

PRELIMINARY  
UNEDITED  
TRANSCRIPT

HOUSE OF ASSEMBLY  
FOR THE PERIOD:  
10:00 a.m. - 1:00 p.m.  
MONDAY, MAY 30 1977

The House met at 10:00 A.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please!

The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I would like to draw to the attention, Sir, of hon. members of the House that the Ontario Humane Society has come out in favour of the seal hunt as being an essential part of our economy. I tried once before, Mr. Speaker, to get the House by leave to send a letter of appreciation to Mr. Tom Hughes, the President of the Association, I could not get the unanimous consent, so I wrote Mr. Hughes myself. But I believe now, Sir, that the House should recognize the fact that the Ontario Humane Society has come out in favour of the hunt, and I think we would be remiss in our duties, in our responsibilities as elected representatives of the people of this Province, if we did not recognize this very, very important and significant milestone in the raging controversy over the seal hunt. I do hope, Sir, that other humane societies, not only in Canada but down south of the border and throughout the world, will follow the example that has been set by the Ontario Humane Society and come out in favour of the seal hunt.

The Ontario Humane Society, Mr. Speaker, not only said that it was an essential part of the Newfoundland economy, but that the seals were harvested in the most humane way possible. Of any animals in the world, they say that the seals were the ones that were harvested most humanely, and I believe, Sir, that we do owe a very great debt of gratitude to the Ontario Humane Society and I would like to move, Mr. Speaker, that the House send a letter of appreciation to Mr. Hughes and the members of the Ontario Humane Society and the Government House Leader, the Acting Premier has agreed to second the motion.

MR. SPEAKER: The hon. Minister of Justice.

MR. HICKMAN: Mr. Speaker, I thank the hon. gentleman from LaPoile (Mr. Neary) for indicating to me prior to the opening of the House his intention to bring this motion before the House which I am sure will receive the unanimous endorsement without debate of hon. members.

It is obvious that, by persistent efforts, eventually the message will be gotten across to the people of Canada, and obviously we have to convince Canadians first, that not only is the seal hunt conducted in a very humane manner but that it is a very essential and integral part of the economy and way of life of this Province.

MR. HICKMAN: I say that it is essential to convince Canadians first, Mr. Speaker, because from time to time we have read statements from residents of other parts of this nation which indicate they are less than knowledgeable of the facts surrounding the seal hunt and the promotion and encouragement of that great industry. Having convinced them, there is a much larger task ahead, and that is to satisfy the people of the free world in particular, certainly our neighbours to the South in the United States where the Premier made representation to the President of the United States and a reply was received from the State Department which certainly did not indicate, in my opinion, a full understanding of the matters and issues involved. And of course in the United Kingdom we have seen some very unsatisfactory statements and most unsatisfactory advertising and statements by people who refuse to accept the facts. Consequently, when you have an organization as large and as prestigious as the Humane Society of Ontario, I think it is appropriate that this House indicate to that organization our gratitude for their efforts on our behalf.

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

MR. ROBERTS: Mr. Speaker, I would like to say a word or two ~~in support of the suggestion made by the hon. gentleman from LaPoile (Mr. Neary) and, as with the Minister of Justice, I will not debate it either and I hope I will not be as lengthy as he was in his statement. I do want to say though, Sir, that we very whole-heartedly agree with the suggestion. I think that Mr. Hughes deserves the gratitude of every citizen of this Province, and I was not here on the day when the hon. gentleman from LaPoile (Mr. Neary) asked unanimous leave, and I am not sure why he did not get it -~~

MR. NEARY: The member for Harbour Grace.

MR. ROBERTS: Oh, I see. But the point I was going to make was that I think he ought to have gotten it because I think Mr. Hughes

MR. ROBERTS: has shown the courage of his convictions. And it takes a great deal of courage often to take a stand that in the short run is unpopular, as it certainly is Mr. Hughes' case, with many of his supporters in the humane movement, the humane society movement throughout Canada. But he was convinced he was right and he said so and he took his stand accordingly, and I think that is a matter for admiration and it is certainly a matter of commendation by this Legislature.

The larger issue is the one that was adverted to by the gentleman from Grand Bank, the Minister of Justice, and that is the question of taking the fight in defence of the seal hunt outside our own shores and indeed outside our own country. Because, Mr. Speaker, there is no doubt - and if ever there was doubt, the events of the last Winter I think have removed it - but there is no doubt at all that the people of Newfoundland and Labrador support the seal hunt. They realize it is an integral part of our way of life, an important part of our way of life and an important part of our economy.

But, Sir, the battle for the seal hunt will not be fought just within this Province or even within Canada. The real battle will be in the United States and in Europe and in the United Kingdom. And I want to say again as I said before, and I will go on saying it because I believe it is important, that the Government of this Province must take the initiative in this. They must gear themselves up to mount a campaign, a positive campaign, to tell the truth about the seal hunt. I do not want to get into the line that we have been slandered. We have, but there is no point going over it at this stage, and I simply want to say that there is a valid case, a strong case, a case in defence of the people in this Province and their seal hunt activities, and that case has not been presented. It is obviously not going to be presented unless and until we take the initiative. For example,

MR. ROBERTS: I spoke the other day with a friend of mine who works in the Canadian Embassy in Washington and as of then they had between 40,000 and 50,000 letters at the Canadian Embassy in Washington that had come in from all over the United States and almost all of them against the seal hunt. And this is the reaction to the sort of insidious and cheap propaganda that is being stirred up by Mr. Davies and by his cohorts.

We have got to counteract that, Sir. We have got to counteract it. It is far beyond the seal hunt, far beyond even the economic importance of the seal hunt. I think it is very much part of the way of life of this Province and I think we have got to stand up and be counted.

Mr. Tom Hughes has done that and I think

MR. ROBERTS: he deserves the gratitude of this House, Sir.

For our part we are delighted to endorse the motion made by the gentleman from LaPoile and seconded by the Minister of Justice, the House Leader for the government. Sir, we support that and we also strongly support and urge the idea of an outgoing and an aggressive and a well thought out campaign, and I hope that that campaign will go ahead, Sir, and it will get the best talent we have - it will not be involved in nepotism, or not be involved in any of that kind of thing - it will be a well thought and constructive campaign. The quicker we can get it the better.

MR. SPEAKER: The hon. member.

MR. NEARY: Mr. Speaker, the other matter that I want to draw to the attention of the hon. members of the House is not as pleasant as the one that I just mentioned, Sir, and I -

MR. SMALLWOOD: Are we not going to vote on the resolution?

MR. NEARY: Well, do we have to take a vote first on the other one?

MR. SPEAKER: We may take a vote. The question is, as I understand it, that an appropriate communication be sent to Mr. Hughes thanking him and pointing out to him the sentiments of the hon. members of the House of Assembly. Is the House ready for the question?

Those in favour "Aye", Contrary "Nay", Carried.

Hon. member for LaPoile.

MR. NEARY: Yes, Sir, The other matter I want to draw to the attention of hon. members of the House is the fact that this morning the Minister of Transportation and myself attended the opening of hearings of the House of Commons Committee, Standing Committee on Transportation and Communications. And I want this House, Sir, to -

MR. HICKMAN: Mr. Speaker, I raise a point of order here.

MR. SPEAKER: A point of order has come up. The hon. minister.

MR. HICKMAN: We have been operating under rules this last two or three years which seemed to have worked very satisfactory

MR. HICKMAN: with respect to Statements by Ministers etc., and it does appear to me as if what the hon. gentleman is leading into now is a statement and the rules are very clear on that.

MR. NEARY: No, it is not a statement.

MR. HICKMAN: There is a provision under the rules for Ministers' Statements. It apparently is not a matter of privilege, it most assuredly is not a matter of privilege of the House, and I would draw Your Honour's attention to it.

MR. SPEAKER: Hon. Leader of the Opposition.

MR. ROBERTS: Mr. Speaker, to that point of order, whatever statement the gentleman from LaPoile is about to make, it is not a Ministerial Statement - it probably will be in due course, but it certainly is not at present. I am not sure in the procedural sense what it is we do when Your Honour calls Order at 10 o'clock these days. It is by tacit consent

that nobody has raised a point of privilege. As far as I know the gentleman from LaPoile does not intend to raise a point of privilege. In fact, most of the points of privilege, so-called, raised are usually an attempt to try and get back at some newspaper report that in the view of the raiser of the point is inaccurate or is unfair, and is not really a point of privilege in the parliamentary sense.

What we do at this point is - and I think the precedents are clear, Sir, even if there is no rule on it - what we do at this point is raise formal matters which are normally disposed of quite rapidly, matters which are not among the six items listed in the regular routine order that Your Honour calls at the start of each session. So whatever it is that the gentleman from LaPoile wanted to raise, I do not think he is out of order in raising it until at least we know what it is. So I would suggest, Sir, that if the hon. member from Grand Bank has a point or order at all it is premature. I think the gentleman from LaPoile is aware of the rules, he has been in the House a long



MR. ROBERTS: time and shown a knowledge of the rules, I think he ought to at least be allowed to state what it is and then I have no doubt that it is not something that falls in whatever category it is that we do recognize at this point in time, Your Honour would be the very first to say well that matter is not within the type of matter such as the Tom Hughes thing or the other matters which we deal with at the start of the day's session. I do not think it is a point of order as yet.

MR. SPEAKER: It is my understanding that when strangers are admitted and the House is in public session, the routine order of business as outlined on the Order Paper starting with Statements by Ministers is obviously the first matter of business. Hon. members are aware that a point of privilege may come up at any time and indeed should come up as soon as possible after the alleged breach of privilege has occurred. We are not in this case dealing with a matter of privilege to my understanding. I do not think the hon member rose on a point of privilege.

It is furthermore my understanding that anything which precedes the calling of Statements by Ministers apart from a point of

MR. SPEAKER: privilege is a matter which is done by leave. This is usually for an hon. member to suggest a message of congratulations, of condolence, to point out some significant anniversary, or to point out something which he feels other hon. members should be aware of. It is my understanding, though, that this is always by leave. I do not always ask if the hon. member speaking by leave because I think I can presume that all hon. members know it is by leave, and then the onus is on any hon. member to signify that there is no such leave. As I understand it that is quite clearly the rule. Apart from a point of privilege anything and everything prior to Statements by Ministers is in fact by leave. So I will now ask does the hon. member for LaPoile (Mr. Neary) have leave to continue?

MR. MORGAN: For what? For what?

MR. SPEAKER: I do not know - leave to say what he is going to say.

MR. NEARY: Well, Mr. Speaker, my statement will be very brief, Sir, and I think the hon. Minister of Transportation will concur with me that we were both disgusted this morning, Sir, to learn that the Standing Committee of the House of Commons on transportation and communications would only be spending a few hours in this Province, less than twenty-four hours in Newfoundland, then flying over to St. John, New Brunswick and then spending four days in Halifax. This is typical, Mr. Speaker, of the attitude that the people have up in Ottawa towards Newfoundland; that the general public of this Province were not given an opportunity - it was all arranged beforehand, the briefs that would be presented, it was all arranged beforehand - that the general public would not be permitted to have any input, to be able to make a presentation to this Standing Committee because they would not be here long enough. As a matter of fact, they did the minister a discourtesy by only allowing the minister a half an hour, and the minister was making an excellent presentation in my opinion.

MR. NEARY: Fourteen members of the House of Commons, Sir, flew into Newfoundland with seventeen of a back-up staff, aboard a National Defence plane just to spend a few hours and then take off and go over to New Brunswick and spend the next four days in Halifax! I think it is disgraceful and this House should condemn the Committee for being so discourteous to this Province.

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MR. SPEAKER: The hon. member for Twillingate.

MR. SMALLWOOD: Mr. Speaker, I wonder if you Your Honour and the House would indulge me for a moment, a little irregular but I think the House would be interested to hear of the death of a distinguished Newfoundlander who served as a member of the National Convention from White Bay who was until recently a professor I think of English in Kingston, Ontario, the University of Queens.

Ike Newell was an outstanding member of the National Convention. He had been a co-operative field man with the Grenfell Organization for the whole Northern tip of Newfoundland and the Straits of Belle Isle and he was an outstanding poet and he was a great idealist and it was a great loss to the new Province that just before it became a Province, although he had been a Confederate, he left Newfoundland and went back to college and then from there entered the University of Queens as an Associate Professor and ended up I believe as a full-fledged professor.

There are thousands, especially in Northern Newfoundland, and especially in the district represented in this House by the Leader of the Opposition, who just told me a moment ago of Ike Newell's death, thousands who will hear with deep regret of the death of a very brilliant Newfoundlander, Issac Newell.

MR. SPEAKER: The hon. Minister of Justice.

MR. HICKMAN: Mr. Speaker, I join with the hon. member for Twillingate

(Mr. Smallwood) speaking on behalf of the Opposition when he draws

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MR. HICKMAN: to the attention of the House the death of the late  
Issac Newell, and I have to confess that I have oftener wondered what  
happened to that gentleman since the National Convention. Those  
of us who

Mr. Hickman:

were proudly on the side of Confederation, remember with a great deal of satisfaction the efforts and the work he did and the views that he so ably articulated in the National Convention, which views at that time were carried to all residents of Newfoundland and Labrador. And most assuredly we join, on this side of the House, in the sentiments expressed by the hon. member for Twillingate (Mr. Smallwood), and second the resolution of condolence to the family of the late Mr. Newell.

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

MR. ROBERTS: Mr. Speaker, my friend for Twillingate has spoken in behalf of the Opposition in this matter, but I would like to say a word, if I might, simply as the member for the Straits of Belle Isle. AS my friend for Twillingate mentioned, the late Isaac Newell was elected to the National Convention to represent the then district of White Bay, which I believe began at about Partridge Point - no, Cape St. John, I guess, and came all the way down to Cape Bauld or Cape Norman, all of the White Bay district now, a part of two or three other districts in the House of Assembly.

Isaac Newell is still remembered, and still fondly remembered by the people in Northern Newfoundland, remembered as a Confederate, remembered as a member of the National Convention who represented a strongly Confederate area. If I am not mistaken, he either stood for election to the Convention as an avowed Confederate or early on announced his support of the Confederate movement, and I believe was elected with a very large percentage of the votes cast by the electors in the district of White Bay as it then was.

It was one of the great losses to Newfoundland, as my friend from Twillingate has mentioned, that Isaac Newell decided at about the time of Confederation that his career lay not in public life. Indeed, following his career took him away from Newfoundland. He went to Ontario and became a professor in Queen's University at Kingston, and I am told by friends of mine who had been students there that he was a magnificent teacher, and deeply respected and deeply liked.

MR. ROBERTS:

But, Sir, it as a man who came into the public life of this Province and served with notable distinction for a brief period that we must remember him today. People in the North still remember him, and still remember him with affection. He served as a field worker with the Grenfell Mission, and at one time the co-operative movement in Northern Newfoundland and Southern Labrador was strongly entrenched, and men like Isaac Newell made it so.

He was a great friend of another National Convention member who served for many years in this House, the late Bill Keough, and I have often heard Bill Keough talk with fond nostalgia of Isaac Newell. I guess the two of them as co-op men and as Confederates were soul mates in the Convention; they obviously became fast friends. And I can remember Bill Keough saying time and time again that what a contribution it would have been to public life in the Province of Newfoundland, Newfoundland and Labrador as we now are, if Isaac Newell had decided to stay here and seek election. He doubtless would have been elected, and would have made an even greater contribution.

Sir, all of us, I think, it is proper that we join in remembering the work and contribution of a man who served in the Convention. Mr. Newell is survived, I believe, by his wife and I would hope that the normal motion will go forward from the Clerk in due course, Sir, Certainly, speaking, I am sure, on this matter for all the people of Northern Newfoundland and Southern Labrador, I know that they would all want to be associated with it, Sir. Thank you.

MR. SPEAKER: The sentiments of hon. members have been noted, and a suitable communication will be sent to Mr. Newell's widow.

NOTICE OF MOTIONS

MR. SPEAKER: The hon. Minister of Forestry and Agriculture.

MR. E. MAYNARD: Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a bill, "An Act To Amend The Forest Land (Management and Taxation) Act, 1974 and To Make Other Statutory Amendments In Respect Thereto." (No. 67).

ORAL QUESTIONS:MR. SPEAKER:

The hon. Leader of the Opposition.

MR. ROBERTS:

I told the minister not to ask a question, just to answer one.

MR. DOODY:

By leave?

MR. ROBERTS:

Well revert if it is okay-

MR. SPEAKER:

Do we have leave to revert to routine procedure five? Agreed? The hon. Minister of Finance.

MR. DOODY:

I have the answers to two questions, Mr. Speaker.

I am not quite sure if they are on the Order Paper or if they were asked during the estimates of the Department of Finance. They are questions by the hon. member for LaPoile (Mr. Neary), one dealt with the Computer Services Centre, the cost, the contracts and so on.

MR. NEARY:

It is on the Order Paper.

MR. DOODY:

It is on the Order Paper, is it?

All the information is here, the names of the contractors, sub-contractors, consulting engineers, costs and so on. And the other one was the questions by the same hon. member, the member for LaPoile, concerning the operations of the Atlantic Loto; the directors, the amounts of monies involved, under what circumstances. But I think what the member was mostly interested in was the names of the distributors and the retailers and that list is attached for the amusement and entertainment of my hon. friend.

MR. NEARY:

Now we want the list from Rural Development.

MR. SPEAKER:

The hon. Leader of the Opposition.

MR. ROBERTS:

Mr. Speaker, my question was intended for the Premier but he is not present, so perhaps the Minister of Finance in his capacity as Chairman of the Board of Directors of Labrador Linerboard could answer. Can the minister tell us just what the Premier is going to be discussing in Montreal tomorrow when he meets with Mr. Paul Demarais - not tomorrow. Yes, tomorrow, Tuesday - when he meets with Mr. Demarais of the Power Corporation.

MR. SPEAKER:

The hon. Minister of Finance.

MR. DOODY:

No, I quite honestly cannot. I did not realize the Premier was going to Montreal to speak to Mr. Demarais tomorrow. I thought it was next week.

MR. ROBERTS: He has announced it is tomorrow.

MR. DOODY: Is it?

MR. ROBERTS: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. ROBERTS: Mr. Speaker, the Premier, or somebody in his behalf, has announced that the trip is tomorrow. Can the minister tell us whether there are any talks in progress or in contemplation to discuss with the Power Corporation - which of course owns Consolidated Bathurst, that is their connection here; they own a great deal else as well, of course, a well-known company - any talks in contemplation or in progress with the Power Corporation with respect to the Labrador Linerboard mill?

MR. SPEAKER: The hon. Minister of Finance.

MR. DOODY: Yes, I have no doubt, Your Honour, that when the Premier sees Mr. Demarais the Labrador Linerboard Limited will be the subject of discussion. The Consolidated Bathurst people have been very active working with us on the linerboard problem.

Mr. Sweeney is from that organization, so is the sales representative whom we have, Paul Bannerman, Mr. Jack Andrews on the board of advisors from Consolidated Bathurst, and I would assume that the reports and statistics and what not that have been gathered to date will be discussed by the Premier and Mr. Demarais, hopefully with a view to getting Consolidated Bathurst more closely associated with the mill. What will come with that, of course I have absolutely no idea.

MR. SPEAKER: A supplementary.

MR. ROBERTS: A further supplementary, Sir. Can the minister tell us whether the talks are aimed, or whether the government's policy - the government are only one party to these talks - whether the government's policy is aimed at trying to induce Consolidated Bathurst to manage the mill under some arrangement or other to be negotiated and spelled out, or is it aimed at the possibility of Consolidated Bathurst buying the mill?

MR. SPEAKER: The hon. Minister of Finance.



MR. DOODY: I think both areas will be discussed and both are open.

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

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

MR. ROBERTS: Will the minister give the House an assurance that the government will not dispose of the assets or dispose of Labrador Linerboard mill or make any long term arrangement for its operation without prior consultation with the House?

MR. SPEAKER: The hon. Minister of Finance.

MR. DOODY: I think that that is something that the Premier had better make a decision on. I certainly cannot answer that. It seems reasonable that that would happen, though.

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

MR. NEARY: Would the minister, or his counterpart, the Minister of Forestry and Agriculture, inform the House if there are any negotiations going on between the Province or Consolidated Bathurst or the Linerboard people, or all three parties, in connection with the exchange of timber rights with Bowaters or Price so that the linerboard mill can be assured of getting a low cost wood in the event of a takeover by Consolidated Bathurst?

MR. SPEAKER: The hon. Minister of Finance.

MR. DOODY: There have been ongoing discussions with these companies for quite some time. The hon. Minister of Forestry and Agriculture is more familiar with the details than I am, but as the hon. House is aware the preliminary report of the advisory committee suggests that in the short term at least the major - or at least 150,000 cords of the necessary wood supply for the mill would come from outside the Province in any event. So that the immediate problem is not the wood supply from Bowaters or Price in that immediate area.

Mr. Doody:

Nevertheless, as I have indicated, discussions have been ongoing and will continue to be pursued, but for the detail on that, of course, as I say the Department of Forestry and Agriculture would be more appropriate.

MR. NEARY: A supplementary question.

MR. SPEAKER: A supplementary.

MR. NEARY: Would the Minister of Forestry and Agriculture care to add anything to what the Minister of Finance has said in connection with trying to get timber rights from Bowaters and Price to supply the linerboard mill in Stephenville with a low cost wood?

MR. SPEAKER: The hon. Minister of Forestry and Agriculture.

MR. MAYNARD: Mr. Speaker, we have been having a series of discussions with Bowaters, not so much with Price because, I think, most hon. members realize that Price does not have that much surplus wood on their timber limits, but certainly with Bowaters regarding their surplus timber, and I think we are making fairly good progress on it. I would not care to give any other details other than that at this point in time. Certainly the negotiations are ongoing or the discussions are ongoing, and we will continue in that matter until such time as we have resolved the wood situation in the Province not only for Labrador Linerboard, if it continues to operate, but for the sawmill industry as well.

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

MR. SPEAKER: A final supplementary.

MR. NEARY: As low cost wood is, you know, a matter of life and death with the linerboard mill to keep it operating, and they only have six months to do that, would the minister indicate if it is possible, for instance, if Consolidated Bathurst is interested in taking over that mill or managing it or buying it, in that six month period could the minister indicate if negotiations would be finalized or if Bowaters, which is obviously the principal involved that holds the timber resources, could an arrangement be made, does the minister think, within that six month period to get the wood on the Island necessary

Mr. Neary:

to keep the linerboard mill in Stephenville going?

MR. SPEAKER: The hon. Minister of Forestry and Agriculture.

MR. MAYNARD: I believe, Mr. Speaker, that arrangements can be made to get a supply of wood for a linerboard operation. I do not think at this point in time with the present transportation methods that are being used, and the loading and unloading facilities that would have to be established in various areas, that it would be possible to get a supply of wood at a low enough cost per cord unless we brought in some from the Mainland part of Canada for an interim period. But I think there is a possibility of being able to arrange a supply of wood that would be adequate for the needs of a mill such as Linerboard.

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

MR. ROBERTS: A question for the Minister of Transportation, who looks like he would need a question, just as I would like an answer from him for a change. With respect, Sir, to the announcement last week by Mr. Lang of the assistance of the Trans-Canada Highway and the confusion or uncertainty that has arisen from the announcement because, as I understand it, the announcement simply says, \$30 million is available to this Province over the next three years to be spent on strengthening the Trans-Canada Highway: To begin with, Sir, could the minister tell us just when this matter will be settled, and just what the Province's position is with respect to the sharing? I understand the cost sharing is not decided. I have heard some suggestions it might be 50-50, and I have heard some suggestions it might be 90-10 or 75-25. Could the minister tell us what the Province's position is, and when might we expect some answer or some decision with respect to it?

MR. SPEAKER: The hon. Minister of Transportation and Communications.

MR. MORGAN: Mr. Speaker, on Wednesday of this week the ministers responsible for transportation and highways will be meeting in Halifax, and the main reason for that meeting is to discuss the recent announcement by the federal minister whereby he has now allocated \$100 million for the region, a federal allocation of funds

Mr. Morgan:

for the upgrading of the Trans-Canada Highway. And we will be discussing at the meeting in Halifax, of course, our position, which we will be taking to Ottawa either Thursday or Friday of this week as well, with regards to the cost-sharing formula, in the hope that we can sit down with Ottawa as a joint group, or as one group I should say, and finalize agreements so as we can get the actual work commenced on the upgrading of the Trans-Canada Highway.

What the position this Province will take is I cannot inform the House of Assembly of that position right now. The position has always been, and not only this Province but

MR. MORGAN: in fact all the other three provinces as well, all four combined, in our initial submission and application we asked for a 90 per cent, 10 per cent cost-sharing formula and I have no reason to believe at this time that that position will change. But of course Mr. Lang in his correspondence to this administration and the others in their region has indicated he would like to have immediate discussions and negotiations. I am assuming, and I am only assuming at this time, that one of the major points of discussion will be the cost sharing formula.

MR. ROBERTS: A supplementary.

MR. SPEAKER: A supplementary, the original questioner.

MR. ROBERTS: Mr. Speaker, could the minister tell us whether we are prepared as a Province to accept less than 90-10, and could he at the same time tell us if there is a minimum amount? because my fear is that we are going to be offered a deal that is less than 90-10, and I am not so sure that is a very good deal for us. So I would like the minister to tell us, you know, what is our minimum position? I am not asking him to expose his bargaining hand but are we prepared to accept 50-50, for argument's sake - I hope we reject it and similarly, can the minister tell us whether our position is contingent upon agreement by the other three Atlantic provinces? in other words, do we say we go as a common front or are we taking the position that we have a minimum position beyond which we cannot go and the other provinces can decide as they think best but our position is so and so. Could the minister be a little more forthcoming? I do not want him to tell his bargaining position, if he has one - I assume he has - but I think we have a right to know. This is a large amount of money, there is no money in the minister's estimates for this year, and it would involve significant - 50-50 would wipe out the Minister of Finance's current account surplus achieved at the sacrifice of Stephenville, would wipe it out. So what is our minimum position? Even 25-75, Sir, on \$30 million would come

MR. ROBERTS: down to \$8 million. You know, that is \$2 or \$3 million this year and would put a big dent in that surplus.

MR. SPEAKER: Hon. Minister of Transportation.

MR. MORGAN: Mr. Speaker, first of all the vote this year in the estimates of T and C, that vote was put there with a nominal amount in anticipation of an upcoming agreement, and funds can be allocated under that vote, hopefully approved by the House of Assembly.

But I cannot inform the House of the minimum we will accept or any point that will be subject to negotiation until I meet first of all with my counterparts in the other three provinces, which will be on a Wednesday and, like I say, I am hoping then that we can continue on with our meetings in Ottawa.

The initial position is still the same as far as I am concerned; that is that position put forward by the provinces was for a 90 per cent, 10 per cent and Mr. Lang has not indicated anything other than that to us at this time. We know now \$100 million is allocated by the federal government; it could be, for example, it could be the feds could say to us that, "Okay, it is \$100 million. Take it as a grant and do not put any money in yourselves." We do not know that.

MR. ROBERTS: Does the minister think that is possible?

MR. MORGAN: It depends on what we will put in on top of the \$100 million will be the amount spent in the three year programme on the upgrading of the TCH. But there is one thing about it, the minister in his statement and also the correspondence to the governments has indicated it is an open-ended deal whereby after three years there is a strong possibility of additional funds being allocated. This was the estimates of the submission. We asked for a programme of ten years and the allocation of funds we were requesting for this Province was around \$245 million approximately a quarter of a billion dollars, \$245 million dollars. So the minimum position we would accept, or any position we would accept, I prefer to hold these points and situations with regards to the stance we will take until we have our discussions and negotiations.

MR. ROBERTS: A supplementary.

MR. SPEAKER: A supplementary.

MR. ROBERTS: Sir, I wish I could debate the answer because I hoped the minister could say we would reject at least 50-50. In any went to go to another aspect, the areas that will be done, assuming as we do that some money will be spent on the Trans-Canada this year in this Province, can the minister tell us, first of all, have these areas been selected, and secondly, if so where they are, and thirdly, are they selected by the government of this Province or are they selected by the government of this Province subject to the approval of the government of Canada?

MR. SPEAKER: The hon. minister.

MR. MORGAN: Mr. Speaker, the areas that are chosen as priorities are based along the lines of the need as established by the engineering surveys carried out by the Department of Transportation and Communications in co-ordination

MR. MORGAN: with the Surface Division of the MOT and, if you recall, Mr. Speaker, last year the senior officials, engineering people primarily, came down to this Province at my request and they travelled the TCH, the full length of the TCH from St. John's to Port aux Basques so that they would know first hand the areas we were talking about and confirm that they were the worst sections.

The worst sections which need reconstruction are, as mentioned in my estimates a few days ago when we were debating the estimates for Transportation and Communications: There is one on the Western part of the Province, in the area of the Georges Lakes to Crabbs River, which needs which needs reconstruction, tear up what is there and put down new sections. A similar section in the Eastern part of the Province, west of the National Park, just west of Port Blandford area - no, I am sorry, west of the -

MR. ROBERTS: West of the park?

MR. MORGAN: West of the western boundary near the Glovertown Access -

MR. ROBERTS: Between Glovertown and Gander.

MR. MORGAN: Towards Gander, mainly in the Grant's Pit area there, that needs reconstruction as well. That is a priority area, and these two out of two priority areas with regards to reconstruction, in other words tear up what is there and put down some new highway.

MR. ROBERTS: Are they subject to agreement by Ottawa or do they -

MR. MORGAN: No. These will now depend on, for example, these two are the priorities and number three, tying in the priorities as well, is the area from St. John's, the Kenmount Road area out towards the Overpass and on towards the Argentinia Access. Now looking at the



MR. MORGAN: figure of \$30 million plus, of course the priorities will be established when the funds are finally agreed upon by means of an agreement. We will hopefully and we cannot see any reason at this time that we cannot get all three of these projects moving under the three year programme.

MR. SPEAKER: A final supplementary, the hon. Leader of the Opposition.

MR. ROBERTS: Mr. Speaker, a very brief question, Could the minister tell us what it is going to cost, and I realize he has only estimates at this stage but he must have these, what it is going to cost to rebuild a mile of the Trans-Canada? If it is, say, \$250,000 a mile to rebuild and to repave, to take a figure, the \$10 million would come to forty miles and so forth, What does it cost? And the other side of the figure, Mr. Speaker, is how many miles does he expect will get done this year?

MR. SPEAKER: The hon. Minister of Transportation and Communications.

MR. MORGAN: Mr. Speaker, the number of miles to be done will depend on the nature of the work being carried out. For example, in some of the areas we are talking about upgrading the TCH, we are talking about widening out the existing highway, which would mean paving of shoulders, etc, and widening out these -

MR. ROBERTS: Making it four lanes?

MR. MORGAN: - climbing lanes.

MR. ROBERTS: Making it four lanes?

MR. MORGAN: Making it four lanes in some areas. So it depends on whether we are four laneing all the way in some sections, or whether we are reconstructing some sections, as just mentioned, tearing out and putting back the existing highway, or paving of shoulders or extending on these slow lane areas, or climbing lane areas as they are known as in the Province here, extending on these, depending on the nature of work that is called, the tenders called, will depend the amount of work we get done with the money we have approved.

MR. ROBERTS: What does it cost a mile for reconstruction?

MR. MORGAN: Mr. Speaker, I cannot give that off the top of my head but I will attempt to supply the hon. gentleman with the figures with regards to actual reconstruction, like the areas I just mentioned, the western part of the Province and there in the Grant's Pit area.

MR. ROBERTS: At least \$250,000, is it not?

MR. MORGAN: It would depend, for example, on how many sections they have to totally tear up and replace.

MR. ROBERTS: Will there be by-passes built? I mean, that is the only highway we have.

MR. MORGAN: Mr. Speaker, when we discussed the estimates I reassured the House at that time that we are not talking about a patch up job or any kind of maintenance because the federal government would not agree, first of all, to any kind of maintenance work like, for example, patching up or resurfacing of asphalt. It is a major reconstruction job we are talking about and that is the reason why I am pleased that the thing is open-ended whereas after three years there will be an obvious need for additional funds.

MR. ROBERTS: Are we going to have by-passes when an area is reconstructed?

MR. MORGAN: Mr. Speaker, I do not want to give any details any further. In fact, I cannot supply from the top of my head the details that we are looking at. But the two areas I just mentioned, a lot of these sections, these two sections in particular; for example, in the Crabbs River - Georges Lake there is a section about twenty miles which needs to be apparently taken up completely and a new highway laid down.

MR. ROBERTS: That was one of the first sections built about 1955.

MR. MORGAN: And in the Grant's Pit area basically the same thing. As we all know there is always a problem there and that has to be torn up and a new section laid, a new Trans-Canada laid down.

MR. ROBERTS: A new road bed has to be put down.

MR. MORGAN: But when we are talking about, for example, Kenmount Road area, the road there is basically good except it is too narrow and it needs to be widened out to a four lane. So it depends on the nature of work that we get moving and like I mentioned before we are hoping that once the agreements are signed in - I am counting on agreements finalized in the month of June, we can get the tenders called and get the actual work commenced and I am again indicating the possibility of having all three of these projects commenced under the three year programme, looking at the possibility that there is additional funds after three years.

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

MR. SPEAKER: A final supplementary, the hon. member for LaPoile, then the hon. gentleman for Terra Nova.

MR. NEARY: Mr. Speaker, when I was out in Western Newfoundland the other day there is very grave concern over the fact that the money that is being made available for upgrading, widening and twinning the Trans-Canada Highway is going to be made at the expense of the railway in this Province, what we have left of it. Could the minister reassure the House, or assure the House, that under no circumstances

Mr. Neary.

will this Province enter into an agreement with the Government of Canada for money to upgrade, widen and reconstruct parts of the Trans-Canada Highway at the expense of further deterioration or elimination altogether of the railway in this Province?

MR. SPEAKER: The hon. Minister of Transportation.

MR. MORGAN: Yes, Mr. Speaker, I have assured the House in the past and I can easily assure it again this morning and the public of Newfoundland at large that we have never had any kind of discussion or even mentioned in any of our discussions and bargaining with Ottawa the possibility of any kind of a trade off with regards to the rail facilities for upgrading of the Trans-Canada Highway or new road facilities, and we have no intention. In fact, my submission this morning to the House of Commons Committee, representing all parties in the House of Commons, was firmly along the lines that we feel that the bulk shipments, the movement of goods in bulk form should be on the rails and not on the roads.

MR. NEARY: But the minister has seen the contempt that this crowd have for Newfoundland, and one of the questions put to the minister was, Why does not CN pay for part of the upgrading of the Trans-Canada Highway?

MR. MORGAN: Mr. Speaker, I have to concur with earlier comments that I told the Committee this morning that I was hoping that they would stay longer in the Province and take a look at our transportation problems we have by means, for example, of travelling from here to Gander on the TCH, preferably by the CNR bus road cruiser service, and the possibility of going on across the Province and taking the ferry boats from Port aux Basques to North Sydney. But, of course, apparently their time is limited, so they say, and they cannot stay to look at our facilities, unfortunately.

But, Mr. Speaker, to answer the hon. gentleman's question, we at no time considered and will not consider any kind of a trade-off. We feel there should be two modes of transport. There is a definite need to

Mr. Morgan.

upgrade the Trans-Canada Highway. I think now that is finally recognized. But there should also be some activity over the next year or so to upgrade the rail facilities and to use these rail facilities for a mode of transport which apparently in other countries is found to be quite economicable and feasible, that is by rail.

DR. FARRELL: Hear, hear!

MR. SPEAKER: The hon. member for Eagle River.

MR. STRACHAN: Mr. Speaker, a question to the Minister of Forestry and Agriculture. Could the minister tell us if outside of Otter Creek in Goose Bay there are any other bases to be set up this Summer in Labrador for forest fire protection and if so, what these bases will consist of? Will there be any equipment, any aircraft of any sort? I refer specifically to last year where many acres, square miles, of Labrador were left burning for weeks on end and in which only one helicopter was left to fight them, and the almost disastrous death of a group of forest fighters?

MR. SPEAKER: The hon. Minister of Forestry and Agriculture.

MR. MAYNARD: No, Mr. Speaker, there are no other bases set up outside of the Goose Bay area. We have found that to be fairly adequate. Labrador is a fairly big territory, and it would be impossible to acquire the amount of equipment that would be needed to cover the whole territory. But as far as the forest areas are concerned, we have found that we have been able to cover it fairly adequately. With the exception of one additional helicopter, the equipment in Labrador and the procedures being used will be the same as it was last year.

MR. STRACHAN: A supplementary.

MR. SPEAKER: A supplementary.

MR. STRACHAN: I take it from the minister's answer that again this Summer, if it is a hot Summer, that the policy of letting Labrador burn will continue. Could the minister tell us whether - and that is what happened last year, for weeks and weeks you could fly back and forth across forest fires,

Mr. Strachan.

three majors one threatened two communities which burned for weeks and weeks - could the minister tell us whether there will be any rescue facilities prepared in preparation for the fact that people were almost killed last year - they lost their equipment, all their personal equipment as well as fire-fighting equipment - whether there will be any preparations made for the evacuation of communities or for rescuing firefighters?

MR. SPEAKER: The hon. Minister of Forestry and Agriculture.

MR. MAYNARD: Mr. Speaker, I am not aware of any policy last year to let the large areas of Labrador burn. We do have some serious fires up there from time to time. If the situation is serious enough, we can certainly move equipment in from the Island. We are pretty flexible in that regard. We will fly up water bombers and these can be moved around fairly quickly. As far as emergency procedures are concerned, we always have emergency procedures worked out that we can use at any time, and I think these in the past have been fairly adequate. But there have been communities evacuated, and there probably will be

Mr. Maynard:

at some point in time - we hope not - but at some point in the future. If need be, I think that we have the procedures worked out whereby we can rescue people or evacuate communities if the need arises.

MR. STRACHAN: A supplementary, Mr. Speaker.

MR. SPEAKER: A final supplementary, then the hon. gentleman from Terra Nova.

MR. STRACHAN: I remember last year we discussed intensively the position of giving the Minister of Forestry the right to commandeer equipment and personnel and so on. I wonder if the minister could outline whether this year he would be in a position to commandeer aircraft or helicopters being used by governmental staff in Labrador for pleasure pursuits and so on while for the South there are forest fires requiring the use of that equipment?

MR. SPEAKER: The hon. Minister of Forestry and Agriculture.

MR. MAYNARD: Mr. Speaker, the Minister of Forestry has for a number of years been able to commandeer any equipment, whether it is government owned or privately owned. The only area where it would not be commandeered is if the equipment were needed for health purposes. But certainly we can commandeer any equipment.

MR. SPEAKER: The hon. member for Terra Nova.

MR. LUSH: Mr. Speaker, I have a question for the Minister of Labour and Manpower. In view of the high rate of unemployment in the Province, and in view of the recent forecast by the Atlantic Provinces Economic Council that the unemployment rate is likely to remain high unless there is tremendous input from Ottawa, I wonder if the minister has met with his federal counterpart, the hon. Bud Cullen, or is planning to meet with him to discuss the problem to see what both governments can together do to try to alleviate the unemployment situation?

MR. SPEAKER: The hon. Minister of Labour and Manpower.

MR. ROUSSEAU: Mr. Speaker, I am aware that the hon. member is suggesting that all I have done so far is write a letter. But if I look at the estimates the money in my department is very little. We do the manpower training. I think I answered that question last week that as soon as the House is closed one of my earliest priorities is

MR. ROUSSEAU:

to meet with Mr. Cullen and discuss the direction of federal monies that come into this Province on a priority basis, and hopefully to increase the amount coming as a result of manpower training and works programmes. Mr. Cullen has indicated he would be prepared to meet with me. He was prepared to meet with me previously, but unfortunately the weather socked him in and we had three or four items on the agenda we wanted to discuss. And, as I say, as soon as the House closes, at the first possible opportunity at a mutual convenience, which I am sure will be early, it is my intention to meet with Mr. Cullen.

MR. SPEAKER: A supplementary, the original questioner.

MR. LUSH: The minister mentioned that he wrote a letter. Was the letter requesting a meeting or was it outlining the situation? Just what was the gist of the letter?

MR. SPEAKER: The hon. Minister of Labour and Manpower.

MR. ROUSSEAU: Mr. Speaker, I tabled the letter during the estimates of the Department of Labour and Manpower.

MR. SPEAKER: The hon. member for Fogo followed by the hon. gentleman for LaPoile.

CAPT. E. WINSOR: Mr. Speaker, a question to the hon. Minister of Fisheries. Has the minister received any report from the Commerce Trade Department, The Federal Marine Services Department or any other source regarding the quality of our tinned seal meat?

MR. SPEAKER: The hon. Minister of Fisheries.

MR. W. CARTER: No, Mr. Speaker.

CAPT. WINSOR: A supplementary.

MR. SPEAKER: A supplementary.

CAPT. WINSOR: There is a press report currently about the poor quality. Would the minister try and get the reply or get the information so that - well maybe it is a false impression we are getting, but it is certainly detrimental to trade if what they say is true.

MR. SPEAKER: The hon. Minister of Fisheries.

MR. W. CARTER: I am aware of the comments, Mr. Speaker, and certainly I should look into it and see what the story is.



MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, my question is to the Minister of Forestry and Agriculture. Sir, would the minister tell the House how serious the bacterial ring rot problem is in seed potatoes in this Province at the present time?

MR. SPEAKER: The hon. Minister of Forestry and Agriculture.

MR. MAYNARD: Well it is apparent, Mr. Speaker, that it could be a fairly serious problem unless people use the right type of seed potatoes when they are planting this year. I have not had an opportunity yet to check out with the staff whether or not there is going to be enough registered seed available for planting by farmers, but certainly if they do not plant registered seed the ring rot situation could become a fairly serious one.

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

MR. SPEAKER: A supplementary.

MR. NEARY: Would the minister tell the House what steps his department will take to make sure that the farmers will get potatoes, seed potatoes that are disease free, that are free of the ring rot?

MR. SPEAKER: The hon. Minister of Forestry and Agriculture.

MR. MAYNARD: The only thing that we can do at this point in time, Mr. Speaker, is work with the regular suppliers of seed potatoes. We have, as the hon. member is aware, started potato

Mr. Maynard.

seed farming in the Glenwood area. Unfortunately, we will not have any significant amount of seed available for farming communities this year from that farm but hopefully within the next year or so we will be able to supply farmers with registered seed. But for this year we are going to have to depend on the regular suppliers, the wholesalers, that have supplied seed in the past, and we will certainly be working with them, with the farmers, to try to ensure that they do acquire the type of seed that is necessary to rid themselves of any ring rot problem.

ORDERS OF THE DAY:

MR. HICKMAN: Motion 8.

MR. SPEAKER: Motion 8

Motion, the hon. Minister of Finance to introduce a bill, "An Act To Amend The Education (Teachers' Pensions) Act." (Bill No. 41).

On motion, Bill No. 41, read a first time, ordered read a second time on tomorrow.

MR. HICKMAN: Motion 9.

Motion, the hon. Minister of Labour and Manpower to introduce a bill, "An Act Respecting Labour Relations In The Province." (Bill No. 62).

On motion, Bill No. 62, read a first time, ordered read a second time on tomorrow.

MR. HICKMAN: Committee of Supply.

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

COMMITTEE OF SUPPLY:

MR. CHAIRMAN: Order, please!

For the information of the Committee, we have forty-nine minutes left.

The hon. member for Terra Nova.

MR. LUSH: Mr. Chairman, I just want to say a few brief words.

I will not be very long. I was talking here on Friday about the tremendous rip-off that Newfoundlanders were receiving at the marketplace, and I was making the point that it seems as though everything is justified with respect to transportation. And that is a mental attitude that Newfoundlanders have now come to accept, if you will. It is a mental attitude that they have, that they expect to be ripped off almost. They take any sort of an increase in any sort of a project because we have been almost coerced into that mental attitude that is transportation. And I was making the point that I do not think that it is transportation that accounts for the excessive prices that the consumer in Newfoundland pays at the marketplace for the various projects. It is other factors. And, Mr. Chairman, I just wonder whether the Minister of Consumer Affairs saw the article that was in the Evening Telegram on the weekend. It was entitled, "Lumbermen says, 'Competitors price fixing and gouging public.'" And I think that the minister, if he has not seen that article, that he certainly should make an effort to see it. It is about a gentleman who was setting up into building supplies, as a new business, a young man just setting up and he was selling at very competitive prices, selling Gyproc at a profitable price I should say, much lower than was being sold by the major building suppliers here in the city, and he made suggestions that he was being approached by wholesalers that if he did not jack up his prices that they would boycott the man. There were all sorts of suggestions. And one, he mentions there was that the association - what was it called? the Building Supplies Association - met recently to decide on a possible boycott of wholesalers dealing with this particular man. And I think this is serious business if this is going on. The

Mr. Lush.

minister should certainly look into it, this price fixing and this gouging of the public. And, Mr. Chairman, I would suggest that this is going on in a lot of businesses. Whether it is going on in building supplies, I do not know. But certainly in a lot of businesses this is going on in this Province, of price fixing. And the competition is gone. There is

MR. LUSH: no more competition between the business people, it is a matter of price fixing. And we are exploiting and we are robbing the people of this Province, ripping them off. I thought this was quite apropos to what I was speaking on on Friday, and I want to bring that to the attention of the minister, this idea of price fixing within the building supply business, and that I am finished with. I just wanted the minister to react to this, to see what his reaction was and to see what action he plans to take in this particular case, and not only in this but in price fixing in other businesses throughout the Province .

MR. CHAIRMAN: Hon. member for LaPoile.

MR. NEARY: Mr. Chairman, of course the biggest example of price fixing not only in Newfoundland but in the whole of Canada is with the big oil companies. And it is amazing to me, Sir, how they get away with the way that they blatantly violate the Anti-Combines Act of this nation. One oil company will announce an increase in gasoline, and the next day another oil company will announce a similar increase, and then the next day then another oil company. Or they all do it together; if they do not do it together they will do it individually.

MR. SMALLWOOD: Do not the pulp and paper companies do exactly the same?

MR. NEARY: My hon. friend asked if not the pulp and paper companies do not do the same thing. Well I do not know if they come under the Anti-Combines Legislation or not.

MR. SMALLWOOD: No, but they announce the price a few days apart.

MR. NEARY: Mr. Chairman, as far as I am concerned, and I believe I speak for every ordinary citizen in this Province and in the nation as a whole, that price fixing with the oil companies as far as heating fuel, diesel fuel and gasoline is concerned there is price fixing going on behind the scenes and it should be stopped. We have an example in this Province recently, the last increase in gasoline

MR. NEARY: that was announced by Ottawa, we had an example in St. John's where there was a deadline put on the time that they could increase gasoline and they were supposed to use all the products that they had in storage. Well, they did not follow these regulations. Some distributors upped their prices right away, other had to wait.

And this was generally known, Sir, and yet the minister's department did nothing about it, did not go around and check the service stations to distributors.

MR. MURPHY: We checked every service station.

MR. NEARY: Well why did some of them put up their prices immediately and other had to wait before they could put their prices up?

MR. MURPHY: It is up to the department responsible. The hon member knows that, and it is a federal matter. It was checked out and reported.

MR. SMALLWOOD: Why is there such a variation in the retail price of beer?

MR. NEARY: Why is there such a - the former Premier asked why is there such a variation in the price of beer. I am not talking about the variation in prices although I am glad the hon. gentleman brought that up because I feel and I contend, and I have said this outside the House and inside the House, that there should be one price for gasoline and one price for heating fuel right across this whole Province. There should be no variation in prices. Why should the price of one gallon of gasoline in Port aux Basques, for instance, for regular gas be \$1.10 or \$1.12 and in St. John's you can get it for I believe it is 99.6 or \$1.00? Let us use round figures and say \$1.00. Why should one gallon of gasoline cost ten or twelve cents more in Port aux Basques than it does in St. John's, and why should it cost eight or ten cents more down in the Baie Verte Peninsula, down where my hon. friend lives and represents the district, why should it be more down there?

MR. STRACHAN: It is \$1.45 in Rigolette.

MR. NEARY: Why should it be more down there than it is in St. John's or on the Avalon Peninsula?

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MR. MURPHY: \$1.25 -

MR. NEARY: And \$1.45 - is it? - in Rigolet.

MR. STRACHAN: Right.

MR. NEARY: \$1.45 in Rigolet. There is no way, Mr. Chairman, no way that the oil companies can justify that on the grounds of transportation costs. Here you have Port aux Basques, only ninety miles across the gulf, and the tankers come in from the Mainland and fill up the tanks in Port aux Basques. And then they have to come 500 miles east to get down to St. John's, and yet gasoline costs ten and twelve cents more in Port aux Basques than it does in St. John's. I brought that to the attention of the hon. minister's department over a year ago and I also brought it to the attention of

MR. NEARY:       the Federal Department of Consumer Affairs and the Environment and back comes the answer, "We have no control over it. It is up to the distributors." The oil company says it is up to the distributors. That is the answer I got from both the minister's department and from the Federal Department of Consumer Affairs. The oil companies say there should only be a fraction of a cent in the difference and yet there is a difference of ten or twelve cents and the minister has no control over the distributors, cannot give them a rap on the knuckles.

MR. MURPHY:    We rap them on the knuckles but it just does not work.

MR. NEARY:    The suggestion that came from the minister's department, "Oh, let them start a self service. Why does somebody not get into self service?" I say the oil companies should get the boots put to them.

AN HON. MEMBER:   Hear! Hear!

MR. NEARY:    The oil companies are the ones who commissioned these distributors. I was responsible, I can claim an assist, I think, on bringing down the price of gasoline in Corner Brook because there was all the rumpus and fuss that I kicked up with the Federal Department of Consumer Affairs, and later the minister's officials got in on the act that got a self-serve in Corner Brook and eventually got competition going out there and got the price of gasoline down slightly. I believe the price now is - there is not much difference in the price there than there is in the city of St. John's. I think I can claim an assist on that.

MR. MURPHY:    \$1.02 for regular.

MR. NEARY:       \$1.02 for regular, which is not bad, you know, compared to the East Coast. But all over this Province you have different prices for gasoline and heating fuel and there is no justification for it.



MR. NEARY: The minister should launch a full-fledged investigation, call the oil companies together, sit down across the table and find out once and for all whose fault it is and what can be done to remedy this situation. And it is not like beer, Sir; there should not be any difference in the price of gasoline, here, Baie Verte, Bay de Verde, the Southwest Coast, Central Newfoundland - no, it is not too bad in Central, in the Botwood area it is bad. I do not know why, my hon. friend knows that. I have had complaints from the Botwood area, and yet in Grand Falls there is a difference of five and six cents. Why, Mr. Chairman? Is it because the distributor does not have the volume to keep up the overhead, to keep up with the overhead of running his business? But it is not fair, Sir, not fair to the motorists and to the people who have to commute back and forth to work. I think the minister would do this Province a great service by getting the oil companies together and looking into this and putting the blocks to them where the minister does have control over the environment. And the minister I think can use a little pressure on the oil companies to straighten this matter out and try to get a uniform price for gasoline and heating fuel right across this Province.

Now my second point, Sir, is this, that I do not feel that the Department of Consumer Affairs and the Environment are compatible. I think they should be separated. There is nothing in common between Consumer Affairs and the Environment. I believe they should be split up. I believe the environment should be put under another department of government. I do not know which one at the moment, but I do not think, Sir, that Consumer Affairs and the Environment should go hand in glove. I believe there are members of the administration who agree with me on that, that it should be split up. Maybe there are other responsibilities that can be given to the minister that are more in keeping with Consumer Affairs and give the

MR. NEARY: the Environment to some other department of government.

It would seem to me, Sir, that it should more fittingly come under the Department of Mines and Energy or under the Department of Forestry and Agriculture, Probably Mines and Energy would be the best place to have it because most of the problems involved in the environment come under the Minister of Mines and Energy, those having to do with mining, occupational health hazards and pollution and the like, or under Industrial Development, but certainly I think it should be taken away from Consumer Affairs. It has a tendency to distract, one distracts from the other.

MR. MURPHY: One controls the other.

MR. NEARY: Well maybe one controls -

MR. MURPHY: One man cannot boss the judge and boss the jury too.

MR. NEARY: Well maybe. I do not know whether the minister agrees with -

MR. MURPHY: If the member looked into it he could see that fact -

MR. NEARY: Well probably.

MR. MURPHY: - that if I am minister of both and I say to Mines and Energy, "Do that," and then say to the other, "Now do not you say a word to this crowd, I told them to do this." You know, it does not make any sense whatever the suggestion of the hon. member.

MR. NEARY: It does not make any sense at all what I am -

MR. MURPHY: Not the suggestion with reference to that particular thing. No.

MR. NEARY: I see.

MR. MURPHY: You want an independent but not a resource producing department.

MR. NEARY: Well maybe we should have an independent -

Mr. Neary: no, not a Crown corporation because I think we should do away with -

MR. MURPHY: No, we have enough of them.

MR. NEARY: - all Crown corporations. We got too many of them now. But certainly, Sir, I think it should be under some other department of government.

MR. MURPHY: Yes.

MR. NEARY: Mr. Chairman, perhaps the minister can also tell us why it takes so long for the environment to make their reports to the minister responsible for crown lands, why it takes the environment so long to do their part of the investigation that is necessary when people want to build on crown land or building along the Trans-Canada Highway.

MR. MURPHY: How long does it take?

MR. NEARY: Why it takes so long to make a report.

MR. MURPHY: How long does it take?

MR. NEARY: Sir, sometimes it takes - I have known cases that are outstanding for over a year.

MR. MURPHY: In the Department of the Environment?

MR. NEARY: Yes, Sir, I have been told, at least that is what the officials tell me, that we have not heard from the Department of the Environment. Does the minister not have the staff?

MR. MURPHY: Very little, really.

MR. NEARY: Well, very little. Well then something should be done.

MR. MURPHY: It is one of the problems.

MR. NEARY: This is a major problem, Sir, and we have the tendency to lay the fault, the blame, on the shoulders of the Minister of Forestry and Agriculture for not approving these applications when in actual fact the minister has to deal with a dozen other government departments, and it is in the process of dealing with the other departments that the applications are slowed down. Sometimes it is Highways, sometimes it is the Minister of the Environment, sometimes it is the Minister of

Mr. Neary:

Health, sometimes it is the Minister of Transportation and Communications. There are eight or ten ministers of the departments that the minister has to deal with, and it is a real jungle. And I think the whole thing could be speeded up if each minister would try to beef up the processing of the application in his own department. Each minister that I mentioned is just as much responsible as the Minister of Forestry and Agriculture for slowing down these applications; they have everybody in the Province driven out of their minds. If there is ever a matter, a procedure of government that is frustrating to the people of this Province, Sir, it is processing an application for crown land. It is scandalous, especially in the Western part of the Province. It is driving everybody bugs, right out of their mind. I know a case recently, I can give the minister an example of a case recently where a man out in Port aux Basques wants to spend a quarter of a million dollars to build a motel, and he cannot get an application approved. He wants to spend the money, he has got the money, cash. He wants to build a motel on the Trans-Canada Highway and he cannot spend his quarter of a million dollars because he cannot get an application approved to put up a motel.

Have we reached the stage in this Province, Mr. Chairman, where we can afford that kind of a luxury? Why the government should take that man by the hand, one of the few men I suppose in this Province at the moment who wants to invest a quarter of a million, without one red cent from this government or anybody else, of his own money in building a motel and he cannot get a piece of land, he cannot get a site to build it on. It is absolutely shocking.

And, Mr. Chairman, the other thing the gentleman should do is give us a report on is Affiliated Marine Metals. As the hon. House knows, the people, the consumers of this Province have been ripped off for the last two years, an extra dollar on their licence plates. What for? To pass out as political patronage to Affiliated Marine Metals because that is what happened, Sir. And now we hear they are on the verge of bankruptcy. They have not finished the job. They have gotten

MR. NEARY:

the money from the consumers, the extra dollar on their licence. They have not finished the job, They have got wrecks all over the place, They have stock piles down here at the Octagon, I am told now that the bank is the one who will have to arrange to ship out the car wrecks because Affiliated Marine Metals, which is owned by some twilick, some twirp up in Toronto, although some of the local people here have had to take the wrap for it, but the real owner is, I believe, a Mr. Smith, a Come-From-Away Up in Toronto or up in Ontario who met the manager here, who met one of the principals here on the Queen Elizabeth II when she was going from Come by Chance to New York, they met and formed a company, and decided to take - planned aboard the Queen E. II - to take the drivers, the vehicle owners of this Province to the

MR. NEARY: cleaners by getting an extra dollar on their licence in co-operation with the administration. Sock an extra dollar to them. Pick up the car wrecks - no contracts called, given out as a little political plum, political patronage! - and now we are told the company is on the verge of bankruptcy. I was told that the minister recently gave the manager here permission to hire on a man or two. I also heard that the Royal Bank of Canada, the manager here, is on the back of a note and they have moved in and taken control and they are the ones who are going to ship out the car wrecks to make sure they get their money. Well, what about the rest of the creditors? More important than that, Sir, what about the consumer? What about that dollar that is put on the licences in this Province? A year or so ago the minister did not want to have anything to do with it because the minister knew that it smacked of political patronage of the worst kind. We have heard accusations across the House of political patronage in this Province by the former administration, but we have never seen anything as blatant as that contract that was handed out to Affiliated Marine Metals and an extra dollar put on the licence of every driver and every vehicle owner in this Province to get that political patronage. Shocking! Scandalous! It should be investigated. The contracts should be cancelled immediately, not another cent paid out, and the dollar taken off the licence plate or given to the city council and the other councils around Newfoundland that can do a better job. Absolutely scandalous, Sir.

And then what about the - the minister can tell us when the minister gets up to reply - what about that internal committee that was established to look into insurance rates in this Province? We have had compulsory insurance now for a year and a half or a couple of years, going on two years, we have not had a report yet. We do not know if the consumers are being fleeced, are being taken to the cleaners by the insurance companies. We do know this, that there is an awful

MR. NEARY: lot of new companies forming despite the fact that in the beginning we were told that some insurance companies were going to pull out of Newfoundland. We have a record, according to the Newfoundland Gazette, a record number of new companies being formed and a lot of them are of the same political persuasion as my hon. friends that sit on the other side. I do not know if that has anything to do with it or not.

Mr. Chairman, what about this internal committee? Have they submitted their report and if so would the minister table that report and let us all have a peep at it, let us all have a gander at it, the report that was drawn up by Mr. Good and Mr. French and the other people on the committee. And if so would the minister now tell us if the minister is going to carry out his promise on behalf of the administration to launch a full-fledged investigation into insurance rates in this Province. We heard recently that over in our sister Province of Ontario that the insurance companies had to refund to consumers, their policy holders, hundreds of millions of dollars that they extorted out of the consumers, out of the customers. They had to refund them, give them rebates. What about in this Province? They are allowed to go hog wild and do what they like, no reins kept on them.

I was down to a couple of these hearings that they had down in the Philip Building in the Board of Commissioners of Public Utilities Room, just a great farce, Sir. There was no actuarial investigation, study, made of insurance rates in this Province. It was all a hit and miss affairs - heads I win, tails you loose. That is the way it worked. I would like to find out now the names of the new insurance companies, other than life insurance that I am not particularly interested in at this moment, registered with the Department of Consumer Affairs and the numbers that were registered in the calendar 1976 and this year to date. And,

MR. NEARY: Mr. Chairman, I hope the minister is making notes because I have got another little item that has been bugging me for a couple of years.

MR. MURPHY: If I get a chance to answer them all. I got fifty since the day before.

MR. NEARY: Well the minister can have, as far as I am concerned, can have the time but I have to get these questions across to the minister.

MR. MURPHY: Very good.

MR. NEARY: What about the dump at Upper Island Cove?

MR. MURPHY: What about the dump?

MR. NEARY: Yes, what about it? They had permission from the government, from the Department of the Environment, two years ago to go ahead and establish a dump, but because of objections from certain members of this House the minister wrote a letter cancelling out the permission, even though they



Mr. Neary.

had all the documents, and they met all the requirements of the law, and they had the permission from the Department of the Environment. The minister, for political reasons, wrote them a letter and said, no I want all the correspondence in connection with that dump tabled in this House. It is about time, Sir, we started to get some information in this House so we can get it out to the people. During this whole seventy-five hours so far the sad thing, Sir, is that we have been unable to get information from the administration. One after the other have refused to give us information. The Minister of Mines and Energy refuses to tell us about the free bus service provided by Newfoundland Hydro. The Minister of Industrial Development refuses to tell us about the names of those who got loans and grants from the Rural Development Authority. And what other minister? The Minister of Tourism refuses to answer questions about the Norma and Gladys, how much that cost the taxpayers of this Province? And I hope that the minister will not refuse to give the House -

MR. CHAIRMAN: Order, please!

MR. NEARY: - the information that I have asked for.

MR. CHAIRMAN: The hon. member for Bay of Islands.

MR. WOODROW: Mr. Chairman, I just have a few remarks to make.

I realize the time is passing rather quickly. I would like to direct my remarks towards what has happened in Corner Brook and on the West Coast in general since the opening of the Consumers office in October, 1976. In fact, since that time they had approximately 350 investigative complaints, that is complaints requiring in-depth investigations and mediation. And for the past eight months, they received an average of 300 telephone inquiries and complaints monthly. And a high number of both telephone complaints and written complaints fall into the following categories; car service and repairs, insurance, landlord-tenant disputes and home appliances. Now regarding the Landlord-Tenancy Board hearings, they have been held on four occasions in the area and the board has travelled to Port aux Basques and Stephenville for hearings as well. And

MR. WOODROW.

the complaints originated mainly from Corner Brook, Pasadena and Deer Lake. However, I have been told that they received complaints from places in the Bay of Islands district, like York Harbour, Lark Harbour and also complaints from Bonne Bay and surrounding communities like St. Anthony, and they have gotten complaints from White Bay and other communities in the St. Barbe district.

Now I would like to say that I was in Corner Brook over the weekend, and I came across a button - I had it in the lapel of the other jacket I wore - it is called, Alert Consumer. Unfortunately, I left it over in my apartment this morning. And this really is certainly helping to advertise in no small measure the work that is going on in the office in Corner Brook. And I would like to mention such things, and probably these things have already been mentioned, but I think I should mention them again. The hon. member for LaPoile (Mr. Neary) mentioned such things as car wrecks and this is still a great eyesore over in parts of the West Coast. And I am thinking especially of the Bay of Islands district on both the North and the South shores of the Bay of Islands, and you see them around Corner Brook as well. And I am sure that the hon. minister will do his best to look into this matter which is a

Mr. Woodrow.

a terrible eyesore for the Province. And also the beaches. Last year I brought to the minister's attention, and he kindly replied to me, the condition of the beach over in the community of Meadows, the Bay of Islands. In fact, I was over there on a beautiful Sunday but you could not go on the beach because of the debris and the old pulpwood that had drifted in there and the like. And certainly to my mind in days of unemployment there are so many people looking for work it would be a great thing if somebody could be employed to clean up the beaches. Of course, again old bottles and cans are still being left around, and I notice in fact here in St. John's in many places there are so many bottles and cans broken up. I suppose this would be a matter, I would imagine, for City Council, but you certainly see it here in many cases. And I do not know how we could stop this, but I suppose perhaps more advertising or - I do not know if there is any way to teach, shall we say, the children in schools and what not about the dangers of broken glass. One thing I hate is to see broken bottles and glass around and the like.

Now I also have had many complaints and brought them to the hon. minister during the year concerning insurance, and I have always had good co-operation from him. I realize that the Department of Consumer Affairs and Environment is not a very easy one. It is probably one of the hardest ones to look after in all the departments of government because it touches, literally speaking, everybody, in fact every consumer, in the Province of Newfoundland and Labrador. But I notice the motto here, "Let us keep it clean." And I feel that we as members of the House of Assembly will take that motto to heart because it is only by us who are legislators giving good example to the general public can our Province and our cities and our towns and villages become a better place to live in.

MR. WOODROW: And I end up by once again congratulating the minister and wish him well in his department.

SOME HON. MEMBERS: Hear, hear!

MR. CHAIRMAN (MR. YOUNG): The hon. Minister of Consumer Affairs and the Environment.

MR. MURPHY: Mr. Chairman, I will try to the best of my ability to answer the many dozens of questions that have been thrown at me. I would refer in the first instance, of course, to the hon. member for Terra Nova (Mr. Lush) who suggested that we should try an educational programme, and this we have done, and that is why I circulated - these have gone out. And I would like for members just to look on the back and you will see the four Coats of Arms - This is an Atlantic Provinces effort rather than just Newfoundland.

And when I did take over as Minister of the Environment, I figured that for us to do many things would be very costly but working in common with our neighbours across the Gulf we could do it perhaps much cheaper. For that reason we have the Atlantic Provinces Environment Committee, and also Consumers Committee. And I table this for the information of members. And if we are to get anywhere in education or information I would just like for it to be known that my department has not 1 per cent of the funds that we feel necessary to spread the gospel, if you like, but we have fifty-one members of this House of Assembly who through a little co-operation with us I believe can do an awful lot by spreading the word of keeping the Province clean.

Now there are many matters raised since Friday morning when these estimates were brought forward, and I think mainly there was a great concern of the general condition of the Province. We are known, rightly or wrongly, as a Province of litterers and polluters, and anyone who wants to drive around this Province or visit our beautiful areas, so-called, of fishing resources and what not can see for themselves

MR. MURPHY: just how we treat our natural habitat. And, Mr. Chairman, it brings to mind what the hon. member for Mount Pearl said on Friday. "If you want to know the best fishing spots, walk around until you see the empty beer bottles, the empty cans and the refuse generally that is left," and this is the result of the people who have been using that particular area and leaving behind them what should be put in a garbage bag and taken home. And it always struck me down through the years, Sir, when travelling in other provinces that I always made sure I had a litter bag in my car and I said to my children "Now look, do not throw anything out the window." But I think we are all very much aware of that because everywhere you went there were signs \$50 or \$100 for littering so we made sure that we did not throw anything around, but in our own Province we seem to think that we could do just what we like and did not have the same regard for it.

Now as I mentioned on Friday the staff in my department is not very great. Those who are working are doing a tremendous job and are kept going full speed ahead. I believe it has got to be a matter of co-operation if we are talking about our picnic resorts, our wilderness areas and everything else. Because it is amazing - and I had a figure of many hundreds - not the fact of a bottle or a tin can, but the cut feet that are suffered by the children in our swim resorts because people are stupid enough and criminal enough to throw empty bottles around that smash and get in there. Every one of us with children know the same problems, that we have these problems. I remember one time that I was up trout fishing and I had my long rubbers on, and I was wading out and all of a sudden I felt this kind of a tinge in my foot and I saw the red coming up to the top of the water. I reached down and here was a broken top of a bottle that had stuck under the arch of the long rubber. I had to immediately had to be driven thirty miles to a doctor so I could get a tetanus needle.

Now this is someone that threw a bottle out there and did not care about the consequences, but it is very, very serious. I will

MR. MURPHY: say this to the committee, Mr. Chairman, that if we want to keep this Province clean we have got to darn well make sure it is kept clear. Anybody who lives on a public thoroughfare like I do on LeMarchant Road, I will bring you out to my lawn every morning the week to pick up at least one or two pop cans, empty bottles, and these Kentucky Fried containers. People just go along and just chuck them in anybody's garden. And as far as automobile wrecks are concerned, only for they have to lift it up over an iron fence I am sure that I would find an automobile wreck almost every morning of the week.

Now on the question of wrecks I would just like to try and set the record straight. Back in 1975, I believe it was and I am not quite sure, this contract was signed by a company to clean up the wrecks throughout the Province. And in that contract there was a price quoted - and I am not afraid to disclose the price; it was \$27.50 to collect these wrecks from recognized disposal areas, not by the sides of the road, not here and there. Within the municipal act they have all the control to bring people up for littering whether you throw cigarette packages on the street, whether you throw an empty bottle on the street, this is all within the control of the municipal authorities. The act provides for a fine or jail sentence or whatever for people that are found littering.

This contract was signed by this company where they would go - and I might add that on our waste disposal sites, and we have over one hundred-odd throughout the Province, there is in the act set forward that in a certain area of your waste disposal sites a space should be left for the storage of non-consumables such as old bedsteads, old wrecks and this type of thing on every municipal dump, if you like, in the Province and also in the outer area here by the Metropolitan Board or in unincorporated areas we have waste disposal sites formed that have all the authority

MR. MURPHY:

under the act of a council or a local improvement district whatever, it is up to them in the first instance to bring action against people that are littering. Then this contract came in - and I will get back to it now-that these people were supposed to come in, Affiliated Metals. They were to flatten all these cars and everything else and ship them out of the Province. There was this proviso there that of this fee of \$27.50, twenty-five per cent would be withheld until these vehicles were shipped outside the Narrows or wherever they had to go. And I say now that this company, yes, is in financial trouble, but this government owes this company with the withholding until that part of the contract was filled something in the area of \$150,000 to \$160,000 because of the fact that there are 22,000, approximately 22,000, wrecked vehicles still in this Province that there was no market for and nowhere but nowhere could a ship be found by this company to take these out of the Province.

On the wharf down here there is something like 5,000. You know, there are two sides to every story. You know, it is nice for the hon member for LaPoile to get up and talk about political this and political that and political everything else. Wonderful! He will make the headlines on it.

MR. NEARY: If political patronage -

MR. MURPHY: But political patronage! This company has today I would say spent \$500,000 to provide the machinery necessary, the dump truck, the loading trucks, they have provided employment for twelve to fifteen people for the past three years and paid good money, good overtime and everything else. And today that company is owed by this government through contract - whatever about legal or anything else -

MR. MURPHY: because they could not fulfill, through no fault of their own, the shipping out of these out of this Province. If it had to be there to dispose of them, there is no trouble to get two bulldozers, they could dig a hole 100 feet deep and 1,000 feet long and bury everyone of these into the ground. But that was not in the contract. As a consequence we have here another CN tower in at the Octagon, piled up, twenty-odd thousand vehicles. In Corner Brook, we went out last year and we flattened something like 500 cars. We went to the Torbay dump site down there and flattened another 150, into the Goulds and so on and so forth, on the wharf down here waiting to connect with a ship that was promised faithfully on November 10, 1976, to arrive in St. John's to take these wrecks and that ship was diverted at the last moment and sent into Daniel's Harbour to take a load of concentrates. And the wharfage on that down there is just frightening, the bill due because of the fact that someone defaulted.

MR. NEARY: Why was she diverted?

MR. MURPHY: These things I do not know because of the fact that the government, it is not their obligation, as I said we are under a contract with a company. But when a company tells me the story, and I know that it has been checked out, there is nothing they can do about it, it is absolutely beyond their control. What we do with these wrecks now? That I do not know and that is the big problem of the government and of my department principally. What do we do?

MR. NEARY: The bank has control over the records.

MR. MURPHY: The bank and the company, like everybody else, my account with the bank is private, It is none of your business if I have an overdraft or I owe on my mortgage. That is absolutely none of your business, the member's business. If you can get inside information from any bank I doubt if that bank has any authority to give the hon. member, but like everything else he has



MR. MURPHY: a very well known person who feeds him all the information. As far as I am concerned as a Minister of this Government, as a Minister of the Crown, we have a contract and so long as we fulfill that contract -

MR. NEARY: It is public money.

MR. MURPHY: The member made a statement this morning which is an absolute falsehood. It is not true that we have authorized this company to employ two or three people. That is absolutely not true. I could call the hon. member a liar but I am not permitted to. All I am saying again is he is very, very careless with the true facts. That it is not a fact.

MR. NEARY: Well tell us the truth. It is the taxpayers' money.

MR. MURPHY: The taxpayers money! In 1975, Mr. Chairman, let me get this on the record, they were going to clean up this Province and the government in its wisdom said, We will put on dollar on each licence fee. That was in 1975. Since that time there has been no mention of \$1 anywhere on it. At that time there was a general increase in all licencing rates, automobile, insurance and everything else and if anybody can show me this year where there is a mention of \$1 to collect automobiles, I scoured mine and I cannot find it anywhere.

MR. NEARY: Well it is still on it.

MR. MURPHY: All licence fees went up in conjunction with everything else. There was no mention since 1975 of that going down.

MR. NEARY: Now you know better than that.

MR. MURPHY: It is an actual fact. If the member can show me where it is in 1976 or 1977 I will agree with him. Now that is the car wrecks.

MR. NEARY: It is already -

MR. CHAIRMAN: Order, please!

MR. MURPHY: Now the problem is now to get these cars out of here to fulfill the contract so that morally, if nothing else, we can help

MR. MURPHY:

these people get over a very rough spot that they have gotten themselves into through no fault of their own and due to circumstances of the metal market and everything else.

MR. NEARY: Nonsense! They could have been sold over and over again.

MR. MURPHY: Would that not get you down? They could be sold over and over again! The gall! As I say, being an independent member with no responsibility for morality or for anything else, he can make all kinds of statements and he is the most sought after member in this town to make comments, and very few of them bear any resemblance whatever to the truth.

MR. NEARY: Aw, come on now. Come on 'Ank'. You know better than that.

MR. MURPHY: And if the hon. member now can sell these cars, I will guarantee him that anybody will give him the biggest amount of money that he ever saw in one bundle in his life -

MR. NEARY: I will sell them in the next hour.

Mr. Murphy:

- except for his campaign fund in 1971.

MR. NEARY: No, I do not take that kind of money.

MR. MURPHY: No!

MR. NEARY: I do not take A. B. Walsh's money or Mullaly's money.

MR. MURPHY: No, good enough. That is all right. We know all about the Mifflin report. Do not go into it. One of these days that will be incorporated into the history of this great Province of ours.

Now what else have we got to talk about? The hon. member for Terra Nova (Mr. Lush) was saying that we are being ripped-off and gyped and everything else. And he mentioned, I think, some crab fish he had bought, crab meat where the difference was \$1.12 per tin. Now really I do not know, because with prices today, competition seems to have levelled things out, and in the smaller places perhaps now. Just to give some idea of just what is happening - and I just quote - and anybody who has been out of this Province and bought ginger ale, for example - I brought the story up before - you pay thirty cents for an American quart of ginger ale in Florida - eh? I paid sixty-six cents last night at a little store for the same amount. Now why the difference is I do not know. But I would love to have something to do, and my officials, with prices and with standards in this Province. But all we can do is we can make surveys, and we can submit it all to the Federal Department of Consumer Affairs in Ottawa, and they will take the necessary action. And I would like to thank so many people and particularly the people of Labrador South who have formed their own consumers group, that check prices for us every month or every six weeks where we will check them with ours. And three months ago Newfoundland, of all the Provinces of Canada, had the lowest increase in food prices all throughout. And I think - and I pay tribute to my group because they are constantly in and out of supermarkets, checking prices, and trying to keep, through inference if nothing else, the prices down, because of the fact that everything is being sort of supervised.

Mr. Murphy.

The hon. member for Mount Pearl (Mr. Windsor) brought up a very, very important matter at this time, and one that bothers me very greatly, and that is waste disposal sites. He asked me, where was the regional waste disposal site for St. John's. Now I do not want to go into that. I was not a member of this department when this fortune, thousands of dollars, was spent on a survey - I believe in the Ruby Line area. Thousands of dollars was spent and the people in the area objected to it. And we were down at Robin Hood Bay and, of course, the people in that area - everybody wants to dump their garbage but nobody wants to dump it within a mile of themselves and perhaps this is perfectly natural. And we are in an age now where ninety-eight per cent of what we put in our plastic garbage bags twenty years ago we burned in our kitchen stoves. So where do we go from here? There is only one way to go from here and that is to incinerators. They have got a modern version now they call the pit incinerator that is below ground basically, dug out below ground, and with air currents there are no fumes or no odours which will arise from that.

And when I look at the city of St. John's and the environment, and we can say - what? - 130,000 or 140,000 people in almost ten or fifteen or twenty miles of the area -

AN HON. MEMBER: More than that.

MR. MURPHY: More than that.

- with two of these, one in the East and one in the West - and we are looking at the Cape Spear area, the road might be, you know, but that might be an ideal spot, and perhaps one on the East, on the end of, you know, near the Waterfront. Well, we would not get any reaction if it were in that area. And when we look at the cities of Grand Falls and Corner Brook, heavily populated areas. And one of our big problems with this waste disposal, one of our biggest is the Labrador Coast. And the reason is that there is no fill whatever to fill over a waste disposal site with plenty of soil. It is an excellent thing because you fill and then you level over and then the grass starts

MR. MURPHY:

to come up. I have seen it in St. Catherine's. I have seen it happen in Ontario. I have seen it a dozen times where they move their plants, and they start to fill an area likely ten or fifteen acres. In about two years or three years they have the most beautiful level spot that they use as a park or as a playing area. But they tell me - I do not know if it is true or false - that our council here pays something like \$20,000 a month to truck in fill to cover what is being dumped in Robin Hood Bay. So we can see that it is a very expensive proposition. So we have got to go to incinerators one way or the other. We had quite a problem on the Southern Shore area. We had from Maddox Cove, Petty Harbour, the Goulds, and Bay Bulls with a dump site that was full of flies and rodents and everything else. So we erected an incinerator there, PP they call it. They have one in Foxtrap. And that I am happy to say was fabricated by the local people in Badger, and it was a tremendous success there. And what is happening now, of course, is that the people come in, they dump - there is a big ramp there - they dump into this, and what is left is only ash, and then that is spread then as fertilizer in an area to use as fill. And the Labrador Coast, I was

Mr. Murphy.

saying , and I am open to both the members, that our problem with them is that what is happening in a lot of the smaller areas, the dumping is done on the ice in many cases in the Wintertime and when the Spring comes, of course, it goes, and then you got all this on the beaches. So we have something like seven sites in mind, if we can get the money - it is not available this year - but we hope to be able to do a bit of planning on it and establish, I think, one in Nain, one was Makkovik, I believe, one in Mary's Harbour, I think we have one in North West River - Joe, if I am not mistaken -

MR. GOUDIE: Mud Lake.

MR. MURPHY: Mud Lake.

So I think there are seven and then two or three down below. But this is the way we have to aim if we are going to prevent destroying our own beautiful environment here that we should be so proud of, the natural beauty of this Province, and preserve the water and everything else. And another thing - and I think I mentioned it the other day - was the fact that we are going very heavily - we were very lucky or very fortunate and thankful to the Executive Council for granting us a few dollars to set up a hydrology department where we are getting into deep well drilling and this type of thing. So anybody, in any area of the Province now, we hope to do it if we can get the staff to make surveys and say, Look, we can get water here and we can get water there, and make it economical for people - perhaps not for an individual well, but in a small area if we could get the well now to supply fifteen or twenty families. I think it is happening now in many areas, where you have these wells, and this is a part of our plan in the future.

We have worked very closely with Municipal Affairs, quite frankly, and any other - is there anybody else?

On motion Item XX - Consumer Affairs and Environment, 201, carried.

MR. HICKMAN: Head XIV - Fisheries.

MR. CHAIRMAN: Head XIV - Fisheries, page eighty-nine, subhead 1401.

The hon. Minister of Fisheries.

MR. W. CARTER: Mr. Chairman, I am very happy to have this opportunity to present the estimates of the Department of Fisheries to my colleagues, and to solicit their views and, where necessary, criticisms and maybe in some areas some objective advice. This will be a record year in Fisheries insofar as the estimates are concerned. We have a budget that is, I believe, in excess of sixty-five or seventy per cent of that of the previous year, 1976-1977. We have a lot of new programmes, mostly having to do with the revitalization of the inshore fishery. I should point out at the outset that most of the money that is being spent this year in the fishery vote, in the fishery estimates, will be to revitalize the inshore fishery. This, of course, we feel is awfully important in that the inshore fishery is vital to the continuation of the Newfoundland way of life and to the more than probably 300 communities around the Province, dotted around our coastline that depend to some extent on the inshore fishery. And I am not suggesting, Mr. Chairman, for a moment that we are going to neglect or overlook the importance of the offshore fishery.

SOME HON. MEMBERS: Hear, hear!

MR. W. CARTER: I welcome Madam Chairman to the this very honoured and very esteemed role that you are now playing. And I am sure that all members will respect your wishes and will show you the dignity and the decorum that your office requires and demands.

Mr. Chairman, like I said, we are not in our effort to revitalize the inshore fishery, I hope it is not interpreted as a desire on our part to downgrade in any way the importance of the offshore fishery. We all know what a major contribution the offshore fishery makes to the general economy of our Province and in particular

Mr. W. Carter.

to the areas in which it is concentrated mainly, of course, on the Burin Peninsula, and on the South Coast of the Province and certainly on the Southern Avalon. This year we will be, like I said, involving ourselves in a large number of projects. One will be the expansion of the Field Services Division. We have recently - or I should say, we will be shortly establishing a new fisheries regional office in Grand Bank. And, of course, the matter



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of establishing such an office in Labrador has not escaped our attention and it is something that will be attended to, or certainly to which we will be addressing ourselves upon the appointment of the deputy minister, I believe it is, who is going to be appointed to service that area under the Department of Rural Development.

This year we will be seeing new developments aimed at assisting fishermen to develop new gear technology, big and better and more versatile boats; indeed this year, as hon. members know, we recently announced a \$35 million five year programme of boat building, vessel building commencing with the construction of twenty vessels this present year. And I should point out, by the way, that tenders have already been called in the local press soliciting bids from the various shipyards around the Province for the construction of a part of that first twenty package shipbuilding programme on which we will be embarking in 1977-1978.

We are getting involved this year to a much greater extent in providing new gear, different types of gear, improving on existing harvesting methods, making it more viable, more efficient and more effective for fishermen to harvest the various species around our shores. And we are particularly aiming our direction this year at developing gear to harvest the pelagic fisheries. We recognize the importance of that area of the fisheries, and we are doing all we can to assist the private sector in providing the necessary technology and equipment and so on to harvest that very important resource.

This year we will be undertaking some exploration of new stocks of fish, and we will be assessing their commercial potential. Of course we all know that last year the department, in conjunction with the Federal Department of Fisheries and the Environment, undertook certain exploration work off Northern Labrador, or at least in Northern Newfoundland, Southern Labrador, at which time substantial stocks of turbot and flounder were found and later harvested, which meant a

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considerable input into the plant in St. Anthony and in extending the life of that plant by several weeks, and thereby providing some badly needed jobs, and some additional wages to the fishermen concerned.

This year we are going to be taking a hard look at the caplin industry. It is interesting to note, Madam Chairman, the caplin now is coming into its own. Indeed the Icelandic people at least are much further ahead than Canada in the harvesting and processing of caplin; in fact, their harvest in 1977 will be the equivalent of \$50 million to their economy, an amount of course which is almost equal to that of the total Newfoundland fishery, the landed value of our Newfoundland fishery.

This year we intend to support and encourage the industry to acquire the necessary technology and expertise in the field of caplin catching and processing. It is our intention to assist those companies to maximize the processing of caplin for food. And, of course, in areas where that is not possible then of course the caplin will be used to provide some badly needed raw materials for our existing fish meal plants.

The foreign effort this year with respect to caplin is being drastically increased. In fact, the Russians this year will be harvesting caplin I think

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probably in excess of 300,000 metric tons, and of course the projected Canadian catch is only a very small percentage of that amount. But our effort must be in caplin, indeed it must be in the other areas of the fisheries, to work toward the day when we will phase out completely all foreign efforts fishing within the 200 mile limit. Of course, like I said, the caplin industry is no exception so this year we will be assisting various companies in the Province to undertake some extensive experiments with respect to the caplin fishery. And we are hoping, of course, to increase very, very substantially the amount of caplin caught by the Newfoundland fishing effort. In fact, it is our intention to engage the services of an Icelandic seiner skipper who will provide guidance and advice to the captains of the vessels that will be engaged in that area of the fisheries for the Newfoundland firms concerned.

This 1977 caplin project will be truly a joint venture in that it will involve federal/provincial governments as well as the industry itself. It is important, Madam Chairman, to bear in mind that we do have substantial fish meal production capability in the Province, a lot of which is not now being utilized, and some are being vastly under-utilized. We know too, of course, that it is now totally unacceptable, totally unacceptable to use herring to any great extent as a base of raw material for the various fish meal plants around the Province.

Herring, of course, has now become a very important food fish. I think it would be a crime to have the herring that, I might add, is not in too plentiful supply, used to, like I said, provide raw material for the fish meal plants around the Province. And that is why we are desperately trying to encourage the advancement or the development of the caplin fishery, because a large part of that, I think, probably the male caplin, which do not fetch the same price as the female caplin on the market, will probably be used in the fish meal plants. I think Connor Brothers, who were operating a plant in Isle aux Morts,

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are keenly interested in the caplin industry, and in fact this year we will be assisting in the fitting out of three or four seiners to undertake caplin fishery off the Southwest corner of our Province. And that, of course, could very well mean that the fish meal plant in Isle aux Morts will be given a chance to operate for a much longer period and thereby provide some badly needed jobs in that area.

This year we are going to be looking at the Labrador situation. I had the pleasure of visiting Labrador during one of my - in fact the first regional meeting that we held in the Province, I believe it was October 15, and I listened that day to a lot of complaints in the area, legitimate complaints, received a lot of good advice; we have since acted on some of that advice, certainly that which has been possible to accept. And this year we will be spending quite a few dollars in the Labrador area assisting fishermen, assisting them in the purchase of new and better and more effective gear technology; we will be providing assistance or at least we will be providing community stage facilities in places like Mary's Harbour, Cartwright, Henley Harbour; we will be providing other services, such as slipways, in other parts of that part of our Province, such as ice making machines which we plan for Fox Harbour and William's Harbour, and a host of other things, Madam Chairman, that I am sure will be very beneficial to the fishermen of that very important part of our Province.

I was quite proud of the fact that when we had our meeting in Labrador we did have representation from most parts of the Labrador Coast, and I can say this in all honesty and in all sincerity, I think they were the most, certainly one of the most impressive groups of people, one of the most impressive groups of fishermen that I have

MR. W. CARTER: had the pleasure and the honour to associate with in that series of meetings that we held beginning last year and concluding this year. They were a very articulate, reasonable, and obviously a very energetic and industrious people and it made me feel quite proud because I must confess that was the first time I had the pleasure of visiting that part of our Province since becoming Minister of Fisheries. And I am very happy to be able to accede to some of the requests that were made to me by the people there. In fact, shortly after I returned from that trip to Labrador having recognized the fact that there are a multitude of problems in the area, small problems not costing too much to correct - a few dollars here, a few dollars there, a slipway somewhere and so on - I contacted a young Labradorian who I think is well known, young Claude Rumboldt -

MR. SMALLWOOD: Yes.

MR. W. CARTER: And I asked Claude to travel the Coast, certainly the area that falls within the provincial jurisdiction, and to mingle around with the fishermen and to find out first hand exactly what their needs were and just what we could do to help. Young Rumboldt did an excellent job. I think it only cost \$2,000 or \$3,000 which really is not that much. We paid him a small retainer plus his travelling expenses and I think it is probably one of the few times in government when you get real value for money spent on that kind of a survey. Well certainly Mr. Rumboldt came back with a report that contained a lot of very worthwhile suggestions and we will be studying that report, in fact we already have and we will be responding to most of the - certainly to the things contained in the report that it is possible to respond to at this particular time. And, like I said, some of the items included in this year's estimates for Labrador are the result of my visit there with the officials of the Department of Fisheries on October 15th. and of the report that was subsequently compiled by Mr. Rumboldt.

MR. W. CARTER: Last year of course we - or at least this year we will be continuing with the Labrador barge. I think it is called Labrador I, and that is a mobile floating facility. That is stationed, I believe, in Smokey, Labrador where fishermen can go on board and land their fish and can have it processed. And on board of that barge there are certain amenities that fishermen today expect and indeed are entitled to, such as showers and certain recreational facilities, the chance to have access to fresh meat and good food and that sort of thing.

On that barge this year we have provided ice making facilities and that of course will permit the operation now to become a little broader, a little more diversified and probably in so doing provide an outlet for a lot of other types of fish, other species that would otherwise be dumped or would probably arrive in the Province in a condition that would not make it saleable.

Last year we also engaged the services of The Galway Blazer and that is a Newfoundland boat. It was stationed in Labrador doing similar work to that undertaken by the Labrador barge. The reason for the second barge was more or less an experiment. The Labrador barge does not have the mobility that a normal ship would have. It is towed around. It is stationed I think in Smokey and it does not have the capability of moving back and forth as conditions would require. So we chartered The Galway Blazer as an experiment and had that ship travel different parts of the Labrador Coast, moving around -

CAPTAIN WINSOR: She is chartered directly from the Department of Fisheries or through the Salt Fish Corporation?

MR. W. CARTER: I think it was a joint effort. We have collaborated with the Salt Fish as indeed we are doing with the Labrador barge.

The Galway Blazer had more mobility. It was capable of navigating the Coast of Labrador. It is an experiment. It has

MR. W. CARTER: some possibilities and it might very well be that that will be the type ship that we will have to put in service on the Labrador Coast. It was our intention to undertake the design of an entirely new facility and once the results of these tests have been assessed then we will know exactly what type ship to design for that coast and will then set about to have that ship built.

This year we are going to get involved with respect to the lobster fishery. The lobster fishery is very important to the economy of our Province and of course to the people who are involved in that particular industry. Just recently we announced that we were providing mechanical haulers. We were going to find ways and means to mechanize the hauling of lobster pots because I do not think you would have to stretch the imagination to realize just how backbreaking it must be for a fisherman to go out and haul manually 200 or 300 lobster pots that are quite heavy and that is a backbreaking labour and certainly a time-consuming one. So we have now discovered that there are being used, I believe off the Coast of Ireland, a machine that would enable the lobster fishermen to haul their lobster pots mechanically.

Madame Chairman, my time has just about expired. I did not realize just how short some times can be, but we have a number of things I would like to elaborate on but certainly during the next six hours you will have lots of chance to do it.

I am very grateful to my two old friends across the way who have been designated by their party as being critics of the Fisheries Department and I know that during the next six hours we can look forward to a lot of good, constructive criticisms maybe and certainly advice. Both gentlemen are senior members of the House, very distinguished members, both with a background in fisheries, representing fishing districts, and I am sure that they are going to be fair and constructive in their criticism because it is all too often the case, Madame Chairman, that we criticize for the sake of being critical and I think if there is one fear that I have for the future of the fishing industry, and indeed

MR. W. CARTER: for the future well-being of our Province is that too many people appear to be too anxious, too happy, too willing, too eager to criticize and to tear apart without taking the trouble to find out what it is all about. I am not going to name names now but I am sure that the people whom the cap fits will wear it. But certainly I look forward to six hours of very lively and interesting and informative and constructive debate, especially from my two good friends, the Fisheries critics, Thank you very much.

MADAME CHAIRMAN: The hon. member for Fogo.

CAPTAIN WINSOR: Thank you. I am sure we share in the minister's optimism and perhaps that is what is needed, optimism with action to develop a sound fishery policy. I must in my beginning say that it has been a sort of a friendly relationship with the minister. I have on many occasions gone to him, bringing the district which I represent to his attention and, Madame Chairman, as I said earlier in the debate, I think on the TCH, I give credit where credit is due.

AN HON. MEMBER: That is right.

CAPTAIN WINSOR: And I find the Minister of Fisheries very co-operative and that is good not only for the district which I represent but it is good for the fishing industry of this Province. I am sure the minister has a great desire to do what is expected of him and that is to develop a fishery policy that will



CAPT. WINSOR: make the industry viable and prosperous. Now on the other hand, Madam Chairman, no Minister of Fishery in our history has had so much going for him. With all of the millions of dollars that are poured in from Ottawa, with the foundation which was made by the previous administration-and let us not overlook the fact, Madam Chairman, that the previous administration did nothing for the fishing industry. I would say the basis and the foundation which the minister now is building on were all laid by the former administration, there is no question about that. All we have to do is look around this Province and we can find such things as community stages, marine haul-outs, the longliners-oh, I can go on and I am sure my colleague from Twillingate will elaborate on things which he was responsible for.

Madam Chairman, this last year saw the coming of the 200 mile limit, so the present Minister of Fisheries finds himself in a very conducive atmosphere to develop and promote the fishing industry as no man has had in the history of politics in this Province. Now the results of the government's achievements regarding the fishery policy, after five years and after five Ministers of Fisheries, have lacked a significant, positive approach in accomplishing a significant fishery policy. And we cannot put the blame all on the present minister; he is but new in that department and I am sure he has the desire and the ambition to improve that situation.

But, Madam Chairman, we recall away back in 1974 when the Premier himself promised that an Industrial Enquiry would be carried out to enquire into every aspect of the Newfoundland fishery. It was to cover everything pertaining to the industry, namely, gear, boats, marketing, etc., etc. The Premier did not go through with that promise, Madam Chairman, and I wonder why. Was he afraid that it would bring out the weaknesses in the fishing industry? Because, Madam Chairman, if the Premier had carried out that promise

CAPT. WINSOR: and set up that enquiry I think we would have been better equipped today to - the industry would have been better equipped today to take advantage of the 200 mile limit which we are not.

Now, Madam Chairman, we have entered into a new era in the fishing industry. Now that we do have the 200 mile limit the industry should be by now - and we had lots of time, the minister himself played a little part in bringing about, I suppose, or helping or persuading, or helping to persuade the federal government to bring about the 200 mile limit. But even since he has been elected and appointed and holds that portfolio of Fisheries there has been lots of time, there has been lots of time for the industry to be ready to take advantage of that 200 mile limit. We should now be modern in every way, except of course for the multi-purpose boats and the other boats which the minister brought to the committee's attention in introducing his estimates. But, Madam Chairman, there are one or two points I would like to dwell on and I do not want to belabour the committee at this point because I am sure other members will be speaking on the item of the minister's salary.

CAPT. WINSOR: but I believe that we can get more information as we go down through the headings. I think we can deal more effectively with the heading than by just getting up and making a speech on the industry.

Now, Madam Chairman, there is one point that I would like to bring to the Committee's attention, and that is the joint ventures. I did not take part in that debate because the day I intended to I was unavoidably absent. But in my opinion we had a golden opportunity there to take advantage of that joint venture in a reciprocal way. We should have gone to the West Germans and said to them, All right, we will land your fish at fish plants in Newfoundland only if you arrange to take a certain amount of our product. Now that could be species that we have hard trouble in marketing, and one is mackerel. If we had arranged a joint venture with a reciprocal arrangement whereby they could have taken some of our fish, or marketed some of that mackerel which we cannot market, then I would say, Madam Chairman, that joint venture was a very good thing indeed.

But the excuse or the reason behind the joint venture, Madam Chairman, was to create employment. Now what we overlook is the fact that we are exporting out of this Province hundreds and thousands of man labour hours every year, and we are doing it in the form of fish blocks. Would the minister give some thought to this problem? Here we are shipping out tons and tons and tons of fish in block form, it goes to the United States market, and there is where we lose our labour. The American market or the American buyers take that fish and they process it in different forms, and it is not surprising, Madam Chairman, that we find ourselves going to the supermarket and having to pay three times as much, you know, for that fish. Now there is where I would say the minister can give some sincere thought to trying to overcome that marketing system. And I think we should have a marketing board similar to that of the Salt Fish Marketing Board. Because, Madam Chairman, we are losing, we are losing, as I said, all of this labour and we are suffering because of that. Now if we had

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that labour here in the fish processing plants of this Province we would not need the joint venture to create labour around the Province. Because if one plant had a surplus then they could easily transfer it to the other plants, to do it in a package form. All we need is an attractive package to get the most out of the fishing industry. And this is where we are going to have to direct our attention to, Madam Chairman, because today we find that the United States also has a 200 mile limit. And they tell me, and I read shortly, that they are putting great efforts into increasing their catching capabilities. And it is not beyond the possibility that within five to ten years the United States will be able to provide sufficient fish to supply her own market. Now that may be a little exaggerated, but, Madam Chairman, this is a possibility. And we have not, we have not other markets to go to. The European market is almost unscratched, and we are content to export our fish in blocks to the American market. They get the benefit of the labour, and we have to pay the highest price for that product.

There is another problem, Madam Chairman, that I would like to bring to the attention of the minister, and that is the quality. You know, when we think of quality we are not putting the best quality on the market. And I was interested when

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the Federal Minister of Fisheries, Mr. LeBlanc, was here and he spoke to the Board of Trade and he said, you know, we are losing \$20 million a year because of the poor quality of fish. Now getting to the district of Fogo: On Fogo Island last year the catch was around sixteen million pounds of fish of different species. And they lost three cents per pound. I do not know whether it was on the entire sixteen million pounds, but they lost three cents per pound. This was lost to the industry. I do not know whether the fishermen themselves personally lost it, but certainly the co-op who was managing that plant there, they lost that much per pound because of poor quality of fish. And one reason for that poor quality - and I have mentioned this here before - one reason for that poor quality is the dusty roads on Fogo Island where the fresh fish when caught had to be brought over, the dusty road from Joe Batt's Arm to Seldom, from Island Harbour, from one end of Fogo Island to the other. And there is no way, Madam Chairman, that that fish can be of top quality. And I have been told this, and I have seen the fish after it has been trucked over the road, and I once again plead with the minister to use his influence with his colleague, the Minister of Transportation and Communications to see what can be done to correct that serious problem. Because it means, Madam Chairman, several hundreds of thousands of dollars to the business or the fishermen in that particular area.

And the lobster fishery, the minister touched on that and I am glad he has sent some men, some people away to ascertain whether the price our fishermen are getting for a lobster is the best that can be obtained.

It appears to me, Madam Chairman, that there is a bit of confusion between the two governments. Now our Premier has stated that, you know, we want to increase the capability, provide more ships either by leasing or by chartering, and the Federal Minister of Fisheries says we should be protecting the stock. And the fishermen now

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find themselves in a situation where they do not know which policy it is that which government is adopting. Is it one to increase our catching capability or is it one that the federal government has advocated to protect the stock? So there is room there for clarification. ---

And, Madam Chairman, you know, these are challenging and exciting - it could be exciting times for our fishing industry. The industry without a doubt is destined to play a very important part in the economy of this Province. And we should leave no stone unturned to take advantage of every opportunity to promote the industry. One area which concerns me, Madam Chairman, is the lack of an educational programme, because a great number of our fishermen still feel that they are classified by our society as second-class citizens through no fault of their own maybe. But I think here is where we should have an educational programme so that the men who go fishing, our fishermen, can be treated with respect. I would suspect that he is treated with respect, but he should have a feeling of respect and pride. He should have a feeling that he is participating in an industry, in one of the main industries of our Province, and it is becoming more and more one of the main industries, Madam Chairman, because we have seen the closing down of so many plants and this Province will have to go back once again to the fisheries.

I have, Madam Chairman -

MR. MURPHY: Mr. Chairman is in the Chair now.

CAPT. WINSOR: I am sorry. I recognize the difference.

CAPTAIN WINSOR: There is a difference. That is right.

But Mr. Chairman, I know some of the hardships and the hazards and the disappointments, and in some cases the heartbreaks pertaining to our fishermen and to all who go down to the sea in ships to provide a livelihood for themselves and their family. And I feel, Mr. Chairman, that more and more, day by day, the economy of this Province will depend on the fishery. But that fishery must be developed. There must be a defined and progressive fishery policy which we have not got, and I would suggest to the minister that this is an area where he has got to, and it is expected of him, to develop a fishery policy which is going to bear the results and bring the contribution that this Province sorely needs from one of our main industries.

Years ago, Mr. Chairman, the fishing industry in more than 200, or perhaps 300 communities around this Province was the mainstay. I recall as a boy growing up in Wesleyville and all of Bonavista North this time of the year would be a hive of activity - men preparing and getting their vessels ready to go to the Labrador, and there was no other work except a few men who would be lucky enough to get a job in the lumber woods.

MR. CHAIRMAN: Order, please!

The hon. member for Twillingate.

MR. SMALLWOOD: My first word, I think, must be a word of congratulations to the Minister of Fisheries. I think that he is making a genuinely sincere effort and I think that he is trying hard. And as he is sincere, I believe, and is trying hard, I think that he does deserve success and this would be a case of the personal success of a minister being good for the whole Province.

Now after paying him that compliment I hope he will not mind if I offer him a word of advice. The advice is that he should try always to be consistent. Do not be inconsistent. In other words, Mr. Chairman, let not his words contradict his actions. For instance, do not do everything in his power to develop the fisheries, to initiate, to introduce, to finance fishery development; then having done that,

MR. SMALLWOOD: contradict it all by telling the fishermen to burn their boats. That is what I mean by inconsistency, and to clinch the point I will give the Committee some examples out of my own experience and the experience of the Minister of Justice, because he shared in some of those experiences, and the experience of the Minister of Fisheries when he was part of that administration.

AN HON. MEMBER: The back-up team?

MR. SMALLWOOD: Yes, part of the back-up team. I will give the Committee some examples out of my own experience as head of the administration for twenty-three years, some examples of action taken that were in fact contradiction of what I am reported to have said. And I do not need to tell the Committee what I am reported to have said because it has been repeated here in this House.

I am going to recite the names of a number of



MR. SMALLWOOD: places in Newfoundland and if the members of the committee would like to count them they may do so but if they do not I will tell them the total because I have added them up myself. Quirpon and St. Anthony and Englee and Williams' Port and LaScie and Twillingate and Lewisporte, Forgo Island, two, and Newtown and Valleyfield and Greenspond and Charleston and Bonavista and Catalina and Old Perlican and Dildo and Hearts Desire and Hants Harbour and Grates Cove and Baie de Verde and Carbonear and Harbour Grace and Bay Roberts, Cupids, Port de Grave, Brigus, St. John's - three, Quidi Vidi - two, Bay Bulls, Witless Bay, Tors Cove, Ferryland, Trepassey, Fermeuse, Admiral's Beach, Branch, St. Bride's, Arnold's Cove, Little Harbour, Southern Harbour, Marystown, Burin, Lawn, Fortune, Grand Bank, Gaultois, Harbour Breton, Belleoram, Burgeo, Ramea, Rose Blanche, Hermitage, Stephenville, Lourdes, Quigley's Cove - that is in Bay of Islands - Curling, two, Port Saunders and Port au Choix. Now if the committee counted they will recognize that that is fifty-eight settlements on this Island, and in those fifty-eight settlements my administration built or financed, or helped to build or helped to finance, sixty-three fish plants, most of them frozen fish processing plants but some of them salt fish processings plants.

MR. NEARY: You left out one, Rose Blanche.

MR. SMALLWOOD: I thought I mentioned Rose Blanche. Did I not? I thought I had mentioned Rose Blanche. Yes, I did, I mentioned Rose Blanche.

AN HON. MEMBER: Harbour Breton ?

MR. SMALLWOOD: And I mentioned Harbour Breton. Yes, I mentioned Harbour Breton, Gaultois then Harbour Breton and then Belleoram. I think I mentioned all of them. My administration built fish plants or helped build them or finance them in those sixty-two plants in fifty-eight settlements. And then in addition to that, and I wondered as I listened with wrapt attention to the minister if he was

MR. SMALLWOOD: referring to the same thing when I remind the committee of the mobile freezer my administration put in the Straits of Belle Isle. If it is not the same freezer it is an extension of it and perhaps, I hope, an improvement on it.

Mr. Chairman, what monumental inconsistency in the one breath to build sixty-three fish plants costing ten and tens of millions of dollars, and on the other hand, in the other breath call on all the fishermen to burn their boats! In those sixty-three fish plants over twenty thousand fishermen and plant workers got their living. Now if you take a multiplier of only two to one that would mean a total of sixty thousand jobs arising out of fishery developed.

In 1950 the number of plant workers in those plants was fifteen hundred; now it is around ten thousand, the plants that my administration built. From 1950 to the end of last those plant workers has received a grand total of about \$185 million in wages - \$185 million! - and the shore fishermen and the dragger fishermen dozens of millions of dollars in addition to that. That was simply appalling inconsistency. No premier, no government should spend tens of millions of dollars of the public money to build fish plants while at the same time they are enjoining, they are coaxing, almost ordering and certainly advising the fishermen to burn their boats. That is what I warned the minister against, inconsistency. Build all he can, get all the money from the Treasury he can get to develop the fisheries, but do not tell the fishermen to burn their boats or the plant workers to burn their plants or their homes because that is not consistent.

I will mention, Mr. Chairman, and I may say to you very frankly that no matter how generous Your Honour is to me -

MR. SMALLWOOD: I might make it twenty minutes and seven seconds - but no matter how generous you are, Mr. Chairman, I cannot possibly hope to finish in my first twenty minutes. So I will sit down when the twenty minutes are called and get another chance before this six hours are over to complete my speech.

Let me mention seven different actions taken by my administration that gave at least some little evidence of our having some little interest in the fishing industry. Number one, we appointed the Southwest Coast Fishery Commission, headed by John T. Cheeseman. Number two, we appointed the Labrador Fisheries Development Commission, Number three, we appointed the Walsh Commission, headed by Sir Albert Walsh, on fishery development and in that commission the Government of Canada took an active part. And then we held the most famous fisheries conference in Newfoundland's 500 years of fishing history. In this building for three days we had about 150 fishermen brought in from the entire Province. We had all the leading fish merchants, all the fish exporters, all the marketers, the trade representatives we brought back here from both sides of the Atlantic and the Caribbean, And the Government of Newfoundland were in it, and the Government of Nova Scotia, and that of New Brunswick, and that of Quebec and the Government of Canada and for three days it was televised live, the greatest conference of fishermen and fishing interest people ever held from that day to this and the great theme of our song in all these royal commission enquiries at this great fisheries conference was that from Ottawa there had to be capital aid.

Now Ottawa was taking the firm stand that they would do for Newfoundland what they were doing for other provinces. They would building public wharves and other public conveniences. But when it came to aid by way of capital, capital aid to the fisheries, no. And we had a great battle to change their minds and we did win that

MR. SMALLWOOD: battle.

We sent missions to Iceland and to Scotland and to Norway and to Germany and to Japan to find out what they were doing in their fisheries that we might imitate that might be applied here. We sent such men as Colin Storey and Don Andrews, Harold Dawe, who for many years had been head of the Fishermen's Union Trading Company. Young Burry, Captain Max Burry's son, I forget his first name. Captain Matt Whelan. We sent them around the world to report back to us, What are they doing in the other countries to improve their fisheries that we might be able to do here?

MR. NEARY: Rupert Prince.

MR. SMALLWOOD: Yes, I think Rupert Prince was one of them.

We established fishery representatives in the Caribbean and the West Indian Islands and the Spanish, Portuguese, and the Italian markets. Then we did something rather interesting. We interested Job Brothers in putting a ship between St. John's and the Caribbean and we subsidized the ship so as to make it easier to ship salt codfish to the West Indies and help develop a market for our fish.

MR. NEARY: And we had a resident down there, Richard Carew.

MR. SMALLWOOD: We had men stationed in most of the markets. Then when it came to appointing a Minister of Fisheries, I had the choice. A premier always decides what member on his side of the House will occupy a seat in the Cabinet and what seat in particular. I appointed, or I got the Lieutenant-Governor to appoint on my recommendation the late William J. Keough to be Minister of Fisheries. He had been a famous co-op worker among fishermen, he and a priest who became Bishop O'Reilly, many a time up to their waist in water trying to save a lobster pool. I appointed him Minister of Fisheries. Max Lane I appointed Minister of Fisheries. He was a born fishermen, born in a fishing settlement, Salvage, and he had been head of the Newfoundland Federation of Fishermen. He made a very good Minister of Fisheries. I appointed John T. Cheeseman, whose son the present Premier appointed, not perhaps as successfully as was the case with me, because

Mr. Smallwood.

it was not like father like son in that particular instance. But Jack Cheeseman had been in the fish trade all his life, and he made a very good Minister of Fisheries . I appointed the present hon. member for Fogo (Capt. Winsor) as Minister of Fisheries. He and his family for nearly 300 years had been engaged actively in the fisheries of Newfoundland before she was a Province and after. And then I appointed as Minister of Fisheries a man who had been running a big fish plant on the Southwest Coast, who is today the head, the active manager of the Canadian Salt Codfish Corporation that markets all the cod that is produced in Newfoundland, all the salt cod, Aidan Maloney, Minister of Fisheries.

I suggest to you, Mr. Chairman, that these actions of mine do not square with my alleged advice to the fishermen to burn their boats. They just do not jibe. They do not fit together. They contradict each other.

And then I cannot help reminding Committee that I, myself, personally made a speech on the fisheries in the House of Assembly that was the longest speech in the history of the House of Assembly for 120 or 130 years, a speech I made on the fisheries. It lasted five days, the longest speech in Newfoundland's history. Five days I spoke on the Fisheries. That must have been the time I was advising them to burn their boats, perhaps the Committee might think.

And, Mr. Chairman, as the seventh of these seven points, I personally while - the only time I was sick while I was Premier for twenty-three years was once, once only. I was sick with a desperate bout of the flu; and in bed I wrote a speech, and I invited my Cabinet ministers to come to my bedroom and keep well back from the bed - I did not want them all to catch the flu - I read that speech to them, and they approved it. And when I was well, I went on the air and delivered it to all the fishermen of Newfoundland telling them that if they wanted to form a solid, powerful fishermen's union, I would gladly help them to do it.

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And the response was tremendous. The government invited them to come into St. John's. They poured in here, hundreds of them, at government expense. This was after they had burned their boats, of course. They had nothing else to do so they came in to celebrate the burning of their boats! We held a great parade through the streets of St. John's. We marched past Government House and stopped where we had the Governor out on a platform to greet the fishermen. And then for three days in the CLB Armoury we held a great convention, and I had the famous Monsignor Coady down from St. Francis Xavier to address them, and that is when Max Lane was appointed general secretary and we formed the Newfoundland Federation of Fishermen. I cite these seven items on top of all the fish plants to illustrate to the minister to whom I am offering very kindly advice, because I have a soft spot in my heart for the minister. He once worked with me in my office. He was a close colleague of mine in my own office as Premier, and he also sat just about where he is sitting now as a supporter of that administration. So I have no ill-feeling toward him, only one of kindly interest.

Now, Mr. Chairman, there are four others - I just cited seven pieces of action - I will cite four more. My administration introduced the community stage idea into the Province, the community stage, and these stages have been built in around 100 fishing communities. Some of them were financed entirely by the Newfoundland Government, some were entirely by the Canadian Government, and the rest of them were financed jointly by the two governments. We introduced, as my colleague from Fogo reminded the Committee, we introduced the marine service stations. And I am very grateful to the government, I am very grateful to the Premier and to the minister and to their colleagues for continuing that magnificent programme which is surely one of the best that Newfoundland has ever seen, surely one of the most useful things ever done for the fishermen of this Province, and the country before we were a Province. I thank them for continuing that valuable service that we introduced.

MR. NEARY: Do you know where my longliner operators used to have to go? Over to Nova Scotia.

MR. SMALLWOOD: I said four, and I give you three more. I give you number three: The College of Fisheries, Navigation, Marine Engineering and Electronics. I am proud that I was instrumental in bringing to Newfoundland and coincidentally to this House - I did not have much to do with bringing him to the House but if I

Mr. Smallwood:

had not him to Newfoundland to the Fisheries College he would not be in the House today, and he would not be one of the most valuable members we have here in this House (Mr. Strachan), I think this is agreed on both sides of the House.


This great college in the twelve years from its start in 1964 to the end of 1976 had passed through its hands 34,572, say 34,000 persons through the College of Fisheries both inside its walls and in its extension work out in the field, with a faculty of ninety-five, a staff of fifty-six, one hundred and fifty-six people up there dedicated to the whole idea of the Fisheries College. Outside of Japan and the Soviet Union, Newfoundland's College of Fisheries is the world's greatest, and students have been coming to it from all points of the compass and brought there to learn.

Now number four; when I became Premier there were still a few schooners fishing the Labrador. We still had a dory, a bank fishery, not very much, and what little we had was disappearing fast. We had an inshore fishery, such as it was, run on eight and ten horsepower, make-and-break engines. Captain Joe Barbour, whose name is so well known in Newfoundland, won immortal fame for himself by having the first diesel engine ever used in Newfoundland's fisheries. Today diesels are numbered in the thousands in our fisheries, I think, the minister would agree.

MR. CHAIRMAN: Order, please!

MR. SMALLWOOD: In fact, when we took office, when Confederation came, the fisheries of Newfoundland were just about at death's door, and what happened after that was the gigantic task, which is still going on, of rebuilding them, bringing them back to be a great part of our economy.

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

MR. SMALLWOOD: The rest of my speech, Mr. Chairman, with your indulgence, after we have heard some words of wisdom from other members, the rest of my speech I hope to conclude in the second spasm. 



MR. CHAIRMAN (MR. YOUNG) The hon. member for Burin-Placentia West.

MR. P. CANNING: Mr. Chairman, I am glad today that we have the opportunity to discuss the Department of Fisheries estimates at some length. I was very much disappointed last year when the minister made a very good beginning to explain his department, his estimates, and was cut off in a few minutes. At that time I had put a resolution before the House asking that we have unlimited time. The resolution was not debated. And I had before that some moments of despair and discouragement as far as the fishing industry of Newfoundland was concerned, but I think that was the greatest blow of frustration that I had: the House of Assembly of Newfoundland sat for two or three months and then walked out without the members here having the opportunity to discuss the fishery, the fishing industry, because the fishing industry to me is the people's industry of Newfoundland. That is what brought us here, our forefathers here, and I suppose that is what kept us here. It was our main industry for years and years, for centuries. It took second place, and I think it has taken third place in regard of the output or the dollars or however you look at it, but Newfoundland grew out of the fishery for four or five or six hundred years - five hundred years old we are today, We have depended on the fishery, and it is my candid opinion for the next five hundred years we will still depend on the fishery of Newfoundland to keep Newfoundland going.

Mr. Chairman, I was delighted when the present hon. minister was made Minister of Fisheries. The first thing he had my sympathy. Mr. Chairman, I am going to speak on the fishery for Newfoundland - I have been speaking here for twenty-five years on it, I have not been listening to very much or any advice or anything that I asked for down through the years,

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but I am going to ask now that I have silence while I make my few remarks. I only have twenty minutes.

MR. CHAIRMAN: Order, please!

MR. CANNING: If the former Premier does not want to listen to me, if the present Premier does not want to listen to me, they can go out in the corridor. Because if the former Premier had listened to me on times, a good many times if he had listened to me, he would have benefited by it. I would not have advised him to have this great big convention and ask them in from all over the world, and get a crowd from all over the world on television and display oratory, tell about the great fisheries and the great history and the great heritage. I would not have advised him to do that. And then the next day every resolution or every intention or every great dream was forgotten and laid to one side. No, Mr. Chairman, I am speaking on a serious subject, and I would like to get the attention of the House, because if there are members in this House - and I do not think there are - who are not interested in the fisheries of Newfoundland, I will tell you to close it up now. Close it up now and tell us to form another government, get another breed of Newfoundlanders to come in here and start trying to run this Province, because without the fishery, this Island would not be here. We would be gone.

And, Mr. Chairman, there is something else. When I get up in this House to speak on the fishery or speak on the fishermen of my district or the fishermen of Newfoundland, I am speaking for and on behalf of the finest people, the finest race on this globe, a certain percentage of them. If the people in the fishery today were to come into the Premier and say, Tomorrow we are going to give up, we are going to close the plants, we are not going down to the Grand Banks, we are not going to set our traps, that is the end.

I was delighted, as I have just said, that the minister was appointed. He spent some time here. He represented a fishing district, and despite the fact that he did not have the opportunity that I had or the privilege I had of my experience with the sea, with fishermen, growing

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up as the son of a fisherman and a grandson and a great grandson, I guess, of a fisherman on a desolate island, isolated, where at twelve years old if you could not carry the draft barrel, you know, you were a little bit bashful. You became a man by the weight you could carry. By the time I was fifteen years old if I did not know how to make the proper knots, if I did not know how to knit twine, if I did not know how to row a dory, if I did not know how to start a motor - I think we had them when I was fifteen years old - well, my father would not have thought very much of me. Where was I going? You were judged as a man on what you could do with the boat, how you could handle her and whatnot. I had to do that. I had to work hard. I hope there is never another boy in Newfoundland who will have to work as hard as I had to work in my early days. A family of nine in isolation: I look back at it, and I am proud of it. I am proud to say that I was the son of a fisherman. I can say something of my father that I am very proud of: He never owed a cent to anybody in this world in his life - that is after the last of October or the last of November in the year. We grew up independently. Fortunately, we never had to receive relief. We were poor sometimes. But I had the example set to me by hard work, by the example of honesty. I had the example of a father who risked his life for his family, day in and day out. I am proud of it. And I am proud today that at long last, after my time in politics - like I say, some despairing moments seeing appointments of people in the Department of Fisheries who did not know a codfish from dogfish, seeing conventions in the Spring coming in, number one was the cocktail party by Leckie or the fellows who had them before, seeing a string of resolutions brought in from the fishermen - the poor fisherman down there not able to get on his feet. He was not used to it. That was not his life. And when I would look down on him trying to get ideas across and get up and see him turning red, which I turned when I stood up first,

MR. CANNING: but I had the opportunity of standing up time and time again, by and by, I can get up in the House now without turning red or quivering. He could not help it. He was not born for that. He had not done it. And then see those resolutions being shoved to one side and next year another big convention. The next year a magistrate was taken out of a district, given a job and he starts off, another big convention, more resolutions, more suggestions. They dwindled and dwindled and dwindled and got unpopular; the last going off I went down there to the last one I was to, I went in and they said, "Look," - no wait now, it was poor weather, Placentia Bay was still isolated, the islands were. They could not get in. They wired me. They said, "Look, you know our problems. Will you get down to the convention and represent us today?" I went down and I was told, "No, this would be too much like politics if you speak here today." "Look," I said, "I do not want to make any speech but there are a few things the fishermen want to put across, I would like to." "No, that cannot be." I think that was the last time I went there.

Mr. Chairman, if the minister now, if he continues as he has done in the last, however many months he is here, I think I was the first to congratulate him, because he was here as a private member in the back seats here, representing a district and I am sure he had his despairing days. He had days he would like to burn their boats and send them somewhere else. And I had them. I had them. I came back in from my district one time after spending three weeks and I went to the Premier's office and I went in and he asked me how were things goings, which I always did and he always asked me. And I said, "Well, not so good." And I think the first time I believe there ever was mentioned in Newfoundland that people should not live in places like that. I was feeling down and out. The price was poor. The people were poor. They were still isolated then and I imagine I was the first one said, "Too bad they cannot move off those islands and move out of that." Well that day I think I would have advised them to burn the boats and get them in at least near schools and hospitals and

MR. CANNING: electricity, whatever he could come to. I had those moments.

So, Mr. Chairman, if the hon. minister goes on like he did, he had the right approach, he went around this island, from place to place and he talked to the fishermen, he listened to them. And I am going to tell him something now that he might have heard and I heard it and I contradicted it for him. He was at one place on the Southwest Coast and I met some people and they said, "Look, that fellow Carter, he did not seem to know much about the fishery." And I said, "No." "Well," he said, "he does not seem to know very much about it." He said, "He was at our place," he said, "he gave us a talk, but," he said, "we talked to him. He is a fine fellow to talk to." He said, "We told him our problems." "So," I said, "Look, number one is he knew what he was doing because you are the people who know about the fisheries. You are the people who know what you want. You are the people who can improve your lot with help. So what he wanted to hear was what you wanted. So I am glad he did." If he had gone out and had his big dinners and had his big speeches and asked the men from Ottawa or from Germany or from where you like, one night, you know the big banquet, an hour and a half cocktail party before, half would not know what you were talking about anyway when you would talk and then go off and forget it, I tell you I would not be complimenting him today and wishing him the best of luck along the road.

But again I am glad that we have this opportunity of the six hours. Like the hon. member for Fogo - correct me if I made a mistake remembering some. They have so many districts now -

MR. ROBERTS: They keep changing them.

MR. CANNING: You know, you have really almost got to sit down and study the damn thing. I am hoping that number one is I do not think there is going to be that many people with any long speeches on the fish. I do not think there is any need of it. But I think the

MR. CANNING: best thing for us to do, I hope and I hope we will do this, is to go from item to item and when we come to something referring to our district or something important we will be able to question it or speak on it because to get up for twenty minutes like this, you know you do not say too much. You are not going to go too far. You are not going to do much with it. But I think if we would go from item to item, spend as many hours as we can, I am glad we are going to have six hours, I think we should have it. I could tell you when I left here last year, I went out of the House that day, I did not know if I would come back or not. I said, "What in the Hell am I doing back there anyhow?" There I am waiting to get to the fisheries, that is the only district I have in my district, except the shipyard which is related. The two of them go together anyway. And now I hope to go through, item by item, or any item we want to speak on I hope anybody will be able to speak on it.

I have a couple of minutes and I will tell the minister this, that I - perhaps I am a different politician than ever grew up in Newfoundland because when I was with the government, when I was on that side I got up several time, I was referred to - Don Jamieson used to refer to me as the outspoken member of the House because I got up and I criticized certain things that were going on. I criticized something that the speaker before me mentioned, the ship that was subsidized to go South. I said the sum was not great, it was \$75,000 a year. I heard it in here and I heard what she was meant to do, two or three years afterwards when the hon. John Cheeseman, who was a good Tory, a man who did not know much about the modern fishery. He had fishermen to - the jacks were tarred. The boats were using tar. But anyway he was Minister of Fisheries and this day I got up and I was over there I think where, I believe where the Minister of Finance is now, somewhere around there and I asked about this ship. There was \$75,000 came out in the estimates. I said,

MR. CANNING: Where is she? What is she doing? Has she ever carried any fish?

MR. CHAIRMAN: Order, please!

MR. CANNING: And I do not know, but I have my doubts if she ever carried any. /

MR. CHAIRMAN: Order, please! It now being one o'clock I leave the Chair until three.

PRELIMINARY  
UNEDITED  
TRANSCRIPT

HOUSE OF ASSEMBLY  
FOR THE PERIOD:  
3:00 p.m. - 6:00 p.m.  
MONDAY, MAY 30, 1977



The Committee resumed at 3:00 P.M.

Mr. Chairman in the Chair.

MR. CHAIRMAN (MR. YOUNG): Order, please! The hon. member for Burin-Placentia West.

MR. CANNING: A great fishing district.

MR. CHAIRMAN (MR. YOUNG): Order, please! I cannot start. We have not a quorum. We will have a fifteen minutes delay.

o o o

MR. CHAIRMAN: Order, please! We have a quorum.

MR. CANNING: Mr. Chairman, I think when I was concluding my remarks I was taking advantage, or I was using my past experience with the Department of Fisheries telling the minister of traps I hope that he would not fall into. In so doing, Mr. Chairman, I would say that if there is anything to be discussed in this House that politics should be left out of, there is one single item where we keep as much politics out of, in this House, on the air, or on television, and in the papers is the fisheries. The fisheries for Newfoundland, as I said a little earlier on, we have depended on down through, I considered it as the people's industry, because apart from those who were employed in it, who fished, and those who were employed by it, and the areas that were affected by it, is the whole of Newfoundland, I think Newfoundland cannot go on without the fishery.

So in that light I will tell the minister this, in my next few moments, that I have spent about twenty-seven years with the fishermen of the Burin Peninsula, the deep-sea and the shore fishermen kept pretty close to them, I have followed everything up, right up to the new technology; I questioned it, I asked about it, I read about it, but I do not know everything about it. But I can assure him now it is an important area, because it is one area of Newfoundland that has more or less prospered

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during the past few years. From the fishing viewpoint the Burin Peninsula today is one of the most - or is one of the better, or perhaps one of the best areas economically in all Newfoundland, with a great future. We have everything there. We have the nucleus to keep on or build up the fishery like I think it will be owing to the fact of the 200 mile limit and the new technologies - already with us some of it and that which we will acquire. I think that area will be the Burin Peninsula as long as the fishery goes ahead. And if it does not, the Burin Peninsula will clear off, die out. People will go to the mainland and elsewhere.

But I will tell the minister this now, that if I were in his place at this moment with what I have seen in the past, the first thing I would do is keep his department as non-political as you can. And for God's sake, when you are making appointments or you are going to get people coming in or putting them into fields or anything else, put them in the field on their ability and experience in the past. It does not matter if his name goes back 500 years, if they were seal hunting and fishing and whatnot. You are in a new age. You have said the words. 'a new approach is needed. So make the new approach. You will get my co-operation. And I can speak for most of those on this side. If they are sensible, if they want to stay in their districts, if they want to be re-elected, they will co-operate with the Department of Fisheries, with the minister and bring the fishery up to be an industry we can be proud of. Personally, I have more faith in it today than I ever had in my life. And I hope that for the rest of the debate we will be able to question some votes in there to find out what the minister has in mind, what his department has in mind. And I am sure that if there is anything we can add to it or anything we can help with, we will do it.

Up until now I think the minister has - I have watched him, talked to him, talked to those who were in contact with him. I have already had the experience of one time when he was brave enough not to do something that I wanted him to do perhaps, but that is the kind of courage that is needed to make this fishery one of the greatest industries

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perhaps in North America. It may not mean much to me, but in years to come we could get that greatest fishing ground in the world at our disposal, if it is controlled and handled properly, and if the fishermen do their part if they are going to fish, anyone who calls himself a fishermen or who wants to fish, number one, has to be prepared for a pretty rugged life, but it can be paying from now on. It can be a respectable industry. You could make good money. You can live well. But he has to be prepared for long hours. There is no short-cut to it. Whether it is the inshore fishery or the offshore fishery, if a man goes at it, he has to be prepared for it. Sometimes he has to spend twelve hour days. That might frighten some of us to death, those who are looking for a thirty hour week, but that is it. It is there for those who got the industry, who are brave enough to face it, who like it, who will enjoy it. Lots will enjoy on the water. I wish I could go out this afternoon, instead of staying here I would go. But it is going to be sort of a tough life, a rough life, but a respectable life, a good life, and it is a healthy life. Most of the fishermen are free. If he gets sick, he can stay ashore if he is his own master. If something happens with the family, he can return to his home. He has a lot of advantages with people on shore and those who have to go away elsewhere working just have not got. But we have to make it an industry to look up to. And those who are persecuting it must be recognized, admired for their courage, admired for their hard work, well-paid and given the best of conditions and then, I think that we will not have to haul up boats or we will not have to tie up boats. The fishery will go on to be a great industry. Mr. Chairman, I hope to speak again before the closing of this because there are a few items in connection with my own area that I would like to dwell on.

MR. CHAIRMAN:

The hon. member for Exploits.

DR. TWOMEY: Hon. members of the House, I rise here this afternoon not with the expertise and the experience of the native-born Newfoundlander. However, since my election I have taken more than a passing interest in the fishery. I have gone to various communities, many of these outside of my district, to try and learn some of the facts that might help one of our basic and possibly our most important industry in this Province. I cannot comment on the catching of the fish, but my observations from the point of view of public health and conservation of the finished product, I think might be of some value to you, the hon. members.

To define it I have used the words "the battered fish syndrome." Now this to me was exemplified in most of the areas that I have visited. The fish have come in on the boat and maybe they just tie up two to three boats away from the landing wharf, A two-pronged pike is used rather indiscriminately to pitch the fish from one boat into the other and eventually onto the wharf. Then up on the cutting tables and thrown into a wooden box, taken from the wooden box again by two-pronged pike, into the fish storage shed, left there for a period of time, and apparently they do some more work on the fish; and again into a box or a barrow, then into an open-ended truck with a little ice on the bottom, and the fish is piled one on the other, like sacks of wheat, then it is transported long distances, at times fifty and sixty miles, over unpaved dusty roads.

I have been told that eventually this might reach a fish plant on, say, a Friday night to find that the fish plant is closed down and the fish has to be dumped. This to me is a tremendous wastage of our natural resources, wastage that is costing us dearly, financially and also from the pride of the fishermen. Being inexperienced and having little knowledge there are few things that I would suggest. And I believe that the Minister of Fisheries has this in mind: The use of a one pronged pike and putting it on the head of the fish only; moving it gently and carefully, not pitching it; treating it with tender loving care.

DR. TWOMEY: After all, it is like a great wine, it is the vintage of the sea. Great wines are handled carefully, with respect and sometimes with more than adoration. I think that we should use our fish and our resources from the sea with that same care. I think most places I have seen they did not have ice, they did not have an ice plant, and they had not, for some reason unexplainable to me, got some of the ice from the sea and ponds that surround each community. I think this could be a worthwhile Winter project to save this ice for the Summer months when our catch is high.

Going on in summary, the treatment of the consideration should be, if there is a cant word one can use TLC - Tender Loving Care . One or two other comments I should make; the history of Newfoundland has many heroes and I think its greatest heroes have been the captains and the fishermen of old. In this day and age there are a few that stand out, and I think that we as a government and as a fishing department should in some way or another give credit and honor to these people, whether it is over the public media, in our schools, in our colleges. I feel we should have conferences and seminars, not in St. John's, not in Corner Brook, but at a local level where they

Dr. Twomey:

make use of audio visual education while they have expert communicators and when they are receptive to ideas from the local fishermen.

I often feel I have gone to a restaurant and it is very difficult many, many times to get a fish dish or a fish dish that has a certain degree of expert care in preparing it. I do not want to talk about entrepreneurs or any other group of people who might or might not come into this Province, but I think some of these factors, propaganda as to our natural resources, and above all, give these men and all that fish our respect and our reverence.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. CHAIRMAN (MR. YOUNG): The hon. Minister of Fisheries.

MR. W. CARTER: Mr. Chairman, I should probably reply to some of the points raised by the previous speakers before they start to gain up on me, and I might not get time to reply to them in the time left.

AN HON. MEMBER: We have over four hours.

MR. W. CARTER: Pardon?

AN HON. MEMBER: We have over four hours left.

MR. W. CARTER: Yes, But the member for Fogo district (Capt. Winsor) mentioned the joint venture proposal that we have just undertaken in the Province, and he wondered why at least fish could not be landed in the Province by West Germans, in return for which they would agree to take back to their country some mackerel, and, I believe he said, herring. And that is not quite as simple as it appears, Mr. Chairman, because fish entering Germany or any of the European Common Market countries are subject to a pretty high tariff, I think it is 15 per cent, and that 15 per cent tariff would more than likely destroy the economics of any mackerel, or any other kind of fish, indeed, taken from this Province or any other part of Canada back to that

Mr. W. Carter:

country for sale. There are countries, of course, outside of the EEC countries that are not subject to that tariff, and Poland happens to be one of those countries. And there is a possibility that maybe something will be worked out with that country with respect to the purchasing or the taking back to Poland of mackerel and maybe herring from Newfoundland.

The member talked about exporting fish blocks, the fact that we are in a sense providing labour for people working in the fish plants in the U.S., and, of course, we must agree that it is totally undesirable to have our fish exported in blocks or our herring shipped out in barrels, and thereby providing some work for people in other countries when 16 or 17 per cent of our own work force remains unemployed. But again that too is not a simple matter to resolve in that a similar situation exists where there is a tariff, and I believe again a 15 per cent tariff, on cooked fish, processed fish going into the U.S.

He mentioned about the fact that now with the 200 mile regime, the Americans would probably intensify their catching efforts, maybe to the detriment of Newfoundland fish entering that market. In fact, he suggested that maybe there would be a glut on the American market within time, and of course that is something we have to consider as well, and it could just very well happen. That is why we are anxious to make some good contacts in the European countries with a view to eventually getting our fish products into the community, the European Common Market where we believe there is a very lucrative and a very promising market.

He talked about quality and the loss of earnings because of substandard quality produced in our Province resulting from a number of things including bad roads. And, of course, we must agree there too, but my colleague the Minister of Highways and Transportation has agreed to wherever possible treat the roads, the gravel roads that are leading to and from fish plants, with some kind of a chemical that

Mr. W. CARTER.

can be found to provide the blacktop. The member mentioned the lack of educational programmes in the Province and the fact that fishermen must be made to feel like first-class citizens. Of course, that is something I have been preaching now since I became minister about eighteen or twenty months ago. We all recognize the fact that fishermen through no fault of their own mainly have not been treated like first-class citizens. And certainly it is our duty and our responsibility to ensure that that situation will not be allowed to prevail any longer.

The member for Twillingate (Mr. Smallwood) made reference to the plants that his administration built and their accomplishments in other areas of the fisheries. Of course, I am sure that every Newfoundlander will give the hon. member and his administration full credit for the things that they did in the fisheries during their administration.

MR. SMALLWOOD: If the hon. minister would not object, I would remind him that I have not finished the list, and it might be more useful if after I have spoken again and completed the list he were then to offer any compliments or any comments that he might have to make. And I am quite sure that as an honest man and an honourable man and a good minister and a good Newfoundlander he will want to give credit where credit is due. I would withhold the comments on that aspect of it just at this moment.

MR. W. CARTER: Thank you, Mr. Chairman. I had no intention of doing anything to take away from the hon. gentleman for his accomplishments, Mr. Chairman, and I shall, as he suggested, wait until he is through and then maybe make further comments.

My honourable and gallant friend from Burin - Placentia West (Mr. Canning) made reference to the condition of the industry and suggested that maybe we should ensure that politics will not be the overriding factor in the development of the fisheries. Well, Mr. Chairman, I could not agree more, and I do not think anybody here can accuse me or the administration of playing politics or allowing



Mr. Carter.

political boundaries to determine what is happening - or at least the extent to which the fisheries will be allowed to develop. I think if one were to look at the list of projects that we are undertaking this year, 1977-1978, you will find that if there is room for complaint, it might well be that my colleagues on this side of the House have room to complain, because a lot of things that we are doing will be done in districts that are, I would not say, too friendly to this administration. But certainly that, as the member suggests, should not play any major part in that kind of a decision. He mentioned the fact about the good life, the hard work of our Newfoundland fishermen. Of course, that goes without saying, I think the fishing industry can provide an excellent way of life for Newfoundland and Newfoundlanders. I think that once it is developed and properly developed, when our fishermen can be given a chance to earn a decent living from the industry, as indeed they will, then I believe that he will be the envy of most of his North American fellow citizens. I think that the fishing industry is a healthy and honest and an excellent way to make a living, providing we can succeed in giving him the opportunity to make a good living.

My colleague from Exploits (Dr. Twomey) mentioned about the fact that fish should be treated with tender loving care, as he put it, and that we should give some very serious thought to quality. As the hon. member probably knows, we do have a quality control programme underway. This government is very, very conscious, indeed as is the government in Ottawa, very conscious of the need for improving the quality of our fish and in fact only after we have done that then can we expect to reap the real benefits that will be available to our fishermen. To that end, two years ago, or at least a year ago, we initiated a quality programme in Admiral's Beach where with a very modest expenditure, part of which, I should say, was shared by Ottawa, we have endeavoured to show the fishermen how to properly handle the fish and how to eliminate the need for pitch forks,

MR. W. CARTER: and I am happy to say that the programme is working well. This year we are now embarking on the second phase of that programme where we have people who are being trained by the Fisheries College in the skills of filleting fish and handling it properly. Indeed, Mr. Chairman, I am hoping during the present session of the House to introduce a bill, An Act To Amend The Fisheries Act, in which we will prohibit the use of pitch forks in the handling of fish after the necessary infrastructure has been provided in the various communities to enable fishermen to unload their fish and handle it without the use of pitch forks.

CAPTAIN WINSOR: Will you be bringing in that bill before you have an alternative to the prong used by the fishermen?

MR. W. CARTER: Mr. Speaker, yes. I want to get the bill through as soon as possible because there are places in Newfoundland and for example, Admiral's Beach now, which is only one community but a community landing 4 million or 5 million pounds of fish a year, and that community within a few months will be sufficiently equipped to enable the fishermen there to land their fish without the use of pitch forks. And of course the federal programme recently announced by my counterpart in Ottawa wherein there are something like 200 communities now, I think, earmarked to have certain facilities provided to that end as well, and the Department of Fisheries Provincial, we are now looking at different ways, different technologies, different methods of unloading fish and handling it, and I believe, and maybe I am being a little optimistic, I hope not, but I would submit that within maybe three or four years that we could very well put a total ban on the use of pitch forks in the fishing industry of Newfoundland. Certainly that is our ambition and I think once we do that we have come a long ways towards providing a top quality fish.

This year, for example, we will be spending some money, not a big lot of money, but certainly some money on providing certain

MR. W. CARTER: incentives for people to produce a top quality fish. We will be laying plans and starting the work on providing a seal of approval or at least a seal of quality that we will be giving out to the fish plants in the Province that are producing a top quality fish. In other words, there are plants at the present time, Bonavista Cold Storage is one, that I am sure are producing an A - 1 quality fish.

This programme that we envisage will then, having carefully studied the operation and having satisfied ourselves and the federal government that the fish is being processed under very sanitary and very proper conditions, that fish will then get the gold seal of approval from the department. And a person buying fish with that seal on it then can be assured of a top notch quality fish.

It is only a small thing, it is not world shattering, it is not going to cost too much, but I think it is one small step in a journey that we are embarking on to provide a better fish for the market place.

CAPTAIN WINSOR: Where would this incentive begin? Would it begin with the fishermen, you know, from the time that the fish is landed or would it apply to the processing plant or the salt fish plant?

MR. W. CARTER: Mr. Chairman, the details of that programme are now being worked out. What we are doing is - and let us take Admiral's Beach as an example. That is the pilot operation. Today in that community we have provided ice making facilities and when a boat goes out to fish it has got ice on board, sufficient ice to keep the fish chilled while on board of that boat. It is taken from the net and it is placed in a bag in the hold of the ship, and then iced. And then when that bag is full it is closed off and another bag is laid on top and that is iced and that bag is closed off. The ship will then come into port where the fish will be unloaded by a mechanical hoist without using the human hands, lifted up, 2,000 pounds probably in a bag, and then unloaded into a styrofoam iced container which will be sealed and fish in that container can last for three or four day, they tell me,

MR. W. CARTER:

and still retain its quality. So there is no reason at all once the programme is in place why fish that goes into the plant should not go into the plant in A-1 quality condition. And therefore it is essential that we then give an incentive to the plant to ensure that it is properly treated once it arrives in the plant until it is packed in the box and it is shipped to the market place. Like I said, it is only a small thing maybe, but certainly one that we think will have a very good effect.

There are other things that we are planning, Mr. Chairman, with respect to quality this year. We are going to be spending \$55,000 for the provision of a special type container, one that is used by the White Fish Authority in the U.K., containers in which fish, including herring, can be stored for five days - no, I am sorry, it can be transported for 500 miles and arrive at its destination again in A-1 quality condition. We are going to import some of these boxes and try them out, and just see how effective they will be.

So, Mr. Chairman, that I think pretty well answers the questions that have been posed to me up to date. And certainly I would like, after the other members have made their opening comments, if we could maybe get involved in an item by item debate on the estimates because there is a very lot of useful information that we want to give out to the Opposition and to the House, and that is the only way it can be done really.

MR. CHAIRMAN: The hon. member for Eagle River.

MR. I. STRACHAN: Mr. Chairman, it seems to me that somehow or other we are getting off in the fisheries in a mutual admiration society rather than getting down to the grist of some of it. However, I should open by saying that I would like to thank the minister very much for the attention that he has paid the area of the Eastern Labrador Coast and the amount of money that has been spent there. I think it must be the first time, certainly a long time, probably the first time in history that this amount of money, small as it is, a half million dollars, as small as it is, is being spent on the Labrador Coast, and we welcome

MR. STRACHAN:

that tremendously. It should have been done many, many years ago. We realize that. And many of us realize it. And I commend the minister on spending that amount of money.

I would say that there are some parts of the area where the money is to be spent that I would question. For instance, without taking away from Mary's Harbour, many people in Mary's Harbour do go out further out and leave Mary's Harbour as such to William's Harbour or Cape Charles, and Mary's Harbour itself is not a prime fishing area as such. People move out. And whether the \$200,000 stage is going to be set up in Mary's Harbour rather than outside, I think it may be questionable, but, however, I will leave that as it is.

I would hope that the minister will table the report that he received, or at least indicate, make it public so we can have a look at the report.

MR. PECKFORD: There is no fishing in Mary's Harbour now.

MR. STRACHAN: Pardon?

MR. PECKFORD: There is no fishing in Mary's Harbour now.

MR. STRACHAN: No, no. That is what I am saying, the report which he received has a \$200,000 community stage for Mary's Harbour, a \$200,000 community stage for Cartwright, and a \$75,000 stage for Henley Harbour. And my argument is that Mary's Harbour, as such, the people move out, they move out to Cape Charles, Indian Harbour,

MR. PECKFORD: Mary's Cove and Indian Cove.

MR. STRACHAN: Mary's Cove and over to William's Harbour, and William's Harbour would be more of an appropriate place for an investment of this kind of sort, or for instance even Fox Harbour where people do tend to hold around.

I would like the minister to maybe give a rationale for why \$200,000 is being spent in Mary's Harbour. I am sure that money could have been spent much, much better in William's Harbour or some other parts of the area there.

MR. STRACHAN:

I would very much like to see the report in public, not in as much as it decides where the money is being spent, but as I pointed out one of the considerations of the report was this amount of money to be spent in Mary's Harbour, and I would like to see exactly the basis why the money was decided to be spent there, and also the minister did point out the report contained some long term development plans for the Labrador Coast. And I would certainly like, be very interested in seeing what these long term development plans are, especially since the report was put together in a short time, and may have an impact in the future on the Southern Labrador Coast, and we would certainly like to have a look and

MR. STRACHAN: so we have some input. So would many other people as well like to have an input into it and we would be very interested in having a copy of that. I should indicate too that I commend the minister this year that at last we got some money into the budget. As is known, in 1972 and 1973 the capital amount spent in the Department of Fisheries was only \$6.8 million; \$10.4 million in 1973-1974; \$14.2 million in 1974-1975 and I think this year was the big year in which the charge was made and there was a certain amount of money put in, a fair amount of money, and again I commend the minister who managed to argue for this and obtain this, although I still state that \$24 million into an industry of this sort and this magnitude is still not a tremendous amount of showing faith in the fisheries. I think it needs a lot more money into that kind of thing if it can be obtained, and possibly money that should not be spent elsewhere.

But I do commend the minister on that increase, in fact he must have fought for that increase and has obtained that increase. The minister states, and I agree with him, I can see his point in stating that we must keep politics out of fisheries. It is obviously a very good thing for you over there on that side to say we keep politics out of fisheries as such. We realize very well that anyone who has been listening and following the fisheries debate and so on realize very well and very much so that fisheries has got to be a very big plank in your platform, very much so in the government and rightly so as well, absolutely rightly so. And it will become probably one of the big issues or one of the major issues in the next few years when it rolls around to become election time and so on. I would agree, I think that is excellent that we would at least go back and discuss the basis of the foundation of this Province which is fisheries and it should become as important an issue as to be that.

But, of course, being such an issue, a major issue, it is political.

MR. STRACHAN: You know, to try to divert criticism by this kind of discussion on keeping politics out of fisheries is to me of course rather blind-or not blind, but trying to slide off the end of it.

The other point that concerns me-and I would like to get back to the district, is that I would like to see the minister, seeing he has made this initial move into the Southern Labrador coast, start looking at some of the other areas along the coast of particular of interest to me. I have been upset by the way the fisheries has been developed on the Labrador coast and how some of the money has been mis-spent, and how some money has been spent without discussion with his department, for instance. And I would here refer to the Minister of Rural Development and his department now - it is now his department-but I think that for one department, such as Labrador Services division through the Department of Rural Development to spend a vast amount of money on a fish plant for instance in - sorry, I got a blank- to spend money on the fish plants on the coast, including Nain right down the coast to me is wrong, totally wrong. I saw a number of things done which, when the Department of Fisheries representatives came along, they immediately ruled out. In fact, I could tell you this that some of the fish plants on the coast which are operating under licence, should the Department of Fisheries come and enforce rigidly the restrictions that they should do, the regulations that they should do then these plants would be closed down. The only reason that they are kept going is that (1) the government owns them and (2) it is important for the people of the area.

But I know the members of this department are often upset by the fact, and the federal inspection service too, are often upset by the lack of facilities and lack of proper conditions for processing fish. So I hope that maybe we could have some tie in here so that we would have better facilities put together in



MR. STRACHAN: these fish plants and that the relationship between the various departments becomes a more clear relationship. I think the Department of Fisheries should be in charge of fishery development and that it should have the major say in how that development is carried out. To have one department carry out one form of fishery development and another department carry out another one does not lead to a very clear plan of how far ahead you are going.

The minister also indicated that the barge, the Labrador I , and I would like to make a point here that we again see the barge is a good idea, and I think if the minister carries on what he is saying it is an excellent idea, but it should be remembered that these barge facilities are facilities which are used generally by longliners and longliners from the Island part , and welcome as they are, fine, they are not used at the moment by people on the South coast of Labrador. And I think unless we encourage these people to get into longliners - and some of them are now starting to get into these type of vessels although I particularly think it is not a form that they should get into, it

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should be another type of fishery - but unless we encourage them then the barge, of course, satisfies the people who come during the Summer and leave again in late Fall. There has been some criticism, and there will probably continue to be criticism, between the local residents, for instance, in Cartwright and Fox Harbour, and complaints, and the minister will probably get many of these complaints compared to the longliner fishermen and vis-a-vis. But as far as I am concerned these are small complaints which should be settled out at local levels or through decisions in the department and so on rather than being discussed as a matter of policy.

One other point that I would like to mention - and we can probably come down through the headings - that I have been concerned about and partly because I have been involved in it in the past is the College of Fisheries, which I think is one of the best educational institutes in this Province, and because it is so practical in nature as well as giving a basis of education and developing it. And although it may not be highfaluting in the sense that it gives out academic degrees, it still gives this basis and could be built still further. And it concerns me when I read, for instance, considerations by the university, who for many years shunned the fisheries, and now who are reverting to it and now are trying to take over and form an institute of fisheries for themselves. Then what we are having is a duplication to follow four grandiose plan of where the university should be. I feel very strongly that education of the fisheries should be in the Fisheries College, and the College of Fisheries should be developed for that idea. And I am afraid that if we start getting into an institute of fisheries within the university with all its academia and its standards and so on that it will become a very dry, very doctrinaire, very scientific level of education with very little practical value and very little application at the local level. And surely that is the basis of education in the

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fisheries. Education in the fisheries is not education in a classroom or education in a sterile environment. And I am concerned that that move to take the naval architecture over, the shipbuilding programme over, to take the food sciences away from the College of Fisheries and develop it into an institute of fisheries within the university to me is a very dangerous step. Because I feel strongly that the College of Fisheries educational programme, developed by the members getting out in the fishing industry - I remember that I gained tremendously in 1967 by being in Marystown and Mooring Cove when Atlantic Fish opened up, and for eight months I worked there. And I worked in various other places, Fogo, the Strait Shore, LaScie, Bonavista and so on - and I think the value is that the staff are out working in the field and then coming back to teach for a certain part of the year, and this keeps them in touch with the practicality of fisheries rather than the academic levels that an institute of fisheries may form. It may have a degree of fisheries, but a degree of fisheries when you do not know the difference between cutting round tails so that the fish does not go down through the skinning machine, or whether you do various other things and so on, is to me useless. And I think that this kind of practical knowledge you need and to have people sneer at this kind of thing is totally wrong. So I am greatly concerned about that kind of thing.

Lastly, I would like the minister to discuss a point that I have often thought about the fisheries in this Province, that the dangers are not the tariffs without or the people without or the forces from without; the problem with much of the fisheries development in this Province are from the chiefs within this Province, and I do not refer to his department. I know in the past that much of the department has been trying to change some of it. But we do have a situation in which the fisheries in this Province is virtually tied up. And I do not want to get on to the socialist kick

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out the point is that if one as a capitalist, that I was and still am, wants to get into the marketing of fish, wants to develop in a small way a product, be it smoked salmon or be it anything else, if one wants to develop- We developed a whole line of products, much of them on a par with many of the Norwegian and West German products. And we took them, and we actually went to New York, we went to Boston, we went to Chicago, we went to Montreal, and we went to Europe, and we tried to market them, and we did it all with our own money. And I remember almost every place we went we got a wonderful reception, and when we came back here we found that because of relationships with the companies within this Province that the ideas were totally squashed and put away because of the relationships of fish being consigned we could not obtain raw material unless we had our own boats, because of relationships in the marketing field with

MR. STRACHAN: some of the large companies, who did not want to get into further processing. For instance, we did have at that time vacuum packed flounder and various sauces, we had vacuum packed turbot, the cook easy product which you just dip in, without smell, which is becoming a very big hit now and has been for the last two or three years, especially in apartment buildings, and we did develop it and did work at it and did have it perfected and we tried to market that and the reception in the market place was tremendous. But because they were dealing with other companies in this Province there was no way they would be allowed to deal with us. And I still say that this fifteen per cent tariff business the minister raises to me is a bogey. It is used many, many times when it need not be used at all, because if you put quality into your product and you put individuality into your product the fifteen per cent means nothing. It may mean something in the cooked mass product, such as turning out the fish stick business, but the fish stick business to me is just another process ahead of the cod block. It is not the refined, individual type of fishery products we should be getting into. So the fifteen per cent -

MR. SMALLWOOD: What is?

MR. STRACHAN: What is? I think developing on an individual basis many of the products we are talking about, be they, for instance, canned caplin, be they smoked salmon, be they smoked char, be they various slice, be they vacuum packed products individually, individually packed with sauces, be they fish chips, you know, various other things all of which are very keen on the market. They are now being developed in the market. The market place wants them and cannot get them, and we cannot develop them in this Province and move them out into the market place. I know the member for LaPoile knows what I am talking about because we did, for a couple of years, fight and fight and fight, to try to get our products accepted, there was no question in the market place, but we could not within this Province. The companies accepting our product ran the risk of having the companies within this

MR. STRACHAN: Province cut out their supplies, cut them off and various things. And I think that, as I have said, I have always believed it is the chiefs within rather than the forces from without which will ruin the fisheries and ruin this development. And so I would lay this out to the minister, unless something is done to change that whole system it will not be developed as an entrepreneur kind of system where people can have pride and develop something because they have an idea, because the encouragement is just not there for someone to come up with a new idea, to develop that idea, market it and then try and get it on the market place and build a business. The encouragement is not there unless this change occurs, and it is a very fundamental change which must occur. I would like to say to the minister that unless that happens at that level we will still continue to produce our cod block and our massive varieties like that rather than get into much of the other side of the fisheries which is the highlight of the West German fishery, it is the highlight of the Norwegian fishery, it is the highlight of the Icelandic fishery, and unless we develop it in that kind of sense as well and we can only do that once we have cleaned our own house and rearranged some of the things here. For instance, right now we can market, I could tomorrow if I could obtain 40,000 pounds of fresh fish, market that in Los Angeles at a very low cost of flying it out there. But we cannot right now. I cannot, and I swear that anyone in this House right now could phone suppliers in this Province, fish plants in this Province and you will not get a guarantee of 40,000 pounds of fish, 50,000 of fillet per week over the next month from any of them, and even from some of the independents. And the reason is because they are hooked in totally into the market, the market in the States, and if the market in the States find out then they run into problems and the squeeze comes on them and not one of them are prepared to risk it I could guarantee that we are prepared to pay more in the next month for 40,000 pounds of fish and we just cannot get it. We

MR. STRACHAN: cannot get it and that is a fact. I can give the numbers we have called and the people we have called and the fish plants we have called.

Unfortunately some of these people, a couple of places which can provide that sort of fish, cannot provide it prechilled.

MR. W. CARTER: Cooked fish?

MR. STRACHAN: No, fresh fish fillet. Fresh fish fillet, it is easy to say, a simple idea. We were going to fly it out in special containers and we cannot get it. It cannot be done.

MR. NEARY: The fellows down in my district fly it as far away as Pasadena.

MR. STRACHAN: Oh. Yes. Well I wanted this particularly for the West Coast American market. But the point is

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the fellows in your district who could give it to us do not wish to give it to us because they may lose their own markets and get cut out, or they may lose other markets elsewhere and the squeeze comes on them. But it is amazing that we cannot obtain fish to process and handle.

MR. NEARY: You can fly it from Burnt Islands to - yes, from Burnt Islands to Stephenville to San Diego.

MR. STRACHAN: Yes. Well the Stephenville freight service is a good one because of its very low rate.

MR. NEARY: Yes, Sir.

MR. STRACHAN: But there are a number of points there that I can state to the minister, and I hope we can get into some of the headings. And lastly, of course, getting back to it I would like to commend him for at least the amount of money we started to spend on the Southern Labrador Coast. It is going to be an encouragement, but I would like to see the report very much, I would like to question this \$200,000 being spent in Mary's Harbour, regardless of whether Mary's Harbour people might get upset by the very fact of what I am saying; there are people who leave Mary's Harbour and go into outside places, and especially to William's Harbour, and I think maybe their justification is a little out there, and I would like to look at it, But at least it is a start and what else can you say? For the first time ever it is a good start.

MR. CHAIRMAN: The hon. member for Twillingate.

MR. SMALLWOOD: Mr. Chairman, if I could do it I would make a bionic man to be Minister of Fisheries, and they would be made up of the present minister, the hon. gentleman who just spoke, that is the member for -

AN HON. MEMBER: Eagle River.

MR. SMALLWOOD: Eagle River (Mr. Strachan), and the hon. gentleman who spoke before him, the member for the West side of Placentia Bay (Mr. Canning); and if we could merge those three persons into one



MR. SMALLWOOD: we would have the Six Million Dollar Man, we would have an excellent Minister of Fisheries, and the only thing that could improve on that would be to add the hon. member for Fogo (Capt. Winsor), Aiden Maloney, Bill Keough, John T. Cheeseman, and -

AN HON. MEMBER: P. J. Antle.

AN HON. MEMBER: As an advisory board.

AN HON. MEMBER: P. J. Antle.

MR. SMALLWOOD: No. Merge, , them all together -

MR. NEARY: Gabe Billard, T. J. Hardy.

MR. SMALLWOOD: -as one man to be Minister of Fisheries. As we cannot do that, we have to make the best of what we have.

Mr. Chairman, we have heard in this Committee what sounded to me like a contemptuous reference to the famous three day Fisheries Conference that I called, It was held in this very building, and it was conveyed to the Province by live television. Fishermen were there from all parts of the Province, both the Island of Newfoundland and the vast Coast of Labrador, nearly 150 fishermen invited by the government at government expense. The merchants were there too. The fish packers, the fish exporters, the fish market agents, our agents in the markets were there, George Hawas and Son of London were there from England, Spain, Portugal and Italy. The Governments of Nova Scotia, Prince Edward Island, Quebec, and the Government of Canada were all represented by very able men. Nothing like it in Canadian history, nothing like it in Newfoundland history had ever been known, nothing like it had ever been known. Three days bringing out and debating profound expert knowledge of the stocks of fish in the waters, that was mainly Dr. Templeman, the techniques of harvesting, and of packaging, and of inspecting, and of exporting, and of marketing Newfoundland fish. We had at that conference two of Canada's greatest experts, the most experienced and distinguished experts in the great fields of primary products

MR. SMALLWOOD: production, harvesting, exporting, marketing, in the great field of federal assistance to agriculture in cases of capital aid, cases of harvesting, cases of crop failure, cases of marketing and never was I less motivated by partisanship than I was when I chose those two specialists to sit in at our conference and listen and then prepare our very special brief to the Government of Canada. There were two men named Menzies and Hedlin. Who were Menzies and Hedlin? Who were they? They were the speech writers for the Right Hon. John G. Diefenbaker. They had written all his important speeches, Menzies and Hedlin from Saskatchewan. But because they were Canada's greatest experts on what had been done for Canadian agriculture by the Government of Canada down through the years, I invited them here as guests of the Newfoundland Government who paid their way and paid them substantial fees to sit in on that great fisheries conference with a view to preparing a case for Newfoundland for me to present to the Government of Canada, pleading that the Government of Canada should be willing to do for our fisheries under the various headings, capital aid, crop failure, harvesting, marketing, under all the headings exactly what they had been doing for a quarter of a century and longer for agriculture. In short, that the Government of Canada should be willing to treat fisheries in Canada, not just in Newfoundland but in Canada, treat fisheries not as the sort of orphan it had been up to then, but in line with the way they had been treating agriculture for generations in that country.

Menzies and Hedlin prepared a magnificent report, I have no doubt the minister has a copy of it in his office, one of the most superb reports ever done in 500 years of Newfoundland fishing history. They did that, those two men. We paid handsomely to get it done. I took it to the Minister of - Alvin Hamilton, what was he minister of?

MR. NEARY: Northern Affairs.

MR. SMALLWOOD: Industry, I think, and Commerce. I took it to him and he had present with him on the occasion of my visit the hon. W. J. Browne, who was then a minister of the Diefendbaker Cabinet, and I presented this great brief that arose out of that three day conference, I presented that brief to the Government of Canada, asking them, as the petition did, to declare that the Government of Canada had to treat the fisheries of Canada, which of course included the fisheries of this Province, in the same way, heading for heading, as they had been treating agriculture.

I did not have the greatest success possible on that occasion so I took the briefs prepared by Menzies and Hedlin to the then Leader of the Opposition, the Right Hon. Lester B. Pearson, who wrote me a letter in reply and I published that letter in a full page advertisement in The Evening Telegram and The Daily News. Mr. Pearson's reply to me to the effect that if he should become Prime Minister he would accept the thesis set forth in the Menzies-Hedlin



MR. SMALLWOOD: boats that we enabled the fishermen to get. A total of - 700 and 1,200 - 2,000 boats, of course, that we advised them to burn. It is well known that I advised them to burn their boats after we had spent millions of dollars of public money to put those boats in the hands of the fishermen.

MR. MORGAN: It is an unfortunate statement.

MR. SMALLWOOD: It would have been a very inconsistent statement to make, while you were spending tens of millions and even hundreds of millions to build fish plants and boats and provide engines and all kinds of help for the fishermen, while you were doing that to tell them to burn their boats. Very inconsistent, the Minister of Transportation will admit, very inconsistent. So inconsistent that there is a considerable amount of doubt whether it ever happened. We know that the boats happened, but do we know that I ever said burn them?

MR. MORGAN: I would say a misquote.

MR. SMALLWOOD: A misquote? Well, the hon. gentleman is honourable, he is living up to his official title of being an hon. minister, he is also being an honourable man when he makes that remark.

MR. SMALLWOOD: Then, Mr. Chairman, there were engines. The loan board that I created, when I say I, Mr. Chairman, you will understand that I am speaking as leader of an administration. I did not do it on my own. I was not a dictator. I had to bring it before my colleagues in Cabinet. Cabinet had to make the decision. The hon. Minister of Justice was one of the honourable men who made the decision and the Cabinet arranged to the end of last financial year, that is, to the end of 1966-67, the loan board that we created had advanced just under 3,000 engines, 3,000, that is engines for the boats that they were to burn, obviously. The exact number was not 3,000, it was 2,937, that was from the inception of the Fisheries Loan Board to the end of last financial year, 2,937 marine engines for the boats that I am said to have advised the fishermen to burn. Now, Mr. Chairman, that is 1,967 boats and 3,000 engines.

Yes, Mr. Chairman, we did introduce the longliner and the loan board that I set up has up to now brought 722 of them into existence. But we did not stop there with the longliner. We introduced the famous Larson mid-water trawl. We did that, the very famous Larson mid-water trawl. There is something else that we introduced, Mr. Chairman, a long line of hydraulic hauling and electronic detection equipment. Now we did not invent hydraulic hauling of fishing gear, we did not invent electronic fish detection gear, but we did bring these into Newfoundland and we did introduce our Newfoundland fishermen to the latest scientific technologies of the fishing industries thus making sure, you see, Mr. Chairman, that when the fishermen burned their boats they would be burning the latest types of boats, the latest engines, the latest scientific technologies developed around the world for the fisheries. We had to be sure of that. We could not have them burning old tar punts.

MR. NEARY: Obsolete equipment.

MR. SMALLWOOD: Obsolete equipment. But, Mr. Chairman, even before

MR. SMALLWOOD: we introduced the longliner, the Larson mid water trawl, the hydraulic fish hauling and electronic fish detection, before that we launched the scientific revolution in our Newfoundland and Labrador fisheries by bringing the Danish seiner to the new province. Cod itself, you see, at that very point in our history had become all but unsaleable. Maybe the committee does not remember when cod was all but unsaleable, when the only chance you had of selling any cod in the United States was to offer them so much red fish and other more exotic types of fish and if you did they would take a certain small amount of cod. It seems antediluvian, it seems so long ago, but it was true. And at that time on our South Coast, Mr. Chairman, the best price that our fishermen could get from the fish plants was two and a half cents a pound, and on our Northern Coast two cents a pound and down to one and a half cents, 1.65 to be more accurate. The Danish seiner enabled the fishermen to take flounder, grey sole, rose fish and turbot with automated equipment. Mr. Chairman,

Mr. Smallwood.

Confederation with Canada and launching the scientific revolution in our fisheries may one day be cited by historians as two of my greatest contributions to Newfoundland progress. It was Dr. -

MR. CHAIRMAN: The hon. member's time has expired.

MR. SMALLWOOD: I have one sentence, Your Honour, if you will permit me, and then later on I will complete my speech well within my twenty minutes.

- it was Dr. Wilfred Templeman, our internationally famous Newfoundland fisheries biologist, who said that my introduction of the Danish seiner to North America was one of the great transfers of European fishery technology to the New World. I am rather proud of that. I will complete my speech, Mr. Chairman, after someone else has made a contribution to the debate.

MR. CHAIRMAN: The hon. member for LaPoile.

MR. NEARY: Mr. Chairman, it is a pity for the hon. gentleman to have to interrupt his magnificent speech here that the hon. gentleman is making. This is twice now. And the hon. gentleman will have to make the third stab at it before finishing his few remarks. There is no doubt about it, Sir, as we say in Newfoundland, the hon. gentleman is a queer hand. He is making a magnificent speech and -

MR. WHITE: On the installment plan.

MR. NEARY: He has to do it on the installment plan.

I am looking forward to hearing the next twenty minutes. It is most impressive. And I hope that the House is getting the message, especially the hon. Minsiter of Fisheries is getting the message about the foundation that has been laid for the fishery of this Province, a magnificent foundation laid, Sir, for the hon. gentleman to build -

MR. SMALLWOOD: He deserves all credit of building on to it.



MR. NEARY: And the hon. gentleman - well, we will decide that in a year or so. The hon. gentleman now has been Minister of Fisheries, I believe, slightly less than a year - is it?

MR. WHITE: A little over a year.

MR. NEARY: A little over a year.

Well, we will give the hon. gentleman another year or so -

MR. SMALLWOOD: And he inherited it.

MR. NEARY: - and the hon. gentleman inherited one mess. There is no doubt about that, and I am going to talk about that in a few minutes, the great fishery gear replacement scandal. I am going to have a few words about that. But before I do I want to say that after listening to my hon. friend - and my hon. friend certainly did not tell me anything that I already knew, that the foundation is there. All my hon. friend has to do is to build on that foundation. And I am sure that the hon. gentleman will make a sincere attempt to do just that.

Now, Sir, the main point that I want to make before I take my seat is that I feel myself - and I have said this so often - that the main problem with the fishery in Newfoundland for 500 years has been in the field of marketing. Now hon. gentlemen may not agree with that. Mr. Chairman, the problem today in the fishery in Newfoundland is marketing. We have made great strides in the field of marketing. We have managed to get the Canadian Salt Fish Corporation set up. That was a bitter struggle and a fierce battle, and I am sure my hon. friend will mention that as one of the great accomplishments when the people were saying that he had said, Burn your boats. The setting up of the Canadian Salt Fish Corporation was no mean task. It was a savage battle and a savage struggle and it was part of recognition, by the way, of the fishery in this part of the world as agriculture is in the Western part of Canada. There had to be agreement from all the Provinces of Canada. The Canadian Salt

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Fish Corporation just could not be established by mutual agreement in the Atlantic region, for instance. There had to be unanimous agreement, especially from the provinces who were heavy on fishing. The other provinces probably could not care less, but they would just go along with it anyway.

So that was a major accomplishment. Unfortunately, Mr. Chairman, it only included salt fish. It did not include all the produce of the sea. And I believe now, Sir, that the time has come to either - and I have said this so often, and now I notice that the NDP

Mr. Neary:

is copying my philosophy, my ideology, they are copying my platform, the NDP. And they are saying that a public corporation should be established to market all the produce of the sea.

I know there a few months ago the minister and the industry were talking about one or two big companies marketing all of the produce of the sea in Newfoundland. I am opposed to that, Sir, and the small plant fish operators in Newfoundland are opposed to it. Do not give these big companies a monopoly. They have had it going their way long enough now. If we are going to market the produce of the sea successfully in Newfoundland and in Canada, in the fishing provinces, then it has to be done by a Crown corporation, either another corporation established by the Government of Canada or expand the term of reference of the Canadian Salt Fish Corporation. I would favour expanding the terms of reference of the Canadian Salt Fish Corporation.

We were rather somewhat saddened recently, Sir, to find out during hearings that were held before the House of Commons Committee on Fisheries and Forestry back in, let me see, back in - last month I believe it was, we were saddened to hear - on March 31, it was for the fiscal year ending March 31, - we were saddened to hear the Chairman of the Canadian Salt Fish Corporation state that they were running into some problems in the marketing of salt fish, Mr. Maloney, and I quote him from the report answering a question, it was asked by Mr. Marshall, "Mr. Chairman, ' he said, "In general terms, I suppose it could be said that the demand for salt fish is constant in the traditional markets for salt fish. But I think I should qualify that by saying that in the traditional markets, which would include countries such as Portugal, and Brazil, there are financial problems, exchange problems, and those countries have balance of payments problems. I would say that the same would apply perhaps to Italy. The same might apply to Spain and other markets. I would say that those countries will have difficulty in getting foreign exchange enough to buy the quantity of fish that they would like to have."

MR. W. CARTER: I wonder if the hon. gentleman would permit a very brief question? Would he not agree that the time now might be to have a central marketing organization, a none desk type operation? Would he not agree that maybe it would not be in the best interest of our fishermen if we were to give that kind of a monopolistic situation to one organization, one sales person in the marketplace responsible for the marketing of all species of fish that are being caught, all species? Does he not agree that that might not be too desirable a situation?

MR. NEARY: Well, that would depend, Mr. Chairman, on who the person was or who the organization was. If it is a Crown corporation of course they would be answerable to the Government of Canada, and to the provinces that are involved heavily in the fishing industry. But to give it to private enterprise, Sir, in my opinion, would be very dangerous. To give it to one big company like Fishery Products, in my opinion, would be creating a monopoly and would just be creating another monster and would be very dangerous indeed.

MR. SMALLWOOD: If the hon. gentleman will allow me, you cannot give a monopoly of that kind to a private profit making outfit. If you give a monopoly it has got to be a Crown monopoly such as the Salt Cod Fish Corporation. Why could there not be, and I am sure this is what my hon. friend is advocating, another Canadian Salt Cod Fish Corporation?

MR. W. CARTER: Why not have the export licencing policy that has been expounded by Ottawa, where there may be six or seven export licences in the whole of the Atlantic area?

MR. NEARY: Well, Mr. Chairman, the weakness in that is that the companies that will get these licences, and there may be two or three in the Atlantic Provinces, possibly two, will have the small fish plant operators at their mercy, and you cannot have that, Sir. They are trying hard enough now to create a monopoly of their own, to shut down the small fish plants. And, you know, Mr. Chairman, in my opinion, I do not know whether the minister agrees with this or not

MR. NEARY: that we need more small fish plants around this Province despite the fact that Ottawa says No, phase out the small fish plants in this Province.

MR. SMALLWOOD: But only on the question of quality.

MR. NEARY: Well on the question of quality and on the - well on everything else that goes along with it but - you know, Mr. Chairman, let us take a couple of examples and I can use my own district to illustrate the importance of these small fish plants.

You have T.J. Hardy in Port aux Basques who is operating a plant who is beholden to nobody. T. J. Hardy -

MR. SMALLWOOD: And if we had titles we should make him an earl or a duke. We could not give him an honour high enough.

MR. NEARY: Well that is right, Sir. Port aux Basques is heavy CN, as the House knows, but you have this fish plant there that goes pretty well unnoticed that is creating a lot of employment and bringing a lot of revenue into Port aux Basques, and this gentleman is completely independent of government or anybody else. This gentleman has operated this plant successfully on his own. And you have the same situation not too far away down in Margaree where you have a gentleman by the name of Gabe Billard. Gabe Billard, Sir, is completely independent of government, keeps two communities going, Fox Roost and Margaree, all in the fish plant. There may be some of the people who live there work with CN up in Port aux Basques -

MR. SMALLWOOD: No government loans?

MR. NEARY: No government loans, nothing.

MR. SMALLWOOD: Provincial or Federal?

MR. NEARY: Last year doubled his production.

MR. SMALLWOOD: No Federal or Provincial?

MR. NEARY: No Federal, nothing, Sir, There may have been a couple

MR. NEARY: of small loans years back which were paid off or being in the process of being paid off but completely independent, flying fish down to the United States, down to Pasadena, up to Montreal. The House does not know a thing about it.

MR. HICKMAN: I know about it. All the more reason why we should never let government get their hands on marketing.

MR. NEARY: So, Mr. Chairman, these people do have marketing problems.

MR. SMALLWOOD: That is not a good argument.

MR. NEARY: That is not a good argument. And then we have Eric King in Burnt Islands, who lost his fish plant in a fire, who is now struggling trying to get the fish plant rebuilt, has a temporary operation set up in his herring plant and was shut down by the federal bureaucrats there a week or so ago, fought back and got her opened up again and is still striving to get that fish plant rebuilt, flying fish as far away as Pasadena, as - what was the other place I mentioned earlier?

MR. SMALLWOOD: Fox Roost.

MR. NEARY: No, Pasadena and - oh I forget the other place down - but flying it down, Sir, successfully and I saw orders that they have from supermarkets, from distributors in the United States and they cannot supply the fish. And here you have -

MR. SMALLWOOD: I do not want to interrupt the flow of my hon. friend's argument and it is a difficult thing to do anyway because he is so tenacious, he knows his argument: Could I ask him this question. You have in the United States a vast and wonderfully powerful marketing agencies, like A and P, Atlantic and Pacific Tea Company, and other great chains that market. Would you not have some smaller rather piratical types that are trying to market who can only do it if they can get supply, get it from small people in Newfoundland or somewhere else to enable them to sort of pirate the market which is not enduring, you see. If you do not get tied in with the great marketing bodies in the US it is pretty

MR. SMALLWOOD: risky to get tied in to the smaller ones who may not have any great tenure, any great life ahead of them.

MR. NEARY: Yes, Sir, I think that is probably true. What is happening - I will tell you how Eric King Fisheries in Burnt Islands got one of his orders from - not Pasadena, from the other place I am trying to think of, I will think of it in a moment, how he got his order; there were tourists down in Burnt Islands, just wandering around and went into his fish plant, bought some cod fillet, took it out, cooked it, thought it was the most delicious fish they ever tasted in their lives, they went back to their hometown, they were telling their friends about it and one of them happened to be in the supermarket business who wrote Mr. King a letter and asked him if he would ship down ten

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thousand pounds on an experimental basis. And the next thing you know he has got a big order for fish. And not only that, but then the word started to get around with the other supermarket chains, and they wrote him and asked him if they could buy some fish. He cannot supply it. And so the hon. gentleman -

MR. SMALLWOOD: Sounds good.

MR. NEARY: - from Twillingate (Mr. Smallwood) may be correct. It may sound like piracy, by-passing the big distributors of the cod blocks of the Newfoundland fish, but we have not tapped the market. We have not tapped the markets at all, Sir, anywhere in the world.

MR. SMALLWOOD: If the hon. gentleman will allow me again, we know that Unilever in England are the world's mightiest manufacturers of margarine, and they have been flooding Newfoundland for a good many years. The late Frank O'Leary got connected with a small outfit in England who were making margarine, and he got the agency. And so long as he did not try to sell too much in Newfoundland the Unilever gigantic trust left him alone. They let him alone. They did not bother him so long as he did not push it too far. Now we have to watch that our fish does not get into the hands of that kind of crunch, if the hon. member will follow me there.

MR. NEARY: Yes, I do follow the hon. gentleman, Sir, and I must say that I completely agree. But the thing is that I am not sure if this argument of tariffs being imposed on exported Newfoundland fish - or Canadian fish, I suppose, we are talking about - if that is a valid argument or not. We have ways, the Canadian government have ways to fight back and to retaliate if necessary. But I have a feeling, Mr. Chairman, that there is a demand in the world, where you have so many millions of people starving to death in a protein hungry world, there is a demand for our product. And I do not believe that there would be any tariff, any obstructions, any obstacles thrown in our way if we approached it in the right way, and that is why we need further



Mr. Neary.

processing in this Province. We need smokers. We need canneries. We need them all over the place. We need to be able to produce the amount of fish that is required by the Canadian government to supply to the undeveloped countries of the world. They cannot even put a dent in the requirement, in the need. They cannot buy it in Newfoundland or in Canada. They cannot get the fish, the quotas that they have allocated for the undeveloped countries of the world. Of course, it has to be canned or it has to be salted or it has to be pickled or put in bottles or -

AN HON. MEMBER: The price is good.

MR. NEARY: And the price is good. Ah, the price is excellent, Sir.

Now, Mr. Chairman, I only have another minute or two and what I would like to do now, Sir, before Your Honour tells me that my time has run out, I would like to impress upon the minister again the need for doing an inventory of all the ships and boats and vessels and gear and facilities that we have in this Province at the present time with a view, Sir, to eliminating to a certain degree all the moonlighters. Right now at the present time, Mr. Chairman, we have a large number of Newfoundlanders who were former fishermen trying to get back to the fishery. They left the fishery, and they went into the construction industry. They went working in Come By Chance and in the linerboard mill and all the other industrial projects that started up in Newfoundland. Now the only thing they have facing them again is the fishery, and they want to get back to the fishery, but they cannot get licences, and they cannot get boats, and they cannot get gear, because the federal government has clamped down on licencing. And you have all kinds of licences floating around the Province by people, by so-called fishermen who never put a hook in the water from one end of the year to the other. They have got the licences tied up, and I believe it is time, Sir, for the Provincial Government and the Government of Canada to get their

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heads together and to do an inventory of all those people in Newfoundland who hold licences who are not using them, who have boats but are not using them and who have gear and are not using it, and eliminate them - for instance, the taxi driver who has a salmon licence - and get down to brass tacks. And if there is going to be a fishing industry, let us make it a fishing industry. If we are going to have professional fishermen, let us have professional fishermen. The Government of Canada tried to, by issuing licences, tried to eliminate the moonlighters, but they have not succeeded, Sir.

Mr. Neary:

some of them are still at it. And I believe the only way to get at the root of the problem is to do a complete inventory of all the licences that have been issued in Newfoundland, to see if they are being used, and if they are not used take them back and give them to the man who is now a full-time fisherman or who wants to become a full-time fishermen. That is one thing, Sir, we will have to do. And I think the minister will agree we have to do an inventory of all of the boats we have.

Now, Sir, I hope that the minister will tell us too when the minister gets an opportunity to get on his feet, tell us about the central port. What is this all about? Is it going to be in Argentina? Is it going to be in Mortier Bay? It is a new concept. It sounds quite interesting and exciting, but we do not know very much about it. How far are the plans advanced? And where will the pilot project take place? Will it take place in Argentina? Is the minister planning on using the refrigerated facilities that have been left behind on the North side of Argentina by the Americans? Or will that property be turned over to the Provincial Government? Or are we going to have to wait another year or two before Ottawa makes up its mind what it is going to do with that property? It is something else, Sir, that we would like to know about.

And we would like to know, Sir, also - I must say, Mr. Chairman, with all due respect to the minister, and I have a great deal of regard and a great deal of respect for the minister as the minister probably is aware, but, Sir, the weakness in the minister's argument so far that everything he said sounds exciting and interesting. But, Mr. Chairman, we have not seen the plan of action. We have not seen the master plan for the development of the fishery either short term or long term. And this is the criticism, and this is the weakness in what the minister has been saying, and what the Premier has been saying, Talk is good, Sir, but what we want is action, and we want to see the plans. How many boats are we going to get from Europe this year, for instance? Does Ottawa approve of it? What kind

MR. NEARY:

of boats will they be? What kind of boats are these multi-purpose boats that the minister is talking about? Where will they get the licences now that the Federal Government have a freeze on dragging licences? What will happen to the gillnets? Will they be eliminated altogether? There has been so much criticism of the gillnets since they were introduced in this Province. These are the kind of questions and this is the kind of information that I would like to see the minister put forth. Spell it out in black and white and say here is our master plan, here is our critical path of action for the future, And so far the minister has not done that. Anybody can get up, Sir, and talk in terms of motherhood, and say, Yes, the fishery is going to be the Saviour of Newfoundland, the fishery is the only natural resource in this Province that has any chance for survival, it is going to create employment, But will our young people go back to the fishery? How are we going to get them back to the fishery? How are they going to get licences? How are they going to get their gear? How are they going to market their product? Where are the vessels going to come from to catch the fish, to get the foreigners outside the 200 mile limit, get them off our high seas altogether? These are the answers, Sir - or the questions that we want answered. And the only way the minister can answer these questions is to say, Here is our master plan. Bang! We are going to do this next, this six months from now, this a year from now, get on a critical path.

MR. CHAIRMAN: Order, please! The hon. member's time has elapsed.

MR. NEARY: Thank you, Sir.

MR. CHAIRMAN: The hon. member for Burin-Placentia West.

MR. P. CANNING: Mr. Chairman, I have listened with attention, I have been very attentive to the previous speakers. When the member for Twillingate (Mr. Smallwood) was speaking he brought back old memories of days when he let forth here with concept, great dreams, a lot of it came through. We did a lot of good. There was nobody going to try to take away from the previous administration anything they had done. But looking back over it and knowing what happened to the fishery since 1966, I have been wishing and hoping or I had been

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Mr. Canning:

imagining what would have happened if that great gathering of those  
great men who

MR. CANNING: put forward this great brief that went to Mr. Pierson and that ever the Minister of Fisheries of today has somewhere. It is too bad that in 1956 there was not a big gathering like that of men who were in touch with what was going on, of men who knew what was happening on the banks, or a group of men who already had seen what had happened in places like Georges Bank, the Browns Bank, the Flemish Cap, and you name it, where the fish had been destroyed. When those people were here then there were, I suppose, 1,000 foreign draggers in our waters raping our fishing grounds and destroying them. I would say the senior member of the crew aboard a Grand Bank trawler knew well that the fishery was going to come to an end. They told us. I bet the member for Grand Bank (Mr. Hickman) heard it a hundred times, when fellows came along to him in the streets and said, "Mr. Hickman, I do not know what is going to be the end of it. The Russians are out there and the Poles are out there, you name them. We can hardly fish. They are in our way. They are almost running us down. Mr. Hickman, we have to go somewhere from here. We will have to go away because there will be no fish left out there. The fish is being destroyed."

While the federal government slept - I suppose it was only a minor detail in the great United States, the fishery. I do not think it was minor but perhaps they so looked at it in that great country - but the great country of Canada, the growing country should have then been making the approaches they have made in the last few years. We should have had the 200 mile limit before the fish were destroyed.

Again with our longliners, our 700 longliners, and the mention of the Danish seiner, Mr. Chairman, we must, if the Danish seiner that was such a wonderful boat, that suited our needs, and I guess it was I would right here, now, today look back and say, Well, we had good ideas

MR. CANNING: then, we built 300 Danish seiners and placed them around the coast of Newfoundland and they have been fishing successfully ever since. But when I look back at the 700 that rotted on the shores of St. Mary's Bay, and the shores of other bays, there was something pretty radically wrong.

MR. SIMMONS: How many? How many?

MR. CANNING: He said we built 700. 700, the whole 700 of them.

No, Mr. Chairman, we have been on the wrong track right down until now. I have a feeling of relief at the present moment. The last speaker, the member for LaPoile, and the members for other places, want the minister to be doing it now, to tell them what he is going to do now. I say, Give him time. Give him time to approach this serious situation with out fisheries. They have suffered long enough. They have been seen-off long enough. We have seen our fishing grounds raped. At long last there is an international agreement. It was not easy to bring about. A lot of us do not understand it fully yet, the implications of it. We complain of the quotas and at the same time we just do not know, or we do not understand perhaps, or it has not sunk in that Canada had no alternative but to make some bilateral agreements, some agreements with the other nations to bring about the 200 mile limit.

It was encouraging today when, I believe the minister or somebody else spoke of it not being long before we have full control of the Shelf. When we do, Mr. Chairman, and if we approach it properly, as I now think we are doing, I think there are great days ahead for the fishery.

On this 200 mile limit, it was quite evident, in recent months, among the fishermen and those who are out there who know what they want and know

MR. CANNING:                    where they have to go to get fish, that we ourselves in Canada are going to have to make other limits. I think we will see three areas where there are limits. I think we will have mid - what shall I call it? - a near offshore area where we will have sixty to eighty foot longliners fishing. At the same time, with the inshore fishery, the two of them cannot operate together. One has more powerful boats,



Mr. Canning.

more gear coming in over the grounds, cleaning up the grounds for the small boats, sometimes entangling the gear and sometimes, of course, dragging it. We are going to have to keep our own draggers off from the shore. I do not think these agreements are finished yet. I think there has to be a lot of work on them when we get ready to be able to take the maximum advantage of the fish when the fish is back to where it is fairly plentiful. I do not think it will take too long, because the reports I have been getting in from the States and from people I know who are fishing up there, that they are already feeling the effects of the limitations of the cut down in fish catch and areas where there is no fishing at the moment, that the fish is already becoming more plentiful. And even in our own grounds, the 200 mile limit is taking effect already of something most people forget, that our draggers today got more space and more area, more room to operate, the big draggers, the stern draggers on the Southwest Coast which the previous government brought in, and nobody should give any more credit to them than I for that. I said the other day here in the House that the stern dragger did revolutionize, when it came in to my district, revolutionized the whole fishery, changed the outlook of the fishery on the Southwest Coast completely. It was the first time that our fishermen were happy with their accommodations. They were happy with their agreements with the companies. They were happy if they were covered by insurance. They were happy that they did not have to go out in the storms and the sleet and the ice to handle frozen nets. They are not out on the deck very much. So we have made great strides.

But, Mr. Chairman, it is no good of me getting up here and saying that we did the great things. It was a right thing at the time. I think it is time for us now to look back. Some will say that this is water under the bridge. It is water under the bridge, sure. It is gone. But let us learn from our mistakes. I hope the minister who was on this side of the House when some of those mistakes were made will be man enough to admit there were mistakes. I shall as long as I am here.

MR. CANNING.

Because, Mr. Chairman, most of them knew they were mistakes when they were made. But my voice here was a voice in the wilderness usually. Perhaps if I had to come in from some office in St. John's or from some big firm, if I had been a lawyer before I came in or I was the son of So-and-So or had a great background of business or something like that I might have been listened to. But I just came from a place where people fished, struggled, lived by it, knew how to do it up to the point of any knowledge they had access to. So it was not listened to. I still remember here one time being so discouraged with the destruction of the fishery that I made a suggestion here, if there was nothing going to be done about it, for God's sake let us get out and kill it while it was there, help to kill it and not to have the foreigners come and take it. These are things that I would like to have had happen down through the years. I do not understand why they did not. I am sure that the minister in Ottawa today must look back at the previous administrations and previous ministers and say, Why in the name of God did they let us destroy that most valuable fishing ground in the world? There are no other Grand Banks in this world that I know of. And I have travelled, and I have sailed two-thirds of it, not fishing, under worse conditions. But I have seen from here to Africa, and around the Indian Ocean I have seen men fishing. And we who were in the Navy, who came from fishing settlements, who were interested in it, we asked questions, we knew what was going on. And often I thought to myself even though in the darkest of Africa with the means they had in that time, I often said to myself, Well, my God -

MR. SMALLWOOD: Where?

MR. CANNING: Dark Africian Coast.

- I often said to myself, My God, look at those draggers coming in there. I saw draggers down on the Coast of Africa, particularly at Cape Town, in that area there. I do not think I knew before I went overseas hardly what a dragger was. In 1939 I do not think we had draggers up our way. I think it was 1940 Fishery Products came in.

MR. HICKMAN: We had one, the Cape of Gulls

MR. CANNING. I knew the Cape of Gulls. I was aboard it as a young fellow, looking at the big nets that were there. She was not fresh fishing. She was salt fishing out of St. John's here. I remember here. I am old enough for that. And I did not see anything like the way we were fishing until I got up somewhere near Galilee, I suppose it was, and they were still fishing the same as Peter was fishing when he went off - instead of fishing for fish, he went of fishing for men, and for souls or whatever he did. It was the only place that I saw this hook and line and this

MR. CANNING: miserable way that I had seen. But anyway, Mr. Chairman, some time ago here in the House, last year, I got up here one day and I spoke of the hon. member for Twillingate (Mr. Smallwood). I think I said something like, well I would like to see him over on this side. And I did. And in the evening when I went out I heard that the hon. gentleman's long-time friend made a scalding attack on him. There was no scalding attack, I can assure you. I do not want that to come out this evening because I can assure you this much, whatever he may think, however much in contempt he feels towards me for some things I said today, I will tell him this, Mr. Chairman, among all the men he had he had no one more loyal to him, nobody more admired him for what he did, nobody more co-operative for him, I never made any demands on him, I never gate crashed to try to get in to his Cabinet. I never asked him to go into his Cabinet. I admit there were times I was hoping he would. There were times when I was hoping he would when he would take in fellows who were Tories. He would win them over somehow or other and he would get them in and he would make Minister of Fisheries of out them, and when he would get in he was not the Minister of Fisheries I wanted to see in here. He did not have the go or he did not have the ideas. Then sometimes perhaps in my heart I was wishing I was in his place. But never once did I make any demands. And I will tell you something else, Mr. Chairman -

AN HON. MEMBER: No animosity.

MR. CANNING: No animosity whatsoever. I will tell you something else, Mr. Chairman, there is no one in this House today at this moment who appreciates any more, who knows and who understands and who went through it, what that hon. gentleman did for this Province. I am not going to go into it because time does not allow it. All I know is when I went out in the district what I was faced with was trying to get people into the sanitorium, dying with TB. I was trying to get men in for a wooden leg who would be making their own out of the planks of their old boats in some cases and things like that. Well, I suppose most people have forgotten and the young crowd growing up do

MR. CANNING: not know anything about it. Sometimes I wonder should they know and there are other times I wonder should we tell them. It is not very nice to look back at. But I can assure you the day that I gave up the idea of teaching and went in with him I knew quite a bit about politics for that time, at that particular time, for where I was brought up and where I moved around.

First of all, I think I knew quite a bit about world politics. I had seen the world. I had seen the dockyard people in Egypt who were under British rule, or under British domination, paid by the British, working for two and three ackers a day, that is four or five cents, if it is that even. I had compared the other colonies to ours. I had seen all that. I had been fortunate enough to get ahead a bit in school, except to finish it. I had to go Overseas first and come back and take advantage of allowance a bit. I understood it. He took me out of Memorial, there is one thing that I did, I would like to tell it now, go on record, because perhaps he now should tell some things to put on record. I think he was trying to record some things this afternoon, and quite rightly so. But I still got my feelings towards these things, these big meetings. I think it should have been, you know - should have borne fruit anyway.

But I knew enough about Newfoundland politics, I was not very old. I had never voted. The first time I voted I cast it was myself; freely, gladly, voted for myself. I had not voted but I knew this much about politics, that any Premier who takes over a Province, any Premier, the first thing he wants is loyalty. He wants men who are loyal. He does not want to go to bed in the night wondering, Am I going to have them tomorrow? Because if he does it is an awful life. It is just terrible to think about it when a man cannot depend on the men with him. I made him that promise and I kept it. I kept it. I kept it further than that. I kept it on after he was not Premier. I think I followed him to the cliff. But when he went for Liberal Reform I thought

MR. CANNING: he was gone over it and I did not follow him over the cliff. So I hope that I have not conveyed the impression today that there is any attack on him. I can attack the system because the present minister is going to have trouble with the system. He is going to have trouble with

MR. CANNING: politics. He is going to have trouble with the government. He is going to have trouble with his Cabinet ministers. It is an awful system, I think, that we are under; it has to change. I do not think I will see it, but I hope there will be changes. Our system of democracy in the Western world is not working to the benefit of this part of the world. How it changes or how we get away from what we call politics - playing politics with the fisheries, playing politics with anything else - \_\_\_ is something I suppose has to come that I cannot foresee or I would not be able to make the changes at the moment.

But, Mr. Chairman, I know the minister knows what I was just speaking of before I went off on this tangent, is that we are going to have to have regulations with at least three areas of fisheries - three areas of the ocean. We are going to have to have an inshore limit and we are going to have a near shore - whatever you might call - inside the Grand Banks for the different size boats. I am hoping that there is quite a bit of money to be spent on longliners this year. I cannot say I hope it will be spent - I hope it will be spent wisely. I hope that the planning will be good, that we will build the proper boats - there are times we have not, we have built them uneconomically. Some of these longliners became uneconomical a few years ago. Today with the fish prices again, with the changes, it may become economical to operate them again. Our multi-purpose boats we have at the moment, the three we have are successful; I have watched them with keen interest, but they are going to be \$1 million, \$1½ million, \$1½ million boats if we start to build them. It is six hands - something like that - six people. I mean, where do we go from here with the boat? It is a difficult decision. I do not know if we should - I often wondered how people in the past have built schooners that I do not think ever sank from rough seas. I think they either got old and foundered or they were run-down or ran into ice. We have had Newfoundlanders who built schooners they drove across the ocean. I do not know if there are any of the builders left, but there may be some of them on the northeast coast, perhaps some of them on the southwest coast, but they are going out fast. I am wondering if the minister should not make inquiries or throw out invitations for people to make

MR. CANNING: suggestions about the boats you build for the inshore or the near-shore, because I think the best boat that ever was built in this world was the Grand Bank schooner, or even the near - the thirty ton or the forty ton schooners. I do not know in my time, I just do not remember a schooner getting into rough seas and going down. They probably did, but in most cases the accidents I know of, and there were thousands - some of them, of course, were mysterious - they went, and we can guess today it was probably icebergs or probably run-down.

But we had very few times when there was enough water under our boats, our own boats that we built here with our own wood - and I am not suggesting we do that now - but what we built, hauled out of the forest, I think we had very few instances where actually the cause of the boat - they knew how to build them, they knew the buoyancy they should have, they knew the draughts they should have, and they really could take a good knocking. And naval architects - I know something about them, I sailed in ships built by the naval architects - sometimes they built good ones and more times they did not. I saw lifeboats that were built during the war by naval architects and were not seaworthy, they had to be condemned. So I think yet, if we still have some of those men, I think that if we get them into the Trades College or somewhere - the Fisheries College - discuss the boats with them and we may be able to produce one of our own. But I do not know, because those men, our great builders, are old now. A lot of them are gone - they have passed on - and those who are still with us are getting up in years and they are probably not prepared to plan a boat for us for today.

MR. CHAIRMAN: Order, please! 1401-01

The hon. member for Twillingate.

MR. SMALLWOOD: Mr. Chairman, the hon. gentleman who just sat down has brought back to my mind some very pleasant recollections. I remember negotiating with a certain gentleman to run in the district of Placentia West as the candidate under my leadership in the first provincial election.



Mr. Smallwood:

He was an admirable man, but he said, "No." He said, he wanted to run in the district of St. George's. I said, "Well, you cannot run there because my friend, W. J. Keough, is running there." "Well," he said, "If I cannot run in St. George's district I am not going to run." "Well," I said, "Now look, Placentia West voted pretty heavily for Confederation. I believe the people up there will support me, and it is a seat and you can win it." He said, "No, I will not." He was a man who belonged, a native of Bay Roberts, a well known man over in Bay Roberts. He was extremely well known. I believe he was a magistrate. I cannot bring his name to memory at the moment.

AN HON. MEMBER: Jack Dawson.

MR. SMALLWOOD: Jack Dawson. Magistrate Dawson. Mr. Dawson changed his life's career by saying no. By insisting that if he was going to run for me, it would have to be in the district of St. George's. And my dear friend, one of the dearest friends I had in the world, Bill Keough, was going to run in St. George's-Port au Port, which at that time was one constituency. So I was left without a candidate for Placentia West. I do not remember who told me of a bright young fellow at Memorial University who had been, I forget what rank he had, he had some rank in the Royal Navy, and was a war veteran and if I can get him, he was a native of the district and he would be a good member. So I sent for him and he came to see me, and his name was Canning, Patrick Canning, a native of that -

MR. CANNING: A good Irish name.

MR. SMALLWOOD: A very good name, and a very good district, and a very good man, and he agreed to run, and he ran. He was elected. He was elected quite handily, and in the House of Assembly he delivered a speech, and it was his first speech, Mr. Chairman, and I have spoken of this before, and I have told the House several times before what I am going to say now, that on that occasion he delivered a speech which I felt came out of the heart of all the fishermen of the

MR. SMALLWOOD:

West side of Placentia Bay, not only the West side, but the East side, and not only Placentia Bay, but came out of the hearts of all the fishermen of Newfoundland. I do not think that there has ever been delivered in the House of Assembly a speech that came so much out of the hearts of the fishermen of this Island as the speech that he delivered that day. Now no speech that he has ever delivered since equalled that one. And that particular speech could well deserve to be in any anthology of the best speeches delivered in the House of Assembly since the coming of Confederation. I have paid this tribute to him before, and I glory in doing it today.

Earlier in my speech today, Mr. Chairman, I have cited some ten, twelve, fifteen, I believe perhaps seventeen actions that were taken by my administration of the Queen's Government of this Province in the field of fishery development. And I cite one or two others, and then I conclude. It was not the Danish siener, not the Larson mid water trawl, not the longliner, not hydraulic gear hauling, not electronic fish detection equipment, not community stages, not marine service stations, not loans to fishermen, none of these, not the various royal commissions, not the formation of The Newfoundland Federation of Fishermen,

Mr. Smallwood.

not the starting of the College of Fisheries, none of these, Mr. Chairman, is the greatest contribution of my administration to Newfoundland's fisheries. The single greatest contribution was our success in persuading the Government of Canada that they ought to provide capital aid to Newfoundland's fisheries, to put tens and subsequently hundreds of millions of dollars of Ottawa money in the development of the fisheries. That accomplishment beggars description. I would say that if that had not happened our fisheries today would be a dead issue. And I believe that the very first, next only to myself, who would pay tribute to Ottawa's contribution to the survival of our fisheries and the expansion and the growth of our fisheries and the prospects for the future of our fisheries would come from the present Minister of Fisheries. He would be a desolate man, a desolate minister, if he could not count on a continued stream of money from Ottawa to assist in the fisheries of Newfoundland.

Mr. Chairman, under my leadership the government of this Province introduced longliners, surely one of the greatest advances in all our fishing history, almost as great as the introduction of the cod trap by Captain Whitely down in Blanc Sablon, one which was perhaps the greatest single early invention and advantage to the fisheries. Next came the engine.-

CAPT WINSOR: There was nothing equal to the old conventional cod trap until the Japanese improved it.

MR. SMALLWOOD: - the engine, the introduction of the engine. And then the introduction of longliners, which we did, over 700 of them, and over 1,200 other boats that we provided for the fishermen for a total of nearly 2,000 boats and 3,000 engines - we did that - the Larson mid-water trawl, the Danish seiner, hydraulic gear hauling outfits. If the fishermen of fifty years ago could come back and see hydraulic gear hauling equipment in use, they would not believe it. Then the electronic fish detection gear to find out where the fish are. What a revolution that was in our fisheries! Community stages, marine service stations, the missions we sent to the fish markets, the missions we sent

Mr. Smallwood.

to the fishing countries to find out what they were up to, what were they doing that we might perhaps do to advantage. Subsidize freighter taking fish to the markets in the Caribbean; the royal commissions we appointed to investigate the fisheries; the great fisheries development conference that lasted for three days; the College of Fisheries, 34,000 Newfoundlanders - well say 33,000, there may be 1,000 foreigners from all around the world - but 33,000 Newfoundlanders who have passed through the hands of that Fisheries College; the formation of the Newfoundland Federation of Fishermen, and tens of millions of dollars poured into sixty-three fish plants in fifty-eight settlements in Newfoundland.

Now, Mr. Chairman, can any member of the House of Assembly honestly believe

Mr. Smallwood:

after our record of thinking, innovating, inventing, working for our fisheries and for our fishermen, as I have just outlined, in a bare outline, can any hon. member of this House believe that we were uninterested in the fisheries, unconcerned about the fishermen, ignorant of the basic, the fundamental importance of our fisheries, that while we were striving by might and main to develop other resources of our Province, we for one moment lost sight of our great original industry that brought us into existence as a people, and kept us alive for over 400 years our great and historic fisheries?

No, Mr. Chairman, we did not lose interest in the fisheries. The government did not. But be it remembered that when Confederation came and money, cash money, poured into Newfoundland in dozens, in hundreds, and eventually in thousands of million of dollars from Ottawa, when that happened we did not lose interest in the fisheries. The people who lost interest in the fisheries were the merchants, the people that I called and condemned at the time, repeatedly I condemned at the time as the tin pan peddlers, the waffle iron salesmen, the merchants to whom the smell of fish suddenly became distasteful as the dollars from Ottawa had the aroma of sweet smelling roses.

I remember how again and again in public speeches in this House, on radio, and subsequently on television I appealed repeatedly to merchants and fishermen, both, to come and borrow money from the government to build boats, get engines, fishing gear, stages, flakes, fish plants, draggers, and all the rest to keep the fishery going and develop it. Again, and again, and again without end I appealed to them to come, We have the money. But, Sir, they were much too interested in selling waffle irons, or getting jobs at building schools, hospitals, roads, industrial plants, or almost anything else that paid better cash wages. And maybe you cannot blame them after centuries of a near slavery, a near system in our Newfoundland fisheries.

And, Mr. Chairman, a lot of the interest in the fisheries today in Newfoundland is second choice. The minister knows that. A lot

Mr. Smallwood:

of the interest we have today in the fisheries is second choice. They would infinitely rather work on the roads doing paving, building schools, building factories, building oil refineries, infinitely they would prefer that, and the fisheries are a second choice, which is a grievous pity, a grievous pity, a lamentable short-sightedness on the part of our people.

I have often wondered, Mr. Chairman, of what Sir Edward Morris thought- he could not possibly over-take it, because as Mark Twain said, "A lie can get half way around the world before truth can pull on its boots to chase after it to run it down - what must Sir Edward Morris have thought when it was thrown up interminably thousands of times in his career that he had said, he had promised that he would make the Southside Hills white with sheep. A brilliant man, a brilliant man, a university graduate, a lawyer, a brilliant man! Can anyone imagine he would be should a clown, such a fool, such an ignoramous, Ned Morris, as to say that he would make the Southside Hills white

MR. SMALLWOOD: with sheep? There are people living to this day who believe that he said it. There are people who believe to this moment that Coaker said he would make the grass grow on Water Street right up through the cobblestones. And there are people today in Newfoundland who believe that I said to the fishermen they should burn their boats! There is just as much truth in the one as there is in the other two. There is no truth in any of it. And I often wonder if Sir Ralph Williams really did say as he went out through the Narrows, making his final departure from Newfoundland, 'Good-bye, you poor Newfoundlanders. You are dirtier than the Boers!' I do not believe he ever said it.

MR. NEARY: Who was it said we were too green to burn?

MR. SMALLWOOD: Well, Sir Alfred Morine was supposed to have said that. It is highly improbable that a Nova Scotian coming down here and asking Newfoundlanders to take him to their hearts and elect him and make him a powerful minister of the Crown, that he would say that Newfoundlanders were too green to burn. You know, a green starrigan.

MR. NEARY: Every prime minister has to have some kind of a skeleton, something that they can tag on to.

MR. SMALLWOOD: I will probably never again in this life speak in this House on the fisheries.

MR. ROUSSEAU: Will the hon. minister -

MR. SMALLWOOD: I am not a minister. Will the hon. gentleman remember please, I am no longer a minister.

MR. ROUSSEAU: The hon. member.

MR. SMALLWOOD: More is the pity I am not - I should be. I should be the first minister, but I am only a humble backbencher over here on the Opposition side. And so, will the hon. minister address me correctly?

MR. ROUSSEAU: Would the hon. member and Privy Councillor - When is the hon. member alleged to have made that statement? Because I have been talking to a few people and nobody seemed to recall when it was made. And I think the hon. member would wish not to have that on his record. And I have talked to a number of people -

MR. SMALLWOOD: I thank my hon. and dear friend, but he is living in a world of his own. He is the only Newfoundlander who has not heard it said that I had called on the fishermen to burn their boats.

MR. ROUSSEAU: I used the word 'alleged'. I did not -

MR. SMALLWOOD: Living too long down in Labrador - just out of touch with the realities -

MR. ROUSSEAU: When was this supposed to have been said?

MR. SMALLWOOD: - what went on in Newfoundland. Well, this is probably the last speech I will ever make in this House on - not the last speech - but the last speech on the subject of fisheries. Let my last remark be that never in this life did I think, never in this life did I wish, and certainly never in this life did I say to the fishermen that they should burn their boats!

MR. CHAIRMAN: The hon. minister.

MR. ROBERTS: Mr. Chairman, I will yield and the minister can get back later, or if he -

MR. W. CARTER: No, go ahead.

MR. ROBERTS: Mr. Chairman, I thank the minister for his courtesy in yielding.

I would like to say a few words on the fisheries. We are still on Q1-Q1, are we not, Mr. Chairman -

MR. CHAIRMAN: Yes.

MR. ROBERTS: - the debate on the minister's salary? And I predict the minister will get his salary, and indeed, I would go so far as to say - and the minister may be somewhat surprised to hear me say this - that I think the minister deserves to get his salary. I was present earlier in the House during the morning part of the session and there were a lot of bouquets being handed back and forth. I gather there have not been altogether bouquets passed back and forth this afternoon, but I would like to say right at the outset that the minister of fisheries, the gentleman from St. Marys - the Capes, is doing, I think, a very creditable job as Minister of Fisheries. I certainly do not agree with everything he does, I do not agree with all of his policies, but I think I can say he is the



MR. ROBERTS: \_\_\_\_\_ the first Minister of Fisheries in the present administration who has had - or has shown, I should say: the others may have had it, but they did not show it - the first minister in the present administration who has shown any concern or any sympathy for the fishermen of this Province or any desire

Mr. Roberts.

to do something about the problems which confront the fishery. I only have twenty minutes. I will not go into cataloguing the sins of omission or commission of his predecessors, Mr. Crosbie, the gentleman from Gander (Mr. Collins), Mr. Roy Cheeseman, I know not who else - the Premier, briefly and ingloriously, perhaps two or three others I may have forgotten. I say that quite genuinely I think the minister - let me say to the minister I am not building him up with a view to trying to let him down a little later. I think this debate has been one of the more useful ones so far in the session, and I have no doubt that the next three or four hours, or whatever we have left in the discussion of the estimates of the Fisheries department, will prove to be usefully equal. I hope that he can soon get off the 01-01 head and go on to the detailed subheadings within the main head of the estimates, because I know that a number of my colleagues have some specific points.

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: And there may well be some points the minister wishes to make as he goes through the details of the expenditure which he and his colleagues propose in Fisheries this year.

But I think it is important that the minister has taken this change. If I had made a speech like this a year ago I would not have said about the minister that I thought he was doing a good job, because I think there has been a great change in the minister's approach in the last twelve months, and I think it has been very much for the better. The minister a year ago struck me as being a man who had not realized that he had made the transition from Opposition to Government. He had served - well, I will not make any qualifications of how he had served - he had served in Ottawa. He had been two or three times elected - three times in 1968, 1972, 1974. He had three times been elected in Ottawa as a Member of Parliament. Each time the party of which he was a part sat in Opposition as it still does and it presumably will for the foreseeable future.

MR. SMALLWOOD: Say twenty-eight or thirty years.

MR. ROBERTS: Well, my friend from Twillingate (Mr. Smallwood) is being generous when he says, twenty-eight or thirty years. The present Prime Minister has not yet reached his sixtieth year, and he is certainly good for at least twenty or twenty-five years, and then there are a number of younger people to follow him in Ottawa. But the minister had served in Ottawa in Opposition, and I think I can understand having been in Opposition myself for a number of years the cast of mind into which an Opposition member often falls and to which sometimes he always falls. You know, you do get a jaundiced view, Mr. Chairman, of the events of government, the attitude of government, the approach to government. You do get a jaundiced view from this side of the House just as you do from the other side. And while I am not philosophical by nature, and while this is certainly no point to be philosophical even if I was, I think there is a lot to be said for the American system as saying that, you know, they limit their president to eight years, two terms at most. Indeed, you can go a little more than that. You can go a little under ten years under the Twenty-second Amendment but that is as long as any man or woman can be president.

MR. NEARY: Well, the present Premier agrees with that, because he says, Premiers should only serve a couple of terms.

MR. ROBERTS: Well, I agree with my friend from LaPoile. The present Premier says so and if he only puts in a few years being Premier - then we will be on the road.

MR. SMALLWOOD: But he was only kidding.

MR. ROBERTS: Well, my friend from Twillingate says that the present Premier is only kidding, and I think in the interest of -

MR. SMALLWOOD: In two terms?

MR. ROBERTS: - discretion, prudence and valour I should say nothing more at this stage about the present Premier and about the gentleman from Twillingate and the desire to remain in or stay in or get back in.

MR. SMALLWOOD: Do not believe it is because he invited me up to have a meal with him and I am invited him to have a meal with me.

MR. ROBERTS: Well, I do not mind the two of them breaking bread together, Mr. Chairman. It is the other things that they have broke together or shared together or supped together, when they supped together -

MR. SMALLWOOD: We had a glass of wine each.

MR. NEARY: The Thrée Musketeers.

MR. ROBERTS: Along those lines, Sir -

MR. SMALLWOOD: That is it.

MR. ROBERTS: I do not mind them having a glass of wine, but I want to know which of them turned the water into the wine.

MR. NEARY: The Three Musketeers.

MR. ROBERTS: I wonder if the page would do me the kindness -

MR. SMALLWOOD: Geoff did that.

MR. ROBERTS: - to get me a glass of water.

Now, Mr. Chairman, I have only a few minutes, and I enjoy the bantering and the badinage but given the fact I have only a few minutes perhaps I should attempt to stick to the point of what I want to say. I wanted to say, and I have, that I think the minister is doing a credible job. I certainly do not agree with everything he says, I do not agree with everything he does,

MR. ROBERTS: I do not agree with all of his approaches and policies, and that is fine, but I do think he is trying to be a Minister of Fisheries. I do think he has put behind him the opposition syndrome and I am glad that he has. I think the Province will be better because of it. I think the fishermen of this Province will be the better because of it. And I venture to say that even his counterpart in Ottawa will welcome it and that soon the two of them will be able to meet once again in a friendly way -

MR. W. CARTER: We met last week, boy.

MR. ROBERTS: Yes, I know they met last week. I met with the minister from Ottawa after the minister from here had met with him and so I hope the two of them will meet in a friendly way and much that is good and productive for both of them, and for the fishermen with whom each of them is concerned, will emerge.

The point I want to make, Sir, and I guess it has been touched upon by other speakers in the House, both in this debate and others, is that I think we are entering into not just a new era for the fisheries. I suppose we have had, if there have been fifty ministers of fisheries in this Province and in the Dominion that preceded it, and if there have been thirty leaders of the opposition during that same period, every one of them at some point has said we are entering into a new era or we ought to enter into a new era of the fisheries. What I want to make is a conclusion which I have been coming to over the last few years and one which I think many other people have come to, some before I did, others at the same time, some by the same path as did I, others by different paths, and that is the fact that more and more people are realizing that whatever future this Province has - I think it is a pretty good future - whatever future this Province has, Sir, that future is inextricably linked up with the fisheries, if we do not have a future separate from the fishery, that without the fishery we have little future, that with it we can have a very, very worthwhile future. I could say great and glorious, and those would be

MR. ROBERTS: true and accurate words, but the fact remains that with a fishery we can build in this Province the kind of Province I think we all want to see, without it we cannot.

Now that is a change, Mr. Chairman. It is not particularly a change in my point of view. I have been saying essentially these things for a number of years. It is not a change in some other people who said the same thing, but it is a change in the way in which the public of this Province view the fishery. A few years ago, ten, fifteen, maybe even five, I think many people looked upon the fishery as being somehow a second class occupation. How many constituents have said to me, or other people throughout the Province, that I do not want my son to be a fisherman. I am a fisherman and I am proud of it but I do not want my son to follow me into the fisheries. And I would venture that every member, certainly every member who represents a rural district has heard that.

I think it represented the collective wisdom of this Province that somehow the fisheries were bad, that they could not provide a good income or a decent way of life, and that our whole thrust of public policy ought to be to ignore the fisheries, perhaps to tolerate them, perhaps even to keep them going at certain levels, but not to look upon them as being the wave of the future.

Well, I have been around a long time, not as long as some other hon. gentlemen, but I have been around in public life just about as long as the Minister of Fisheries. I think he was in the House a year or two before I came back to go to work with the gentleman from Twillingate as an assistant and then eventually to seek election, following I might add, the hon. gentleman in the old White Bay North seat. And over the years I have heard many points of view and I have been exposed to a number of points of view. It has come through to me that, you know, all the theories about industrialization and industrial development do not have the answers. They may be good or they may be bad - and I do not want to get into that argument right now. We do not have

MR. ROBERTS: enough time. And in any event the matter is a little away from the subject of this estimate, this head of the estimates.

But I do not think we can build in this Province the kind of economy we are going to need to keep 600,000 people employed at decent worthwhile work, at decent worthwhile wages, giving them a decent worthwhile way of life unless we develop the fisheries.

The 200 mile limit is obviously a watershed. Obviously when you write the history of the fisheries in this Province, Mr. Chairman, you will divide it into pre 200 mile limit, post 200 mile limit. And the question that I think must be the major concern now for the minister, and for all who are interested in the fisheries, must be what are we going to do? How do we get ourselves prepared to take advantage of the 200 mile limit? And to my way of thinking, Sir, that is where the emphasis must lie. That is where the effort must go.

Mr. Roberts:

I suppose the first thing you have got to say about the 200 mile limit is that it gives us an opportunity— it does not make that opportunity into reality— it gives us an opportunity. But as with any opportunity, Mr. Chairman, we must seek it out, we must reach out and seize it. It is not going to fall into our lap. We now have - what the 200 mile limit gives us, I guess, in a phrase, is we now have recognized in international law the right to take as much as we can of the fish that is within the 200 mile limit, and that is most of the fish that swims in the North Atlantic, or at least on our side, the Western edge of the North Atlantic Ocean. I know there are stocks beyond the 200 mile limit, particularly on the Banks and on the margins of the Shelf, but the fact remains that most of the stocks are within the 200 mile limit.

So one thing I want to hear the minister talk about, even a little more than he has, and he has spoken of it often, but I am not satisfied with what he said, is the question of how we are going to expand our capacity.

MR. SMALLWOOD: Our what?

MR. ROBERTS: Our capacity. Our capacity to catch fish, to take fish.

MR. SMALLWOOD: To harvest fish.

MR. ROBERTS: To harvest fish. My friend from Twillingate (Mr. Smallwood) with - that genius with the right word, to harvest, to harvest fish. We do not hunt fish, we harvest them.

Our trawlers, I am told - and I went to the trouble to have somebody call the industry, nobody can get me any precise figures, the minister may have some, but I could not get them - but I am told our present trawlers are catching between one-third and one-half of what they could catch.

MR. W. CARTER: One-half.

MR. ROBERTS: The minister says one-half. Well, I do not quarrel with that. I think that may be a little on the upper edge of the estimate, but certainly a half is a maximum estimate.



MR. SMALLWOOD: What does he mean by what they might catch?

Is it not there to be caught?

MR. ROBERTS: No, no. Well, my friend from Twillingate - let me - no, no, it is there to be caught. There is now available to our fishermen or to our fishery infinitely more fish than we are catching, infinitely more. In fact, for all practical purposes given our ability to catch and to process fish, given that, the ability is unlimited, I am sorry, not the ability, the amount of fish is unlimited.

Now we now have, let us say, and I will take figures that are easy to work with, 100 trawlers, each of which can catch a quarter of a million pounds a trip. Well, make that a half million pounds a trip, the big stern trawlers, that is really a good voyage for them. So we could take with every trip of every vessel fifty million pounds, if every vessel made one trip a year - or have I lost something? No, I am right, fifty million pounds of fish, if every trawler made one trip and got a full load, 500,000 pounds each. And let us suppose, again to make round numbers, a trawler could make twenty trips a year, to take round numbers, so we are now talking fifty million times twenty, that is 1,000 million pounds of fish. And to take that, for the example, and I stress those figures are not accurate figures, those figures are just figures I have taken for example, we are now catching maybe 500 million pounds of fish. And the point is for remarkable little extra investment -

MR. SMALLWOOD: But why?

MR. ROBERTS: - we could take. - Well my friend from Twillingate -

MR. SMALLWOOD: But why?

MR. ROBERTS: - will - I will come back, we will wait, I will tell him why I think we are taking so little. But the fact remains that for remarkable little extra capital investment we can take double the fish we are taking, if our -

MR. SMALLWOOD: With more boats?

MR. ROBERTS: No, no. With the same number of boats, Mr. Chairman, but with boats coming in with a half million pounds of fish instead of 250,000 or 200,000 or 150,000 or 180,000 pounds of fish per trip at sea. The reason why we are not getting more, quite simply, is that the

Mr. Roberts:

stocks were under terrific pressure. Almost we are not able to get some of the stocks. I will come back to that point, that is the Hamilton Bank, call it what you want, but that fishery off the Northeast Coast, the far out fishery, far out to sea.

So I think the first thing we have got to do is before we start looking at bringing in expensive foreign ships, even on a charter base, even renting them for a month or two or three, is expanding not our ability to catch, but expanding our catch. And I think that that should be an aim. I realize the catch, the total allowable catch limits are set by Ottawa, but Ottawa will be influenced very much by what we can catch.

And I have taken a while to make the point, but I think it is really a very basic point. The first thing we have got to do is expand, to increase greatly the amount of fish which we take, and that is not as easy to do as it is to say. It means -

MR. SMALLWOOD: Not by increasing the number of boats.

MR. ROBERTS: We do not need to increase - if we could get maximum utilization out of every trawler we now have we would just about double our catch of fish, and we would accordingly double the amount we put through our plants.

AN HON. MEMBER: The same number of ships?

MR. ROBERTS: Now -

MR. SMALLWOOD: The hon. member -

MR. ROBERTS: I am saying the same number.

MR. SMALLWOOD: - ought to spell that out a little more.

MR. ROBERTS: Our ships are now taking about fifty per cent of their capacity, and that is the minister's figure but I agree with it. My information is the same. Ships are going out and are fishing, say, for ten days. Take one of the stern trawlers, what does she get? 500,000 pounds would be a good voyage for her. Then they are coming back with 250,000 or with 280,000.

MR. SMALLWOOD: Why? Why? Why? Why?

MR. CANNING: Because they cannot get anything.

MR. ROBERTS: Because there is too much effort. There are too many ships looking for too little fish.

MR. SMALLWOOD: But did the hon. Leader of the Opposition say a moment ago that the fish are there. We are not taking them. And the reason we are not taking them is that they are not there.

MR. ROBERTS: No. No. No, Mr. Chairman. It is not that at all. There are now too many ships. There are not only our own ships. The number of vessels fishing for those stocks in - what are we? I have the figures somewhere in this file. We are about a tenth of the fishing effort -

MR. SMALLWOOD: If there were only our boats, then we could load up.

MR. ROBERTS: Oh, my friend from Twillingate has now got it. If they were only our boats.

MR. SMALLWOOD: I am catching on.

MR. W. CARTER: Seven per cent.

MR. ROBERTS: The minister says seven per cent, the figures I had were of the order of ten or eleven, but that is catching capacity because our ships, although they are smaller, can turn around more quickly. We can make a ten day trip from plant wharf to plant wharf whereas a ship from Germany might make three trips a year and even if she is larger on a per ton day or however you want to measure. But the point is, we have great unused capacity in our catching, and we have also great unused capacity in our processing, our freezing and our cutting.

MR. SMALLWOOD: But only if there are fewer competing boats.

MR. ROBERTS: Right. But that is the essence of the 200 mile limit. We now control it. We, Canada - it is not we, Newfoundland and Labrador - but we, Canada, now control it and no nation may fish within the 200 mile limit unless that boat has first of all obtained a permit from the Minister of Fisheries at Ottawa or one of his officials. I think it is handled at the regional level.

So I think that should be the essential first point of our fisheries policy. And I think we should look at that even before we talk of renting or chartering boats for the Hamilton Bank fishery. I am very scared of the Hamilton Bank fishery. I am told, for example, that the results of the joint ventures were very valuable, the ones that were carried on last Winter. But I am told that many strange things have turned up. We have been told, for example, that the average run of the fish that is caught has been much smaller than we thought. In other words, there are not great stocks out there. Remember, this is a stock that a few years ago the TAC was 640,000 tons from memory and is now 160,000 tons. And that is also the stock -

MR. SMALLWOOD: From the same grounds.

MR. ROBERTS: - the same ground - and that is also the stock which is the basic stock from which all our fishermen from Cape St. Francis right to Cape Bauld down on the Labrador take their catch. And I am more and more inclined to believe that we ought permanently to reserve that stock for the inshore fishery. Because I think in the terms of return in labour for dollar invested and return in social terms, because the fishery on the Northeast Coast is not just an economic activity, as the former Premier, the gentleman from Twillingate (Mr. Smallwood) knows far better than I ever will, it.

MR. ROBERTS: is the guts, the heart, the life blood of the Northeast Coast of this Province. Without it there would be no Northeast Coast. Greenspond, where the hon. gentleman grew up, would not have existed without the fishery.

MR. SMALLWOOD: Would the hon. Leader allow me? When he says that the fish had turned out to be a smaller run of fish than had been expected, is he still talking about the Labrador sea, the Hamilton Banks about which the member for the shore - what is it called?

MR. RIDEOUT: Eagle River.

MR. SMALLWOOD: Eagle River, says there should not be any fishing for a few years, is it their grounds he is talking about when he says the size of the fish have turned out unexpectedly to be a lot smaller than we thought, which is terribly serious if it is so?

MR. ROBERTS: Mr. Chairman, I understand I am up to about twenty minutes. Might I have the leave of the Committee to go on for a moment or so.

MR. CHAIRMAN: Does the hon. Leader of the Opposition have leave?

MR. SMALLWOOD: Agreed.

MR. ROBERTS: I would like to carry through with this chain of argument. The answer is yes. I am told - it is not secret. I was in Ottawa last week and while there I talked to a number of people I know, some I had not met before, who tell me - and the minister may well have a more up-to-date or a more complete report than I do, but the run of the fish that has been caught I am told - one of the things that we did learn -

MR. SMALLWOOD: By those German draggers.

MR. ROBERTS: The Fishery Products - Alec Moores joint venture, the Germans, but the run of fish was smaller than they had expected, significantly smaller.

MR. SMALLWOOD: Compared with the same season in other years?

MR. ROBERTS: Now that I cannot answer but presumably yes because it was smaller than they expected, far smaller than they expected to get. It is not a big run of fish and that is shown up as well, I am sure, in Marystown at the processing, and in Harbour Grace. The gentleman from Harbour Grace (Mr. Young) is not in the Chair and not in his own seat, but I am sure can hear what I am saying; you know, the run of fish has been far smaller. In other words, it is not the great mother lode we might have thought.

Mr. Roberts.

I was not in the House when the gentleman from Eagle River (Mr. Strachan) spoke, but I agree completely and I have often talked of this. I think we might very seriously look at reserving the Hamilton Banks stock exclusively for the inshore fishery. Because the next point I want to make is that I think we should very heavily go into the inshore fishery, by which I mean the longliner fishery and the trap skiffs - I am not sure that the trap skiff has had its day. Perhaps we may need new models of trap skiffs. Perhaps we may need a covered boat with a cabin on it - but a trap boat in the sense of a boat that goes out and comes back the same day, that kind of boat. I am not so sure that it has had its day. A few years ago we thought it had. A few years ago we thought the longliner, a boat in these terms that could go for two or three or four days, that that was the answer.

MR. SMALLWOOD: We have better traps. Maybe we now need better trap boats.

MR. ROBERTS: Well, my friend from Twillingate (Mr. Smallwood) says we may need better trap boats. That may very well be. I think we do need a new model. The traditional model evolved essentially from a boat that could be rowed or sailed. And then we had the one lunged engine, the old Coaker and all the other types of engines.

MR. SMALLWOOD: Trap skiffs just go a hop and a step offshore.

MR. ROBERTS: Yes. A lot of fish are being taken still within the near distances of shore. And I again, looking upon the fishery - you know, we have two fisheries in Newfoundland, Sir. We have the deep-sea fishery, but we also have the inshore fishery, and they are completely different. They are different economically. They are different socially. They are different in the labour they produce. And the inshore fishery is far more labour intensive, and can be made more productive. I would like to suggest as well - and this may not be new to the minister - what about the possibility - and it is an idea that has been put to me - of keeping, say, LaScie or Twillingate or even possibly St. Anthony

Mr. Roberts.

on the far Northern tip of the Peninsula open the year round with ice-breakers. Now this is something that was new to me, and it is an idea that really grabs me. Our plants only operate now in the North for four or five or six months. The plant at St. Anthony, which is the most Northerly in the Province, the most Northerly on the Island as well, operates - it is open now, but only dragging in what fish it can from Port au Choix, and it will operate until September or October and maybe a little later. But what about keeping those plants open later, not by keeping each harbour open - there is not enough money in Ottawa to do that - but by possibly keeping one harbour open and taking advantage of the roads. You know, we could put fish ashore, put it in refrigerated trucks. And even St. Anthony -

MR. W. CARTER: That is a central port concept you are saying.

MR. ROBERTS: A separate port concept? I am not sure I know what the minister -

MR. W. CARTER: A central port.

MR. ROBERTS: A central port. It is and it is not. I understand some expansion - the central port grows out of the Dutch auction system, and I have my doubts whether the Dutch auction system can work until we separate the catching operations from the processing operations. I am told that in England some companies may own both trawlers and plants but there is no connectinn between the two necessarily. But certainly if it is a central port concept, it is a vast expansion of it. It is putting it out to maybe Twillingate, landing hundreds of thousands of tons of fish at Twillingate and trucking them. You could keep Catalina open. Well, Catalina is open near enough - I suppose it is year round now with the trawlers in there. Keep Bonavista open year round. Keep Englee open. Keep LaScie open. You could even truck fish to St. Anthony. It could change the entire - keep Valleyfield open the year round, use the catching capacity - it could change the entire structure of the fish processing industry in this Province. And I am told that technically it is not impossible. It



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may even not be too difficult. And it is certainly something we should do.

CAPT. WINSOR: Our own boats can do the catching.

MR. ROBERTS: And as my friend from Fogo has just said, Our own boats should do that catching. I feel that very strongly.

MR. SMALLWOOD: Where would they get the fish?

MR. ROBERTS: Where would they get the fish? Again I say, Mr. Chairman, the 200 mile limit has marked off a vast area of fish if we but take it. If we do not take it we owe it to the nations of the world - and we have undertaken to do this -

MR. PECKFORD: How do you do it in short-term with ships. Where do you get -

MR. ROBERTS: The Minister of Mines and Energy - we have the catching capacity. Now we have ships now - my friend from Fortune - Hermitage, who was operating trawlers for years, and is not here, but we have ships now coming in - and, you know, we need to replace some of our ships, particularly those out-dated side trawlers down on parts of the Southwest Coast - but we have ships now - the Cape ships coming in across the harbour, the ten or eleven of them, are not bringing in - what? - half the fish they could.

MR. CANNING: One-third.

MR. ROBERTS: Not one-third in some of them. Down in Fishery Products in Burin and in Marystown, the two big plants they operate, vastly under capacity. You know, it is like we built a hydro plant at Churchill Falls, to take an analogy, and only use five of the ten generators - or we now have eleven there, eh? But, you know, we do not need new - we need new ships to replace our own fleet and whether we should buy them offshore or build them that is - I will finish, if the minister will give me five more minutes.

Mr. Roberts:

I will not be here this evening, I have to go to Ferryland on a democratic exercise. - But a powerful thing it is going to be, I predict indeed, a powerful thing.

MR. PECKFORD: Another stadium.

MR. ROBERTS: But - another stadium. Yes, has the stadium started in Ferryland yet?

AN HON. MEMBER: No.

MR. ROBERTS: Has it started in Ferryland? Actually they paved over the stadium machine the other day?

MR. MURPHY: How about the cheques 'John Nolan' gave away -

MR. ROBERTS: Cheques 'John Nolan' gave away. Yes, yes, and the television sets that other people gave away, and we could go on from here. But that is just a little beyond the point.

MR. DOODY: (Inaudible) stadium.

MRS. MACISAAC: No.

MR. ROBERTS: I can say the Minister of Finance assures me there will be a stadium.

MR. CALLAN: I will go up -

MR. ROBERTS: And somebody will say that was the ex-Minister of Finance. It has just been announced.

SOME HON. MEMBERS: Oh, oh!

MR. ROBERTS: I would like to talk for a moment or two about one or two other matters that I hope the minister will touch upon. I would like him to talk somewhat about insurance programmes, because I think one of the areas of fisheries that have not yet been dealt with satisfactorily is the question of gear insurance programmes. Now I do not want to go into the scandals of a few years past; the minister was not the minister, indeed he was not even in the House at that stage, he was in Ottawa. It is the gentleman from Gander (Mr. H. Collins) who has to answer the history, you know, to the House for those.

But I had a call the other day from a man in the Bird Cove-Brigg Bay area, partially in my district, partially in

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the district of St. Barbe next door, and in that district a man had lost all his gillnets. And he asked, what could we do? And I said "Well, I do not know; you know, I will find out what I can do." But the answer is I do not think anybody can do anything because it is not a catastrophe and so the Federal/Provincial programme does not come into effect. He thinks they were run down by other draggers or ships, but he does not know who they were, so he will not get anywhere on that wicket. What does he do? And yet unless he can find an extra \$5,000 or \$6,000 to buy a new fleet of nets, he is effectively out of the ability to make a living. And I think the answer is some sort of an insurance programme.

We have got to register all of the gear, We are now registering all the fishermen, let us register all of the gear. Let us not leave ourselves open to what happened before. And then let the fishermen contribute a bit, and let the two governments, here and Ottawa, make up the difference.

MR. W. CARTER: We just received a report on this matter.

MR. ROBERTS: Well, the minister has a lot of reports, The trouble is we only know what we are told. And the minister, I think, may even made a statement on it, I will not say he did not. He makes a lot of statements. But I can only tell him what I think, and if he and I think the same thing it just shows how right he is. And, you know, I think the fishermen of this Province now are at the point economically where they would accept this idea, and they can afford it in most cases. I think a premium from them, and then put the rest in from Ottawa and from Newfoundland in some ratio to be decided. But I think it is a crying need. I want to see a gear bank.

The minister's new programme, I promised I will not be sort of contentious, so I will not go into it, but I do not think it is working, that is not what I hear from the fishermen. The fishermen tell me they are not satisfied with it, and I have had any, and not just from my own district, but from all over the Province,

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whether it is something that they did not expect or whether it is not what they did expect or no matter what, they do not feel it is working. The minister may have heard differently.

MR. W. CARTER: I have.

MR. ROBERTS: Well, that just shows that the minister talks to his friends, and I hear from everybody else in the Province.

But, you know, we do need a gear bank. The fishery now, Mr. Chairman, is probably the most capital intensive business in this Province. What does it take to get into the fishery now in any sort of a meaningful way? \$10,000, \$15,000?

MR. W. CARTER: \$200,000.

MR. ROBERTS: No, that is for a longliner, \$200,000. But even if I want to go, if I get the flick and I go out and want to get a trap skiff and a few nets I would need what, \$15,000 or \$20,000?

MR. NEARY: \$20,000.

MR. ROBERTS: You know, a lot of money. More than it takes to set up a bull's eye shop or a lot of other - I could set up a medical practice or a dentist's practice for far less. A legal practice, and for the benefit of those I have not been checking, but I am told, would cost, what, a secretary and an office. My friend from St. John's East (Mr. Marshall), I bet it did not cost him \$100 to get into the legal practice when he started fifteen or twenty years ago, whenever he came into the practice. My friend from Mount Scio (Mr. R. Winsor) who represents me, unfortunately for me, in the House of Assembly, I bet it did not cost him more than a couple of thousand dollars to get into the business of either taking teeth put or putting teeth in, whichever end of the dentistry business he is in. A few thousand dollars for picks and shovels, and then a chair, and some anesthetic and then a machine to collect bills.

DR. R. WINSOR: Your figures are very wrong.

MR. ROBERTS: My figures may be very wrong, if the gentleman wants to get into the dental business I could tell him somethings about dentistry that he might not know about figures in them, he may know somethings that I do not know.

But the point quite simply, Mr. Chairman, is that,

MR. ROBERTS: you know, the fishery is a very capital intensive thing and I think we need gear banks. I think that is an idea that ought to be looked into. I want to hear the minister talk, if he would, about marketing. What about a fundamental change in marketing? I think the time may come - may have come - when we ought to go into it in a very big way. I am told now that our industry is becoming very lopsided. We have two or three large operations - Fishery Products is becoming very large, the Lake organization, very large, you have the Booth Plant at Fortune, part of a giant conglomerate. On the other hand we have fifteen or twenty or twenty-five small plants which, taken together, possibly do not equal say, even the Lake organization and certainly not Fishery Products. Marketing is becoming very uneven, very difficult. Ought there perhaps be some way to combine all those together? What about the way in which the price was set? Have we achieved the ideal now?

I was very pleased to see in today's paper that an agreement has been reached not just between the union and the fish company, Mr. Chairman, but between the union and the association of fish companies. Now we are getting close to the kind of bargaining that I think should come. All of the companies together and the union representing - I guess by now that the Fishermen's Union represents almost all of the inshore fishermen, and the trawlermen are under a separate contract, almost all of the inshore fishermen in this Province. It has done a terrific job of organization - terrific job. Well, are we at the right thing now? Ought the government not to be a party to that, but ought the government to be involved in this, and if so, how? I have, you know, mixed views on it, but it is certainly something I want the minister to talk about if he would.

And finally, Sir, could he tell us a little more about the need for quality improvements. I think this is the key to it. The Premier was quite graphic the other day when he said, you know, when fish was a nickel a pound - Heavens! When I started in politics it was two and three cents a pound. Now the fishermen are getting fifteen - when fish was a nickel a pound you could treat it with prongs and let it lie out in the sun

MR. ROBERTS: under tarpaulins and you would not bleed it, you would let it get black with the blood through it. And you could let it lie in the gillnets for two or three days, and you could be satisfied with a twenty-five per cent yield. And unfortunately, that kind of treatment has certainly not helped the image of Newfoundland fish in the markets and may have hurt it. We do not have a name for high-quality fish. We have to win it back. I think, Mr. Chairman, that is an area where the minister might well direct even more of his attention than he has. Because I think the Admiral's Beach experiment was a good one from what I know. So I think we ought to do a great deal more on that. And the federal government, I understand, has now come through with a couple of million dollars that will help. New technology - we should abolish every prong in this Province or use them for taking darts at politicians. But they should be taken out of the fishery, perhaps by rule, perhaps by law. We should require every fish to be bled. It may take a little longer, but it produces infinitely better fish. And I think that fish now, you know, it is more expensive than steak - not fish, but salmon. I bought some salmon down here from Mr. Glen Newman on the weekend, took it home and poached it in a fish kettle - a marvellous way to do it - and I paid \$20 for an eight pound fish, which is what - \$2.50 a pound? And he sold 550 pounds of salmon Saturday. Well, I do not know what steak costs, but it cannot be much more than \$2.50 a pound.

MR. MURPHY: Twenty-seven -

MR. ROBERTS: What does steak cost? 'Ank', what does steak cost?

MR. MURPHY: At twenty-seven he could retire.

MR. ROBERTS: What does steak cost, 'Ank'? You would know.

MR. MURPHY: I guess we would pay about \$2.50.

MR. ROBERTS: So, you know, it is in the same price range. It is not cheap food - it is not poor man's food. It is good food and I may say better than much of the steak that is served up around town one way and another. But the fact remains now it has become a high value product and we have to start putting the quality into it. And I fear over the years we have let quality slip. The industry let it slip. It is not government's fault.

MR. ROBERTS: And I think government has to come in now, and I would suggest quite seriously we ban the prong - pass a rule.

MR. W. CARTER: We are going to.

MR. ROBERTS: Well the minister says we are going to. Again the minister is on the right track and I commend him for it. We should ban the prong.

MR. MURPHY: How long are we going to be able to afford to eat fish?

MR. ROBERTS: I do not know whether we can afford to eat fish, but I know there are a lot of people in the world who can. And finally - and I am grateful to the committee because I have gone a little beyond twenty minutes - what about the European Common Market? I think this is the - again the government and I are not quite heart to heart or cheek to cheek, but certainly eye to eye on the question of the Common Market. I think there is a great opportunity there. We cannot really expand our sales significantly in the American market. I think we are fooling ourselves if we feel that we can. It is not there to be done. The American market will increase, of course the market will increase, but the competition is terrific. And they have their own fishing industry and we ought never to forget that Massachusetts has one of the most powerful senators in the United States Senate, Mr. Kennedy - Senator Edward Kennedy. And a number of other fishing states have powerful spokesmen in Ottawa - Ottawa, they may have them there too - powerful fishing states in Washington. And I suspect that we may see an increase in the American catching capacity and the results will be either greater competition

Mr. Roberts:

or a closing of the American market, either could happen. But the -

MR. W. CARTER: (Inaudible) joint ventures.

MR. ROBERTS: Well joint ventures between the Americans and people overseas. The only value I could see in joint ventures is if it gives us access to markets. I might be prepared to tolerate them on those terms, but for nothing else.

However, Sir, as I say I would like for the minister to talk a little about the marketing, because I think the marketing is of crucial importance. I think that if we can get, not just a toe-hold in the European Common Market, we can get both feet in there. That is where our fish should be sold, in the European Common Markets. And I think that is - they are wealthy. Europe is becoming a very affluent part of the world. They are fish eaters. They eat two or three times as much fish as we eat. And they will pay for a quality product. Well, Sir, I think we can produce that product here in this Province. And I think it is up to the government, and it is up to all of us, but particularly the government to do what has to be done.

I thank the Committee, Sir, for allowing me to go beyond the twenty minutes. I think what I had to say was, I think, I am quite sure what I had to say was very germane to the point. The minister doubtless will want to expand - to respond, I am sorry, to a number of other points made by gentlemen on this side. But I hope he will deal with some of the ones I have made, because as I have said I think that we can put together now in this Province a new kind of fishery, and make a new kind of living from it; not spectacularly, we do not need great programmes or great pronunciamientos. What we need is slow but steady progress. It is there to be done. For the first time in our history, not only is it there to be done, but I think generally speaking the people of this Province are now aware of the need for the fishery, and are not only prepared to see what it can become, but are anxious to see what it may become.



Mr. Roberts:

The fishery in Newfoundland, Mr. Chairman - well, let me end simply as I began by saying that if we are going to have a Newfoundland and Labrador five, ten, fifteen years from now it will be because of the fishery. And it is up to us, fifty-one of us or the forty-nine in this House, it will be fifty-one in a fortnight or so, the fifty-one of us who are in this House and everybody else who is concerned with public affairs, and the future of this Province to ensure that we do what has to be done. I think the Minister of Fisheries has got the most challenging portfolio - no, the Finance Minister has the most challenging portfolio, but next to that the Minister of Fisheries has the most challenging, he has the most important, and I think also the most worthwhile portfolio. I do not envy him, and I do not want his job. I have my eye on another job. Whether I ever get it or not is - of course, so does the minister. So does the minister. The minister, you know, there is no point he is being falsely modest. If he does not want to be Premier he is fooling a lot of people. Of course he wants to be Premier. Why not? Why should he not be? And I must say, given the choice over there at present I think I would probably vote for the hon. gentleman out of what is there. But a little more seriously, I envy him -

MR. W. CARTER: You are coming back to the back benches.

MR. ROBERTS: No, no, no. I mean, Mr. Chairman, come now! On the other side of the House the place of honour is in the back benches. Almost all of the men of character have been flicked out of the Cabinet, you know, or not taken in, in the case of the gentleman for Naskaupi (Mr. Goudie) and the gentleman for Mount Pearl (Mr. N. Windsor) who are not in the Cabinet. They are trying valiantly, nobly. They may yet make it when somebody else gets the flick.

MR. CANNING: It is history repeating itself.

MR. ROBERTS: I mean, they are like a senator. You know, when you go up to a senator - some of my best friends are senators, and some more hope to be - when you go up to a senator in Ottawa and ask, How are you? He wonders what your motives are. The gentleman for St. Mary's - The Capes will know whereof I speak. I mean a senator in Ottawa when -

MR. W. CARTER: When you take his pulse and shake his hand at the same time.

MR. ROBERTS: Yes, and the senator begins to worry.

Well, when the gentleman for Naskaupi or the gentleman for Mount Pearl meets one of the Cabinet fellows and he says, How are you? He too looks at his watch and takes his pulse. It is the same sort of thing.

But, Mr. Chairman, I envy the minister.

There is a great challenge, and I think a great opportunity. I really am very pleased with some things he has done. I do not agree with all of them, and if he wanted I could get quite upset over some of them. I think he has made some foolish statements. I think he has done some foolish things. But I would think, Sir, that he is further along compared to his predecessor, compared to his predecessor, that walking disaster; walking, talking disaster, the former member, provincial, for St. John's West, the present member, federal, for St. John's West, who having worked his magic in this Province is now going off to try to do it in Ottawa, and will work it on nobody except Mr. Joe Clark and his colleagues. But compared to the men who went before the minister is not only a knight in shining armour, he is a giant. Compared to the job that has got to be done, I think the minister has yet to be measured, but I do feel, Sir, in the last year he has really changed, and I compliment him. I understand in a

MR. ROBERTS: way I never would have four or five years ago, it is easy to be critical, particularly when there is so much to criticize. I think the minister is now being positive and I think his work is bearing fruit. I think the people, the fishermen of this Province in particular and the people in general are very much appreciative of it.

So I hope, Sir, he will touch upon some of these points. I think some of them are new and some of them are not. But I think taken together, Sir, they constitute some insights, I believe worth-while insights into the role of our fisheries. I think it is our future, Sir, and I think it is up to us to make that happen. Nobody else is going to. Ottawa can help with dollars, Ottawa can help with people, Ottawa can help in a lot of ways, but unless we as a House of Assembly and we as a government and we as a people, make the fisheries happen, then, Sir, it is not going to. I do not think there is any greater challenge before any of us. Thank you.

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

MR. DAWE: I would just like to note that it is five minutes to six. We can probably carry on when we come back at eight o'clock. But I would like to go on record and pay a tribute to the fishermen of Port De Grave, within the district of Port de Grave, and to give the House some idea of some of the activity that is going on there at the present time. I would say to all members of this House that if they could find the time to drive down through the communities of Bareneed and Port de Grave and look at the homes that are there, look at the type of boats that they have there, look at the types of cars and pick-ups these fishermen are driving, that would be the most eloquent example of proof that the fishery in Newfoundland can be a viable occupation and can provide

MR. DAWE: a living equal to any other occupation in Newfoundland.

I think hon. members would be amazed if they were to actually drive down there. I know that some members here have driven down through these communities. These communities have been built up down through the years solely on the fishery, nothing else but the fishery. To go inside the homes there - I have been down there visiting around and I know practically all these people personally - and to go inside their homes and see the quality of the homes themselves, wall to wall carpeting, the best of furniture. all these things are a demonstration of the type of earnings that these people are making, moreso than all the words any member in this House could speak.

MR. NEARY: Hear, hear!

MR. DAWE: Hon. members would be amazed if they took the trouble to drive down there and see for themselves the quality of the types of boats that these fishermen have and the type of work that they are doing.

I would like to also pay tribute, not only to the fishermen of Port de Grave, but to the women of Port de Grave. In very few communities today will you see when those boats arrive the women down on the wharves themselves with the fishermen helping to clear up the fish as it comes in. I think that is a tribute to the men and the women of Port de Grave itself.

They have a new confidence in the fishery. We have the two crab plants there now operating, one at Port de Grave and the Jason Enterprise, the new crab plant opened at Bareneed. At the present time I estimate there are 370 people working in these inshore plants at Port de Grave. Three hundred and seventy and that is as large as any industry in any other

MR. DAWE:

district of this Province.

I would like to add as well that at Cupids, at Brigus, at Bay Roberts and at Port de Grave, I mentioned it in the House the other day, I would say about 50 per cent, that is 50 per cent of all the salt fish that is exported out of Newfoundland today - I will qualify that - the final processing, that is the drying and the packaging and being made ready for market, will be done within the district of Port de Grave.

I am sure the hon. the minister is aware of the plants I could mention such as Bay Roberts Fisheries, J.W.Hiscock and Son at Brigus, H.B.Dawe at Cupids, George Dawe and Son at Port de Grave. They have a new confidence in the fishery. The foundation was laid by the previous administration. The fishermen of Port de Grave, I think, were the forerunners in the use of the longliner. They built the trail, as we say, in the use of the longliner and they have proven the value they can be to our inshore fishery.

I would like to say to our present minister, I am sure they have confidence in him. I am sure that they feel that he has their interest at heart. I have attended several meetings at which the minister has been present. I recall our meeting at Harbour Grace some months ago at which all the fishermen of that area were present and every man that was there -

MR. CHAIRMAN:

Order, please!

If the hon. member would permit. It is six o'clock so I will leave the Chair until eight o'clock this evening.

PRELIMINARY  
UNEDITED  
TRANSCRIPT

HOUSE OF ASSEMBLY  
FOR THE PERIOD  
3:00 p.m. - 11:00 p.m.  
MONDAY, May 30, 1977

The Committee resumed at 8:00 P.M.

Mr. Chairman in the Chair.

MR. CHAIRMAN: The hon. member for Port de Grave.

MR. DAWE: Mr. Chairman, in my remarks before we broke for this present break I was referring to the fishermen of my district. As I say, they have a lot to be proud of. These are a group of fishermen who have stayed with the fishery down through the years, even during the peak employment periods during the base construction of the war years. These fishermen stayed with the fishery and they have produced, I would say, on a per capita basis as many new dollars in the general economy of Newfoundland as any community you will find in this Province. And as I said, they have a renewed confidence in the fishery. They are supplementing their earnings now at present with production of caplin, the salting of herring and the salting of mackerel and, as well, an extension of the crab fishery. And I was saying that I would like to go on record to express the appreciation of the fishermen of the district to the minister. They feel that he has their interest at heart. I would like to take this opportunity to invite the minister, if he is listening, at his convenience to come out to the district, Mr. Chairman, some time at his convenience I would be glad to take him around the district so he could observe for himself just what is going on in the fishery in the Port de Grave district. And I would like as well - pay a tribute to the Minister of Fisheries, our Federal Minister, Mr. Romeo LeBlanc. Here again I think the fishermen feel they have a minister who is interested in their affairs and by his action and by his deeds of these last few months he has established with them a new confidence in the fishery. They feel that they have some people in authority who want to see the fishery expanded in this Province.

I know that when we go through Committee, the minister will be adding and commenting on the concern of all our

MR. DAWE: fishermen, and fishermen in my district as well as other fishermen throughout the Province, the possibility of gear insurance and the position of bounties on their boats and the general policy of the government in the future. But I would like to again stress, again I say Port de Grave district will remain largely a fishing district. Prices are improving and there is more interest in the district itself with people going to Labrador this year.

So I would say to the minister again, I repeat - I just got his attention there this minute - I would like to invite him out to the district at his convenience and I would show him around and he would see for himself, I know he has been out there before in the general area, but I would like particularly to take him around the district at his convenience and he would see for himself what we are doing. Port de Grave district is mostly concerned with the inshore fishery. We have no large druggers coming into the district; it is mostly, as I say, an inshore fishery and they have proven beyond any doubt that if they are prepared to work at it as the fishermen over there do, they go out in the morning at two o'clock and do not come in sometimes until six or seven o'clock in the evening. And while the fish are running they make certain they take full advantage to get their full return, as I say, when the fishery is on.

So in closing, Mr. Chairman, I do express again on behalf of the fishermen the interest the government have shown and I say to all concerned that if they could find the time, as I said, to come out, especially on the weekend, they would see the boats and the properties and the general condition of living through a district that has been based, as I say, on the inshore fishing, they would be amazed themselves. As an old Chinese proverb says, "One proof is worth a thousand expert opinions." And I could go on,



MR. DAWE: if I could speak eloquently, I would say to every man in this House, they would be surprised to see what the fishery can do for our Province. And I express again my thanks to the minister and I am sure that they would be pleased if he could come out and make a visit with us. And we will all wait with anticipation the remarks of the minister. As we go through the estimates, other points will be brought up and I am sure that the people of Newfoundland and the fishermen in particular will be listening for the minister's remarks. Thank you.

MR. CHAIRMAN: The hon. Minister of Fisheries.

MR. W. CARTER: Mr. Chairman, I want to thank the hon. member for Port de Grave (Mr. Dawe) for his very kind remarks and also those of the Leader of the Opposition.

I should like now to answer some of the questions that have been posed to me by various members on the other side, starting with the member for Eagle River (Mr. Strachan) who inquired about the wisdom of building a community stage at Mary's Harbour. That is something that I shall look into. And my people tell me that Mary's Harbour could very well become the focal point for the inshore fishery in that area, a place to which people in other communities around the area would gravitate, and hopefully build up into a reasonably good and successful area.

The member mentioned the matter of tariffs, and I have to agree with him that I think maybe to some extent some of the plant owners and the processors are using the tariff situation that exists in the U.S. and in Europe maybe as an excuse for not getting further involved in the final processing of their product. I realize there are problems and it is not a simple matter to send cooked, finished fish into the U.S. and have to compete with the American fishermen and processors and at the same time be subject to a 15 per cent tariff.

There are things that he mentioned about the business of secondary processing and he wondered why we are not getting involved in the processing of some smaller, maybe specialty items.

MR. W. CARTER: I would like to tell the member and the House that this year we will be getting involved in certain product developments. We have plans underway to involve ourselves in the production of a number of small things, things that will not, I am sure, have the effect of revolutionizing the Province or causing any great upsurge in the economy of Newfoundland, but certainly it is the first, maybe, step in a thousand mile journey. This year we are going to be involved in the processing of fish sauce. And this is a product similar to, and would be used in the same manner as, the Heinz 57 HP Sauce, I think they call it. It is a rather appetizing sauce and we think that -

CAPT. WINSOR: HP Sauce?

MR. W. CARTER: - Yes, HP -

CAPT. WINSOR: There is one on the market now, is there not?

MR. W. CARTER: No, it is only similar to that one. It is not that. It is a fish sauce.

We are going to be involved in the provision of smoked and canned mackerel, potted fish, and that is like the old potted meat, small tins of potted fish, a fish spread for use as party foods, snack foods, etc. We are going to be involved in the canning and bottling of snails, whelks -

SOME HON. MEMBERS: Hear, hear!

AN HON. MEMBER: Proper thing!

MR. W. CARTER: - Lump fish roe, for example. Wesleyville or Valleyfield, Greenspond, the communities of my hon. friend from Bonavista North (Mr. Cross) are heavily involved in the procurement of fish roe - lump roe, but unfortunately, it is sold to the plant, I believe in Valleyfield, and probably shipped out of the country in large containers. And I am convinced, having visited the place last year, that we are missing a lot because it seems rather strange that lump roe would be bought from the fishermen and shipped out of the Province in large containers. And I think they are paying the fishermen what - twenty cents a pound, 'George'?

MR. CROSS: Twenty cents at the most.

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MR. W. CARTER:

Twenty cents at the most. Of course, we know that when that stuff is bought in its final processed stage that you would probably pay, I suppose, a couple of dollars an ounce for it. But certainly we are going to be exploring the possibility now of further

MR. W. CARTER: development in the lump roe fishery with a view to having it packaged in small containers and shipped to the various markets in that state.

CAPTAIN WINSOR: Can it be frozen and shipped in a frozen state?

MR. W. CARTER: I am not sure, possibly it could.

AN HON. MEMBER: It is pickled at the moment.

MR. W. CARTER: It is pickled at the moment, sent over in pickle.

It might well be. I am not too familiar with the details of it.

We are going to get involved in fish sausages this year and several other things. We are going to be involving ourselves with maybe a couple of firms in the secondary processing of fish, cooking of fish, we will be providing the machinery and technical assistance and necessary know-how to assist a company, maybe two companies, maybe three, in the final processing of fish.

We are going to be endeavouring to introduce that cooked fish into the upper Canadian market. Sometimes we talk about the tariffs in the States and the tariff in the European common market countries and we use that as a deterrent, maybe a psychological deterrent against getting involved in the further processing of fish. What we seem to lose sight of is the fact that up there in Upper Canada there are approximately 25 million people living and each of these Canadians eat on the average of eleven pounds of fish per year, so therefore you are talking about a potential market of 250 million pounds of fish. We are going to be appealing to that market this year. We are going to be contacting the premiers and the responsible ministers of the various provincial governments with a view to having these people put our fish products into their institutions, and one can imagine the amount of food that is consumed in institutions, say, in Ontario that are operated under the auspices of the Ontario Provincial Government. I suppose thousands upon thousands of pounds of food, fish, meat and so on are consumed annually. Of course, the same situation prevails in other provinces.

MR. W. CARTER: We are going to be talking to these people and telling them up to now it has been pretty well a one-way street. Confederation, as far as Newfoundland is concerned in trade, has been pretty well a one-way street. Everything comes in from other parts of Canada but very little goods and services and so on go the other way. And we are going to be telling Premier Davis of Ontario and Premier Schreyer of Manitoba and the other premiers that we expect them now to reciprocate and to buy some of our fish products and put it in their institutions, their hospitals and penitentiaries and universities and government buildings and other agencies over which they have provincial control. We are going to be, like I said, making a concerted effort to get at least some of our fish product, certainly those that are processed under the joint arrangement that we will have with the private sector, into that market.

I am not suggesting for a moment, Mr. Chairman, that we can hope to market all of our fish into the Canadian market. It just would not make sense to even think or even to attempt to do that because the market is just not there. But, like I said, there is a market there for 200 or 300 million pounds of fish and there is no reason why Newfoundland fish could not fill that vacuum. Certainly that is one of the things we will be directing our efforts to in the next few months.

This year we are laying plans for something new for 1978, it is going to be, for the want of a better term I suppose, it is going to be a sea food festival. We are going to plan for maybe a week of seafood in the Province at which time we will encourage various institutions, Mrs. Housewife and so on to purchase and eat Newfoundland produced fish. To that end we will be involving the school children in the Province. We will be requesting the schools to encourage their students to write essays for which we will be

Mr. W. Carter:

paying a certain amount of the price, to maybe come up with slogans that can be used depicting the seafoods festival which we will have, maybe suggesting the format for posters and that sort of thing. And we think by doing this it will generate a lot of interest around the Province and give our young people a chance to have some input into the programme itself.

We are going to be involving ourselves in

a Newfoundland gift box, gift pack, where we will be developing a distinctive Newfoundland gift pack of non-perishable items with a long shelf life for distribution to mail orders, hotel chains, tourist chalets, and at the various airports. This will be done in co-operation with a selected, under a selected development agreement with the private sector. We are going to be instituting an institutional awareness programme, at which time we hope to develop a more meaningful and closer liaison between governments and the various institutions in the Province, and indeed in other parts of Canada, with a view to impressing upon them the importance of fish, and the dietary benefits that can be derived from seafood.

And I said this morning we are getting deeply involved in the production of caplin, in the production and marketing of caplin, herring roe, and several other species, Mr. Chairman, that we have in abundance around our shores.

I want to take a moment or two to respond to questions that were posed by the hon. Leader of the Opposition, who, I understand, cannot be here tonight because of a previous engagement. The Leader mentioned about expanding our catching effort and he posed the question, in fact do we need to expand our present effort? He suggested that maybe we have enough ships at the present time with certain modifications, and maybe a deployment to different areas. And with great respect to the hon. gentleman, I do not agree with him. We do at the present time have eighty-seven deep-sea ships, twenty-seven side trawlers with an average age of fifteen years, and the rest sixty

Mr. W. Carter:

stern trawlers whose average age is eight years. And that means of course that within ten years from now that the entire Newfoundland fishing fleet will have to be replaced. These ships have an average landing capacity on a yearly basis of 7 million pounds of fish. That is based on twenty trips per year, 7 million pounds, twenty trips per year. And in fact they are now operating I think on slightly less than half capacity. The average landing today by these ships is slightly short of 3.5 million pounds per year. The fact is, of course, that these ships are fishing in areas, and are only capable of fishing in areas where the resource has been badly depleted. And I am told that it is being depleted to such an extent that most companies, and I think my hon. friend for Hermitage (Mr. J. Winsor) will have to agree with this or maybe comment later, that the resource has been depleted, the cod resource has been depleted to such an extent in certain areas of the Grand Banks and the St. Pierre Banks and the other banks, all except maybe the Hamilton Banks, that now it has become uneconomic to have a directed cod fishery. I am told that many companies will not send ships out on the Southern Grand Banks or anywhere in the Grand Bank area on a directed cod fishery expedition because the fish is so scarce that it takes too long to catch even a partial load.

So the problem, Mr. Chairman, is not that we have ships that are capable of fishing 7 million pounds a year each and are only in fact landing 3.5 million pounds; the problem lies in the fact that the resource has been seriously depleted. And the resource cannot be expected to replenish itself within

MR. W. CARTER: the next four or five or six or seven or eight years. These ships, I submit, cannot be used in the Northern areas where there are, according to the scientists, surplus stocks of cod, and that is why we are saying that it would be necessary for us to obtain maybe by charter or by purchase in the short term, ships that are capable of penetrating the ice infested waters of the North and harvesting that prolific -

CAPTAIN WINSOR: Would the minister permit a question?

MR. W. CARTER: Yes, of course.

CAPTAIN WINSOR: The minister says that it is not practical or we do not have the ships to fish the Hamilton Banks because they are not ice strengthened, but what about this time of the year? There is very little ice up there now and there is certain to be no ice there to interfere with fishing from June, July, August, September. Are the ship not capable of going up there then?

MR. W. CARTER: Yes, but there is only one problem, Mr. Chairman. There are very little fish congregated on the Hamilton Banks this time of the year. The great congregation of fish is in the months of January, February and March and after that time, I am told, that even the Germans, with their advanced technology and their great factory ships find it impractical to fish on the Hamilton Banks after the end of March.

CAPTAIN WINSOR: What success did the National Sea have?

They had one up there last year.

MR. W. CARTER: National Sea had a boat this year in on the Hamilton Banks. It went up there I believe in company with a larger ship. I have talked to the President of National Sea, or probably Vice-President, and he will admit quite readily that it is not practical with the cost of repairing the damages that occur to the ships, because these ships were not built for ice invested waters. They are average, 150-foot trawlers, certainly not



MR. W. CARTER: capable of penetrating those waters without causing pretty severe and costly damages to them.

But, Mr. Chairman, the matter of joint ventures and foreign landings in the Hamilton Banks, these are motherhood issues. And I agree that if it were possible to put a total ban on that fishery for "x" number of years, well, I say sobeit. Fine. Maybe that is what should be done. But the fact remains, and it is something over which we have no control at all, the fact remains that there are certain agreements, signed by the Government of Canada, with five foreign - six now, Cuba is the latest - with six foreign countries, bilateral agreements in which Canada has undertaken to provide these companies with certain quotas of fish that are designated to be surplus to the Canadian catching effort.

In 1977 the total allowable catch that was established by the scientists for the ICNAF areas, 2J and 3KL, which takes in I suppose from Cape Chidley down to probably Cape St. Francis, the total allowable catch for cod in that area for 1977 was 167,000 metric tons. Canada had the capacity to harvest 67,000 tons, which left a surplus, according to the scientists, of 100,000 metric tons of fish. Under the bilaterals that we have with these six countries, the stocks that are surplus to the countries state's needs must go to these countries.

In 1978, assuming that the total allowable catch will be, and I suspect it will be, 125,000 tons, the Canadian effort will be pretty well established at 70,000 or 80,000 tons, which means there will be at least a surplus, according to the scientists, of maybe 30,000 or 40,000 tons in that area, tons of codfish.

Now it is all very well to say we should leave that fish there and let it multiply and so on, but the fact remains that under these agreements Canada cannot afford that luxury. If there are surplus fish, surplus to our own catching effort, then we are obligated to allow other countries to harvest that fish. And maybe that is the way it should be.

MR. W. CARTER: Canada is a responsible country, a very sensitive country, and very conscious of the position it holds in this global village in which we live. And I am not sure that it would be in our best interest to adopt that kind of an attitude, the attitude that the fish is there, it is ours and if we cannot catch it the world can starve and be damned, nobody catches it!

MR. CANNING: A dog in the manger attitude.

MR. W. CARTER: I am not sure that I would want my country to adopt that kind of an attitude.

I have talked this over with the Minister of Fisheries in Ottawa. As a matter of fact, last Saturday I spent two and a half hours with him at a very informal meeting at his house at which time we discussed pretty well all areas of the fishery. We both expressed ourselves and revealed what our dreams for the future, as we see it, in fisheries, and it was a very informative meeting, and I got the impression then from the minister that he shares our views in that respect. But while it might be ideal for us to allow the fish to stay there, not to catch that surplus fish, it would be very, very, greedy, I think, very, very unwise on the part of Canada to adopt that kind of a posture at this particular time in our history. That is why, like I said, the fish that is surplus to our needs will have to be harvested by foreign countries.

MR. CHAIRMAN: Order, please! The hon. minister's time has elapsed.

The hon. member for Bonavista North.

MR. CROSS: Mr. Chairman, my remarks will be brief, but being the son of a fisherman, and being a man who cut my eye teeth as a fisherman and doing the things that a fisherman does, I feel I would be a little bit remiss if I did not have a moment or two certainly in the estimates on fisheries.

MR. CROSS: At this point in time I would like to say what I am concerned about and what I am not concerned about. We have talked about years ago when the fishery was not so prominent as it is today and we talked about fathers telling their sons not to go into a fishing boat. Certainly that was not my case. As a boy of fourteen when I visited the Labrador fishery, my father -and times were not so good then - asked me when I thought I would be commanding a boat of my own, possibly he wanted me to. Things were not so great and possibly having a little bit of insight at that point in time, not because my father told me, but because I told myself, I told him I hoped under present circumstances then that I would not be a skipper of a fishing floater going to the Labrador. Apparently my foresight was good.

But I am not concerned about glorifying the fishery. I think the fishermen will do that for themselves. I live in part of a fishing district; the north end of my district is a fishing district, and I have heard fishermen proudly say in the last years, especially the last couple of years, that they have made \$10,000, \$11,000, \$14,000 in the fishing boat. And the majority of people work for a living. They are certainly concerned maybe about being happy in what they are doing, but I think the great big majority are doing what they are doing because there is some form of security behind them.

So I think the fishermen, as our fishery unfolds in the new age and the new era, will certainly glorify the fishery for themselves. That is happening by the fishermen. In dollars and cents the fishermen are telling the young, as well as the middle aged and as well as the old, that the fishery is the place today to make a living. So I am not

Mr. Cross:

concerned about glorifying the fishery as I stand here to speak, and my concern is not for that.

Certainly there are a number of concerns that I have for the fishery. And having stood here and spoken before, I have put forth my concerns. I am concerned, number one, for the number of caplin that is being harvested. I think this year something like 300,000 metric tons will be harvested by the Russians.

SOME HON. MEMBERS: More than that.

MR. CROSS: More than that? The last figure is 450,000. And I say this is my concern because it is the fishermen's concern. Certainly the caplin is the food of the species that the fishermen presently are making their living at. Yes, it is good for us to harvest some caplin, but the metric tons that are being harvested are far too great, or at least this is the concern of the fishermen. And being the concern of the fishermen, I said not too long ago that the fishermen were experimenters and they have been experimenting for years. And the fishermen, certainly many of them are wise, wise in their ways and what they think. and certainly I am afraid, as I have said before, that the fishermen will be proven right as far as the caplin species is concerned. It is the food for the species that they are making a living on now, and if you destroy the food then certainly the fish cannot live without sustenance.

I said this before also in this hon. House, Mr. Chairman, that I am concerned about the licencing policy. Certainly we talk about encouraging the young to enter the fishery. And I know for a fact, my district is no different than any other district, and that is there are some young fishermen who are entering the fishery, but this is what they are saying, In order to make a good living I want to be able to catch every specie of fish that I can get my hands on. And I do not think they are greedy, the lobster fishery, the salmon fishery, and I do not know as if they want to catch the lobster or the salmon to make a good living. But no fisherman, no fisherman should have - if he is a fisherman, a bona fide fisherman - should have to pay \$1.20

Mr. Cross:

or a \$1.50 or \$2.00 a pound for a lobster or a salmon. I am not against the old fisherman; you cannot put a fisherman on the rocks if he reaches sixty-five and is hail and hearty. You cannot put him on the rocks. You have got to give him something to do, and let him do something that he has always enjoyed doing, and that is possibly fish. But you do not have to give the old fisherman eight or ten salmon nets, or five or six, He possibly would be satisfied with one, and give the one or the two or the three that is left to the young fishermen who are entering the fishery for the first time. So I am concerned about our licencing policy. And I know full well that this House or this government is not the government that makes the licencing policies. I know that it is a federal government responsibility.

So I am concerned about the licencing policy. And I also am concerned about the over fishing, although I would agree with my colleague, the Minister of Fisheries, that we do have to be a good neighbour, that we do have to look out for the world. But the thing is the over fishing, over fishing is irking at the moment and we know from years of experience. And we also know that our draggers, we talk about more and more draggers.

MR. CANNING:

Right. Hear, hear!

MR. G. CROSS: that is good, but certainly we have draggers that do not always come with the bumper trip. They are not bringing in a full load every time and sometimes they are coming with less than they have. And I believe that should tell us too that the fish are not there. In this day and age, when we have all kinds of technology, I think we place too much emphasis on the pounds that are caught and not enough emphasis on the pounds that are destroyed on the spawning grounds as the fish that are brought and processed are caught. I think this is where part of the problem lies, too. If you destroy the nests you have no young ducklings. If we continue to rape our spawning grounds, it is not what we process in our plants brought in from these spawning grounds, but I believe it is what is destroyed in the process that never comes to maturity.

I heard here today in this House that the fish were small, smaller than we had anticipated would be there, and I think too this helps to tell a story. I am not at qualms with my colleague and friend, the Minister of Fisheries. I have every confidence in that man and I could not hope to see a better man at the helm of fisheries at this point in time in our history. He is a dedicated person as far as I am concerned. I am not disgruntled with him and I do have confidence in the policies and the practices of this administration. With these few words, I thank you, Mr. Chairman.

MR. CHAIRMAN: The Hon. member for Burgeo - Bay d'Espoir.

MR. SIMMONS: Mr. Chairman, my district of Burgeo - Bay d'Espoir is one of the few districts in this Province which can claim to have a year round fishery. It therefore is no accident that I follow with interest the estimates of this department and every utterance of the minister and every trip the minister takes to various parts in the name of fisheries.

MR. SIMMONS: I suppose, Mr. Chairman, the most celebrated of his trips since he became minister took place about February of 1976 when he, together with the Premier and the Minister of Industrial Development, and the then Minister of Forestry and Agriculture went off to Europe. The going itself was hailed by the Premier as one of the more important events of the century. The announcement from the Premier's Office at the time said that the main emphasis of the three to four week business trip would be to conduct meaningful negotiations, not just a preliminary skirmish, Mr. Chairman, but to conduct meaningful negotiations and to promote Newfoundland's potential with the hope of attracting overseas development in our Province.

The statement went on to emphasize that the trip was by no means an excursion dreamed up over the weekend when it said, "Plans and preparations for the trip have been ongoing for many months." Four ministers, including the Premier, plus an entourage of senior public servants, I do not know how many altogether, but ten, fifteen, twenty people at a cost to the taxpayer of anywhere from \$15,000 to \$30,000, went overseas on a well planned, certainly lengthily planned trip, not, as I say, to feel out the land but to negotiate. They subsequently returned from various parts, and in the case of the Minister of Fisheries he returned from Norway, Denmark, Germany, Spain, Portugal, and the United Kingdom. And on, appropriately enough, Mr. Chairman, on Friday, the 13th. of February, the Premier read into the public record

MR. SIMMONS: the results or the preliminary results of the visit. He said in part, "As you know, government has adopted a policy of promoting resource development." Government has adopted a policy of promoting resource development. Now there can be only one comment on that particular statement, Mr. Chairman. When? When? Did they do it in the Fall of 1971, when the Premier was first announcing it and talking about it and espousing it? Is that what we are led to believe, that they adopted it in the Fall of 1971 and he is just announcing it now in February 1976? Or is it that somewhere in 1976 one of those thunderbolt decisions was made to have some resource development for a change?

Well, okay, let us forget the past. Let us say that the four years were all preliminary skirmishes and that the real decision to launch into resource development was February of 1976. Well, that has been some fifteen, sixteen months ago and one would think that there has been a chance now, an opportunity now, in those fourteen, or fifteen, or sixteen months, to have some results of that great launching into resource development, this absolutely lightening Emmaus Road decision. Just like St. Paul on the Road to Emmaus.

MR. NEARY: It was not Emmaus.

MR. SIMMONS: On the Damascus Road.

MR. NEARY: The Damascus Road, that is right.

MR. SIMMONS: The Emmaus Road is not St. Paul, it is the two men who see an equally staggering vision and have an equally tremendous change in their lives from thereon. But I realize that it is the Damascus Road experience that I want to talk about to the minister tonight because there was only one in that experience and in the Emmaus Road experience there were two. Either example would apply, should apply. Whether it does apply is another question.



MR. SIMMONS:

But after that startling decision to launch into resource development we have had fifteen or sixteen months since, and one can only ask, as a taxpayer and as a representative of the people, one can only ask, where are the results? Now I realize that the statement here addresses itself to resource development generally, not only to the fishery. But in fairness to the Premier, he takes up several of his ten or eleven page statement with a eulogy of the fishery, its promise of what the future should hold for the fishery and how the government is going to go about taking advantage of that fishery. Indeed, the Premier says at one point, and I quote, "Primary emphasis was placed on the fishing industry - that is during the trip that they have just come back from - primary interest was placed on the fishing industry with particular reference to further processing in Newfoundland." Then subsequently in the statement he points out that some of the negotiations had taken place with reference to markets.

He says at one point, "The basic problem of the fishery in Newfoundland is the lack of raw material." No one can quibble that a basic problem is the shortage of fish stocks in the short-term without losing sight of the amazing potential which there is in the long-term. But nobody could quibble with the Premier that it is a basic problem, a major problem. I take strong exception when he says that it is the basic problem. I think the basic problem lies elsewhere and I shall come to it shortly.

I think, Mr. Chairman, in reflecting on that particular trip, it is fair to note a couple of things: One, that the major emphasis of the trip was the fishery. And one would expect after that particular trip, since the minister himself went to six countries and talked about the fishery, and negotiated on the fishery, about



Mr. Simmons:

innovative and one of the rather good ideas I have heard from him.

Indeed, I suppose if the minister were being accused of things it could never be that he lacks innovative, imaginative ideas. If he were being accused of anything it could never be that he lacks the will to state the case for the fisheries. He does that extremely well. Indeed, if you were looking for ways to fault the present minister, ways would be very difficult to find to fault him. His only fault perhaps in a ministerial sense is the crowd he is tangled up with, and I say that honestly, because he is tangled up with, as Roy Cheeseman told us publicly, he is tangled up with a crowd who does not give a whit, not a click, not one-tenth of a clue about fishery policy. And consequently, Mr. Chairman, as a result if you have listened today to the debate so far and the information which the minister has so kindly given us, there have been all kinds of details, but if you want to get them matted or knitted together in any kind of a consistent policy I submit **it is impossible to do** and I do not ask you to take my word for it, I ask you to take the explanatory note of the minister's estimates. And I refer you to Head 1410, Revitalization Of The Fishing Industry.

Now, Mr. Chairman, what we have in these estimates, let us bear in mind, what we have in these estimates is not a ten year plan; they are just a request of the House for money for the ensuing twelve month period. And almost any budget, even a household budget, has to look ahead that far. You have to do some planning of how you are going to spend your money, and how you are going to raise it. So this is not, let us not be amiss here or misled, this is not a great ten year, twenty year plan or even a five year plan; this is a twelve months proposal for the expending of some public money.

Now listen to the note, Mr. Chairman,

MR. HICKMAN: We could not very well come in and ask for approval to spend money

MR. SIMMONS: No. Well, I am glad the minister is with me so far. I am glad the minister is with me so far.

MR. HICKMAN: One good thing, then the House would have only to sit once every ten years.

MR. SIMMONS: That has got its advantages, believe me.

MR. HICKMAN: That would have a lot of advantages.

MR. SIMMONS: The minister is with me so far. Now if he would be so kind as to stay with me for the next sentence or so.

MR. HICKMAN: I will try to do it.

MR. SIMMONS: 1410, Head 1410 reads, Revitalization of the Fishing Industry. "Government is currently examining for implementation during 1977-1978 a multitude of programmes related to the revitalization of the fishing industry. These programmes include the construction of multi-purpose inshore fishing vessels, the construction of fish handling facilities, the expansion of secondary processing facilities, the development of a long-term fishing plan inclusive of a Central Port concept, the development of a training programme for trawler crews, as well as other programmes. A specific allocation of expenditures related to each programme has not been finalized." Now this is as of the 28th. of April, one month into the fiscal year, so you have only got eleven months to go to spend the money. So with eleven months to go, and now we have been in here a month on these estimates, or since we first had them, so with ten months to go-unless the minister is going to give us some more of a breakdown when he gets to the Heads with ten months to go, or let us back up to when the budget was prepared, with the maximum of about twelve months to go, there was no firm detailed proposal as to how \$8 million was going to be spent. They knew they wanted a lot of money, but they did not quite know how they were going to spend it or how they were going to allocate it, and, you know, there is their plan, Mr. Chairman. That is how specific, how consistent the plan of the Fisheries Department is and has been ever since this crowd took office.

MR. SIMMONS:

Now I did not, Mr. Chairman, at any time cite them for a lack of statements about what they would do, all kinds of statements, Mr. Chairman; you can go back one year, two years, three years, I am looking at a document put out three or four years ago, a nice picture of a big trawler, and underneath the caption, "A trawler typical of the new government owned fleet." Now anybody following the fishery would say, What government owned fleet? Does this government have a fleet we do not know anything about? Well of course they do not have a fleet. So what fleet are we talking about? Let us find out.

And here we have somebody who need not be mentioned here announcing a new programme of establishing a government owned trawler fleet which will mean a great deal of local existing fish

MR. SIMMONS: processing plants and facilities and will allow for the future expansion and development of the fishery. But of course we know about -

AN HON. MEMBER: What are you talking about?

MR. SIMMONS: I am talking about the eight trawlers that were announced in '72 and '73. We never had one of them. They were going to cost \$40 million. And now we have a programme of longliners which is going to cost \$35 million. We are told there are going to be twenty of them built this year. So far, at the end of May, tenders for seven only have been called. I would hope the tenders for the other thirteen will be called. But that itself, even if they are and I fully expect they will be, even if they are that does not subtract from my overall concern that there is here a lack of policy, no clear direction of how the public's money is to be spent and, even more important, no clear direction of how the government is going to come to grips with the fisheries issues.

Now I said just now in referring to the Premier's statement about the trip to Europe that I took issue when he said that the basic problem was the lack of raw material. It is a basic problem, it is a very serious one in the short term. But that is not the basic problem, Mr. Chairman. The basic problem is that we are floundering around, the government is floundering around without any particular policy and if I were to put my finger on the basic problem in the fishery it is the lack of policy, the lack of direction, the lack of any kind of leadership, the lack of any consistent set of policies to direct the fisheries development of this Province. That is the problem.

Now it is compounded by other problems. It is compounded by the dreadful, abysmal lack of relationship which the minister has with Ottawa for some reason, complete lack of relationship, complete lack of relationship, Mr. Chairman.

MR. HICKMAN: That is not what Romeo says.

SOME HON. MEMBERS: Oh! Oh!

MR. SIMMONS: Mr. Chairman, if we want to envoke the name of Romeo, that is not what Romeo tells me.

MR. DOODY: What does Romeo tell you?

MR. SIMMONS: Romeo tells me he wishes he had John Crosbie back. That is what Romeo tells me.

SOME HON. MEMBERS: Hear! Hear!

MR. SIMMONS: Romeo, as bad as it was with Crosbie, he wishes -

MR. PECKFORD: Give Crosbie to Ottawa by Romeo.

MR. DOODY: You are all wet.

MR. SIMMONS: Yes, Romeo wishes he had John Crosbie back in the Ministry of Fisheries here. Well, as soon as the -

MR. HICKMAN: Mr. Chairman, I am all set for a point of order.

MR. SIMMONS: No. No. I am enjoying it. I am enjoying this. One member of his little Sesame Street class is missing, the member for Grand Falls is missing, but otherwise he has the complete Sesame Street class there with him now, all of whom can understand the simple wit of the Minister of Justice and his intellectual camp follower, the Minister of Mines and Energy; all of which, Mr. Chairman, has nothing at all to do with the few remarks I am trying to make on the fishery, nothing at all.

MR. DOODY: It is good for laughs.

MR. SIMMONS: Okay. We will take our time. It is good therapy for them, Mr. Chairman. As long as they are entertained, as long as they are as impressed with themselves as they are right now, let them laugh. As a matter of fact, Mr. Chairman, it is a very good case study, it is a very good example of how they react to the whole fisheries problem. If they are this much a bunch of big clowns in public, I would hate to see what they are doing with my tax money when they are in Europe. I really would. I have some ideas. An idea which includes, by the way, Mr. Chairman, an idea which includes the knowledge that the Premier never went where he said he went in that statement, never went to the countries

MR. SIMMONS: that he has claimed publicly to have gone to on public money.

MR. DOODY: Where did he go?

MR. SIMMONS: Mostly he holed up in London.

Yes, Mr. Chairman, as bad as John Crosbie was at least he knew how to talk to Ottawa. At least Ottawa would talk to him. And we now have a situation, Mr. Chairman, in Fisheries - in three departments, we have a situation where there is a real communications problem, I am told, between the minister here and his counterpart in Ottawa. And in all three cases it is because the ministers here - at least this is my summation, there may well be a different reason - as I understand it it is because the ministers here have a real opposition complex - the Minister of Fisheries, the Minister of Transportation, and the



MR. SIMMONS: Minister of Industrial Development.

MR. MORGAN: We are getting more money from Ottawa than ever before.

MR. SIMMONS: Oh, yes? That is not what Otto says when he comes down to earth.

SOME HON. MEMBERS: Oh, oh!

MR. SIMMONS: That is not what Otto says.

MR. MORGAN: We are getting more money from Ottawa these days.

MR. SIMMONS: Yes. You are getting all the money from Ottawa.

MR. MORGAN: We will keep getting the money.

MR. SIMMONS: And we would have the Trans Canada well underway. The -

MR. MORGAN: You are just jealous!

MR. SIMMONS: Jealous of what, 'Jimmy', boy?

Mr. Chairman, the boys in Ottawa cannot wait, so 'Frank' comes back long enough to decide he needs a Cabinet shuffle right bad and get some other faces in those particular portfolios. But the important issue, Mr. Chairman -

MR. DOODY: Will I be kept on?

MR. SIMMONS: He loves you! He loves you, I must say. He says if they were all like the Minister of Finance they would have no trouble at all. When the times comes they get money for Linerboard and he does not even bother to go to Ottawa, he sends up two or three other fellows.

MR. DOODY: I was up there.

MR. SIMMONS: You were up there? You never made much of an impact then.

MR. DOODY: - I was -

MR. SIMMONS: That is why he likes you so well, I guess. Mr. Chairman, the Minister of Fisheries -

MR. HICKMAN: You always hurt the one you love.

MR. SIMMONS: I have lots of time, boys, lots of it.

MR. CHAIRMAN: Order, please! The hon. gentleman's time has expired.

SOME HON. MEMBERS: Hear, hear!

MR. W. CARTER: Mr. Chairman, I realize that other members probably want to say a few words, but I should not let the hon. -

MR. SIMMONS: You could leave some time for me.

MR. W. CARTER: Oh, I will, yes.

AN HON. MEMBER: He did not make one point.

MR. W. CARTER: No, no. I think the hon. member made a very delightful speech! He was his usual self - pleasant, enjoyable and it is a joy to listen to him.

MR. SIMMONS: Get on with it!

MR. W. CARTER: He talked about the relationship we have with Ottawa. I do not think he has been kept informed. I think if he were to talk to the minister in Ottawa, the minister would tell him that only last Saturday, as a matter of fact, we spent two and a half hours together at the -

AN HON. MEMBER: You are getting some close!

MR. W. CARTER: - Oh, yes - at the - I had the -

MR. SIMMONS: - (Inaudible) - You had no relationship.

MR. W. CARTER: I had the honour -

MR. DOODY: They were not that close!

SOME HON. MEMBERS: Oh, oh!

MR. W. CARTER: I had the honour and the pleasure to be invited to the minister's house to a very informal meeting where over -

MR. MORGAN: You cannot get much closer than that!

AN HON. MEMBER: - without being indecent!

MR. W. CARTER: - where over a couple of glasses of lemonade, we discussed the fisheries and our dreams for the future, unswerving loyalty to each other, and I left the minister's house feeling rather proud because I thought that we were pretty well heart to heart and eye to eye on pretty well everything that was going on. So I -

MR. DOODY: Cheek to jowl?

MR. W. CARTER: You know, if the minister - I cannot imagine. I have nothing but respect for the Minister of Fisheries

MR. W. CARTER: in Ottawa. I had the pleasure of being his critic in the House of Commons for two years, during which time I do not think I at any time embarrassed the man. I always - and he will have to tell you that - I always gave him warning of the questions that I asked, something that was rare, I think, in Opposition critics. As a matter of fact, some of my colleagues in the Conservative caucus were quite critical of me for maybe being a bit too friendly with the minister and being a little bit too understanding. We had a very good relationship, we still do. The minister was in St. John's last week. I was the first person he called, when he arrived, at my home last Wednesday night. He called me at my home eleven o'clock, we chatted for half an hour. On Thursday, I had a salmon delivered to the office of the Director-General, Mr. Cowley -

MR. SIMMONS: Where did you get it?

MR. W. CARTER: - for the - this was the day the season opened -

AN HON. MEMBER: Did you catch it?

MR. W. CARTER: - for the minister. The minister personally invited me to Ottawa on Saturday and to come up to his home on 4th Street where we sat over a glass of lemonade and chatted for at least two and one-half hours and we talked about everything under the sun pertaining to the fisheries.

SOME HON. MEMBERS: Hear, hear!

MR. W. CARTER: Now, if after that I am in his bad books there is no way of -

MR. SIMMONS: No, you are not in his bad books. He thinks you are a lousy minister, that is all.

MR. W. CARTER: That is not what he told me, by the way, but that is his right.

AN HON. MEMBER: Are they separating.

MR. W. CARTER: The minister in Ottawa understands one thing about the minister in Newfoundland -

MR. SIMMONS: He looks forward to the day you are finished with it.

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MR. W. CARTER:

I would not doubt that. You might be right. But the minister knows very well. I think he knows me well enough to know that I will not go crawling to the minister. I will not do the proverbial you-know-what.

Mr. W. Carter:

He knows where I stand, and I think I know where he stands, and I believe he respects me for it. I am not the type to -

SOME HON. MEMBERS: Hear, hear!

MR. W. CARTER: - I am not the type to go crawling to him and to be throwing bouquets at him, because I do not believe that is the way it should be. I think that Newfoundland, we are a Province, we have equal rights, and I do not think that any minister of the Crown of this Province should have to get on his hands and knees and crawl to any minister in Ottawa.

SOME HON. MEMBERS: Hear, hear!

MR. W. CARTER: The day that I am expected to do that there will be a new Minister of Fisheries appointed in Newfoundland. No way will I do it! The minister knows that and I know it. He respects me for it as I respect him. The hon. member -

MR. SIMMONS: There will be no mistaking -

MR. W. CARTER: Oh, yes, I am sure he does.

SOME HON. MEMBERS: Oh, oh!

MR. W. CARTER: I am sure he does.

MR. SIMMONS: It is all over the papers.

MR. W. CARTER: The member talked about our trip to Europe.

AN HON. MEMBER: Non-political!

MR. W. CARTER: The fact that we do not have a long-term plan for the fisheries, for fishery development. Well, I can tell the member now and the House, Mr. Chairman, that we do have a plan. We do have a short, medium and long-term plan. We do have a plan. We know exactly where we want to go. We know exactly where we are going. But it is kind of unfortunate, Mr. Chairman, that under the terms of union between our two countries Ottawa was given certain jurisdiction over fisheries. And a great many of the plans that we have, a large number of the plans that we have are contingent on Ottawa's approval. I have a paper here that spells out quite clearly the direction in which our fishing industry will be going in the next ten years.

MR. SIMMONS: When are you going to table it?

MR. W. CARTER: I am not going to table it yet, but I will in time because this paper, by the way, is being presented to the minister and as a courtesy to the minister I have no intention of giving this to the press or allowing myself or anybody else to make political hay from it. I do not think that that would be in the best interest of -

AN HON. MEMBER: The Federal Government.

MR. W. CARTER: No, no. I say, I would not table that proposal nor would I give it to the press. It would give me some very, very flattering headlines, but it might be a short-lived pleasure because I think it would be a discourteous thing to do on my part to give this to the public, to the press, in view of the fact it is now under consideration by the minister in Ottawa and by his officials. So it is out of respect for the minister and my desire to be on a good basis with him that I have not tabled this document.

SOME HON. MEMBERS: Oh, oh!

MR. W. CARTER: There is no point in us going off and making great announcements about what we are going to do for the fisheries. We are going to do this and that, until we know how Ottawa feels about it. Like I said, the plans that we have made, and we have our plans well made right from A to Z. We know exactly where we are going, where we want to go.

MR. SIMMONS: If Ottawa helps you.

MR. W. CARTER: No, no. It is not a matter of help. All we are asking for is approval from Ottawa, not altogether financial support. But there are certain things, As the hon. member must know, where Ottawa does exercise certain control. For example, we talk about distribution ports, we talk about charters, we talk about the landing of fish for distribution to the various seasonal plants around the Island, this is all contingent on Ottawa. Ottawa must establish the total allowable catch. To date they have not done that for 1978. They are now in the process of doing it. Once they have established the allowable catch,

MR. W. CARTER:

then the minister in Ottawa will have to define Canadian effort, what does he consider to be Canadian fishing effort? Will they in fact accept charters as being a legitimate Canadian fishing effort? These are some of the things that Ottawa is now studying. The paper has been given to the minister, and is being discussed with other Cabinet ministers in Ottawa. And we are now anxiously awaiting their word as to exactly how they feel, and just how far they are prepared to go to co-operate with us in our plans to develop the fishery.

During this present session we will be introducing legislation to establish a Crown corporation, a corporation that once the plans in Ottawa have been approved will be necessary to provide the necessary administrative

MR. W. CARTER: course of action, as it were, for the future development of our fisheries, particularly with respect to the chartering if possible of foreign ships. With Ottawa's concurrence on our fisheries plan we will be initiating this year a training programme, a programme to train young Newfoundlanders to fish on larger, more sophisticated ships.

We have already initiated plans to have a study conducted into the auction system in the Province, and I am happy to announce tonight that the President of Birdseye in England has been kind enough to give us one of his top officials, a man who has been very, very closely associated with the purchase of fish in the UK and in the operation of an auction system. We believe that it might well be that the auction system will have to be established in Newfoundland. With great respect to the union, and I give them full credit for what they have done in recent years, particularly their most recent settlement with the fish companies and the fishermen, we believe that our fishermen are still grossly underpaid. We believe that the countries that I have visited where the auction system is in operation, I would say that our fishermen receive probably less than half of that received by fishermen in those countries. We believe the auction system does have merit. We are going to explore every possible avenue, every means of seeing if that system will work in the Province and if it will work to the advantage of our fishermen.

The Leader of the Opposition this afternoon talked about marketing. He talked about gear insurance. He talked about the possibility of maybe having a port somewhere in Northern Newfoundland that would be kept ice free or would be kept open by ice breakers during the Winter months. That is one of the things that I talked to the minister in Ottawa about a few days ago. He explained to me some of his thinking with respect to keeping a northern port open all year round by ice breaking capabilities being established there.



MR. W. CARTER: We have just received a gear insurance report.

A few months ago I established a committee to investigate the possibility of coming up with some kind of gear insurance for our fishermen and that report is now being submitted to me and I have sent a copy to the federal minister and a copy of the report as well to the President of the Fisherman's Union, Mr. Cashin. And I did that because these two levels, the union and the federal government, as well as the fishermen themselves, and the Province, will have to be involved if such a programme is to be initiated and to work properly.

With respect to marketing, as the hon. members opposite know, I am sure, that the marketing situation is one that falls within the jurisdiction of the federal government. And again, during my visit and talk with the minister in Ottawa last week, that is one of the big concerns that he expressed and one of the disappointments actually that he is not satisfied with the present marketing structure of the federal government insofar as fisheries are concerned and is certainly doing his best, I am sure, to find a better solution to that problem.

Somebody mentioned this afternoon about the establishment that a Crown corporation similar to the Saltfish Corporation, for the marketing of codfish, fresh fish, and I am so sure that is the way we want to go. I realize that the saltfish industry has improved because of the Salt Fish Corporation but I am not sure that we would want to have just one government organization involved in a marketing of all of our fish that is harvested and processed in our Province.

I favour the approach that was taken to that problem by the federal minister last year in the establishment of export licences. I think at the time it was the government's intention in Ottawa to issue maybe six or seven export licences to the Atlantic area. These would be granted to the larger companies. Of course the question will arise as to well, what happens to the smaller companies if it is only the bigger ones that are given the right to market

MR. W. CARTER: their product?

I can see export licences given to a limited number of companies and I can see maybe a government agency operating as a marketing umbrella, as it were, to take in the smaller companies which would not qualify by virtue of their size in production, would not qualify for an export licence.

MR. W. CARTER:

I believe that sort of thing would work because then you have two operations, you have one checking against the other. I do not think I would want to, if I were a Newfoundland fish processor, would - want to put all of my eggs into one basket, as it were, and give the right to marketing our fish to one organization. I believe that a number of export licences and maybe a government agency to market the fish from the smaller companies would be a much better and more practical suggestion.

The Leader of the Opposition mentioned about the tariff situation and the EEC and the situation in the US, and I do not think it is any secret that this government is keenly interested in developing a closer liaison with the European common market countries. That, I should tell the member for Hermitage, was one of the benefits that we derived from - I am sorry, from -

AN HON MEMBER: Burgeo.

MR. W. CARTER: Burgeo - Bay d'Espoir, (Mr. Simmons) one of the benefits that we derived from our trip.

MR. SIMMONS: What is that?

MR. W. CARTER: We are keenly interested in developing some close ties with Europe because we believe that in a matter of time that is where we are going to have to be marketing a large portion of our fish that are caught and processed in our Province. At the present time it is impossible, pretty well. There is a fifteen per cent tariff on fish entering the European common market countries. That is something that we believe will be corrected in time. In fact, at the present time the tariff is being reduced for two countries, Iceland and Norway, where it is now three per cent. We have been told by people who are involved in the GATT negotiations and other negotiations that there is a good chance that the fifteen per cent tariff can be reduced to maybe three or four per cent somewhere down the road and hopefully not too far distant.

MR. W. CARTER: So these are some of the things, Mr. Chairman, If the hon. member opposite from Burgeo-Bay d'Espoir (Mr. Simmons) complains I have not gone into detail and explained every subhead, then I am afraid he should not blame me -

MR. SIMMONS: No, no, no, I did not say that. I said the minister is to be commended for the information he has given, but he has given no indication of any clear policy.

MR. W. CARTER: I have already explained to you.

MR. SIMMONS: But you talk about -

MR. W. CARTER: I have already explained that we have a policy that is well defined.

MR. SIMMONS: Where? The House has not seen it.

MR. W. CARTER: Mr. Chairman, I will confess the House has not been given a copy of our proposal.

MR. SIMMONS: There you go. There it is.

MR. W. CARTER: But I am suggesting to you that it would be a great discourtesy on our part to publicize a programme for fishery development in this Province, both short and long term, a large part of which is contingent on Ottawa's approval.

MR. SIMMONS: Now there is the catch. It is not yet a programme, it is a proposal which may or not be accepted.

MR. W. CARTER: A proposal -

MR. SIMMONS: You cannot call this a policy because -

MR. W. CARTER: It is a firm proposal on our part. We know exactly where we want to go and hopefully within a month or two we will be able to go into much more detail with respect to our plans.

MR. SIMMONS: This is just confirming what I am saying that there is no policy on paper, there are some ideas.

MR. W. CARTER: Oh no! What would you suggest? Mr. Chairman, what does the hon gentleman suggest? Ottawa does play a major part in the formulation of policies in our Province.

MR. SIMMONS: Sometime you have to stop blaming Ottawa and come out with a policy.

MR. W. CARTER: You talk about a long-term plan, he talks about a ten year plan and why we did not come in this year in the estimates with a ten year plan for the revitalization of the industry.

MR. SIMMONS: No, I did not say that. I did not say that, you know I did not say that. You have a warped mind.

MR. W. CARTER: It would be rather difficult I think, Mr. Chairman, to bring in that kind of a budget, looking ahead ten years. Certainly we know where we are going.

MR. SIMMONS: Is he serious? He is not that stund, is he?

MR. W. CARTER: I have reason to believe that our proposal by the way is receiving very sympathetic consideration in Ottawa and in time will be approved. Mr. Chairman, I do not want to deny the hon. member for Hermitage (Mr. J. Winsor) the right to speak, so maybe I should finish.

MR. W. CARTER: How much time do we have left,

Mr. Chairman? A half hour.

The hon. member for Hermitage.

MR. J. WINSOR: I thank

MR. J. WINSOR: the minister for giving me the opportunity to say a few words. There is not too much time left for the whole subject and the most important subject I suppose - one of the most, if not the most important subject that can possibly come up in this House. And I have to agree with my colleague, the member from Burgeo - Bay d'Espoir, in that if the minister has a real good policy to present to Ottawa, we should know about it, more people than I suspect, know about it. And possibly, the Premier's Special Committee should have been formed, and hopefully that would have included some people from this side of the House. And then we could have had a better picture of it and it would not necessarily by that be publicized. It would not have to be, it would just be a better spread of opinion on both sides of the House. I think that might be a good thing. I do not think all the brains in the House is on this side, and I do not think it is all on the other side. I am sure the minister has done a tremendous job as long as he has been in this House in announcing different programmes, and I for one sincerely hope that every blessed one of them comes to fruition and pays off as good as I am sure the minister himself does. He has done a great job in announcing the different programmes. I have been keenly interested in most of them. I can understand his good rapport with the hon. Mr. LeBlanc.

AN HON. MEMBER: Socially.

MR. J. WINSOR: Socially and otherwise he would have to be in good rapport. The federal government in 1977 paid into Newfoundland directly to fisheries in different ways a quarter of a billion dollars.

MR. MORGAN: 1976.

MR. J. WINSOR: Ridiculous.

MR. MORGAN: 1976.

MR. J. WINSOR: 1976 - yes. Well, it is the - I am sorry - in the ten years from 1967 to 1977 - I got that a little bit twisted. In ten years <sup>its</sup> paid in that much money and that is a lot of money per annum. And they deserve the best attention that the minister can give them, or anybody else, because that money is very important. Against that, of course,

MR. J. WINSOR: we are putting in some money of our own, some of it is ours. It says \$16 million there, but a few million - \$2 million from DREE and another \$950,000 from DREE. You know, they are contributing a large portion, and I think it is only right that the federal minister and the provincial minister should be on the same wave length, even if they do not get too chummy, cheek to cheek.

The most important part of fisheries, of course, is development of it, and you are working on that, or at least you tell us you are. And when I go back to my district - I have not seen too many great changes yet, but I hope they are to come. I do see some interesting things that are happening in a small way which the minister promised to do and I am glad that he is following it up, but there is an awful lot more to be done. I think we should start obviously with the inshore fishery, which I am quite sure the minister is paying most attention to, the inshore fisherman. And I think this is rightly so. We have to look at a lot of other things like fish farming - expand, experiment - stop at nothing. Take a positive approach to every possible new concept such as you are talking about now, better methods of the inshore boats handling their fish, doing away with the fork. Somebody said the fork has done more damage to quality than anything else. I will not say that. There are other things that do damage to quality - lack of ice and fish being in the boat too long, and small fish, as we talked about the other day. There is certainly room for improvement in the methods, the small boats use now for handling fish. They cannot go the whole hog because the boats are not big enough. And they are still going to be there, the small motor boat and the dory are still going to be a very important part of our fishery and you cannot fill them up with ice and expect to bring them back full of fish and ice - you would have two boatloads. There is no way it can be done. But I believe there is a plan underfoot which will make an insulated compartment for these boats and I am sure if there is anything like that on the go, the minister is well aware of it. And these will be built in Newfoundland and developed with a liner which has a chilling component of some kind - it could be dry ice or it could be ordinary crushed ice - and the fisherman

MR. J. WINSOR:                    keep his fish chilled, which would be a great improvement.

One of the other subjects touched on by other members here today - I have not been here all day, but it has been touched on since I have been here - is the protection for our fishermen in gear insurance and so on, and their boats. Their boats need insurance. Most of them cannot afford, or say they cannot afford, but there should be some plan, contributory plan, set up whereby the fishermen, government, both provincial and federal probably, contribute and give them a decent, adequate protection of both boat and gear and as far as that goes, their lives as well.

I do think that - the minister is talking about building new longliners and I do think that before all these longliners are put in the water you are going to have to change your fishing limits. The three mile limit is only a joke because lots of my fishermen go to twelve miles off shore. So three miles is no protection for them, is it? There are going to have to be some changes made in the limit for the inshore fishermen, three to ten miles maybe, and then your near-shore fishermen, ten to twenty miles, and no big fellows, or even side trawlers, allowed inside the twenty mile limit. That may not be too popular with some of the side trawler fishermen, but there is going to have to be some protection set up for these longliners. Then where are you going to fish them all? You have a lot of longliners in mind, there are a good many on the go now and some have been repossessed because the fellows could not pay for them, and you are talking about a much more expensive boat. If they cannot pay for them you are going to have to give them to them in two or three years time because you will have too many to repossess and sell. They will be like flies. That has to be thought about.



MR. J. WINSOR: I am sure that the inshore fishermen will co-operate with any scheme that is devised by the Department of Fisheries, either federal or provincial. The fishermen are very anxious to see a better product landed on the wharves and this applies to any species. And they should be permitted. The hon. the member for Bonavista North (Mr. Cross) talked about the licensing system. I would go so far as to say that the licensing system currently is a bit of a mess. They are trying to cut out moonlighters but there are just as many - maybe not just as many, but there are a darn good many moonlighters still at it. There are lots of young men, and fishermen who are not young but are well experienced and in the older bracket who cannot get lobster licenses and they cannot get salmon licenses and without these two they cannot make a real good go of it despite the good price they are getting for fish. Fish was approximately twelve, now tomorrow or next day it will be sixteen. That is a darn good price. I remember when it was two cents for top quality fish. They are working the right way.

There are an awful lot of things that are not known about the fishery. Neither the minister nor I nor anybody else knows about them. It is going to take a long time before all these important things are thrashed into a real workable policy for the inshore, near-shore and the trawlermen. There are much too many problems to be licked overnight. However, as I have said before, we have not only been at it overnight, we have been at it for nearly five hundred years and we have not come up with a good policy yet. I say to the minister, if he can come up with a good policy he will be a hero. And after you die there will be another statue out in front of the building there because you will deserve a memento of that magnitude.

MR. J. WINSOR: I do not think it is a one man job, but I think with good leadership and good men in the department we can work out a good policy. There are an awful lot of problems. You cannot just cut off all the foreigners and say, Oh, we cannot give it to the foreigners. You have to play ball with these people. Our trawlers - you said our trawlers could not fish off the Labrador coast. I say they can, because I have sent them down there myself. One of the first that went down there in a joint venture with Quebec, I sent it there, the Trianna, and she fished on the border of 2J and 3K. The Northern border of 3K and the Southern border of 2J.

MR. W. CARTER: What time of the year was that?

Mr. J. Winsor:

Oh, they were down there until nearly Christmas. Obviously they cannot fish in ice. We have got nothing here that can fish in the kind of ice they get down there.

MR. W. CARTER: (Inaudible)

AN HON. MEMBER: . . . ice conditions in (inaudible)

MR. J. WINSOR: Well, of course, you are talking about the short haul, the few months in the Spring when there is heavy ice. But they can fish down there other times in the year, and our fishermen are going to have to learn they have got to go farther afield. Now we have been spoiled a bit by being able to go up in the Gulf and catch fish. When I first went on the Southwest Coast, which was twenty-five years ago plus, we had wooden boats. They went down on the Grand Banks, 450 miles from home. It took them that many hours at ten miles an hour, forty-five hours, forty-eight hours steaming back and forth, and they came back with some good trips, and some bad trips. But I think in recent years they had been more or less driven out of it by the huge stern trawlers that had been coming from the other countries, Germany, Russia, everywhere. They had not been able to survive down there with them. There was no way they could fish in that kind of company. They were like a bunch of schoolchildren trying to get tangled up with a bunch of wrestlers. It just would not work, and they could not fish there; they had to get out of it. Then they lost their real touch for the Grand Banks, and they were much more at home up in the Gulf, and up the Western shore, up on the Nova Scotia coast, and the Bankquereau Bank and so on. But these things will be corrected. The boats they have now are good for another six to eight years. You say the average age is fifteen?

MR. W. CARTER: Side trawlers.

MR. J. WINSOR: Side trawlers. You must be putting a couple of real old ones in there to get that - you know, some of Fishery Products, I suspect. Very good. But the ones that I see are good for another six to eight years. But I think if the fisheries bounce back,

MR. J. WINSOR:

I am pretty sure within three years you are going to see an awful difference in our fisheries, if they can manage the 200 mile limit like they have been doing. They are bringing in another culprit tonight, a Polish boat that has been caught with its pants down or something, nets down, wrong size mesh again, God knows what else, you know, but the boys are keeping tabs on them. I say in three years that you are going to see some difference. I heard today that fishermen on the Northeast Coast are noticing a difference in their catch this early, and I am sure it has got something to do with the Hamilton Bank being protected.

AN HON. MEMBER: Fully protected?

MR. J. WINSOR: Not fully. I do not think the Hamilton Bank has been that fully protected long enough, but it certainly made a difference.

Everybody thinks it only makes a difference to the Northeast Coast, but it makes a difference to my coast. The fish in the Hamilton Bank go down through the Straits of Belle Isle, the Gulf, the Cabot Strait, and you can catch them off Cape St. Mary's, where our fishermen sometimes go, and you can catch them off Pass Island, you can catch them off Penguin Islands or Ramea, Burgeo. They do come down our shore as well. I think they split, They may be like the seals; you have got two lots of seals, one comes down the Gulf, and the other comes down on the Front. The same thing applies to the cod fish, and other species. But I do believe that protecting that Hamilton Bank the fisherman certainly knows what he is talking about. And we will have to replace these side trawlers with more sophisticated types of stern trawlers where they can change their gear from midwater fishing to side trawling and so on very quickly. And I think I am getting the business here on time because so much has gone by.

I have great respect for the minister's efforts but I am not sure that this government is capable of making a meaningful change in the direction of fisheries development. It is going to take quite a thrust from the minister and from his department to make the changes necessary, and I believe that you can do it but I do not think you can

Mr. J. Winsor:

control it all on your own, and do it all on your own without having some meaningful dialogue with private industry. I believe private industry is the best people able to run the fishing industry or any industry. That has been proven time and again. The minute government gets tangled up with it, there is no real control. I know it from personal experience. I had it in Burgeo when I ran the plant \_\_\_\_\_

MR. J. WINSOR: for the government, and I could not get anybody in this building to talk to me.

MR. HICKMAN: The government has no right in this business.

MR. J. WINSOR: None whatever, especially the fishery.

MR. HICKMAN: Right!

MR. J. WINSOR: All right, you have to have controls and the government has to have some input into it. It is too darned important to leave to private industry and it is much too important to leave to government, I would say that. And I think it has to be regulated because of its size and importance to the economy of this country. And if government and industry cannot get together, then we deserve to lose our fishing industry; but I am quite sure that this government or any other government will have to sit down with private industry and work out the details. They have the expertise. You say that you are exploring the European market. I know several companies in this town that can sell any fish product that this country can produce, in Europe, by one 'phone call - any quantity.

AN HON. MEMBER: Hear, hear!

MR. J. WINSOR: They have the contracts. They have had them for twenty years. It is nothing new, Sir.

MR. W. CARTER: French?

MR. J. WINSOR: French, German, Russian, Italian -

MR. W. CARTER: The French? Direct fresh frozen fish? Is that it?

MR. J. WINSOR: - Fresh frozen fish - any product or anything that we can produce. We cannot produce everything they need. There are some types we cannot produce, you know that.

MR. W. CARTER: What about the tariff?

MR. J. WINSOR: The tariff - that will be licked in time like you said.

MR. W. CARTER: At the present time - you said you have companies that can export fish now.

MR. J. WINSOR: Yes, they can do it - at a price.

MR. W. CARTER: Subject to tariff?

MR. J. WINSOR: Oh, yes. You cannot break down the tariffs. That same thing applies to - you are talking about marketing in the United States. I have a whole list of things here that I could tell you about that, but I do not think you need to be told, because I am quite sure that you know as much about that as I do. If you do not, somebody is letting you down badly. Well, I do not have time to go into that now. Going into final processing for the American market - it may come, but not too soon. There are a great deal of things that I would like to say about the fisheries but I do not have the time, and I think it is wrong that this House does not give me time.

MR. W. CARTER: Would the hon. gentleman permit?  
The gentleman, Mr. Chairman, mentioned about free enterprise, the private sector, and how important it was for government to co-operate with the private sector. Now I agree. And the fact that we are now talking about setting up a Crown corporation should not be interpreted as maybe an unwarranted intrusion into the free enterprise system. But would the hon. member not agree that today it is awfully difficult, if not impossible, for the private sector to provide the necessary financial wherewithal to meet the challenges that are now confronting the industry and government and the fishermen resulting from the 200 mile limit? Millions upon millions of dollars will be required to build ships. We talked about the age of the existing offshore fleet. The fact is that within ten years - within ten or twelve years at the most - there is not a ship afloat today that will be in service twelve years from now. To replace a ship of that size today would cost \$5 million. Ten years from now, giving regard for the inflationary trend that has been established pretty well, you are talking maybe \$10 million - twice that amount.

MR. J. WINSOR: You should have gone on and built the trawlers.

MR. W. CARTER: Consequently you are talking about in a ten year period the construction of a hundred ships at a cost of probably \$750 million.

MR. J. WINSOR:

The trawlers should be -

MR. W. CARTER:

Pardon?

MR. J. WINSOR:

The trawlers should be built by government, like the Russians.

MR. W. CARTER:

We will have to start because for the next ten years we will have to lay about ten keels per year to even keep abreast of what is happening without -

MR. J. WINSOR: That is more than Marystown could do, I am sure.

MR. W. CARTER:

- without making allowance for expansion.

But I apologize for my intrusion on the member's time, but would he not agree, Mr. Chairman, that maybe there is room for government and private sector participation, and union?

MR. J. WINSOR:

Very important.

MR. W. CARTER:

These are three very important components today in the fishing industry - very important - governments at both levels, industry, union. And when I talk about Crown corporations and about government becoming involved I am not suggesting that we are going to become - attempting to nationalize or provincialize the fishing industry, but certainly I think we must recognize the fact that we are going to have to play a very meaningful role in the fishery's development. We are going to have to take certain initiatives. We are going to have to take certain leadership. And I am afraid if we leave it to the private sector - one of the unfortunate aspects about the present structure of the private sector in fisheries is that most of the companies are family owned companies and I am afraid that adds very little to the operation of these companies or to their expansion in the field. Certainly I believe, and I am sure the member will agree, the government does have a role to play. a very important role and



MR. W. CARTER: it is up to us to take that leadership.

MR. J. WINSOR: Yes, well I was just about to finish as the minister asked me the question. I did say to you that I thought it was certainly important that government and industry get together. I am fully aware that our private industry and our fisheries - the industry is much too small for the job that needs to be done and government certainly has a place in that industry, as it has in everything that goes on in Newfoundland. But where is the money going to come from? Provincially you do not have it. It has to be federal-provincial or the multi-national corporations are going to have to take over with their billions and billions of dollars and their willingness to invest in a high-risk industry. I think government definitely has a place in the industry.

MR. HICKMAN: The multi-nationals do not have that kind of sensitivity toward the community.

MR. J. WINSOR: I am afraid not. I am fully aware of that, Sir.

MR. HODDER: Mr. Speaker, if I may say just a few words. The only fishery that I know of or I am experienced with in this Province is the fishery in my own district. And in a very few minutes, as I promised the Minister of Justice to give him a chance to say a few words, I would like to point out one major problem in particular that affects the district in this particular point in time. About three or four weeks ago in the district of Port au Port, we had a major storm on the North shore of the district. The district is one of the three large lobster suppliers in the Province and many of the fishermen lost their lobster traps and were practically wiped out.

Unfortunately, Mr. Speaker, this past weekend there was another storm there. The storm was of some four days duration and the fishermen from Black Duck

MR. HODDER: Brook to the Mainland were struck the second time this year by heavy seas and storms, and this time much worse. Every fisherman, regardless of whether they were lobster fishermen, if they had gill nets out or herring nets, whatever it might be, they lost everything they had. I have already spoken to the minister about this particular problem. I feel that there must be some sort of a subsidy. The lobster fishermen do not get a subsidy as they do with the groundfish where they get a half cent a pound or whatever for loss of nets and gear. They have to take the loss totally whenever something happens like this. Of course, this has happened twice in a row now and I feel that the lobster fishermen should qualify for the same subsidy as do the person fishing for the other species.

As well, Mr. Chairman, I feel that, and I have discussed this with the minister, that we must - and since the minister is now to the stage of drinking lemonade with the Minister of Fisheries in Ottawa perhaps he can prevail on the minister to bring in the - and I believe this is a federal/provincial plan - lobster insurance as this, I think, is an absolute necessity. Because I feel that if this continues, and if the fishermen continue to have such heavy losses, I do not think anybody will be going into the lobster fishery in that area.

Mr. Chairman, there are a few other things I wanted to speak about; the need for basic facilities in the area and the young people who are now getting into the fishery and the difficulties they are having. But I did make a promise that I will keep.

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

MR. HICKMAN: Mr. Chairman, I would like to thank the hon. the member for Port au Port (Mr. Hodder) for giving me just a few minutes to comment on the estimates of my colleague, the hon. the Minister of Fisheries.

MR. HICKMAN:

As the House is aware, I represent an area which most assuredly is the largest fish producing area in Eastern Canada, not just the district of Grand Bank, but the Burin Peninsula and certainly if you include the entire South coast from Cape Ray to Cape Race there is no doubt about the accuracy of that statement.

Mr. Chairman, when discussing the estimates of the Provincial Department of Fisheries we must not lose sight of the fact that a great deal of the jurisdiction, a very high percentage of the jurisdiction and responsibility for fisheries vest with the Government of Canada and it has been that way since 1867. I find it difficult sometimes to accept the principle that in order to get certain

MR. HICKMAN: programmes going that fall outside of our sphere of influence and jurisdiction that we have spent provincial dollars that could be spent in other areas of this industry. But the Minister of Fisheries, my colleague the Provincial Minister of Fisheries, has in my opinion done more during his tenure of office, which has only been a year and a bit, to make the case of Newfoundland known to his federal colleague than any predecessor in that office since 1949.

I know as Minister responsible for Intergovernmental Affairs that there is indeed at this time a very close liaison between our minister and the hon. Romeo LeBlanc, the Federal Minister of the Environment. And I know that the officials in the Federal Department of the Environment, those who work at the fisheries desk, are beginning to realize that the hon. Minister of Fisheries, who sits in this Legislature, is not trying to upstage his federal counterpart, he is not trying to embarrass his federal counterpart, but rather what he is doing is bringing to his colleague, the hon. Mr. LeBlanc, some very imaginative ideas and programmes that are designed to ensure that Newfoundland can take full advantage of the benefits that will accrue from the imposition of the 200 mile economic zone off our Coast.

As I see it, that is the main role of a Provincial Minister of Fisheries. As a Province we have no jurisdiction over marketing, as a Province we have no real jurisdiction over quality control, as a Province we have to look to Ottawa to exercise an exclusive responsibility to build the necessary landing facilities and do the dredging and provide the harbours and to modernize the harbours in order to improve the catching capacity. Our role is to come up primarily with the ideas and our Minister of Fisheries has done his job and he has done it well.

I would hope that the message is beginning to get through to the Fish Trades Association in this Province that if they have any hang ups with respect to a kind of marketing scheme

MR. HICKMAN: like the Salfish Corporation, and if they want to avoid that, and if they want to preserve the competitive approach to the sale of our fishery products - and bearing in mind that we sell the majority of our production in the great bastion of free enterprise, the United States of America, a country that does not look too kindly upon state controlled industry - that if they are going to maintain their independence, then there has to be stronger co-operation between the fish trades in the marketing scheme.

The first speech I made in this House, Mr. Chairman, in 1966, I referred to a report, I think it was the Gordon Report - there was a Greuber Report - that was prepared by a firm of American consultants, business management consultants, market specialists for the fish trades in 1966, and that report set forth a very clear, and I think effective and efficient, manner of marketing our fish products in the United States of America. But it required absolute co-operation amongst the trade and that co-operation was not there and for some strange reason it never came to fruition. Now we are approaching a time where obviously the fishery lobby in the New England States is getting stronger, where obviously they are too looking at the benefits that will accrue because their national government has extended the 200 mile limit, that if we are going to be able to compete with them, then we are going to have to ask the trade to be a bit more co-operative amongst themselves in good, imaginative and expensive marketing programmes. If they do not do that they are issuing an open invitation for government involvement and that may not be desirable.

If I can be parochial for a minute, Mr. Chairman, and I find it very difficult to be parochial in these critical days, may I

MR. HICKMAN: say to my colleague, the hon. Minister of Fisheries, how grateful the people of Lord's Cove are and how delighted they are and encouraged they are with his announcement to build in co-operation with the hon. the Minister of the Environment, Mr. LeBlanc, a fishing facility, fish landing facility at Lord's Cove.

MR. PECKFORD: Hear, hear! One up for Lord's Cove.

MR. HICKMAN: I do not know how many hon. gentlemen realize this, but there is a section of my district of Grand Bank which contains a very high production capacity in the inshore fishery. Lawn is probably the inshore fishing capital of this Province.

MR. PECKFORD: Hear, hear!

MR. HICKMAN: How many members realize that? How many members realize that if it is not Lawn it may be Port de Grave. But I would say Port de Grave and Lawn are vying for that honour. Yet my district which is traditionally a deep-sea fishing area, also has a very substantial catch and very substantial fish landings in the area really from little St. Lawrence to Fortune inclusive with some in Garnish and Frenchmen's Cove, to the extent that come next month the four fish plants on the Burin peninsula, as my hon. friend from Burin - Placentia West is aware, will be blocked to the hatches and we will once again be transporting fish to other parts of this Province for processing in fish plants in Trinity Bay and in Twillingate and in Catalina coming from the inshore fishing in that little part of this corner of this Province.

So, Mr. Chairman, I can only join in the sentiments expressed by the hon. gentlemen opposite in saying that we have tremendous confidence in the provincial Minister of Fisheries. We are fully aware of the admiration in which he is held by his colleagues in Ottawa and we share his determination to make the fisheries a strong resource, a stable industry. Not the kind of industry that has to depend on all kinds of outside influences, outside factors, outside economies, outside competition over which we have no control,

MR. HICKMAN: but an industry based on a resource that we have in more abundance than any other area of the Eastern seaboard. And I congratulate him for bringing before this committee the largest, by a country mile, the largest estimate, the largest amount of money to be spent by the provincial Department of Fisheries since 1949. If money can do it, if enthusiasm can do it, if knowledge can do it then our Minister of Fisheries will see it well done.

SOME HON MEMBERS: Hear, hear!

On motion 1401-01, carried.

On motion remaining subheads under Heading XIV, Fisheries, carried.

On motion, Heading XIV, Fisheries without amendment, carried.

MR. HICKMAN: Head XI, Mines and Energy, Page 69.

MR. CHAIRMAN: The hon. the Minister of Mines and Energy.

MR. PECKFORD: Mr. Chairman, I would like in kicking off my estimates to perhaps issue a opening statement that would sort of be the launching pad of discussion concerning the whole Department of Mines and Energy. I thought it might be the best way to launch off a debate that will go on, as most hon. members know, for the same length of time as the Department of Fisheries and that is six hours.

So, Mr. Chairman, without saying anything more I shall enter into our statement on it and all hon. members of the House will be provided with copies in the next couple of minutes. My colleague, the hon. Minister of Finance in his speech introducing the 1977 budget made the following key statement, and I quote, "The major economic problem in Newfoundland is the absence of immediate and significant employment opportunities. The heart of our unemployment problem is the absence of a strong economic base and hence an excessive dependence on

Mr. Peckford:

government." This problem of a lack of a strong economic base has been with us for a very long time and has been widely recognized as the major impediment to the attainment of the social goals of the present administration and previous administrations of Newfoundland. It has also been widely recognized that a way out of the dilemma, perhaps the only way out, lies in the future development of the natural resources of the Province, our forests, our fish, our minerals, more recently, there has been added the potential hydrocarbon resources off our coast. It is in this area, the natural resource area that the Department of Mines and Energy has its mandate and responsibility, namely that of managing the energy and mineral resources of the Province for the optimum benefit of the people of Newfoundland and Labrador.

Up to this point in my statement the logic is fairly straightforward; (a) Newfoundland must develop a secure economic base; (b) further natural resource development provides an opportunity for establishing such an economic base; and (c) the Department of Mines and Energy has the responsibility of managing the Province's energy and mineral resources in a manner that will provide maximum benefit to the people of Newfoundland and Labrador.

It is quite obvious that the goal of proper and productive management is one that presents a tremendous challenge. It requires the continuing effort of highly qualified and dedicated people in the government departments involved and in our Legislature. It requires as well the interest, concern and assistance of everyone else involved in the process.

The task of developing and putting into place a managing regime that will produce the results that the people of this Province expect and to which they are entitled, in the period that has elapsed achieved overnight. Nevertheless, in the period that has elapsed since our government took office, I believe that tremendous strides have been made. In the area of mineral and energy resources we have come a long way along the road toward making these natural resources greater



Mr. Peckford:

contributors to the well-being of all Newfoundlanders. We still have a long way to go, but I believe we are progressing as fast as possible given the constraints over which we have little control. I need not remind this House of the many examples in our Province of past agreements entered into, of resource-based and other developments that have not only failed to yield a fair return to the people of the Province, but even worse have created heavy burdens which present and future generations will have to bear. I think this state of affairs is sobering evidence of the tremendous challenge which now faces government in developing an economic base to enable us to become a self-supporting entity.

I know that the hon. members of this House are aware that management of natural resources, particularly the non-renewable variety, presents special problems that are common the world over. Their exploitation involves complexed social, political, environmental and economic implications, ranging all the way from the question of what constitutes a fair return to the owners of the resource to whether certain of them should be extracted at any level of monetary gain. Needless to say there is an ever increasing awareness of the potentially negative social and environmental effects of the exploitation of non-renewable resources, and these have come to be recognized as a cost that must be taken into account in examining the potential profitability of any venture.

Of course, Mr. Chairman, one can only look at the recent Berger Inquiry to get some idea of the magnitude of this kind of a problem which faces all governments the world over.

While recognizing these concerns and acknowledging that they must be dealt with, all nations must consume mineral and energy resources in increasing quantities in order to survive. We have an abundance of many of the commodities that are in demand, and I am convinced that we can take advantage of this asset to a much greater extent than is presently the case. With respect to hard minerals, the contribution to our economy is significant and is growing. I will

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give you some figures later to illustrate this point.

Our undeveloped hydro electric potential is large, and we will refer to that later in my remarks.

In anticipation of realization of our petroleum potential, we are in the process of putting into effect a well planned management regime to which I will make reference.

Mr. Chairman, I would like to make a few comments on the philosophy of the concept of development, particularly as it relates to natural resources. Development per se is neither all good nor all bad. There are obviously no absolutes in this field. There are those who would have us believe that development, any development, is better than no development at all.

MR. PECKFORD: There are also those at the other end of the spectrum who take the opposite view which is that any development is bad and must be avoided at all costs. In my view, neither of these extremes is acceptable in the light of the rights and demands of society and of our concern for the environment. While there is desperate need for development to provide an adequate economic base for our society, every development proposal must be examined on its own merits. Those developments which are clearly of benefit will go ahead. On the other side of the coin, we must be prepared to reject any development in which the social, economic or environmental costs are too high. In many cases when we talk about resource developments we are talking about contractual relationships between government and the private sector. To express this in very basic terms, the people of the Province are the owners of its resources while private enterprise normally supplies the capital funds and the expertise needed to develop those resources. Although some of the objectives of the two parties are divergent in specific instances, the basis exists for a mutually beneficial deal to be made with both partners profiting fairly from the development of the Province's resources while employing the capital and know-how of the private sector. But make no mistake about it - such an agreement must be fair and it must be demonstrably beneficial to both sides. It must be a covenant between two mature and knowledgeable partners which will provide returns greater than could be achieved by either party acting alone. Within this context the legitimate requirement of the private sector for fair profit must be recognized. Such profit must be great enough to reward private enterprise for investments made and risks taken. Unless the participating companies can make fair profits, developments will not occur. It is as simple as that.

Mr. Chairman, in acknowledgement of the objectives and constraints presented in my introductory remarks, a number of principles follow as a natural consequence. These are as follows:

- (1) A thorough, up-to-date inventory of our resources is absolutely vital. We must know what our resources are, where they are, what they are worth and when they are likely to be developed. Adequate knowledge

- MR. PECKFORD: of the resource base is an important factor in attracting development capital to the Province;
- (2) The value of any proposed development must be accurately assessed before any decision is made. In this assessment, proper weight must be given to social and economic factors as well as to the financial aspects;
  - (3) In assessing the consequences of development, provision must be made for public input into the assessment process;
  - (4) Any contractual relationship with a private developer must provide the people of the Province with a fair reward for the exploitation of their resources. Implied by this statement is a need for government to negotiate the best terms possible in any development, a task requiring a knowledgeable and competent public service staff.
  - (5) Protection of Workers - The public and environment must be insured by the developer and through enforcement of appropriate regulations.
  - (6) And finally, in general our resources should be processed as far as possible within the Province to retain the maximum reward possible for the people of the Province.

I propose now, Mr. Chairman, to outline the status and policies of the main components of my ministry as well as the programmes which have been undertaken pursuant to the principles stated above: The mining sector: The estimated value of mineral production in this Province in 1976 was \$756 million - that is Statistics Canada. Excluding fossil fuels, our production constituted 10.2 per cent of the estimated total Canadian production and places Newfoundland fourth in descending order of production among the provinces. Within the national context, this Province is most important as an iron ore producer, accounting for over 50 per cent of the value of total Canadian production. Mining occupies an increasingly important place in the Province's economy. In 1976 mineral production constituted about 13 per cent of the gross provincial product. Approximately 4 per cent of our labour force is employed directly in mining, earning about 9 per cent of total wages and salaries paid. It would be misleading to say that the mining industry is free of

MR. PECKFORD: problems to which our government must address itself. The most important of these at the present time is the apparent instability of the non-ferrous metals sector. With respect to our largest base metals operation at Buchans, we have recently been informed there is little hope that mining operations based on existing reserves will continue beyond 1979. There is consolation, however, in the fact that the central mineral belt in which Buchans is located holds excellent promise for the development of new base metals deposits. Unfortunately it appears that this potential will not be realized in time to keep the current operation going.

The problems experienced at Consolidated Rambler during the past Winter which have now been resolved are perhaps indicative of the vulnerability of individual base metals operations.

Of major importance also are the continuing concerns for the health and safety of workers in the mining industry. Our government has been placing great emphasis on this responsibility to the extent there have been continuing improvements in the working environment of our mine workers. We intend to continue our efforts in this regard.

Pessimists tend to regard mines simply as potential holes in the ground while ignoring the enormous wealth that is generated through the production of mineral commodities.

MR. PECKFORD:

As a matter of fact, mining happens to be by far the brightest aspect of the Province's economy. In terms of its contribution to the provincial Treasury, last year, in 1976, in excess of \$50 million was realized through direct and indirect taxation. By contrast, the total provincial investment to realize this return was in the order of \$2 million. It is obvious that if all the Province's expenditures could yield this rate of return our economy would be in considerably better shape than it is. Since the imposition of the Mining and Mineral Rights Tax Act, which our government proclaimed in 1975, mining is becoming increasingly important as a source of direct government revenue. The mining tax and royalty component of mineral revenue alone for 1976-1977 was up roughly 50 per cent over the preceding year to an estimated \$10.040 million. This contrasts with receipt in 1971 of only \$3.9 million. In 1976 there were 11,000 full-time employees working in the mining industry; 7,000 were employed by the various mining companies and 4,000 were employed as a result of the multiplier effect. The total of wages and salaries paid in the Province was \$174 million. This income was earned through the creation of new wealth generated in the production of some fourteen mineral commodities, two of which are not produced in any other province of Canada.

In designing specific mineral resource related programmes, we continue to have two broad objectives - one, to encourage competitive mineral exploration by providing an appropriate legislative framework; and by assembling and providing basic mineral resource data to continually improve our capability to effectively manage the development of mineral resources to ensure optimal social and economic benefits to our people and to ensure the highest possible standards of health and safety for the employees. In pursuit of the first objective we intend to have the Mineral Act and the Quarry Materials Act proclaimed early this Summer. These two acts were passed by the Legislature in 1976 but have been awaiting the finalization of regulations before they can be put into effect. The necessary work required to meet this schedule has been underway during the past six months. This new legislation will not



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Electricity: The average annual compound rate of growth in electrical energy consumption in our Province during the last decade has been close to 10 per cent. This rate is higher than the national average which is approximately 7 per cent. This electrical consumption using power supplied primarily from hydro electric sources has assisted in expansion of the industrial and commercial base in our Province and has contributed to the increased comfort and



MR. PECKFORD: improved standard of living which our people enjoy. It is interesting to note,viewed on a Province wide basis, the growth and consumption of electricity in Newfoundland in the industrial sector. This has almost doubled during the past decade and by comparison during the same period the growth in electrical consumption in Ontario has grown by less than forty per cent. Further,the large portion of electrical energy consumed within Newfoundland is in the industrial sector whereas in Ontario the bulk of their electrical consumption is used for domestic and commercial purposes.

In the past Newfoundland has been fortunate in having access to adequate supplies of low cost stably priced electricity generated from hydro-electric plants. But our plants are now producing at their maximum capacity and as our energy consumption grows all of our growth requirements during the balance of this decade will have to be met from high cost oil fired generators. The extent to which prices rise will depend upon a number of factors.Certainly if the rate of consumption continues to grow as it has in our recent past, if the Island portion of our Province remains isolated electrically from Labrador we shall see tremendous quantities of oil consumed to produce electricity and prices will rise dramatically. Some of the efforts which are being made to avoid this unpleasant circumstance while assuring that we shall not encounter shortages of electricity for industrial or domestic consumption will be outlined in my remarks which follow.

As my colleague the Minister of Finance and president of the Treasury Board noted in his budget speech,the development of the hydro electric resources of our Province has been a high priority of this government and its resolve to succeed in its energy development efforts is greater today than it has ever been. During the past three years the commitment of this administration to the development of the hydro electrical potential of Labrador has been demonstrated in concrete development action and activity.

MR. PECKFORD: Close to \$78 million has been expended on technical studies, field investigations and construction work towards the development of Gull Island site and its transmission system. We have looked to Labrador and continued to do so because the bulk of the undeveloped hydro electric potential of our Province lies in that area. We know that approximately 4,400 megawatts of unharnessed hydro potential exists in Labrador proper and another 3,300 megawatts are available on the inter-provincial rivers which flow from Labrador into Quebec. By comparison the total undeveloped hydro potential on the Island of Newfoundland is approximately only 400 megawatts.

As all Newfoundlanders are aware, construction work on the Gull Island project has been halted and no new Island hydro-electric sites are currently being developed. Nevertheless it is the objective of our government to insure the early development of these energy resources in a manner which maximizes both the short and long term returns to our Province and its people. Our government -

MR. CHAIRMAN: The hon. minister's time has expired.

MR. PECKFORD: I am up twenty minutes?

MR. CHAIRMAN: By leave? Agreed.

MR. PECKFORD: I am going as quick as I can. Our government has undertaken to fulfill its obligation to determine what are the Province's legal rights with respect to access to additional Churchill Falls power. Action is now in progress and as the matter is currently before the courts I shall not elaborate upon it. However, I must assure you that our development objectives are not being neglected while we await a court decision.

While a great deal of information is available in a very general way about the hydro electric potential of Labrador, detailed technical, engineering and environmental studies have not been completed on the majority of the attractive hydro electric sites

MR. PECKFORD: in that portion of our Province. To overcome this regrettable lack of fundamental information the government has directed Newfoundland and Labrador Hydro to initiate a major inventory of the hydro electric power sites in Labrador. The first phase of this programme will proceed during the 1977 field season. It will focus on the Churchill River basin and the rivers of Southeastern Labrador. The total cost of the assessment programme will be approximately \$1 million and I am pleased to be able to report that the federal government has agreed to bear half the cost.

It is my intention to seek the complete inventory of the remaining rivers during 1978. As previously noted, although we have a great deal of general information about the rivers in Labrador the economic attractiveness of these hydro electric sources has not been assessed. The 1977-78 assessment will permit us to judge relative economic attractiveness of these sites and to compare the results with alternative energy forms.

This programme will enable us to view the long term energy supply picture of Newfoundland, indeed that of Eastern Canada, in a much more realistic prospective. While the undeveloped hydro electric potential of the Island is relatively small it is certainly worthy of attention.

Mr. Peckford.

During the past year environmental studies have been undertaken by Newfoundland and Labrador Hydro on a number of Island sites. A report was released publicly in March of this year relating to the possible development of the Cat Arm River, 114 megawatts, and the upper Salmon River, 80 megawatts. Environmental as well as engineering assessments are presently in progress on the Hinds Brook site to determine its suitability and capability for early development to supply Island requirements. Newfoundland and Labrador Hydro has been carefully reassessing the changing load pattern of the Island and assembling basic cost information relating to the alternatives available for meeting load requirements after 1979. A final decision will be made before the end of this year on the next generating source which will be constructed to supply the energies of the Island's needs.

It may be necessary to begin work on this source during 1977, or we may be able to delay this activity until 1978 depending upon the results of the most recent load growth forecasts which are being developed by the staff of Hydro. But you may rest assured that the Island's hydro energy capacity is not being ignored in this assessment. It is quite likely, Mr. Chairman, that the Hinds Brook would be the first one, and it is quite likely that it will be this Fall, but this assessment is going on, and we will not know for sure until after it is done.

Energy Conservation: Until the energy crisis of a few years ago, our people and our industry looked upon energy, particularly electrical energy, as an abundant and relatively inexpensive item. Our perception of energy is rapidly changing as the entire world's understanding of the energy balance is being drastically altered. The fact of rising energy prices, including electrical energy prices, is an unpleasant reality yet it is probably true that there is no stronger weapon in the arsenal against the wasteful consumption of electrical energy than the price mechanism. In our society we depend upon the marketplace not only to allocate raw resources to the production of goods

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and services but also to regulate their distribution. If prices are artificially reduced by subsidies or other means, the real cost of production is not recognized and expensive wastefulness is encouraged. During the past two years electrical energy prices have been rising in our Province and although it is regrettable and very unpleasant these prices will have to continue to rise if we are to maintain the financial integrity of the institutions, both public and private, which provide us with electrical service. Price increases have an important bearing as well as an inducement to conservation. The price mechanism, however, is not the only instrument which is available to us. Public information programmes have been put into place by both Newfoundland and Labrador Hydro and Newfoundland Light and Power to provide information to our people on the wise use of electricity. Our objective is not to prohibit the use of electricity or to artificially restrict or limit the amount of electricity which our people and our industries wish to use. Our objective is to ensure that they understand the wise and efficient use of electricity and that the market is provided with realistic signals relating to the cost of using electricity in relation to alternatives.

Public information programmes, through booklets and through newspaper advertisements, some of which are sponsored by Newfoundland and Labrador Hydro through the Canadian Electrical Association will assist in broadening public awareness. Officials of Newfoundland and Labrador Hydro are investigating the more sophisticated load management instrumentation and systems which have been tried in other parts of the world to encourage energy conservation. Because of differences in culture and climate, not all of those systems are appropriate for use in our Province. Instrumentations such as electrical meters which record electrical consumption during various

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hours of the day and which would permit differential pricing of electricity during off-peak periods have been used extensively in Europe. However, systems of this type work best when appliances and heating systems are readily available and operate at socially accepted standards which are specifically designed to store heat or other energy from one time period to another time period. While such heat storage equipment may become available in Canada in the future, it is not in common usage at the moment. Hence simplistic suggestions which might lead to the premature introduction of gimmickry for load management must be avoided. Other systems are available and are well-known which permit the selective and centralized disconnection of selected types of electrical service, such as hot water heating, and such systems interfere with consumer freedom. These systems are under review both directly by officials of Newfoundland and Labrador Hydro and through the Canadian Electrical Association of which our Hydro Corporation is a member. But these systems will not be introduced without the most careful assessment and testing of their public acceptability and the cost. In order that our government's policy on rates, tolls and charges made for the supply of electrical power within the Province be fully implemented, I will shortly be introducing a bill designed to achieve our objectives in this regard. This new legislation is expected to ensure that those rates, tolls and charges (1) should be reasonable and not unjustly discriminatory for all light classes

MR. PECKFORD: of service; (2) should be established wherever practical to do so for periods of time not exceeding limits based on realistic studies of the future cost of service for the established period; (3) should be computed for the Island of Newfoundland on the basis of a blended cost with supply of power; and (4) should provide a sufficient return to the supplier of electrical power to enable it to maintain a sound financial position.

Mr. Chairman, I believe this will be a further step toward the full rationalization of the Province's electrical energy sector.

That the continental margin of Newfoundland and Labrador has the potential of becoming a major producer of petroleum is fully recognized by government and the oil industry. Interest in this resource potential is now focused on the areas off Labrador and Northeast Newfoundland. The Grand Banks and the Gulf of St. Lawrence areas, although having some potential, have been downgraded as a result of discouraging exploration results. The most significant discoveries made to date have been the three gas finds tested by Eastcan Exploration on the Labrador Shelf. The commercial significance of these discoveries is not yet established. It is interesting to note that both Beaufort Sea and Mackenzie Delta and polar gas regions of Canada have recently had their potential reserves decreased substantially, which sort of leads one to believe that the Labrador and Northeast of Newfoundland is even more attractive now than it was six months ago.

The physical difficulties associated with operating in the Province's offshore area have been recognized and these provide enormous technological challenges and risks. These physical constraints include pack ice, icebergs, deep cold water, high winds and hazardous sea states. One of the consequences of the factors I have mentioned is the very high cost of exploration and production in such a hostile environment. This in turn means that only very large and productive petroleum fields have the potential of being commercially viable

MR. PECKFORD: in the offshore area of our Province. These very large potential developments must be viewed in the light of the relatively small population and economy of this Province as well as the delicate social structure of the small communities adjacent to such potential developments. The threat of enormous environmental damage associated with offshore petroleum exploitation has been dramatically illustrated by the recent blow-out on Platform Bravo in the North Sea. This negative aspect must be weighed against the enormous vital and renewable resource comprising the marine life in our oceans. This resource, which is an absolutely essential part of our provincial economy, past, present and future, cannot and will not be jeopardized by offshore petroleum development.

Mr. Chairman, offshore petroleum presents this Province with a possible opportunity of curing many of our economic ills. Its potential will not be realized overnight. We are looking at a time frame of perhaps a decade before the impact of production revenues can be felt. The benefits will not come without the acceptance of risks such as I have outlined. This, then, is the sort of situation in which one should make haste slowly and this is exactly what our government has been doing.

With respect to the federal government's existing management policies and their proposed new legislation in this important resource area, we have concluded after careful examination that the vital interests of our Province would not be served if we were to accept what is being offered to us. Ottawa's proposals concerning joint management and revenue sharing have been investigated and rejected on the grounds that the Province is being offered neither sufficient management input nor a large enough share of the potential revenues. We continue to be receptive, however, to a better offer from the federal government for a political settlement of the ownership dispute. Correspondence in that regard is continuing. In the meantime, the preparation of our legal case on ownership is being continued while the wording of a joint reference to the Supreme Court



MR. PECKFORD: of Canada is being discussed with the federal government. On Wednesday, May 25th, a major step was taken with the tabling and public release of a draft of our comprehensive petroleum and natural gas regulations. These draft regulations provide the basic framework within which exploration and production will take place. When they are proclaimed they will be the instrument by which our provincial objectives will be attained.

Mr. Chairman, our offshore resources offer the possibilities of both great reward or great misfortune. Our success or failure will depend on the manner in which they are managed. This in turn hinges upon the extent to which the Province will be master of its destiny in this important resource area. In this regard, meaningful local control of the resources is absolutely essential. We are

MR. PECKFOR: saying that our way is the only way, it must be done our way or not at all. We will always be practical and reasonable in our dealings with the federal government and with the petroleum companies, but unless we are satisfied that the development process will be of adequate benefit to the people of this Province no development will be sanctioned.

SOME HON MEMBERS: Hear, hear!

MR. PECKFORD: Mr. Chairman, the energy scene in this Province is only one small part of a gigantic inter-related system which involves the entire world. While the making of predictions on the future energy situation is a dangerous job, I feel it incumbent upon me to lay before you some thoughts on this most important subject. (A) Newfoundland and the rest of the world has entered a regime of high energy costs which will persist at least into the next century. While the actions of the OPEC Cartel have exhilarated this move to higher energy prices the root cause remains in dwindling supplies, increasing demand, high replacement costs of conventional energy forms, and very high costs of developing alternative energy supplies. In Newfoundland any future energy developments, be they offshore hydro-carbons or Labrador hydro, will not be in low cost in the absolute sense although they may provide us with some comparative advantages. (B) Energy supplies development is not keeping up with growth and demand. This situation is documented in several studies that have been released by bodies such as OECD and the Massachusetts Institute of Technology. Alternative energy sources such as coal gasification, tar sands, nuclear, sun, are not being developed as quickly as anticipated and the world remains dependant upon conventional energy sources, dominantly oil. Newfoundland is heavily dependant on energy derived from petroleum to the extent of almost eighty per cent of our needs. All of this petroleum is now imported from outside of the Province, and indeed from outside Canada. Any hydro-

MR. PECKFORD: carbon supply developed on our continental margin is not expected to be available to consumers in this Province for another ten years. My statements on the subject of energy are presented not to frighten or depress but to signal clearly that we are entering a new era in which the cost and availability of energy must be prime considerations in any of our endeavours. We are a Northern people and an adequate supply of energy is absolutely vital to our very existence. We must have energy to heat our homes. Our industries, mining, the fishery, the forestry are all heavily dependant upon energy. Our transportation links are essential in keeping our Province intact and in maintaining our contacts with the rest of the world. These links, our transportation links, are heavy users of energy.

It is obvious, Mr. Chairman that we must do two things: (1) We must reduce our demand for energy. We must conserve energy, every one of us, in our homes and in our place of work. We must change the emphasis from consuming to conserving our resources and especially our previous and vital energy resources; (2) We must increase our supply of energy to meet the increasing demands of a growing population. This supply development will have to include not only the conventional energy forms such as hydro and oil but also alternatives such as wind, wood, peat and even wave energy which appears to hold some promise for this Province.

Mr. Chairman, energy development is largely but not entirely the domain of the engineering and scientific specialists but energy conservation depends upon individuals. I am making a plea to every person in this Province to make energy conservation a subject of awareness and a vital element in their lifestyle. This should start now, today, for the time is short and the consequences of ignoring conservation will be tragic. We will shortly appoint a conservation officer to the staff of my department and I believe that this will be a meaningful step in initiating some real action

MR. PECKFORD: toward the goal of energy, efficiency and economy.

And with that I give you a basis for debate. Thank you, Mr. Chairman.

SOME HON MEMBERS: Hear, hear!

MR. CHAIRMAN: Hon. member for Eagle River.

MR. STRACHAN: I thank the minister for introducing the department's estimates. I thank the minister for the all-encompassing statement. Obviously

MR. STRACHAN: in the six hours allotted to us we can certainly spend some time going down through the subheads, but I think in this department we would like to spend some time on the major philosophy and ideas and policies of the department. To that end I would like to take various parts of it and we were hoping to first of all tackle the hydro side of the question and then go on to other sections, petroleum and conservation and so on. With that in mind I would like to take one statement the minister said there, I do not exactly know the page, but he made a statement that on the question of recall of Churchill Falls power how this is now before the courts and as such if it is before the courts it cannot be discussed or certainly the administration does not wish to discuss it. We feel that the angle or the tack taken is misguided and we feel strongly, and have done for some time and I personally even before becoming involved in politics had felt very strongly in discussions on this, that there was another way of doing it and as such therefore we wish to present some of the viewpoints and feelings that we have on it.

I note from the statement, or the little article produced by Newfoundland and Labrador Hydro and the request - explaining some of the background facts relating to Newfoundland's request for access to power from Churchill Falls, that you will notice on page six it states that on August 6, 1976 the Government of Newfoundland formally requested CFLCo to supply Newfoundland and Labrador Hydro with 800 megowatts of power and energy at the ninety per cent load factor, commencing October 1, 1983. That date, of course, is dependent on instruction being received not later than the end of 1976 to proceed with the transmission line. Otherwise of course anything at a later date than 1976 would put the project right down the line, and it could be into 1984 before we could receive this transmission power, this power to transmit.

MR. STRACHAN: However, following on from there, we believe that it is obviously necessary to seriously consider the present legal arrangements with respect to the suit initiated against CFLCo and the contract for Churchill Falls with respect thereto. One interesting point that we came up with when we were discussing this was that the original construction price of Churchill Falls would have been as close to the range of \$1 billion or \$930 million, in that range there, which is approximately the same as the total annual market value of the power at the rate of 30 mils from Churchill Falls which is sold by Quebec Hydro to Consolidated Edison of New York. Having said that, it is our view that the concept of the present administration in concentrating its efforts in obtaining the return of 800 megawatts of power by virtue of court action is misplaced and we believe misguided. While in the long run we certainly need some power return from Churchill Falls, either from the Upper or the future development of the Lower, the emphasis ought to be at the present time in obtaining greater revenues from the power being sold to Hydro Quebec. Analysis of the provisions of the British North America Act shows that there are at least two possible ways in which this could be done and we have spent a fair bit of time and I would like to explain a little bit about it.

The suggestion is that the Province ought to adopt either a licencing scheme, or (b) a tax imposed on Hydro Quebec on the net profits. Now I will give an analysis or run through our suggestions on a licencing scheme. Analysis of the provisions of the British North America Act shows that authority for such scheme can be found in section 92 of that act and most especially section 92 (9), 92 (13) and 92 (16). Marketing and licencing schemes have normally been upheld as valid provincial legislation, and such a situation is the egg marketing boards, liquor licencing boards and the like.

MR. STRACHAN: In the case of liquor licencing boards it is recognized that these may and often do have in fact a revenue purpose. In our view the leading case in this area is the decision of the Privy Council and the case of Shannon verses Lower Mainland Dairy Products Board in 1938 which started off the whole licencing mechanism and we -

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

MR. STRACHAN: Yes.

MR. HICKMAN: This line of cases that he is referring to, they dealt, as I recall it, with licencing within the Province and not inter-provincial trade. Am I correct in that?

MR. STRACHAN: What we are trying to lead

MR. STRACHAN: up to, and if you will allow us to go on, what we are trying to lead up to is the situation of Premier Blakeney in Saskatchewan and the situation with respect to this whole business of licencing and allowing licencing boards to establish and become valid. And it has validity and we believe, very strong validity. I should say that it is clear also that we feel it is interesting to note that in an argument with respect to licencing that it has been accepted that a licencing fee is valid even though in the ultimate it forms part of revenue, and that licencing fees need not meet the test for direct taxation.

The means of implementing such a licencing fee would be to pass provincial legislation, and I say this in a non-legal sense, not being a lawyer, and I would like to discuss that later on because I believe that have left a great deal up to the legal profession in many ways who give us very dry statements of what can be done. I think it is up to the politicians to take a legal opinion and to use legal opinion. And this is where we feel that this should be done in this case here. And it has been done in other provinces in Canada and is being done. And I am sure that my colleague here from Burgeo - Bay d'Espoir (Mr. Simmons) can give some statements to that fact affirming that from other premiers in Canada who have looked at the situation that we are faced with and have given their assessment of it.

MR. HICKMAN: Not Al Blakeney.

MR. STRACHAN: Yes, and others.

MR. HICKMAN: Yes, I said -

MR. STRACHAN: The means of implementing such a licencing fee would be the past provincial legislation deeming (a) to be within the Province and requiring the purchases of Labrador Hydro power to be licenced and pay a fee based on the value of the product they are purchasing. Such legislation should contain clauses similar to those in the Income Tax Acts prohibiting Courts from granting an injunction against the collection of such a fee and provide that any



MR. STRACHAN: party contesting the validity of the legislation must first of all pay the fee imposed and then proceed to contest it in the Courts if they should so wish. Again, this is being done in provinces in Canada.

MR. HICKMAN: The hon. gentleman has missed his calling.

MR. STRACHAN: Such legislation - applying legislation of licencing - such legislation should contain clauses similar to those in the Income Tax Acts prohibiting Courts from granting an injunction against the collection of such a fee - this was done, again, in Saskatchewan - and provide that any party contesting the validity of the legislation - should we pass this legislation, and Quebec will contest this - that any party contesting the validity of the legislation must first of all pay the fee imposed and then proceed to contest it in the Courts if they should so wish. In other words, what we are -

MR. HICKMAN: That is presently enroute to the Supreme Court of Canada from Saskatchewan right now.

MR. STRACHAN: I will leave that to my colleague who looked into this and -

MR. HICKMAN: I think we may have to intervene, I believe. We have been asked by -

MR. STRACHAN: I will leave that as such.

However, we believe that what we are doing is that we are putting the onus on ourselves, the boot on our feet rather than on Quebec, and that we are then becoming the aggressor. The other method is the direct taxation method, the alternate approach, of which I feel less suited to. In essence what it does is apply direct taxation on net profits and this can be applied in this manner there.

We believe that the present legal action that the Newfoundland Government has initiated against CFLCo. asking for the return of 800 megawatts of power places this Province in the unfortunate position of giving Quebec no incentive to come to a negotiated settlement. Quebec has absolutely nothing to lose by

MR. STRACHAN: attempting to stall or delay the present Court action by raising preliminary points of argument or if they should lose these points, appeal them - whatever they should wish to go - in the Supreme Court of Canada.

While the Court action - and this is again our belief - while the Court action drags on Quebec continues to get all the benefits from the export of our power. Or if regardless of that, regardless if we do win we will not get any benefit from that power until 1983 and even later now because as each year goes on it becomes later in a time span for building transmission lines, and so we might be 1984 and 1985 and so on before we get benefit of 800 megawatts of power. We do not fear the time, of course. From now until 1983 we do not get any of the money nor do we get the power. So we go down the line from now until 1983 without any revenue coming back to this Province. And I will not go into the other sides; in fact we are losing money in parts of it. But no revenue will come back to this Province through Quebec Hydro.

At the very least

MR. STEACHAN: what we are stating here forces the Province of Quebec to consider the issue, that is at the very least, and assures that we can get some benefit in return for the power. In addition it puts Churchill Falls, we believe again, back on the front pages of all the newspapers across the country and informs all Canadians that we, the poorest province in this country, are in effect subsidizing the Province of Quebec to the tune of approximately \$1 billion per year. And we believe very strongly this that we are and we can get sympathy in this matter because we are in essence putting Quebec Hydro in a position of being very powerful on the bond market, on the open market.

We should say that the most frequent objection to the proposal that we have heard in the last two or three years in advocating this is it would jeopardize the Province's standing in the bond market. And while we understand the fears that we have about our standing in the bond market, we do feel that this objection is not fatal towards our cause here, and naturally the holders of the bonds ought to be reassured that they would be paid in full and that we will continue to honour all our commitments in the bond market.

We should point out, however, in very clear terms, and take great efforts to reassure the bond holders that we are merely exercising our rights and responsibilities with respect to resources of our Province and are not attempting to in any way neglect our commitments to the bond market and to paying our debts. However, when we are assessing the validity of the objections raised that in any action under licencing of taxation scheme would jeopardize the Province's position at the bond market. We should realize that Quebec too has a great stake in the bond market and that Quebec's credibility in the bond market is very largely and very seriously affected by the financial standing of Hydro Quebec. In effect, Churchill Falls is providing Hydro Quebec with a double A or a triple A rating, and the bond markets of New York at a time when the Government of Quebec is attempting to reassure the financiers and

MR. STRACHAN: the money markets. In other words, without Hydro Quebec, Quebec essentially would be lost as far as its rating is concerned or its general respect in the international money markets. And we believe very strongly that it is because of Churchill Falls power that Quebec Hydro has such a name in the money markets.

Accordingly Quebec cannot afford on either an energy basis or a revenue basis or, and I feel strongly, on a reputation basis, to ignore legislation that we would impose. In our opinion they would be forced to provide us with a reasonable return on our resources while they were attempting whatever efforts they wish to make to contest our valid legislation. Well I will leave others in this House who are the lawyers of this profession to argue the legal cases. We are attempting to say that we have done sufficient work to believe that a case is valid, that a case has been carried out elsewhere in Canada on other commodities, agreed on other commodities and not on electricity, but on other commodities that we believe is applicable to this Province and I will allow the lawyers to go and discuss the legality of it. Regardless of the legality of it we believe by playing the game properly, by using the correct strategy, by setting up the correct scenario, one can get into a situation in which Quebec has little choice but to pay under the legislation we impose and then contest our actions.

In other words, it puts a boot onto our foot, we become the aggressor and not Quebec. We believe under this situation here that we amble down the road, we amble down to 1983 without getting any benefit, neither money nor power. By following the route that we are stating here, even if it should be contested, we believe that we are getting revenue and we believe fundamentally because of situations elsewhere in Canada, that it can be done.

MR. STRACHAN: It is interesting and I should explain here that another statement has come out to us and we have heard them all for the last three years because we were nooh noohed and laughed at and scorned and called first year law students and called amateur politicians and so on when we suggested it and all kinds of names.

MR. HICKMAN: Who said that?

MR. STRACHAN: Oh many, many people.

MR. HICKMAN: First year law students may object strenuously.

MR. STRACHAN: Well possibly. The thing that is interesting about it is that I did hear that

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initially a year ago the Department of Justice, or certain lawyers of the Department of Justice were totally against this whole idea. For instance, the Minister of Mines and Energy said that it is theoretically possible. And then more recently I heard that the Department of Justice now feel, that is some lawyers in there, not give me the statement that it is fifty/fifty, that they now believe that they are split fifty/fifty in the belief that this angle that we are taking is a possibility and can be done and can be carried out.

AN HON. MEMBER: Especially the hon. member for Conception Bay South.

AN HON. MEMBER: Can you count on that?

MR. STRACHAN: Well, of course, they have given an opinion and they have given a dry legal opinion which the administration have, therefore, followed. And it would be more than their job is worth I would imagine to now turn around and say to you that the road that you are now going is totally wrong, that one can go another road or this is valid. But apparently, and I have been -

MR. HICKMAN: It is more than any lawyer's job is worth to give a legal opinion.

MR. STRACHAN: They may have thought at that time. They may have thought at that time. But anyway -

MR. HICKMAN: It is unfortunate for us that all these matters have to be decided by a group of lawyers who -

SOME HON. MEMBERS: Oh, oh!

MR. STRACHAN: We will leave all the professors. They can argue with professors. We will get the professors. To Hell with it.

MR. SIMMONS: None is so blind, 'Alec.'

MR. HICKMAN: Never you mind, now.

MR. STRACHAN: We still believe anyway and from discussions that we have held with other parts of Canada - and we have spent a lot of time working at it - Premier Blakeney, of course, feels very strongly about it. He has said that it can work, it should work, it has worked in his Province, that he has made it work, and he feels very strongly that it is a route that can be followed very easily, very strongly. So whether

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that is true or not? However, we would like to see it argued at least. We would like to see the whole argument shot down or else agreed to or some points agreed to. And I take the view that anything to say that we are now before the courts and, therefore, cannot discuss this matter means that in other words we will just now sit from here until the administration ends its term or whatever happens before we can get any discussion on it. and I think this is totally wrong. I think that it should be looked at. We believe that the case is strong enough. We believe that there is a valid argument. Many others now who were against the argument initially - and there were many others, lawyers who were against the argument initially - the more and more they look at it and the more and more they read about it and the more and more they study effects in other Provinces believe that it is correct. And without quoting names of lawyers within the city, there are many of them who now believe that it can be done, that it is possible. So if you wish to tell these lawyers that they are first year law students, that is fine. We still intend to continue on.

AN HON. MEMBER: (Inaudible).

MR. STRACHAN: I will leave you to that, when you get on to it.

MR. HICKMAN: - involved in an argument -

MR. STRACHAN: I should say that the approach with respect to direct taxation in an almost exact case analogous to this was approved by the Supreme Court of Canada in the case of Nickel Rim Mines, and I can certainly give the hon. minister the things if he wishes to look it up, and so on, and that is in recent years. But, however, I am not going to argue the law part of it. I will leave it to the Leader of the Opposition and others who are lawyers to argue the dry law case. Our

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argument is very strongly this that we believe from examples shown elsewhere in Canada that it can work and that it can be made to work. We believe that it does not interfere with the initial contract between BRINCO and Quebec Hydro. What we are suggesting is totally out with the contract and similiarly in the cases elsewhere in Canada this has also been done and deemed to show that it is outside the initial contract. and, therefore, does not interfere with it one little bit at all.

Now we believe that the route for resource taxation can be done, can be found, a way can be found in which we can get back or return to this Province some form of revenue or, as we said, at least it may force the Government of Quebec or Hydro Quebec to start looking at the process. It may force them to start taking an easier attitude, and I think that that has been indicated a couple of times that they were interested in looking at some form of negotiations. But I feel that the method being followed by the government now, although it is within the contract, and it is a term within the contract, still means that we have got to sit and wait and wait until 1983 before we get any benefit at all from the Upper Churchill. We also feel that you require money, and this is what this Province requires most of all, money at the moment. It is not the recall of power. It is money now. And we believe that this could be a process in which money could be obtained for the Province.

MR. CHAIRMAN: Order, please!

The hon. member's time has elapsed.

SOME HON. MEMBERS: By leave.

MR. CHAIRMAN: By leave? Agree? Agreed!



MR. CHAIRMAN: The hon. member may proceed by leave.

MR. STRACHAN: I do not have very much more to say on this.

I have said the points that I wanted to make. I should say here quite clearly that although the young lawyer who first espoused this three years ago, I think, was Ed Hearn in Labrador City when he was first trying to work out some things, and Ed Hearn at that time used to meet with me every two months or so on in Goose Bay, and he received at that time a great deal of scorn for this suggestion, exactly the same scorn as we are now receiving from the administration or from the minister, because we are not the lawyer.

SOME HON. MEMBERS: Oh, oh!

MR. STRACHAN: We are talking about scorn anyway.

But he received a great deal of scorn, and there was a great deal of laughter about the idea, initially, three years ago. And then finally as he kept arguing it, and he believed in it, he believed it could be done, and he kept looking at other cases elsewhere in Canada and elsewhere in other Provinces, and as he did more and more work in it and more and more research in it and discussed it more and more with more people, all of a sudden he found that many people here wanted to look at it, including the previous Mines and Energy Minister, Leo Barry, who initially was against it, initially was against it, and now is coming to the agreement that there are some valid points to it. At least, it is a move, it is a step. And he has moved in some way, some considerable way in his belief in this kind of resource taxation.

MR. MURPHY: As a matter of ignorance, Ed Hearn, is he a lawyer?

MR. STRACHAN: Yes, he is a lawyer. A young lawyer practicing law in Labrador City.

MR. MURPHY: I see. And he is up on his stuff, is he?

MR. STRACHAN: Well, you know, he just made it a pet hobby.

MR. MURPHY: No, I wondered if he specialized or something in this kind of thing.

MR. STRACHAN: No, he made it a pet hobby. He had a very strong belief in it. And three years ago he made it a pet hobby to look at all legislation, collect all legislation and look at it all in all Provinces and put

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a case together and did a considerable amount of work. I am certainly not here to argue the legal side of the case. I have a lawyer and I leave the lawyer to do it!

But what we are stating is that there is a legal basis, a sufficient legal basis, that with good politics mixed with it, good strategy mixed with it, a proper scenario can be made that one can apply pressure on Quebec to at least come to a situation where they start discussing a better form of revenue sharing on Churchill Falls power. That is the least that can be done if it is done properly. And we believe very strongly that it should be a route that is followed, a route that could be put together without all the weird ideas of pulling the plug and flicking the switch and so on like that. We are not talking about that at all. We believe that there can be a steady pressure mounted on Quebec Hydro and on the Government of Quebec by a system using this as a basis in which we can apply pressure and obtain revenue. And to try the other route, the route that you are following, which is very feasible and obviously very correct, and it is a method which a great deal of work has been done on, it is a passage in a contract. Although correct, it does not get us power back until 1983. And you may say, well, we do not want power back until 1983 because we will not have the transmission line in place until that time. Neither, however, does it get any revenue back until 1983. We get no more revenue until 1983. And what we feel very strongly is that we need money right now, revenue right now to develop the Lower Churchill. And we believe that the process of nationalization of the Upper Churchill, Churchill Falls, has put the Province in a position where the money markets and private groups and so on are very loathe to lend the kind of money - and this is our belief - lend the kind of money because of the past process which you went through in the BRINCO case. And you may argue against that, but we believe that strongly, and we feel that the Province is going to have to get some money or give some assurance on the bond markets that this will not occur again. We believe that this source of taxation of the Upper Churchill will provide

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funds or revenue if carried out properly which could be used to develop the Lower Churchill if we do require power. And to those who feel that the idea is a wild one, I will leave them to the lawyers' opinions to argue out and no doubt they will argue tomorrow, discuss this tomorrow and possibly debate it and so on, but I still say that we should take it out of the realm of the lawyers.

MR. STRACHAN: This has been a problem with government far too long, and government has been run in very dry since, and obtain a legal opinion, and never attempted to overcome the bad side of anything or the side in which we feel that we cannot follow. And what we have to do as a government or administration is to make use of what we have and to use this as a leverage, a political leverage, and we believe it can be used. I would like to see it being debated. I hope that the minister by his statements and his release tonight in which he stated this matter is before the Courts and therefore cannot be discussed, I hope that this is not his final word on the matter and that he will get into it.

I should add finally on another topic that we would like to discuss further the situation with the White Paper and draft regulations. We have had a bit more time to study it. And although, as I stated before and I take back nothing of what I said previously, that the document is a tremendous advance on how to handle resource development within this Province, I still feel that we have not come to the acceptance of the fact that, as the minister stated tonight, the oil is ours, it is our resource, and if it is our resource then we own it. And the minister stated tonight that we should enter therefore in future - and this is what I have always stated and always felt - into contractual arrangements, not into concession arrangements and these kind of things, that we are the owner and that if companies wish to develop it as a contractor, that we hire them as a contractor to develop it. But I would state here that one argument that we have in oil and gas, and maybe the minister could discuss this with us and debate this and see whether I have interpreted this wrongly, but our idea then being that if we own the oil then the oil companies with their expertise for the rigs and so on should be contracted by us to get that oil out and that we should therefore own the oil coming out, and therefore be prepared to get into contractual arrangements with them for the purchase of that oil not on any long terms. And this I think is being done in one or two countries or started to be done and it goes the full way.

MR. PECKFORD: Where is it being done?

MR. STRACHAN: Saudi Arabia apparently have now started

MR. STRACHAN: that whole thing with Petromin.

Petromin is the in which they own 100 per cent and they then sell it to the companies. In fact, sometimes it is not necessarily the company who is bringing it out from the underground -

MR. PECKFORD: I do not think it is being done in Saudi Arabia. It is being done in one or two of the sheikdoms.

MR. STRACHAN: Yes, I know. Petromin in Saudi Arabia follow that practice anyway; however, we can discuss and debate maybe. I am interested in it. And sometimes a case where the company who brings the oil to the surface - that is the contractor to put the equipment in place for the oil rig - is not the company which will buy the produce, the oil when it comes out. And I think that whole area could be discussed and I would certainly like to get into some discussion on that. I think it is enlightening. I think it needs to be done, needs to be said so that we can discuss the future very clearly, because I believe that we cannot afford to make any mistake. We cannot afford to make any mistake whatsoever in development of petroleum resources in this Province. And we therefore feel that we should discuss all aspects of it and be thoroughly familiar with what we have as legislation to control the revenue from that petroleum resources.

I say that to the minister now because I feel that the minister then tomorrow possibly could reply and explain still further. I do understand he is a minister and therefore has a department behind him, and I am doing most of this work and have been doing reading and stuff like that on my own over the years because I have been interested in it, probably because it was Labrador at that time. So therefore, I on some points will argue from a basis of ignorance because I cannot get that information, But I hope that many times he will try to get some of this information out and these points out because I believe very strongly that the resources of this Province have been in many cases thrown away, given away, and I am not here to apologize for the previous administration or any other ones. In many cases I objected to some of the ways they handed out concessions and dealt with it. And had the minister

MR. STRACHAN:                                here come up with a statement on oil and gas in which concessions were again involved, I think there would have been a very big fight, a very strong debate from our point of view. And if we had lost I would have been prepared to just give up everything and go home and forget about it and bury my head.

MR. PECKFORD:                                Right.

MR. STRACHAN:                                Because I feel that the Province has lost far too much by playing itself down, by feeling that it does not have the ability or the strength

MR. STRACHAN: to stand up to these kind of companies and I believe that it is time that we did this kind of thing and I commend the minister on that. It is a good start and I would like to get into this further because I believe that possibly maybe we have not even gone far enough, but then again the minister could explain to us because he was party to the negotiations and agreements, but he is in a living situation with these companies and of course he has to react to them. But I think it would be very wrong to have to react to these companies under pressures now being the basis for a formulation of a long term policy would be very wrong. And I think though one has to concede a certain amount in order to set an atmosphere which is reasonable for the companies to invest, I think that he has to make sure that nothing is being given away, nothing for our future generations of this Province is being given away.

MR. HICKMAN: Mr. Chairman, I move that the committee rise and report progress and ask leave to sit again.

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

MR. SPEAKER: The hon Chairman.

MR. CHAIRMAN: Mr. Speaker, the Committee of Supply have considered the matters to them referred and directed me to report having passed estimates of expenditure under the following headings, Consumer Affairs XX, Fisheries XVI. All items without amendment and to report having made further progress and ask leave to sit again.

MR. SPEAKER: Mr. Chairman reports that they have considered the matters to them referred and have passed expenditures under Head XX and XVI and ask leave to sit again.

On motion report received and adopted.

On motion Committee ordered to sit on tomorrow.

MR. HICKMAN: Mr. Speaker, I move that the remaining orders of the day do stand deferred and that this House on its rising do adjourn until tomorrow, Tuesday, at 10 o'clock, and that this House do now adjourn.

MR. SPEAKER: It has been moved that the House adjourn until tomorrow, Tuesday at 10 A.M. Those in favour "Aye", Contrary "Nay", Carried.

This House stands adjourned until tomorrow,  
Tuesday at 10 A.M.