

The House met at 2:00 p.m.

MR. SPEAKER (Snow): Order, please!

Oral Questions

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

MS VERGE: Thank you, Mr. Speaker.

I have questions that I would like to address to the Premier. I expected he would be in the House of Assembly today since he was due back from England on the weekend. Since the Premier is expected momentarily I will yield to one of my colleagues and rise when the Premier takes his place.

MR. SPEAKER: The hon. the Member for Mount Pearl.

MR. WINDSOR: Mr. Speaker, actually my question I should have put to the Premier as well but I can put them to the Government House Leader or the Minister of Finance, since we are dealing today with the Auditor General's Report that was tabled here on Friday. The report expressed concern, in fact last year's report expressed concern that the House of Assembly has not been receiving sufficient, appropriate, and timely information necessary to ensue accountability of all government departments, agencies, and Memorial University. She also says this year that during periods of fiscal restraint it is even more critical that legislators and tax payers received this information but unfortunately there has been little progress in this regard.

Mr. question, Mr. Speaker, is in view of this continued annual reporting by the Auditor General of concern of accountability in the accountability process that the House of Assembly, which is really the final step in the accountability process - we often say the Public Accounts Committee is, but in fact the Public Accounts Committee is just a branch of the House itself, but the House of Assembly must have adequate information and good reporting in order to properly control the public purse, and government appears not to have taken any action in this regard whatsoever. Is the government now prepared to take some action and put in place an accountability process, more specifically legislation dealing with the reporting by all government departments and agencies?

MR. SPEAKER: The hon. the Minister of Finance and Treasury Board.

MR. DICKS: I share the Auditor General's concern with the necessity of getting information to the public of the Province. This is a perennial issue that comes up. I believe Memorial University is one that she has continually tried to audit and the question, I guess, is whether or not audits should be for value? There are people who may not know there is a distinction as to whether or not most audits, for example, whether or not the money is spent for the purpose it was given. A value for audit is whether or not that purpose is a proper one. I share the Auditor General's concern as to getting appropriate information before the people of the Province, however, the decision as to how that should be done is one for government to consider, and if necessary to take whatever steps to amend the legislation. It is a matter for Cabinet to consider as a whole, and beyond that I am not sure there is too much I can add.

MR. SPEAKER: The hon. the Member for Mount Pearl on a supplementary.

MR. WINDSOR: Thank you, Mr. Speaker.

Let me say to the minister that in reading the Auditor General's Report I have not seen anything about value for money. What she is talking about here is accountability process, government departments being required to produce annual reports. There are only three or four departments that have been doing that over the past number of years, actually tabling annual reports in this Legislature. Most government departments, most Crown

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

PREMIER WELLS: Mr. Speaker, in terms of assessing whether or not it was the right decision for the Province to take, it was assessed on that basis: The value of the money, what it would earn if it were deposited in a trust account, and so on. That was the basis on which the assessment was done. Government never made any such decision, and would not make a decision to handle its funds in that way. It would not be in the public interest to have done so.

As to the further question that the hon. member asked, we have been conducting discussions with the federal government with respect to the wharf facilities that are used by the Province in connection with the ferry services only.

AN HON. MEMBER: (Inaudible).

MR. SPEAKER: Order, please!

PREMIER WELLS: I repeat again, we have been having discussions with the federal government with respect to harbour facilities or dock facilities only in the ports where the provincial government is operating the ferries. That is a sensible thing to do. We believe it is in the best interest of the Province to do it, and those discussions are continuing at the moment.

MR. SPEAKER: Question period has expired.

Orders of the Day

MR. ROBERTS: Oh, I am sorry, Mr. Speaker. It is seldom that we get so quickly through the routine. The arrangement for the day is that we will start with Committee stage on Orders 24 through 28. These are bills we dealt with on Friday morning if recollection serves me well, and then, once we deal with those which I understand is likely to be fairly quickly, we will go on to Order 31 which is second reading of a bill, To Amend The Hydro Corporation Act, The Electrical Power Control Act; that's Order 31.

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

Committee of the Whole

MR. CHAIRMAN (Barrett): Order, please!

The hon. the Government House Leader.

MR. ROBERTS: We are going to ask the Committee, Sir, to deal with Orders 24 through 28 in that order. These are all Committee stage on today's Order Paper. Would you be good enough, Sir, to start with Order 24 and then we will take them, serially, as they come?

"An Act To Amend The Animal Protection Act", (Bill No. 3).

Motion, that the Committee report having passed the bill without amendment, carried.

"An Act To Amend The Workers' Compensation Act", (Bill No. 4).

Motion, that the Committee report having passed the bill without amendment, carried.

"An Act To Amend The Highway Traffic Act", (Bill No. 26).

MR. CHAIRMAN: The hon. the Member for St. John's East Extern.

MR. J. BYRNE: I will second it.

Seeing that it is close to Christmas, I am going to pay the Minister of Works, Services and Transportation a compliment now, and I am going to say it is good to see the Minister of Works, Services and Transportation being man enough in one day twice admitting that he was wrong.

On motion, amendment carried.

On motion, clause 1 as amended carried.

A bill, "An Act To Amend The Highway Traffic Act." (Bill No. 26)

Motion, that the Committee report having passed the bill with amendment, carried.

MR. CHAIRMAN: The hon. the Government House Leader.

MR. ROBERTS: Mr. Chairman, would you be good enough, please, to rise the Committee, and perhaps we could deal with the amendments to Bill No. 26 in the Whole House and then we will carry on with debate on the Hydro Amendment Act bill.

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

MR. SPEAKER (L. Snow): Order, please!

MR. SPEAKER: The hon. the Member for Bellevue.

MR. BARRETT: Mr. Speaker, the Committee of the Whole has considered the matters to it referred and has directed me to report having passed Bill Nos. 3, 4, 45 and 39, without amendments and Bill No. 26 with amendment, and ask leave to sit again.

On motion, report received and adopted. Committee ordered to sit again presently by leave.

On motion, amendment to Bill No. 26 read a first and second time, ordered read a third time on tomorrow.

MR. SPEAKER: The hon. the Government House Leader.

MR. ROBERTS: Mr. Speaker, in accordance with the order of business we outlined earlier would you be good enough to call Order 31, Bill No. 35, please?

Motion, second reading of a bill, "An Act To Amend The Hydro Corporation Act, The Electrical Power Control Act, 1994 and other Acts." (Bill No. 35)

MR. SPEAKER: The hon. the Minister of Natural Resources.

DR. GIBBONS: Thank you, Mr. Speaker.

This bill deals with amendments to a number of pieces of legislation, particularly the Hydro Corporation Act, The Electrical Power Control Act, and a number of others that are consequential. This bill clearly indicates our intention that in the future Hydro will operate with more independence of government than in the past on a day to day basis, and with less political interaction on a day to day basis.

I would like to first take a look at the explanatory notes. Number one: the amendments to the Hydro Corporation Act would affect changes to the internal operations of the corporation, a number of the clauses that are in this bill, and among those changes would be the possible establishment of a private pension plan for the employees of the corporation, and also the application of the Labour Relations Act to the corporation instead of the Public Service Collective Bargaining Act as at present. The amendments to the Hydro Act would also subject the

corporation to full regulatory review by the Public Utilities Board. In that regard in the future the Public Utilities Board would set the rates for both retail customers and industrial customers, rather than as at present where the PUB only makes recommendations to the Cabinet, so Hydro in the future would be subject to regulations just as Newfoundland Power is today.

The second clause in the explanatory notes regarding the Electrical Power Control Act, and this is the new Electrical Power Control Act that was passed last year, the amendments contained in Clause 15 of this bill, this amendment has been made necessary by changes in the Public Utilities Income Tax Transfer Program by the Government of Canada. They no longer exist, they have been cancelled, so we no longer need this clause and we will be deleting it.

The amendment contained in Clause 16 of this bill, regarding the Electrical Power Control Act, would provide that the Lieutenant-Governor in Council may give direction to the Public Utilities Board with respect to the policies and procedures to be implemented by the board with respect to the determination of rates of public utilities.

The final clause in the explanatory notes, the amendments to the Crown Lands Act, the Freedom Of Information Act, The Provincial Preference Act, and the Public Tender Act, are consequential to the other amendments as Hydro would be subject to the Crown Lands Act but not to the other three.

Now, I would like to take hon. members through the bill because there are a lot of clauses and subclauses in this bill so I want to ensure that people understand where we are going here. On Page 4 starting with the amendments to the Hydro Corporation Act, Clause 1, where now the Lieutenant-Governor in Council determines, we will now say that the shareholders will determine by special resolution. The shareholders are us, of course, we are the only shareholder, the government is the only shareholder, but it would not require reference to Cabinet, it would be the shareholder. Right now the Minister of Energy reports to me.

MS VERGE: And the Minister of Finance.

DR. GIBBONS: And the Minister of Finance, of course, holds the shares, but reports to me in terms of responsibility, so it would not have to go through the Lieutenant-Governor in Council to the Cabinet. The shareholders would sit - in this particular case, we are dealing with directors fees - so Clause 1, deals with directors fees, the shareholders will determine.

Clause 2, deals with the appointment of the chief executive officer and there shall be a chief executive officer appointed. Now the shareholders, by special resolution, will approve the appointment of the chief executive officer.

AN HON. MEMBER: Who are the shareholders?

DR. GIBBONS: The shareholders are ourselves.

Clause 3, is regarding the contract for the chief executive officer and again Clause 3 has the contract being approved by, "the shareholders by special resolution."

In Clause 4, presently Section 10 of the Hydro Act requires that Cabinet approve by-laws and we are saying that is not really necessary. The Board of Directors can approve its own by-laws relative to holding meetings in such internal matters in Hydro. So that is the way we are changing this. "The board may make by-laws" in the future and that is dealt with in Clause 4.

Clause 5, Section 14 of the Hydro Act is repealed. Section 14 of the Hydro Act gives Hydro an exclusive franchise to water rights on the Island of Newfoundland. We are repealing this so that in future, if Hydro wants Hydro rights it must come to government and apply just like anyone else would apply.

Section 18(3) specifies that the Minister of Finance and Treasury Board may enter into an agreement with Hydro or with the corporation regarding the transfer and assumption of assets and liabilities of the pension plan. Likewise section 18(3)(b) deals with transfer relative to the Money Purchase Plan. Sections 18(4) to 18(8) are more related to the mechanics of how to set up the pension plan for Hydro.

On page 10 of the bill the new section 19(1) specifies that the Labour Relations Act will apply to the corporation. As I said earlier, presently the public service collective bargaining act applies. In future it will be the Labour Relations Act.

Sections 19(2) and 19(3) are again transitional clauses. Section 19(2) confirms that the present collective bargaining agreements are assumed as if made under the Labour Relations Act, and section 19(3) assumes that the present unions are certified for the purpose of the Labour Relations Act. So it preserves the status quo in both cases.

Section 19(4) mentions that section 11.1 of the Public Sector Restraint Act, 1992 applies to the corporation and its employees. This is to ensure that there could be no retroactive cancellation of restraint measures as they applied back at that time to all public servants. This is a go forward bill. Section 19(5) is recognizing that today Hydro has an agreement with its union relative to some essential employees. In the future this will be continued, but the status quo will be maintained until changed by the Public Utilities Board. In the future the Public Utilities Board will have governance over Hydro relative to essential employees.

Clause 8 repeals two unnecessary matters. Section 22 deals with the public service collective bargaining act, and that will no longer apply to Hydro. Section 23 applies to a requirement relative to the Golden Eagle Refinery. Of course, the Golden Eagle Refinery no longer exists; it has been closed for many years, so we are repealing that particular section.

clause 19 states that subsection 25.(1) of the act is repealed and the following substituted relative to share capital, so that again the shareholder will approved share capital, whereas in the past it was the Cabinet and the Lieutenant-Governor in Council.

Clause 10 states that section 26 of the act is repealed, and section 26 of the Hydro Act refers to a contingent water franchise in Labrador, so even Labrador Hydro has to come to the government and apply through the normal process for water rights in Labrador.

Clause 11 deals with the borrowing program, and we are repealing subsection 40(2) relative to the borrowing program and approval thereof.

Clause 12.41(3) of the act is repealed, and the following substituted relative to the appointment of auditors. In the future, the Board of Directors of the corporation shall appoint its auditors.

In clause 13 we are again dealing with matters that are primarily technical and legal relative to the mechanics of the operation of a utility. Subsections 44(3), 44(4), 44(6), and sections 45, 46, 47, 48, 49 and 50 of the act are repealed. In the future, all of this will be covered by the Public Utilities Board. The normal principles of the Public Utilities Act apply, and Hydro will be treated in the future the same as Newfoundland Power is treated today in the normal operation of a utility. For example, subsection 44(3) deals with frequency of electricity; 44(4) deals with inspection of wiring, and 44(6) deals with the terminating of service for reasons, so in the future the PUB will regulate that, and Hydro will not have any special need for these particular sections.

Clause 14 is transitional. "Section 47 and subsection 48(2) of the act shall continue to apply, notwithstanding their repeal, to and for the benefit of the corporation in respect of a cause of action, claim or liability against the corporation existing on the date of proclamation of this section." To our knowledge, today there are no such claims, but we have to leave this as transitional until the act is proclaimed.

Now we go on to some amendments to the Electrical Power Control Act, 1994. As I said earlier, Clause 15 deals with the section of the Electrical Power Control Act related to PUITTA, and since PUITTA has now been

cancelled there are no rebates to consider so we no longer need this particular section, paragraph 3(e) of the Electrical Power Control Act.

Clause 16, I mentioned earlier in the Explanatory Notes, deals with giving direction to the Public Utilities Board, so we have included a clause there, "5.1. Notwithstanding section 3 and section 4 of the Act and the provisions of the Public Utilities Act, the Lieutenant-Governor in Council may direct the Public Utilities Board with respect to the policies and procedures to be implemented by the board with respect to the determination of rates of public utilities..." and some specific examples are given in the bill.

Clause 17 is repealed. Clause 17 deals with section 23(7) of the act which is repealed and the following substituted. Now this deals with the governance, the corporate ownership part and governance part, of the Electrical Power Control Act. I would want you to note that in subsection (7) everything after the word 'act' - "Notwithstanding sections 99 to 102 of the Public Utilities Act..." everything after that is already present in the Electrical Power Control Act. What we are doing is adding that clause "Notwithstanding sections 99 to 102 of the Public Utilities Act...", but we are not proclaiming, or have no plans to proclaim, the corporate ownership section because that is not required at this time.

Clause 18 and clause 19 refer to sections that are being repealed, and these relate to the ability to make regulations for the public utilities income tax transfer program. As I said earlier, that program has been cancelled by the Government of Canada so these sections are no longer necessary.

Clause 20 deals with the Crown Lands Act. Subsection 50(4) of the Crown Lands Act is repealed. That is because previously the Crown Lands Act was subject to the Hydro Act and in the future there is no need of that. Hydro is now going to be subject to Crown Lands matters just as any other corporation.

Clause 21, deals with the Freedom Of Information Act; Hydro operating in this way fully regulated by the Public Utilities Board, will be exempt from the Freedom Of Information Act. Clause 22, deals with the Provincial Preference Act and Clause 23, deals with the Public Tender Act, likewise, Hydro operating, regulated fully by the Public Utilities Board will be exempt from both the Provincial Preference Act and the Public Tender Act. CF(L)Co today is exempt from both those acts, and clause 4, just states that this act or a section or subsection of it comes into force on a date to be proclaimed by the Lieutenant-Governor in Council in the future.

Mr. Speaker, that concludes my comments in introducing Bill 35, and I am pleased to move second reading.

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

MS VERGE: Thank you, Mr. Speaker.

I say, shame on the government. Shame on the government for trying to sneak through the House of Assembly just before Christmas hoping nobody is watching a major piece of legislation which will have significant ramifications.

Mr. Speaker, this bill indeed will have the effect of distancing Hydro from the government. It will have the effect essentially, of commercializing Hydro, of making what is now a Crown Corporation, like a privately-owned utility. Mr. Speaker, we have to ask: Is this a measure designed to set the stage for yet another attempt at privatizing Hydro, because that's what it looks like, Mr. Speaker.

No. 2, Mr. Speaker, this bill contains several measures which will ensure higher rates for consumers, higher light bills for households and businesses in this Province. Mr. Speaker, as long as the government continues to own Hydro, the cumulative effect of the measures will be to have camouflaged increased taxation, to higher electricity rates and ongoing dividend grabs from Hydro by the government. The government started that practice in March of this year by taking \$20 million in dividends from Hydro and then continued the practice in a mini-Budget last week by taking another \$2.9 million from Hydro in dividends.

government want to maintain the advantage Hydro has, and to allow Hydro to use the expertise it has acquired to develop any remaining Hydro sites, whether on the Island or in Labrador, for the benefit of all citizens of the Province, and the Government of the Province, instead of opening the door for a few developers to cream off the substantial amount of profits that can be generated through developing remaining hydro sites in our Province? If the minister wants to comment on that, I will yield again.

MR. SPEAKER: The hon. the Minister of Natural Resources.

DR. GIBBONS: Mr. Speaker, in the future when there is a need for power to be added to the grid on the Island, when there is a need for power, Hydro, completely, totally regulated by the Public Utilities Board, will have to determine how to best get the lowest cost possible for the future sources of supply, and that is specified in the Electrical Power Control Act; you have to get the lowest cost possible. One of the options in that regard, because it will be overseen by the Public Utilities Board, is that anyone will have an opportunity to put forward proposals to give the lowest cost supply - absolutely the lowest cost supply - for the ratepayer, and the Public Utilities Board will then rule on that as to who can put forward the lowest cost supply. If that is Hydro bidding and saying, 'We can provide it from a certain source,' or if it is Newfoundland Power saying, 'We can provide it from a certain source', if it is a private company that already has existing rights, and we have companies in this Province that have existing water rights, if they come forward and say, 'We can provide the lowest cost power that is going to be the next addition to the grid,' that is the one that we should be selecting, the lowest cost option, and if it is Hydro we will sign the lease for water rights for Hydro. If it is somebody else that does not have water rights, then we can sign a lease for them, but we have to make sure that the supply of electricity that goes into the grid on this Island has to be the lowest cost supply to keep the rates as low as possible. It need not be Hydro; it may be somebody else.

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

MS VERGE: Mr. Speaker, that is nonsense. If the minister and his Administration were seriously interested in keeping down Hydro rates they would not have put this piece of legislation before us. This legislation is riddled with provisions that are going to force up electricity rates. It is an insidious change that is going to remove Hydro's advantage and make Hydro like a private utility.

That brings me to the next section of the bill which is the new provision of the infamous Bill No. 2, the Electrical Power Control Act, 1994. Those provisions authorized the Cabinet to direct the Public Utilities Board about the way it sets rates for Hydro and also privately-owned utilities. That opens the door for the Cabinet ordering the Public Utilities Board to impose a rate of return basis for setting Hydro's rates, and thereby doing away with the main cost differential between a publicly-owned utility and a privately-owned utility.

During the debate of 1993 and 1994 when the government got hammered for trying to sell the people's Hydro, it was clearly shown that privatization would significantly add to electricity rates in this Province, that privatization would enrich the few at the expense of all the electricity consumers in the Province. This change in clause 16 which inserts a new section 5.1 into the Electrical Power Control Act is one of the most dangerous provisions in this whole bill.

It says: "'Notwithstanding section 3 and section 4 of the Act and the provisions of the Public Utilities Act, the Lieutenant-Governor in Council'" - in other words, the Cabinet - "'may' direct the public utilities board with respect to the policies and procedures to be implemented by the board with respect to the determination of rates of public utilities" - plural - "under the Public Utilities Act and, without limiting the generality of the foregoing, including direction on the setting and subsidization of rural rates, the fixing of a debt-equity ratio for Hydro and the phase-in, over a period of years from the date of coming into force of this section, of a rate of return determination for Hydro and the board 'shall' implement those policies and procedures."

Now, Mr. Speaker, the minister glossed over those changes. The minister, if he is honest, will look up and admit that these changes are going to cancel the cost advantage Hydro has always had as a publicly-owned corporation. It is going to set up Hydro as a cash cow for the government, as long as the government continues

to own Hydro, and then it is going to do away with the price differential that was one of the main arguments against privatizing Hydro.

AN HON. MEMBER: You are totally misreading that.

MS VERGE: I am not totally misreading it. Maybe the minister himself doesn't understand it. Will the minister care to explain the difference between a rate of return basis for setting Hydro rates and the basis that is used now? Will the minister not admit that a rate of return basis, which is now used for private utilities such as Light and Power, involves a rate of return about twice as high as what Hydro has been getting from the Public Utilities Board? Will the minister explain why he and his colleagues want to make this change?

MR. SPEAKER: The hon. the Minister of Natural Resources.

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

MR. SPEAKER: The hon. the Member for St. John's East, on a point of order.

MR. HARRIS: Mr. Speaker, I understand this is second reading debate. I don't think the minister should be speaking four or five times without unanimous consent, which I do not offer.

MR. SPEAKER: To that point of order, it is my understanding that the Leader of the Opposition has sixty minutes in which to engage in this debate, and she has relinquished her portion of the time for the minister to reply to her questions. So there is no point of order.

The hon. the Leader of the Opposition.

MS VERGE: Thank you, Mr. Speaker, that is correct. I yielded to the minister to try to force out more information about the true meaning of this bill. The minister, in his short remarks, glossed over some of the most dangerous and insidious provisions of the bill. I will now yield while I hope he will begin to get into an explanation of the ramifications of the new section 5.1 for the Electrical Power Control Act.

MR. SPEAKER: The hon. the Minister of Natural Resources.

DR. GIBBONS: Mr. Speaker, it is not this section but a different section that is going to make Hydro subject to the Public Utilities Board regulations and subject to rate of return regulations. That's elsewhere in this bill, and this particular clause, clause 16, with the subsection 5.1 is basically just giving the government authority to give direction on any matter it concerns. It is not in this section that we are saying you will go to a rate of return regulation, that is elsewhere in this bill, but if we, as a government, or any future government might wish to give direction on a particular issue, then this clause allows it to do it.

For example, you mentioned, the phase-in over a period of years of going to rate of return regulation. We are saying: if, instead of going instantly to rate of return regulation, you want a phase-in over a five-year period or whatever number of years it would be, then you are going to have a modifying effect, flattening effect on any rate increase that would be effected.

If the government would want to give some direction on fixing the debt-equity ratio, that, too, has an effect of how far you can go in terms of the rate of return regulation and how high your rates can be. So, we are specifying that you can fix the debt-equity ratio in terms of giving direction on that.

If you want to do something as a government relative to what the rates should be in the rural diesel areas, presently, there is a policy that the first 700 kilowatt hours per month will be at the interconnected rate. Recently, we saw a public report from the Public Utilities Board which said: Throw that out, throw out that long-standing policy and charge them more. What we are saying in this clause, is that, if government wishes to give direction on that, we could give direction saying: you shall maintain a lifeline rate of 700 kilowatt hours or some particular number, so that's all that this clause is doing, allowing the government, any government, to give

direction on any aspect relative to the regulation of Hydro. Give direction on any aspect - but the rate of return regulation is what it is going to be because of other aspects of this act.

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

MS VERGE: Thank you, Mr. Speaker.

It is the rate of return basis for setting Hydro's rates that this amendment has the effect of establishing that is going to significantly add to electricity prices.

Now, the minister, through his convoluted explanation, did indicate that the rate of return basis for setting rates will lead to higher rates; what he did not acknowledge is the extent of the necessary rate increase from what it would be if we leave the status quo, if we leave the interest margin basis for calculating rates.

Now, I would suggest to the minister, that the rate of return basis for setting rates, which is what is used for private utilities, will lead to a substantial increase, perhaps in the order of \$20 million a year. If the minister has other figures, then he should make them public. He needs to lay all this out on paper for the public to examine carefully and not just try to sneak it through the House of Assembly without a clear or adequate explanation, in the last few days before Christmas, hoping that the news media and the public are not watching.

Mr. Speaker, I maintain that the switch to the rate of return basis for setting rates is going to have the effect of substantially increasing rates, and of doing away with most of the price differential between a publicly-owned Hydro and a privately-owned Hydro. In the short term, while government continues to own Hydro, it will set up Hydro to earn more profit than the government can raid through taking more and more dividends as the government started doing this year, \$20 million in March, \$2.9 million last week. In the longer term, perhaps it will be used to cancel one of the most powerful reasons for wide-spread public objection to privatizing Hydro namely, higher rates, Mr. Speaker.

DR. GIBBONS: (Inaudible).

MS VERGE: And the debt equity ratio under this new régime can be essentially dictated to the Public Utilities Board by the Cabinet and then the Public Utilities Board will have no choice but to implement the Cabinet's directive.

DR. GIBBONS: (Inaudible).

MS VERGE: But at any Cabinet meeting, any Thursday morning behind closed doors, the Cabinet can make a different decision and impose it on the Public Utilities Board.

DR. GIBBONS: That would become public, it would not be behind closed doors.

MS VERGE: Mr. Speaker, I come back to one of my first points: This is far too important a piece of legislation, with far-reaching consequences, to have go through the House of Assembly without putting it out to the public through hearings. I emphatically call upon the minister to refer this bill to a House committee for public deliberations over the winter. What possible reason could the minister and his colleagues have for rushing this through the House of Assembly in the few days leading up to Christmas? This was made available to members of the House of Assembly only last Thursday afternoon. None of us, on this side of the House, have had an ample time or opportunity yet, to analyze it and to understand clearly all of the consequences of passing it. We have seen some negative provisions, which I have outlined, and on that basis, I would express strenuous objection to the principle of the bill. There may be more negative contents that we have not yet had an opportunity to decipher.

Now, Mr. Speaker, regardless of that, it is not fair to the citizens of Newfoundland and Labrador to have this measure proceed before Christmas. People showed clearly in late 1993 and 1994 how fervently they care about Newfoundland and Labrador Hydro. Hydro is their corporation. It is a corporation owned by all the people, with