantic Accord. If he had stood as firm to Mr. Mulroney as he did from 1975 to 1984, it would have happened. We would have had the offshore. We have had our refining. We would have had our jobs and great would have been the appreciation of the people for that Premier and that government. But great will be the damnation by the people of Newfoundland when they realize, Mr. Speaker, how they were sold out.

So, Mr. Speaker, God grant for the good of Newfoundland that all the things that the President of Council and all the expectations that the Premier has fostered in this past ten years will come to fruition. God grant that they will be realized. I say if the expectations and the hopes that the President of Treasury Board and the Premier have built up in our people this past ten years are realized, then he will be a hero among his people.

But God help Newfoundland, Mr. Speaker, if, as we go down the road, as the truth unfolds, that we have given away that last resource in order to have an issue for an election in 1985, realizing that the Prime Minister of Canada had him over a barrel as a result of these things, that they realize that that last great resource, the one that could have meant something to this Province, has been given away, has been bartered away for short term gain and short term political gain at that, Mr. Speaker.



Mr. Speaker, Professor J.D. House when he was talking about the offshore indicated that without refining capacity, the people of Newfoundland would continue to become hewers of oil, albeit it they would be a little bit richer, but they would be hewers of oil as we have been hewers of everything else, Mr. Speaker.

So, Mr. Speaker, it is a very historic debate. I tell the President of Treasury Board that I hope that five, six, seven, eight, nine or ten years, long after he is gone from the political scene, the people of Newfoundland can say to him that he did a good job. I hope he can sit there and gloat the way he is gloating now and I hope he is around to answer the criticisms. The last resource, Mr. Speaker.

So, Mr. Speaker, God help Newfoundland if the things that we read in this Accord apply.

MR. MARSHALL:

You are going to get a chance to stand on Division when we move.

MR. FLIGHT:

That is the hypocritical politics, Mr. Speaker. That is the kind of politics, politics over people. Are you going to vote for it? Believing that he still has a spell over the people of Newfoundland, believing that everybody out there still believes his theory of the offshore, believing that they are still concerned about Premier Peckford, he still wants to play the kind of politics that he authored and was party to from 1975 to 1984. Believing that he says, 'Are you going to vote?'

I would not be surprised, Mr. Speaker, if the Opposition voted

against this Accord that we would be into an election next week because the Premier would scurry out to the people of Newfoundland and say, 'Look, they are against the offshore.' The worse political hypocrisy that was ever perpetrated on the people of this province, Mr. Speaker.

MR. SIMMS:

Will you vote for the Bill?

MR. FLIGHT:

The Minister of Forest Resources and Lands (Mr. Simms), Mr. Speaker, I have never heard him comment on the Atlantic Accord or the oil in Central Newfoundland, in his constituency, and he may survive. This government, if they play this right politically, they may survive but great will be the recriminations in Newfoundland when the people of Newfoundland realizes they were done in.

MR. SPEAKER (McNicholas):

Order, please!

The hon. member's time has just elapsed.

MR. FLIGHT:

Thank you, Mr. Speaker.

MR. FUREY:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for St. Barbe.

MR. FUREY:

Mr. Speaker, I think it is worth noting before I start that with such a great bill and such a great piece of legislation, it is kind of ironic that nobody on that side wanted to stand and speak on behalf of their party.

I guess there must be a certain element of shame over there in the

benches. Surely not all thirty-five Conservative members have spoken on this historic piece of legislation.

MR. SIMMS:  
A fair number.

MR. FUREY:  
Mr. Speaker, I can say to the House that it gives me great pleasure as a young newly elected member to stand in my place on behalf of the people of St. Barbe in this hon. House to offer my comments with respect to Bill 1, An Act To Implement An Agreement Between The Government of Canada and the Government of Newfoundland and Labrador On Offshore Petroleum Resource Management And Revenue Sharing.

I would like first of all, Mr. Speaker, to make a few comments with respect to Churchill Falls because we have all seen how unkindly history has treated those who spoke in this Chamber some twenty years ago, and spoke with the unanimous voice at that time, for what appeared to be an historic and great document for the Province of Newfoundland and Labrador.

MR. MARSHALL:  
Is this yours now or Rex's?

MR. FUREY:  
Mr. Speaker, I was twelve years old at that time and the hon. member from Stephenville (Mr. K. Aylward) was six years old. We did not understand, nor could we, the complexities of that agreement but, Mr. Speaker, we knew intuitively that a sense of excitement had gripped Newfoundland and that a time of hope was upon us.

Our fathers and brothers were

moving away in droves, Mr. Speaker, to Labrador to take part in this new prosperity, this new found wealth. In fact, Mr. Speaker, some 21,000 Newfoundlanders would find work at Churchill Falls. Countless homes would be constructed from revenues generated from this great mega hydro electric project and how many of our brothers and sisters I wonder, Mr. Speaker, went through university because in the Summertime good paying jobs could be found for them at Churchill Falls. \$121 million was paid out in wages from that mega project and that was nothing to sneeze at in the mid-sixties and early seventies. Today I would suspect that that money would be ten times as much.

The Tory Administration, Mr. Speaker, has never pointed out the positive aspects of Churchill Falls, that mega project in Labrador. They have chosen to isolate one negative factor, Mr. Speaker, the long-term contract where much of our revenue is lost. Their arguments are valid when hindsight comes into play, but who could have ever imagined that the price of electricity would have mushroomed as it did, Mr. Speaker. Could Premier Smallwood at that time envisioned that electricity would skyrocket like it did? Could Premier Peckford today envision or predict that oil would plummet as much as it did? Nobody could predict that! Nobody had a crystal ball. Nothing is certain in this life, Mr. Speaker, except as we all know, death and taxes.

Mr. Speaker, could the hon. member for Waterford - Kenmount (Mr. Ottenheimer), who was a sitting Tory at that time, one of the handful that was there, could the

hon. member for Waterford - Kenmount have envisioned this? I hardly think so, yet he fully endorsed, totally, unanimously supported, voted in this Chamber for the great mega Churchill Falls hydro-electric project; right here in this House of Assembly, he concurred.

Could the hon. member for St. John's East Extern (Mr. Hickey), another of the sprinkling of Tories who sat on that side at that particular point in history, could the hon. member for St. John's East Extern have known that electricity rates would have skyrocketed as they did? Of course, he did not. So he endorsed unequivocally, without argument, unanimously, the Churchill Falls contract here in this House of Assembly.

It is interesting, Mr. Speaker, twenty years later the hon. the member for Waterford - Kenmount and the hon. the member for St. John's East Extern currently sit in this House and they did endorse the great mega project that Churchill Falls hydro-electric project.

MR. HICKEY:

On a point of order, Mr. Speaker.

MR. SPEAKER:

Order, please!

A point of order, the hon. the member for St. John's East Extern.

MR. HICKEY:

Mr. Speaker, I do not mind the hon. member taking my name in vain, as a number of hon. members over there have done over the past while regarding the Churchill Falls contract.

MR. FUREY:

What is the point of order, Mr. Speaker?

MR. HICKEY:

But, Mr. Speaker, I want to point out for record purposes for about the fifteenth time, myself and my colleagues at that time did not approve the Churchill Falls/Labrador contract. We approved in principle the development of Churchill Falls and the creation of some 3,000 jobs. It would be like voting against motherhood to vote against it. But we did so, Mr. Speaker, with the understanding from the then Premier that the contract would be tabled in the House and the House would have an opportunity to examine it.

Now, let the hon. member, if he is going to use my name and refer to this matter, let him come clean and let other hon. members over there do the same thing, Mr. Speaker. It is really a red herring.

MR. FUREY:

There is no point of order there, Mr. Speaker. He voted for it. The hon. member for Waterford - Kenmount voted for it, and he should not feel ashamed of that.

MR. SPEAKER (McNicholas):

Order, please!

I must rule that there is no point of order. The hon. the member took the opportunity to explain his point of view.

MR. FUREY:

To interrupt my speech.

MR. SPEAKER:

The hon. the member for St. Barbe.

MR. FUREY:

Mr. Speaker, when we hear the

other side remark about the great Churchill Falls sellout, and when we hear them flippantly condemn the legislators of the day, they must look to their left and they must look to their right and they must condemn their fellow legislators of that day and today because those legislators currently sit here and they voted for it, and, Mr. Speaker, as Lady Macbeth once said, 'what is done cannot be undone.'

Mr. Speaker, let me say this: I do not believe that their colleagues over there on their right and left will condemn their own fellow Tories who helped to create 21,000 jobs for Newfoundlanders and Labradorians from Churchill Falls. They must condemn them for helping to construct thousands of homes across this Province for our people. They must condemn their fellow colleagues for helping to send thousands of young Newfoundlanders to university, thanks to Churchill Falls, and they must condemn them, Mr. Speaker, for making a decision which the hon. the member for St. John's East Extern and the hon. member for Waterford - Kenmount thought at that time was in the best interest of Newfoundland and Labrador.

All of which brings me to this bill, Mr. Speaker, before us today. I am reminded of a bumper sticker I saw in Corner Brook two weeks ago, and it was a good one. It simply said, "Joey did not know the difference, Brian did." Mr. Speaker, that says an awful lot. Joey could not have known the difference about the prices, Brian did know the difference. What that bumper sticker was saying was simply this: way back there then, who could have ever projected the prices of electricity would ski

rocket? Right now we cannot really blame Brian Peckford for world oil prices plummeting but we can blame him for the five year delay and there is the difference.

Five years ago if we had the oil companies here with their billions of bucks entrenched, we would be the oil capital of Atlantic Canada and Nova Scotia would not be laughing at the latest Newfie joke. That is the reality.

SOME HON. MEMBERS:

Hear, hear!

MR. FUREY:

That is the reality.

MR. DOYLE:

You are the Newfie joke.

MR. FUREY:

We are hitting a nerve over there with the hon. Minister in charge of sewers and stuff. If he cannot stand the heat, let him go out and have a cigar.

Mr. Speaker, in preparation for this little talk on the Atlantic Accord, I did a little bit of research. I went back and I read some of the comments made by Premier Peckford last year, over a year ago, in fact, now, and it is amazing how a year can turn vibrant rhetoric into stale, hollow, empty words.

Here is a sampling of what the Premier said a year ago and I quote: "We find ourselves this day having a per capita income of approximately half the national average, an horrendous tax burden, an unacceptable debt loan and a staggering unemployment rate of 23 per cent." That is what Premier Peckford said last year.

Now, Mr. Speaker, what can we really, honestly say has changed since Premier Peckford spoke those words? Real unemployment, we are told by the Royal Commission, his Commission on Employment and Unemployment, his researchers tell us real unemployment could be closer to 34 per cent. We still have a horrendous tax burden and there is talk of increases on the taxes to offset Mulroney's infliction of a reduction of transfer payments. We learned recently that we still have an unacceptable debt load and our per capita income is still half the national average, Mr. Speaker. What the document, Mr. Peckford so ably quoted, fails to tell us is that the Progressive Conservative Government has been in power for fifteen years now and far from getting things better, they have gotten progressively conservatively worse.

Mr. Speaker, let me back up what I am saying with hard real facts. In 1972 real unemployment stood at 8 per cent in this Province and taxation stood at 7 per cent. The year 1972 was the year, Mr. Speaker, we Liberals were thrown out of power, fifteen years ago. Now we see today, after fifteen years of Tory rule, taxation at 12 per cent. That is a jump of 5 per cent and I am not counting the hidden taxes, the school tax authority, this tax, that tax, the hidden taxes, not counting those and we see that perhaps taxation will climb.

What do we see after fifteen years under Tory rule? We see unemployment, according to the Royal Commission on Unemployment and Employment, possibly at a real percentage rate of 34 per cent. When we were turned out fifteen years ago it was at 8 per cent,

the real rate, now it is possibly at 34 per cent, and, Mr. Speaker, God only knows what it is amongst young people between the ages of sixteen and twenty-four but some figures tell us it is leaning up towards 50 per cent. Incredible, outrageous, ridiculous, they should be tarred and feathered across there.

So, Mr. Speaker, if you look at 1972 and compare it to 1986 and the fifteen long Tory years that were in between those years - because they are not going to last, they are gone the next time, there is no question about that - Mr. Speaker, if you look at the record of where we have come from in 1972 to right now, we see our fellow Newfoundlanders leaving this Province in droves, those who stay are discouraged, despondent and they are in a desperate search for a new vision, a new sense of hope and they are in search, all of them, of a new life. They will not have to wait much longer, Mr. Speaker, I can guarantee you that.

The most despicable thing about all of this stuff is the way this current administration has used the offshore as a political football to achieve its own selfish ends. If this administration had been led, quite frankly, by someone who adheres closely to fanaticism. What is a fanatic? A fanatic is one who multiplies the means and forgets about the end. Take that five years ago when we could have had an agreement with the same escape clause as Nova Scotia, the escape clause that read: if anybody gets anything better, we get it to. A sensible, logical, loving person who deeply cared for the unemployed people in this Province would have signed with an escape

clause. But what did we see? We saw a fanatic. He multiplied the means, the political means. 'How many more elections can I squeeze out of this friggin old offshore? How many more?' It is squeezed dry now.

MR. YOUNG:

That is an unparliamentary word, Mr. Speaker.

MR. SPEAKER:

Order, please!

The hon. member should be careful of his language.

MR. FUREY:

I withdraw that unequivocally, Mr. Speaker, and I thank the Minister of Public Works and Services (Mr. Young), who has so ably patted his behind, for pointing that out to me.

Mr. Speaker, for all intents and purposes, the offshore for this particular Premier - I cannot blame all his ministers because I know some of them wanted to get this thing moving five years ago. I blame them for not having the guts and courage to make it happen but I cannot blame them for the final decision because that is the Billy/Briany game. We all know that game.

Mr. Speaker, for all intents and purposes this offshore became for this Premier his political *raison d'etre*, what the French would call his political *raison d'etre*. Nothing else mattered! His reason to be was offshore, squeeze the votes out and bleed the people for his own selfish ends.

Here is an interesting point. Why else would this particular Premier use only seven years of the mandate that he was

constitutionally given which could have lasted fifteen years? He won three elections, which gave him fifteen years and he used seven. There are eight unused years out there somewhere that he did not use. Mr. Speaker, over half his mandates were left unused and we are left to wonder what could have been if even he had used only half of the unused past mandates. I suspect history will show that politics grossly overshadowed principles and deeply overshadowed people.

The Premier goes on in his speech of a year ago when he was talking about Mr. Mulroney and his government. Look what he says. "There is no other document in existence that so clearly establishes Newfoundland's right to have a significant say in control over such a huge resource." A year after that, the same Premier speaking of the same government in Ottawa, Mr. Mulroney, said this, "If they will do this when there was an agreement in place under factory freezer trawlers, what about all the other policies which impact upon Newfoundland that they can change from time to time without ever having to worry about there being a federal/provincial agreement or whatever?" An hon. member shouted, "Including the offshore?" The Premier replied, "Even that for that matter."

All of which brings me to a logical conclusion, what really is in the agreement between these two Brians? Between Mr. Peckford and Mr. Mulroney? Between Mr. Posturing and Mr. Untrustworthy? What is the point of having an agreement? We see the Tories in Ottawa, Mr. Speaker, ignore Clause 12 of the restructuring agreement. We see the provincial

government now peeking into the Terms of Union for road money trade offs and we are left to wonder, in the name of God, is any document sacred anymore with any Tory in any part of this country?

SOME HON. MEMBERS:

Hear, hear!

MR. FUREY:

Mr. Speaker, a year ago today the Premier spoke again. Let me quote what he said. He was speaking of the people who hung in there for five years until he got this great Atlantic Accord. Here is what he said. "The vast majority of these people were the average Newfoundlander, many of whom were unemployed or who, if employed, were not really doing that well. To them I owe a great debt."

A year and a half later, after all the hoopla of the Accord, Mr. Speaker, these people are still unemployed. If they are lucky enough to have a job, they are, in the Premier's words, "Not doing that well." The debt you owe then, Mr. Premier, is a job as you promised them in the last three elections. They were good enough to give you a job for seven years. Now, Mr. Premier, you really and truly owe them the dignity of a job for hanging in there with this nonsense, this posturing, this sham, this political football game that you are playing with their lives.

In light of all of that, Mr. Speaker, in light of all that I have said so far, let me read from the Premier's text perhaps the most ironic line, ironic in a sad sort of way. Here is what he said. "Let the word go forth across this Nation that when Brian Mulroney gives his word, he keeps it". I wonder if the Premier

would care to dine on those words at some later date? He said, "Let the word go forth across this Nation that when Brian Mulroney gives his word, he keeps it." I think the Premier will have a nice little snack on that one later perhaps. This was the Prime Minister the Premier campaigned for so vehemently during his crusade of prosperity in order to let him inflict prosperity upon us Newfoundlanders and Labradorians. We are learning about his inflictions every day, Mr. Speaker: transfer payment cutbacks; approval of FFTS; increases on the gulf rates; the destruction of the railway. The list goes on and on and on. How much more of that infliction can we handle from this guy Mulroney? Not a hell of a lot more.

So they inflicted us, Mr. Speaker, not with a \$300 million Atlantic Accord Development Fund, that is nonsense. Everybody in this room knows it is nonsense. They did not give us \$300 million. They gave us 75/25. They gave us \$225 million with their right hand. They called it the Atlantic Accord Development Fund. They took it back from our hospitals and education with their left hand over the next six years. So we are no further ahead and we have not even got our 25 per cent for that so called fund.

Let me go on. Finally from the Premier's text a year ago, Mr. Speaker, he said, "This is an agreement that will be of enormous benefit to all Newfoundlanders." Now the member for the Strait of Belle Isle (Mr. Decker) knows better than that and this member for St. Barbe knows better than that. How can we ever take part in the so-called great offshore dollars in Northern Newfoundland

when they will not even give us the dignity of the lousy \$15 million for our Northern Fisheries Development Corporation? What a joke.

The Premier goes on and says, "This agreement will be of enormous benefit to all Newfoundland, from Nain to LaScie to Branch to Lamaline to Francois to Cape Ray to Cape St. George to Cape Onion on into L'Anse-au-Clair." I wonder how this agreement will benefit all of Newfoundland, Mr. Speaker. There is only one way that I know of and that is if this agreement can provide the jobs for the 80,000 unemployed Newfoundlanders who are out there right now in a desperate search for work. If it can do that for those Newfoundlanders spanning that great bit of geography, from the Premier's words, then this is a great agreement. I will get down on bended knee, kiss the floor of this sanctimonious Legislature and personally congratulate Premier Peckford. But how long can you lay out and lure out and seduce with hope.

The balloon has burst. Your hopefully balloon has burst. There is nothing there but emptiness and sadness and despondency and hurt, especially for our young people. It is that generation whom you must look into the eyes and say, "We did something special for you." There has been nothing special in the last fifteen years I can bloody well tell you that.

Mr. Speaker, I would like now to turn and outline some of what we on this side perceive as some of the problems of this so-called great Atlantic Accord. I have isolated just a dozen because I

know that I am limited by time, but I would like to read into the record some of these which I believe, if they were corrected, the Atlantic Accord would go from being a bare-boned, barely acceptable, fragile little document, to a strong and vibrant, well armoured document for us and for our children.

Number one, Mr. Speaker, and these are the flaws, our Province has no control over basic decisions for the first five years. How can we accept that? No control over the basic decisions of how this operation is going to be run. Unbelievable!

DR. COLLINS:

Have you heard about the GBS?

MR. FUREY:

Number two, maybe the Minister of Finance (Dr. Collins) after he is finished struggling with the breweries can answer this one, the contemplation of dismantling the Come By Chance refinery. This, after this illustrious Premier, Brian Peckford, standing and begging us to 'Step Forward Into The Eighties' in 1979, said, "Make me leader, not only make me leader, make me Premier and I will open Come By Chance in ninety days." I would like to ask the member for Bellevue how many thousands of days we are overdue on that one? Does he know?

Number three, the flawed recall clause, Mr. Speaker, similar to the flawed recall clause of Churchill Falls because sales contracts could override Newfoundland's claim and because there would be proof of a shortage in deliveries from other sources and because Newfoundland's needs, apart from those now existing, are put after those of another Eastern



Province. In other words, "Get to the back of the line-up as far as oil is concerned. Line up boys, but on your own oil, line up last."

We cannot support that and neither can the impeccable and impeachable member from Carbonear (Mr. Peach), truly in his heart of hearts, because I know that behind that cold reptilian exterior lies a cold reptilian interior. There is a heart somewhere in that cavity between those ears; there is a heart somewhere; there must be.

Number four, and these I am listing, Mr. Speaker, are what we perceive to be the flaws and maybe the hon. House Leader (Mr. Marshall) could look upon them and in his wisdom say, "Those guys are right. That is great stuff. Let us strengthen up this agreement and we will be bigger heroes." If he really believes he is being a hero on this weak, little, puny, bare-boned document, as it is now.

Mr. Speaker, number four, because of the quality of Hibernia's sweet crude, it is very likely that Mobil will wish to dedicate total output to its own facilities leaving none over for a Come By Chance or replacement refinery. Now how do we address that? Do we just say, "Yes, it is ours, but we cannot use it forever." I mean what kind of a silly mistake would that be. Now you cannot on the left hand dump on Churchill Falls for something unknown, and on the right hand say, "This is marvellous" and it is known. That is clearly a double standard that must be addressed, if not by the hon. House Leader (Mr. Marshall), then by his seat buddy.

Number five, the reason that Eastern refineries are not operating or operating under

capacity is not because of a shortage of available crude but because of the actions of markets. In this context, it is highly unlikely that Come By Chance would find an operator or anyone else would build a new refinery in the new future, unless it is made a condition of production from Hibernia. In other words, "Yes, you can produce and go ahead, you have our blessing, but, buddy, part of that production contract is that you give a portion to Newfoundland for Newfoundlanders and Labradorians."

Number six, the Province can only enter petro-chemical developments or secondary processing after the usage requirements of refineries in Atlantic Canada have been satisfied. We have the last call on our oil. We could build a petro-chemical industry but we have to line up last. Absolutely ludicrous!

Number seven, the resource is not treated as though it were on land. If it were on land, we would have an Alberta type right to exercise control over the rate of production, valuable in the case of a price dispute with the federal government, as we saw Mr. Lougheed do some years back. He turned the taps down, threatened to turn them off, got a better agreement, turned them back up and away they went with their royalty regime. But Newfoundland does not have such a right because we have lost ownership in the courts, thanks to this government. This section gives the federal government the overriding right to control production and rate of production. So we have been screwed out of that one, as well.

Number eight, this legislation should not give Cabinet carte

blanche for all decisions relating to royalty regime and agreements with developers, because ratification should be required by the House of Assembly before every legitimately elected member of the fifty-two districts in this entire Province. We cannot let you guys go running around with blank cheques. How ridiculous! What is the point of having a Legislature?

Number nine, the government has still not given us any information on royalty arrangements and I suppose we will never get that, will we? We have been asking for the last six months.

Number ten, we still do not know the price of a barrel of crude. On that note, it is worth repeating what Wilbur Hopper, the President of Petro-Canada said some time ago when he said, "Oil prices will stay in the twenty dollar a barrel range for at least one year. OPEC's power and higher oil prices will not return until 1992 or later." He went on to say - listen to this, Mr. Speaker - "Hibernia will not yield any royalties to either Ottawa or Newfoundland for some time under this scenario and may even need direct cash infusions from the federal government if prices remain at twenty bucks a barrel." Can you believe it? What Hopper is saying, and he is in the know, he is President of Petro-Canada, he knows what he is doing, is if they stay at twenty bucks a barrel, you may have to go up and beg young little Paddy for some more money to get some production going. What will happen to the great Paddy/Billy romance then, the oil romance? What is going to happen to it then? Will the house of cards come tumbling down?

MR. MARSHALL:

How negative can you get!

MR. FUREY:

There is a difference between being negative and being truthful. The truth burrows right into your guts so your only answer is to shoot back, 'negativity'.

MR. MARSHALL:

Are you going to vote for it or against it?

Number eleven, there is inadequate training for Newfoundlanders to access the high paying jobs, Mr. Speaker. Plans should have been underway years ago to train Newfoundlanders in preparation for these jobs. We just do not want the muck jobs, we want the high tech jobs, we want the jobs that are going to pay well, that are going to give us dignity. Were we prepared, were we trained? Of course we were not.

How many jobs will be created, Mr. Speaker? Two thousand? Three thousand? Four thousand? Where do the other 70,000 turn for work? There are 79,000 out of work. Even if we get 9,000 jobs from Hibernia going full tilt, all out, where do the other 70,000 turn? What of those who are away on the mainland who want to come home to work in the offshore? Is the Premier's invitation of the 1982 election still open? When can we come home? Or was that posturing too? Was that squeezing the political offshore football, squeezing the blood dry, again posturing?

Number twelve and lastly, Mr. Speaker, the entrenchment clause leaves the onus on the Province to seek help from other provinces for constitutional entrenchment. Why has the federal government not given a commitment to actively

seek entrenchment from the required number of provinces instead of taking a passive posture? Why have your buddies in Ottawa, who you are buddy, buddy with, with co-operation and consultation said, "Hey, guys, we will take the initiative, we will make sure that we get some provinces on side, we will entrench your rights in the constitution." What is this government doing to see that entrenchment happens?

MR. SPEAKER:

Order, please!

The hon. member has about two minutes.

MR. FUREY:

These are serious flaws in the document, Mr. Speaker, we are being asked to support. If common sense were allowed to prevail over obstination, members opposite would do what is right and take what is barely acceptable, this puny little bag of bones of a document, and give it some flesh and give it some meat and give it some muscle, allow it to rise up to be an even greater document. Mr. Speaker, they should at least do this and make it the very best that it can be if not for themselves, then for their children and for their children's children.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER (Hickey):

Order, please! If the minister speaks now he closes the debate.

MR. CALLAN:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Bellevue.

MR. CALLAN:

Thank you, Mr. Speaker. Permit me a few words about the Atlantic Accord. I want to, first of all, respond to some of the comments that were made earlier this afternoon by the member for St. John's North (Mr. J. North). I want to respond to these comments because we on this side of the Legislature are quite often accused of being negative, having a defeatist attitude, but today, Mr. Speaker, it was the member for St. John's North who, I assume, was speaking on behalf of his party. He talked about Come By Chance, but obviously he was referring to any refinery - 'any refining in this Province cannot be accepted, cannot go ahead because...'. The member for St. John's talked about K.C. Irving in New Brunswick and how it took him many, many years to become an oil giant because it took him years and years and perhaps decades to develop markets for his oil. The member for St. John's North talked about a line of service stations, markets for the Irving oil in New Brunswick.

The member for St. John's North, Mr. Speaker, I believe, demonstrates the same kind of negativity and the same sort of defeatist attitude that has been seen from this government throughout the last fifteen years, a government that is satisfied to maintain the status quo, do not rock the boat, do not take any chances, do not try anything new, try to hold on to what we have and let us try to balance the budget on the backs of the poor and the unemployed. And, of course, in all of that what we have seen over the last fifteen years is a government, as I have said on other occasions, which does nothing adventuresome, takes no

chances, just flows along and hopes that something will come along one of these days while, of course, asking the people of this Province, in election after election, to vote for something in the future. And because the Premier is so convincing in his speeches and his flips around the Province, and because the majority of Newfoundlanders are so gullible, the Premier has been re-elected on three occasions because of people who believe the Premier when he talks about this pie in the sky and how good things are going to be down the road.

MR. SIMMONS:  
The pipe dream administration.

MR. CALLAN:  
All we have seen, Mr. Speaker, is a government with a knee jerk reaction sort of attitude. Instead of being adventuresome and taking chances, we saw what happened to Newfoundland's chances to have an aluminum smelter in Labrador. It was talked about by J.R. Smallwood before he went out of power fifteen years ago, and this government drifted along for fifteen years talking about it and announcing new studies and what happened, of course, was the entrepreneurs in Quebec developed an aluminum smelter which destroyed our chances.

Mr. Speaker, the member for St. John's North (Mr. J. Carter) admitted today, number one, that the Atlantic Accord is flawed. That was implicit in his confession.

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

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

MR. J. CARTER:  
(Inaudible) I did not say that (inaudible) so I can comment on it and correct the record.

MR. SIMMONS:  
There is no point of order there.

MR. J. CARTER:  
I think there is.

MR. SIMMONS:  
No. It is not worth responding to.

MR. WARREN:  
Ah, afraid eh?

MR. SPEAKER:  
There is no point of order. The hon. member took the opportunity to give some information.

MR. CALLAN:  
Thank you, Mr. Speaker. Now, that was not a point of order and it was not a point of clarification.

The member for St. John's North must remember. It was only an hour ago that he said these words, and I am paraphrasing, of course, because I do not have the transcript of what he said.

MR. SIMMONS:  
But you are paraphrasing well.

MR. CALLAN:  
What the member was saying is we cannot have a refinery. It is ludicrous for us to have a refinery or to expect to have a refinery here because it would take us too long to get markets.

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

MR. SPEAKER (Hickey):  
Order, please!

A point of order, the hon. the member for St. John's North.

MR. J. CARTER:

Seeing that I am being quote, I feel I have an obligation and a right to get up and set the record straight.

What I said was, and tried to say as clearly as I was able to do it, there is no connection between having a refinery and having Hibernia oil, that the two things are quite separate. Maybe you can have a refinery - certainly Shaheen could not have one - that will go, but it has nothing necessarily to do with Hibernia oil, because crude oil is available on the open market and Hibernia oil will sell on the open market as crude. But it is not necessary to have a refinery to get benefits from Hibernia crude. That is the point I was trying to make.

MR. SPEAKER:

Order, please!

The hon. member takes the opportunity to provide further information.

The hon. the member for Bellevue.

MR. CALLAN:

Mr. Speaker, the member is trying to defend the indefensible. He said it. It is in Hansard now and we can read it tomorrow.

Mr. Speaker, as I understood what the member said earlier, he said, the proof of the pudding that we cannot have and operator refinery here in this Province is the fact that Shaheen failed in his attempt, and he referred to Holyrood. He said, 'Sure, Holyrood, on a smaller scale, proved successful because all they had to do was provide a small amount of refined oil to a small area of this Province, but,' he

said, 'Come By Chance, at 100,000 barrels of oil a day, was not practical, was not feasible because the markets were not in place.'

MR. J. CARTER:

A point of order, Mr. Speaker.

MR. SPEAKER (Hickey):

A point of order, the hon. the member for St. John's North.

MR. J. CARTER:

I would like to take the opportunity to clarify. I said that Shaheen could not run a refinery at Come By Chance because that was not his aim, his aim was to scam and cream money out of the Newfoundland Treasury. Maybe a refinery can work, but it could not work with somebody like Shaheen trying to run it. But there is no connection between Hibernia oil and a refinery, the one does not depend upon the other. Also, a refinery is a much more complex thing to get off the ground than just selling a pile of crude.

MR. SPEAKER:

Order, please!

The hon. member further illustrates what he meant when he was speaking.

The hon. the member for Bellevue.

MR. CALLAN:

Mr. Speaker, I can understand what the member is saying but he is wrong. There is a connection and there can be a good connection between a refinery in this Province at Come By Chance, or wherever, and Hibernia oil. And the member will remember, Mr. Speaker, that he said there could be a difference of cost to bring the crude to that refinery because

he said, 'If it is going to come from Iran -

MR. J. CARTER:

It would have a slight edge.

MR. CALLAN:

Hibernia oil would have a slight edge? Of course it would. It can have much more than a slight edge, Mr. Speaker. All you need is an agreement between the developer and the two governments whereby they agree that some of the crude from Hibernia will go to a refinery at Come By Chance, because it is going to mean 500 or 600 jobs, and they agree to sell it to the operator of the refinery at cost.

AN HON. MEMBER:

Some of it.

MR. CALLAN:

Some of it, sure. Why let it all go?

MR. J. CARTER:

A sweetheart deal?

MR. CALLAN:

Of course it can be a sweetheart deal.

Mr. Speaker, the defeatist attitude that the member for St. John's North (Mr. J. Carter) has, you know, that we cannot get any more markets, is that the attitude taken with our fishery, that we cannot develop our fishery and we should not go to Europe or Japan or somewhere else to look for new markets for our fish because the markets are all used up?

MR. SPEAKER:

Order, please!

Does the hon. member wish to adjourn the debate?

MR. CALLAN:

I adjourn the debate.

MR. SPEAKER:

The Chair will entertain a motion to adjourn.

MR. MARSHALL:

Mr. Speaker, I move the House at its rising do adjourn until tomorrow, Tuesday, at 3:00 p.m. and that this House do now adjourn.

On motion, the House at its rising adjourned until tomorrow, Tuesday, June 3, at 3:00 p.m.