

PRELIMINARY

UNEDITED

TRANSCRIPT

HOUSE OF ASSEMBLY

FOR THE PERIOD:

3:00 p.m. - 6:00 p.m.

WEDNESDAY, JUNE 14, 1978

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER:

Order, please!

I am pleased to welcome to the House of Assembly on behalf of hon. members a number of citizens from Harbour Grace, including a number of production workers from the Ocean Harvesters Plant, the Town Council, and the President of the Board of Trade of Harbour Grace. They are accompanied by Reverend Canon Babb and Mr. Alec Moores. I know hon. members join me in welcoming these visitors to the House of Assembly.

SOME HON. MEMBERS:

Hear, hear!

STATEMENTS BY MINISTERS:

MR. SPEAKER:

The hon. Minister of Justice.

MR. HICKMAN:

Mr. Speaker, government recently received from Professor Leo D. Barry, LL.B., M.L.L., a report on Company Law in Newfoundland in the Province. The report contains a supplement commissioned by me as the Minister of Justice, from James W. Ryan, Q.C., Legislative Counsel, in relation to the present partnership law in the Province.

In 1975 Professor Barry was retained to prepare a new Companies Act for the Province. Much work had been done in recent years throughout the Commonwealth and the United States in modernizing the business-corporation law in force in these areas. Little work had been done here and our Act has been originally enacted in 1899 and based on the United Kingdom Companies Act of 1892. Nearly all of the provinces of Canada began either changing their Company Statutes or studying the need for changes in the seventies. The federal government enacted a new Business Corporations Act as did Ontario, Manitoba and Saskatchewan in the same period.

Materials and views of various groups were collected by Professor Barry in the years 1976-77 on the matter of company law as it was developing elsewhere and as it appeared to

MR. HICKMAN: require modernization here. In 1977 Professor Barry accepted an appointment at Dalhousie Law School but was retained to continue his work in co-operation with Mr. Ryan in the office of the Legislative Counsel.

This co-operative effort led to a further review, on the direction of government, of the present state of partnership law within this Province and to the law governing the registration of names under which persons carry on business.

The report puts forward, in the form of a draft bill, proposals for a new Corporation Act which in spirit and substance follows generally those new statutes of Canada, Saskatchewan, Ontario and Manitoba, but allows for modifications arising out of experience acquired under them since their enactment.

The proposed Corporation Act would bring all commercial corporations under its control by the same device as was used in Newfoundland in 1899.

The Corporations Act would prescribe more stringent incorporation rules for non-profit companies, clubs, and charitable corporations, etc. Certain mutual insurance and fraternal societies and other special types of companies such as insurance, trust and investment companies would be brought under the new Act as well.

The things the new act would authorize, permit or require, which are of the most general interest to the business community and the people, generally, in the Province are described hereunder. Among other things the new Act would:

1. Permit incorporation by a single shareholder;
2. Greater protection for minority shareholders;
3. Spell out more clearly duties and liabilities of directors;
4. Require that at least one director be a resident in Newfoundland.
5. Permit corporations to purchase their own shares

MR. HICKMAN: under certain conditions;

6. Allow foreign companies to adopt Newfoundland as the place with jurisdiction over them;
7. Permit Newfoundland companies, under certain conditions, to transfer their place of jurisdiction from this Province;
8. Simplify incorporating documents;
9. Clarify the rights and duties of company auditors and simplify accounting procedures;
10. Entitle a minority shareholder, who dissents from some fundamental change proposed by the company, to have his shares purchased at their fair market value by the company.
11. Require public disclosure of financial information of all corporations selling shares to the public and of large private corporations with over \$10 million gross revenues or \$5 million assets.

MR. HICKMAN: The supplement to the report proposes a new Partnership Act which would comprise the general statutory rules respecting partnerships and the obligations and duties of partners, update the law on limited partnerships from that of 1865 and generally to bring it in line with modern day practices.

The Business-Names Registration Act, which is proposed in the supplement, would replace The Registration of Partnerships Act, enacted in 1972 but not brought into force.

It is my hope that hon. members of this House, the business, legal and professional communities, and the public generally will respond to this report by letting the government have their considered comments and suggestions. The government would hope also that those outside the Province who are interested in uniformity in business law, in good corporate law, and in the improvement of both the substance and language of the statute law would let me have their views.

I would like to compliment both Professor Leo Barry, and Mr. James W. Ryan, Q.C., on the work they have done on this massive report and my hope, Mr. Speaker, is that any interested Newfoundlander, or groups in Newfoundland, will between now and certainly before the commencement of the Fall session of this hon. House, let me have the benefit of their views on a new draft Corporations Act, a new draft Partnerships Act, and a new act dealing with the registration of business names.

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

MR. W. POWE: A very brief word, Sir, of welcome to this report tabled today by the Minister of Justice. Let me say before saying anything else about it, Mr. Speaker, that the hon. Minister of Justice had the courtesy to come over this morning to my office and bring me a copy of this report, together with the draft report of his ministerial statement today, and let me have a chance to have a look at it.

MR. NEAPY: He is trying to keep in good with you, boy.

MR. W. ROWE:

He may be doing that, Sir.

MR. NEARY:

Coming events.

MR. W. ROWE:

He may be trying to keep in good with me but I prefer to think, notwithstanding the political insight of my colleague here, that it was just a natural impulse, a courteous impulse on the part of the Minister of Justice. And, Sir, a courteous impulse that I think would certainly be well merited and well warranted on the Supreme Court Bench of this Province, if, as and when that time should ever come.

SOME HON. MEMBERS:

Hear, hear!

MR. W. ROWE:

Those kinds of courtesies, Sir, are very welcome in high office.

MR. NEARY:

It is hard to beat you boy.

MR. W. ROWE:

Mr. Speaker, I will not say anything about the substance of the report itself because that will be looked at by various people over the next number of months and we will have an opportunity to debate it in the House when it is brought in as legislation. Let me say that as a lawyer, as a lawyer who has practised and as a legislator, let me say that this report and this draft legislation on corporations, partnerships and the registration of names is long overdue because our Corporation Act, I think, is more or less a rehash of the original Companies Act passed in Britian back in 1845, early in the nineteenth century in any event, with some changes along the way no doubt, but nothing has really been done to keep up with the modern demands of corporations in this day and age and I welcome, certainly, this new Corporation Act.

I should also congratulate a former partner of mine, Leo Barry, who put together the report, I believe with Mr. Ryan, in the Justice Department. I think the bulk of it was

MR. W. ROWE: done by Professor Barry. It seems strange to have a former colleague of the House here referred to in those terms, Professor Barry. Leo Barry should be congratulated for this report, Mr. Speaker. I think most of all thanks should go to my friend and colleague, the member for Burin - Placentia West (Mr. Canning), who Sir, made Professor Barry, as he is now known, available to the Department of Justice, certainly I would imagine for a fee.

MR. NEARY: Is he a full-fledged professor or an associate professor?

MR. W. ROWE: I do not know what he is. He deserves to be a professor. He is a fine gentleman and a very learned man. But we should thank the member for Burin-Placentia West (Mr. Canning) for freeing up, so to speak, the time and energies of Professor Barry so that he can devote his time and considerable energy and intellect to putting together this report so that in the next year or so the Province will have the benefit of a

MR. W. ROWE: revised, and new and revised companies act, partnership act and the registration of name act. I think, Sir, the greatest credit should go to the member for Burin-Placentia West and his magnificent victory in the 1975 election.

SOME HON. MEMBERS: Hear, hear!

MR. W. ROWE: Mr. Speaker, if there are no other Ministerial Statements I would like the indulgence of the House for a moment just to make mention of an event which has occurred recently. I am referring to John Dwyer, Mr. Speaker, the nineteen year old Newfoundlander who returned home last night - I was on the same plane as he was - he returned home to a resounding welcome in the St. John's Airport having won the gold medal on Monday, Mr. Speaker, in the 163 pound class at the Pan American Championship in Caracas in Venezuela.

Mr. Speaker, John Dwyer is a wrestler, Sir. He is a young gentleman who is rapidly becoming the greatest athlete ever produced by Newfoundland. He is now in the world class.

MR. S. NEARY: I hope he is on our side if he is a wrestler.

MR. W. ROWE: I am not sure what political - I hope he has the right political philosophy, Sir, just to give you an idea of some recent achievements: In the Pan American Games in 1977 he won a silver medal at that time. In the United States-Canada International Championships held in Montreal in January of this year John Dwyer won the gold medal in his weight class. In the Canadian National Championships held in March of this year Mr. Dwyer won two gold medals and was named Canada's most outstanding wrestler.

Mr. Speaker, I do not think the achievements of this young man have been fully realized by the public at large or by the members of this House. As I said he is on the way to becoming the best athlete ever produced by this small Province of just over 500,000 people. Mr. Speaker, I bring this to the attention of the House because I believe that there should be greater recognition of the achievement of young people, generally, in the Province in the athletic field and elsewhere and I think they should be encouraged in every possible way.

MR. W. ROWE:

Now, Sir, one other thing I would like to mention about Mr. Dwyer is that I understand from a letter I received from him some time ago and from discussions I have held with people who know him, that he is in a bit of a dilemma at the present time. He is in this kind of a situation where he can go to Memorial University free and get his education free under a system that operates but he will not have the kind of competition which will guarantee him a place on the Canadian Olympic team in 1980. Or, Sir, he can come up with the hard earned money somewhere along the line and go to Ontario, a university in Ontario and have the kind of competition which will virtually guarantee that this young gentleman will be on the Canadian Olympic Wrestling Team and a great representative of Newfoundland.

Mr. Speaker, I would like to say this publicly, because people I have talked to indicate that Mr. Dwyer would like it mentioned publicly. I think he mentioned on television as well the problem that he is having. I have written the government in Ottawa, the Secretary of State's Department with the request that this whole matter be looked into to make sure that this young Newfoundlander is in a position where he can have the kind of competition that he needs in order to get on the Olympic team in 1980. And, Sir, I also commend the whole matter to the Government of Newfoundland, that they may see some way to help him out in his educational costs to make sure that he can get the kind of competition that is necessary in Ontario which will virtually guarantee that he will be on the Olympic team.

Finally, Sir, let me say that I would like to move, seconded by someone on the other side if need be, if they so desire, that Your Honour's office draft up a letter of congratulations to John Dwyer from this House for his magnificent achievements to date and with best wishes from this House for further similar, tremendous, magnificent achievements in the future in his chosen field of wrestling.

SOME HON. MEMBERS:

Hear, hear!

June 14, 1978

Tape No. 4391

AH-3

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: Mr. Speaker, it gives me great pleasure to second the motion put forward so ably by the Leader of the Opposition. John Dwyer, for those who follow athletics in the Province, has been outstanding for quite some time now. One of the amazing things is that a few years ago someone who had attained the stature in the athletic world that he has would have been known, I would suggest to every Newfoundlander at that time. There seems to be an apathy now towards excellence, or something that is taken for granted which worries one in a particular case like this. I remember when Alec Faulkner went to the Detroit Red Wings the tremendous pride there was and the great reception the Premier of the day had for him when he returned to the Province. And here we have a person now who has, obviously, tremendous skill in an international sense and we should be very proud of him and for that reason I very gladly and with pleasure, as I say, second the

PREMIER MOORES: motion put forward by the Leader of the Opposition. Regarding the method of how people like that get training, I suggest that in Canada we have that problem of competing in many athletic events with other countries, in swimming and so on, but particularly a person from a place like this Province has it doubly difficult even in competing by Canadian standards. Normally, athletic scholarships in most countries look after that sort of problem. In Canada we do not have athletic scholarships to the same degree. Certainly, this government will see if there is not some arrangement we can come to to help this outstanding athlete and if there is any way possible we will certainly support it.

I know the feeling of the hon. the Leader of the Opposition, and I do not mean to be facetious, Sir, but getting off a plane and seeing a crowd at the airport and knowing they are not for you - but I am glad it was for a good cause in this case.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Mr. Speaker, this is a very pleasant and happy day in the House, Sir, when we are paying tribute to outstanding Newfoundlanders.

I would, on behalf of my colleague, Sir, like to - and I will move the appropriate motion when I mention the event, Sir, and I am sure that I will have no problem at all in getting the support of one of the hon. gentlemen in the government benches in extending our sincerest congratulations to Sister Mary Fabian Hennebury, Executive Director of St. Clare's Mercy Hospital, who on June 8th in Calgary received the George Finlay Stevens Memorial award. This award, Sir,

MR. NEARY: was presented at the annual meeting of the Canadian Hospital Association, and as I said, was presented to Sister Fabian in Calgary.

Sister Fabian, my hon. friend, the Minister of Tourism may be interested in knowing, was born in Bonavista and was appointed Administrator of St. Clare's Mercy Hospital in 1954. She is one of the founders of the Newfoundland Hospital Association and has been active on every committee in this association since it began. Sister Fabian Hennebury is the first Newfoundlander to receive this outstanding award.

This award, Mr. Speaker, for the benefit of members of the House, is given to a person for his outstanding contribution in the field of Health. It is a national award and it is the first time that it has been won by a Newfoundlander.

I would like to make a motion, Sir, if one of the hon. gentlemen on the government side would second it, that this House draft a letter of congratulations to Sister Mary Fabian Hennebury for her outstanding achievement. We are all very proud, Sir, of Sister Fabian Hennebury and I am sure that hon. members would like to express their pleasure at the good Sister winning this outstanding award.

SOME HON. MEMBERS: Hear, hear!

DR. COLLINS: Mr. Speaker.

MR. SPEAKER: The hon. the member for St. John's South.

DR. COLLINS: Mr. Speaker, I rise to support and to second the motion so ably put forward by my hon. colleague from LaPoile.

I am personally familiar with Sister Mary Fabian, having worked with her in the past.

DR. COLLINS: She started out, I believe, working as a graduate nurse in the pediatric field, excelled in that field, moved on then into the administrative field, and I think without a shadow of a doubt, she is one of the better, if not the best, of hospital administrators in this Province. I have no hesitation whatsoever in wholeheartedly seconding the motion.

SOME HON. MEMBERS: Hear, hear!

PRESENTING PETITIONS

MR. SPEAKER: The hon. the member for LaPoile.

MR. NEARY: It gives me great pleasure today to present a petition on behalf of 2,000 citizens of this Province, 2,000 voters, 255 residing in the Springdale area and the balance living here in St. John's or on the Avalon Peninsula. The petition, Sir, has to do with the government's policy of going ahead with the spruce budworm spray programme.

Mr. Neary: Mr. Speaker, yesterday when a petition was presented in the House bearing the signatures of some 3,400 people in and around the district of Gander, I think one of the members on the government side indicated these were 3,400 Liberals. Well, Sir, I cannot guarantee the House whether the 2,000 people who signed this petition are Liberals, Tories, NDPers, Social Crediters or non-Conformists. I do not know their politics, Sir.

MR. DINN: You speak for most of them though.

MR. NEARY: But, I think, Sir, that they are quite genuine and quite sincere in expressing their concern over one of the most unpopular measures ever to be undertaken by a government, Sir, this spruce budworm spray programme. There are two measures the government have brought into this session of the House that are most unpopular, one is Bill 50, The Regional Government Bill; and the other one has to do with the spruce budworm spray programme.

I will just read the prayer of the petition, Mr. Speaker, it says, "Because of the amount of ignorance surrounding the spruce budworm spray programme proposal, and its possible environmental and human effects, it was decided to initiate this petition. If you oppose the 1978 spray programme please sign your name below." And then the address of where it should be sent. Two thousand people signed it, Sir. I understand that they had to get it in now because the spruce budworm spray programme is due to start at any moment, and as hon. members know this year in the spray programme, a chemical is being used, a poisonous chemical known as Matacil which has not yet been proved. And, Mr. Speaker, as I said yesterday the Minister of Justice should look into the matter, Sir, because the government, in my opinion, are breaking their own laws, are breaking their own rules and regulations. The Minister of Forestry and Agriculture, Sir, is breaking Subsection § (b) of The Provincial Pesticide Control Act which states that every person who keeps, stores or transports a pesticide or a herbicide shall do so in a manner that ensures that the special precautions or warnings on the label of the pesticide and herbicide package, which is marked poison or with the symbol of skull

Mr. Neary: and cross bones, are strictly adhered to.

Therefore, Sir, as the government has not done that we request that the Minister of Justice look into whether or not the government are violating their own laws. Also, Sir, I would like to draw the minister's attention to Section (10) Subsection (2) which says that nobody, but nobody, including the government of this Province, dare spray a watershed or rivers or streams running into that watershed. And in this case, Sir, the government cannot guarantee us that some of this poisonous chemical, Matacil, will not drift and find its way into the water supplies of various communities, especially Gander and Stephenville.

Mr. Speaker, we are told in the instructions, as I indicated yesterday, that this is a very toxic chemical and the following warnings were written on the label that was taken from one of the barrels: One, do not breathe vapors of spray mist. And as somebody said yesterday, Mr. Speaker, what happens if the plane goes over and little innocent children, cubs, beavers, guides, scouts, 4-H'ers, little innocent children are out in the country when a spray plane comes over head and drops this poisonous chemical without any warning? Do they stop breathing? And then it says, "Keep all unprotected persons out of the operating area or vicinity where there may be danger or drift." Well, the minister has not done that, and that is a violation of the government's own Pesticide Act. "Wash hands, arms, and face thoroughly with soap and warm water before eating or smoking." This is the chemical, Sir, they tell us is not dangerous. And just listen to the warnings that are on the label on the barrel. "Wash all contaminated clothing with soap and hot water before re-use."

Well, Sir, I just want to show hon. gentlemen that the matter referred to in the Provincial Pesticide Act says that where you have a label that says 'danger' or the skull and cross bones and this is a Xerox copy of the label of the barrel, and it does say 'danger; the skull and cross bones, 'poison; and the minister has not followed the government's own law by notifying people of the danger of this poisonous chemical - and, therefore, in my opinion, Sir, the minister is breaking the law. Mr. Speaker,

MR. NEARY: the minister has sort of taken this as a personal matter. I think that is a big mistake, Sir. It is not a personal matter it is a government decision. The minister can dig in his heels all he wants and say that he is laying his political life on the line, but I would say that he is laying the lives of 525,000 or 530,000 Newfoundlanders on the line.

We could not care less about the minister's political life, and I am sorry to hear that the minister is taking this as a personal matter and has become so stubborn about it. The spray programme, Sir, is due to start now at any moment. The government still have time to reconsider and cancel this spray programme and take a look at the alternatives which the House knows are; cutting the damaged wood, reforestation - creating jobs for Newfoundlanders - stockpiling the wood, opening up the Linerboard mill, using the damaged wood out there, supplying it to the paper mills in Grand Falls and Corner Brook, exporting some of the wood or using it in the saw-mills of this Province. So, Sir, it gives me great pleasure to support the prayer of the petition and ask that it be placed upon the Table of the House and referred to the various departments to which it relates.

MR. SIMMONS: Mr. Speaker.

MR. SPEAKER: The hon. member for Burgeo - Bay d'Espoir.

MR. SIMMONS: Mr. Speaker, it gives me pleasure to support the petition so ably presented by my colleague from LaPoile (Mr. Neary), the petition from a couple of thousand people from the Avalon Peninsula and also the Springdale area, an area of the Province that I know very well, the Springdale area in particular. I was there in the last few days and I know something of their concern over this particular issue.

MR. SIMMONS: It is, Mr. Speaker, a very serious issue. one of the big disappointments in this House this year is that many of the government members who have expressed, privately, concerns over this issue have not seen fit to state their feelings publicly. It is a very serious issue and soon the damage will be done, and damage is the word. Soon the spray programme will have been carried out for this year and then the effects will be with us for a long time to come. It will be no comfort then, Mr. Speaker, for members on the government side to say, Well, I did have misgivings privately, you know. I did have misgivings privately, as I know many of them do. It will be no comfort to the people affected, it will be no political comfort to the people involved to say, Well, I knew at the time that there were some questions there but we were sold a bill of goods by the Minister of Forestry or by the Minister of Health and we thought it was okay so we kept quiet for political reasons, and that, Mr. Speaker, is what I believe is happening right now.

Now, my colleague from LaPoile talks about the statement of the minister. I did not hear it but apparently the minister has said something about his political life being on the line?

MR. NEARY: Yes.

MR. SIMMONS: Mr. Speaker, let us put this thing in perspective, this business of lives, political and otherwise. Mr. Speaker, we here on this side of the House, and 'we', all the thousands who have signed these petitions yesterday and again today, not one of us, Mr. Speaker, would have one whit of concern about this issue, not a whit of concern, if the children, the men, the women, if those people were as dead today, physically, as the minister is politically. There would be no reason for concern at all. The minister's sacrifice

MR. SIMMONS: in laying his political life on the line is about the equivalent of a corpse offering itself up for medical research. His sacrifice is about the same thing, total in one way but somewhat insignificant in another way.

We would not have a whittle of concern, Mr. Speaker, if the people we are talking about, who are going to be affected by this, were as dead today, physically, as the minister is politically. So let us get that big, overly large red herring out of the way and talk about the issue, and the issue is that we are being led as a people into a spray programme that very few people know very little about.

Now, I can understand the compunctions of the minister, I can understand the motivation of the minister in that they have committed themselves financially to several barrels of this stuff and they have to do something with it. They probably have a contract with the pilots, or the airline people or whoever, the people who provide the equipment to spray this chemical Matacil. I can understand the economics of it at this point, but it is almost at the point of no return in an economic, financial sense, I suppose.

MR. SIMMONS:

But, Mr. Speaker, there is a consideration here which overrides any financial or any bookkeeping consideration, and that is the whole question of what kind of damage will it do? And also, is it going to be of any effect anyway? Has the critical period passed? I have asked the minister that question before but he did not see fit to answer. Perhaps he can tell us today whether now, already, we have lost the momentum, lost the critical point in time. Have we passed the point in time when this can have any effect at all?

I support the petition, Mr. Speaker, and I would hope that government members of the House who expressed misgivings on this will have their say on the matter today.

MR. LUSH: Mr. Speaker.

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

MR. LUSH: Mr. Speaker, I rise to support the petition. Mr. Speaker, associated with this spray programme is a dual tragedy, a double tragedy, a dual travesty, if you will. One is the substantial evidence that is available showing the ineffectiveness of aerial spray, insecticide spray controlling the spruce budworm, which is what the spraying is all about, demonstrated in other provinces of Canada. We have alluded to so often here in the House of Assembly, New Brunswick, Quebec, Manitoba, just to name three provinces that have a long experience with aerial spraying, showing that it is not effective in controlling the spruce budworm. The second part of the tragedy, Mr. Speaker - point number one, that it is ineffective - secondly, is the fact that forest

MR. LUSH: management has become subservient to spraying.

Mr. Speaker, spraying is the last thing you do to control the spruce budworm. Spraying is the last thing that is done. The only effective measure, the only effective cure, the only effective prevention for the spruce budworm is a good scientific forest management programme. And, Mr. Speaker, just a glance at the Budget will illustrate what I am saying. The Budget for this year will indicate beyond any doubt that forest management has become subservient to spraying. Forest management has gone down the drain.

I illustrated yesterday, Mr. Speaker, that the Budget for this year shows an increase of \$1,720,000 for spraying. Last year the government just spent \$650,000 in spraying, this year they are going to spend \$2,220,000, an increase of \$1-3/4 million in spraying.

Now how about the forest management aspect of it? Mr. Speaker, the forest management, the total figure has diminished by almost the exact amount by which the figure has increased for spraying. So what we are saying really is that the government have taken the money for forest management and put it into spraying, taken the total figure. And, Mr. Speaker, that is a sad indictment on any government when we have thrown forest management down the drain - the only cure, the only long-term cure for the spruce budworm and it is thrown down the drain. As a matter of fact, to look at the estimates in detail - and I do not know where forest management itself would be located precisely in the Budget, there is a general term of forestry and in it is included forest policy for the Province including inventory, management, planning, regulation of harvesting,

June 14, 1978

Tape 4395

EC - 3

MR. LUSH: reforestation, this sort of thing, but nowhere are these specific headings alluded to under that - just one thing which says 'Forest Improvements'. Now I do not know what forest improvements are. I do not know whether they relate to reforestation, harvesting, but if it is there is not a nickel for that in the Budget this year, not a nickel, not one single nickel for forest improvement. Now, Mr. Speaker, this is the dual tragedy, this is the dual travesty to which I am referring: One, the ineffectiveness of spraying to control the spruce budworm and secondly, the fact that

Mr. T. Lush: a good scientific forest management policy has gone down the drain, because it looks like there is no monies allocated in the Budget this year for forest management. As I said before, if forest improvements, if that alludes specifically, if that alludes particularly to reforestation, harvesting and this sort of thing, then there is absolutely no monies in the Budget for this year. It may apply to something else. So this spray programme, associated with this spray programme is a dual tragedy, a double tragedy: Forest management gone down the drain, ^{the} only cure, the only long-term cure, the only prevention for the spruce budworm, and in its priority is reduced substantially in this year's Budget, reduced substantially I say, and there may be if I understand the Budget, no monies for forest management at all, not a nickel, Mr. Speaker. That is a sad reflection on any government.

MR. SPEAKER (MR. YOUNG): The hon. the member for Conception Bay South.

MR. J. NOLAN: Mr. Speaker, I rise to support the petition presented, and in the proper form, of course, as a prayer to the members of the House of Assembly and the departments concerned to exercise their authority in preventing the spraying that has now been announced by the Minister of Forestry and Agriculture, and generally by the government.

We have heard, and as I indicated yesterday in speaking in the House to a similar petition regarding the spraying of Matacil, that the minister is about to make the noble sacrifice of laying his political life on the line if it goes wrong. Well, now, what is a political life? Does that mean that the minister is elected or not elected or I am elected or not elected? Is this such a great, great sacrifice?

MR. McNEIL: Let him go to the people and find out.

MR. NOLAN: Well, who suffers from that? I thought the people were supposed to benefit.

SOME HON. MEMBERS: Oh, oh!

MR. NOLAN:

Listen to Joan of Arc.

AN HON. MEMBER:

A modern day Joan of Arc.

MR. NOLAN:

I mean, the minister has dug his way in on this so far that it is shameful to watch, and now he wanders out as unconcerned, you know, he is as unconcerned about that as he is about the frozen farmland that he has done to people around this Province. I mean, the minister is consistent, and that is what happens to ministers and governments oftentimes, they get whipped into a programme and come hell or high water and by God they are going to stand by it. Well consistency is fine, but there is no virtue in being consistently wrong, and this is exactly what this minister has done.

SOME HON. MEMBERS:

Oh, oh!

MR. NOLAN:

And he is not the only one who is directly guilty in this particular affair of the spraying of Matacil. The Minister of Justice, perhaps, is more flagrant of all because it is his duty, and it has been pointed out to him, because he usually uses the excuse he did not know, or he did not see it, or it was not brought to his attention, or some such flimsy excuse, but he knows the laws of this Province are being violated by the Government. And he is the senior law advisor to the Crown, imagine! No wonder justice in this Province is in a jambel.

Then we have the Minister of Health, the member for Gander (Mr. H. Collins) where it is going to happen now as has been indicated that the spray is certainly going to be into the water supply in that area. Is there anyone foolish enough to think with the bodies of water that are used in this Province, not only in Gander but in so many other districts and communities that use gravity wells that this is not going to go in there? Now what are we left with?

We are using the Newfoundland people as guinea pigs. The minister is not the modern day salk. He is not. In order for us to discover whether he has made a mistake somebody has to suffer mentally or physically. And unfortunately, through medical science, perhaps, it may be two, three, four or five

MR. NOLAN: or six or more years down the road.

Well, I say it is too much of a price to pay. I do not think any member of the House of Assembly has that kind of authority to bring about the action which will threaten possibly, threaten the lives of any innocent child or adult for that matter.

Now I know, as do other members of this House, Mr. Speaker, perhaps even you yourself that there are members on the other side who are concerned about this. Not all of them have arisen to speak publicly, but there was one, at least, who did. Others have spoken about it privately, expressed their concerns, but now is

MR. NOLAN: the time for them to stop this. And if there is going to be spraying, and not for one minute do we agree with the spraying of Matacil, but if you are determined to go ahead immediately, there should be full-fledged maps available through the media and the necessary warnings and advice of what to do, and so on, as the member for LaPoile (Mr. Neary) indicated, starting right away, not a moment's delay.

MR. NEARY: That is why you have the (inaudible).

MR. NOLAN: But all you are then doing is sort of advising them that the Government of the Province is now going to participate in a sort of chemical Russian roulette. What a shame! What a shame! The Minister of Municipal Affairs smirks. Well he might.

MR. WHITE: He is not going to be sprayed.

MR. NOLAN: If this spraying -

MR. NEARY: He is going to (inaudible).

MR. SPEAKER: Order, please!

MR. NOLAN: If this spraying were to take place in or about or close to Windsor Lake, or Bay Bulls or anywhere in St. John's, I guarantee you now it would never get off the ground, never get off the ground.

SOME HON. MEMBERS: Hear, hear!

MR. NOLAN: When are you going to wake up that the people in Bonavista, Gander, Trinity and so on are not as important, politically, as the people of St. John's? You have to admit it. No way would this happen in the city of St. John's. It would never get off the ground. I cannot understand how certain people that I know, personally opposite can condone, or go along with this without speaking out publicly against it. Because they know it is wrong. They are not guessing.

MR. NOLAN: Now, the minister may say there is no concrete, scientific medical evidence to indicate that it is going to bring about serious harm, or harm to anyone. And even that is not totally accurate, from the information we have.

MR. NEARY: No, it is your word against his.

MR. NOLAN: Exactly. Well what I am saying is this, without having any medical ability at all, in fact, our friends the lab technicians and so on would know far more about this than I do and they should, I am a sort of medical illiterate, but the fact is that we cannot use those people as guinea pigs. Are we going to use the Newfoundland people and children to find out, to experiment on, to indicate whether they are right or wrong in this instance? Because that is too high a price to pay.

So, Mr. Speaker, I certainly support the prayer of the petition and I wish that I did not have to stand to make this plea today to the Minister of Forestry and Agriculture or to anyone else, for that matter, to stop this because it seems to me that with a group of rational men and women that it should be needless, it should not happen at all. There was not way one could envisage when we started this House of Assembly for this session, the Throne Speech, that this is the kind of thing we would have to try to defend people against. It is not a political argument. It is not just Liberal children involved here who are going to be sprayed. The rain in this case will fall on the just and the unjust alike and the Minister of Forestry, the Minister of Justice, the Minister of Health, and all others are -

MR. SPEAKER (MR. YOUNG): Order, please! The hon. member's five minutes are up.

MR. NOLAN: Thank you, Mr. Speaker.

MR. SPEAKER: The hon. member for Trinity - Bay de Verde.

MR. F. ROWE:

Mr. Speaker, I would like to rise in support of the petition so ably presented by my friend and colleague from LaPoile (Mr. Neary) and signed by 2,000 people from the Springdale and St. John's areas, Sir.

It is beyond my understanding and comprehension completely why this administration has not reversed its decision to spray certain areas of the forests of this Province when so many thousands of people are speaking out against it. Sir, I could understand it if the movement against the spray programme was politically motivated. It certainly is not. It is coming from all sectors, all geographical sectors, from all different professional types of people, from virtually every segment of society in this Province and they are speaking out, for the most part against this spray programme, with the use of Matacil, about which we know very, very little, Sir.

Sir, I wonder when the minister, if and when he speaks in support of this petition, whether he could answer this question? He has given a certain number of reasons why they are going ahead with the spray programme, but is this a case - and aside, Sir, from that, presumably tender calls were called for the aircraft to spray the forests and the same way for the chemical, presumably tender calls were called, and even if they were, Sir, is this a case of where the government got itself locked into a contract with an aircraft spraying company and have bought certain volumes of chemical and have it on hand now and do not know what to do with the chemical and may be in breach of contract if they do not go ahead with the spray programme,

MR. F. ROWE: without trying to find out the details about what effect the spray would have on the environment of this Province beforehand? I would like to ask the minister is this a case of where they got themselves virtually locked into a situation where they may find themselves in breach of contract with an aerial spray company or with the buying of this particular chemical?

Sir, there are two types of experimentation; one is remote experimentation in isolated areas where you can have proper controls and you are testing the true effectiveness of the chemical, Matacil on the spruce budworm itself; Sir, there is another type of experimentation where you are spraying the forests and the spruce budworm and watersheds and water supply systems and residents of this Province and, of course, the animals in the forests. Between the two scientific wizards, Sir, the Minister of Health and the Minister of Forestry and Agriculture, they have elected the latter, the most dangerous form of experimentation. Instead of having strict controls in isolated areas where the only factor you are really testing is the effect of the spray on the spruce budworm, we are spraying areas where we will find out very shortly what effect Matacil has on human beings, animals, water supply systems and that sort of thing. Sir, I think it is an extremely dangerous form of experimentation and it should be stopped immediately. And I, speaking on behalf of my colleagues and my colleague who presented the petition and thousands of people in this Province, Sir, appeal to the government to stop this spray programme because there is no evidence that the egg mass count goes down with the use of this spray. In fact, there is evidence that with the practice of silviculture, that is, the proper harvesting

MR. F. ROWE: of the wood in this Province and proper reforestation the egg mass count, in fact, does go down, because the spruce budworm, as everybody knows, attacks mature timber stands and not timber stands. And, of course, it is a complete misnomer to call it the spruce budworm because it attacks the balsam fir as well. So, Sir, in the name of common sense I ask the government to cease the programme, Appeal to the companies, unify with the companies, together practice silviculture and stop using the taxpayers' money of this Province to try to ram down and sell to the taxpayers of this Province, using their own money, this spray programme, Sir.

If the government is standing behind its convictions why do they need to take the taxpayers' money of this Province and put ads on television and on radio and in the newspapers and travel all over this Province trying to sell a commodity?

Sir, I suggest that this government take heed of the words of thousands of people in this Province and cancel this so-called experimental, this dangerously experimental programme and appeal to the companies to practice proper wood harvesting techniques and reforestation and essentially establish a spruce budwormproof forest.

MR. MARSHALL: Mr. Speaker.

MR. SPEAKER: The hon. the member for St. John's East followed by the hon. the member for Port au Port.

MR. MARSHALL: Mr. Speaker, this is an extremely important and critical issue that has arisen from this petition, very important to all of the people concerned and very important to the Province itself, one that requires a great deal of consideration by this House. The fact of the matter is, it has already received a great deal of consideration in one adjourned debate and I think this is

MR. MARSHALL: the third or fourth major
petition. Now I do not by any means wish to derogate
in any way the 2,000 people who signed the petition and
their particular right, but I do think the matter has
been presented very, very fully and the government's
position has been given. And out of deference,
Mr. Speaker - and I do not know whether this is in order,
and perhaps the Government House Leader would like to
listen to this - there are a number of people here from
the Harbour Grace area who came in here especially today
for the purpose of hearing the motion that was coming up
on the Order Paper with respect to Nordsee, which is very
critical to them. We have now passed an hour of debate
and there are only two hours left,

MR. MARSHALL: and as I say, I do not know whether it is in order for a backbencher to move it, but I would move under Standing Order 21 that the Orders of the Day now be read. This would, in effect, give the Orders of the Day, the Nordsee motion, immediate preference so that we could get on to it and these people who are here - as I say I do this without any derogation at all to the very important matter that has been raised in the petition but I think the Nordsee matter, which is a matter of crucial concern, is also very important. This is under Standing Order 22, Mr. Speaker, and it is one that should be decided without delay if, in fact, I am in order in presenting it.

MR. SPEAKER: The hon. gentleman has moved that the House proceed to reading of the Orders of the Day. I shall have to ascertain whether it is in order.

MR. W. ROWE: If I may, Sir.

MR. SPEAKER: The hon. member.

MR. W. ROWE: With the indulgence of Your Honour and the House and the Government House Leader. What are we doing? Does this mean that this will now supercede Question Period as well?

MR. NEARY: Closure! It is closure!

MR. W. ROWE: Mr. Speaker, this is a very serious step that is being taken. I do commend this thing to the Government House Leader for very serious consideration before he gets together with his caucus and decides what to do on this asinine motion by the member for St. John's East (Mr. Marshall).

Mr. Speaker, I recall a time when a certain member on the other side, not all members by any means, refused to give unanimous consent for a petition to be presented on a certain day, Mr. Speaker, with a bus load of people here who had come in from the Terra Nova District.

MR. LUSH: Eastport.

MR. W. ROWE: So, Sir, let us not make chaulk of one and cheese of another. But I do ask the hon. House Leader for the government to be very careful about what is going on here and whether, in fact, his caucus is

MR. W. ROWE: going to support this motion by a backbencher on the other side who has shown time and time again that he does not support the government on many issues, Sir.

MR. SPEAKER: What I plan to do, if there are any submissions I will hear them. It is a quite technical point and not one where there is, obviously, a great deal of judgement or discretion but it is a technical point on which I will have to assure myself now, not whether it is in order. Unless hon. members, specifically, are aware that it is not in order, then it would appear that it is in order. What I have to ascertain is whether it is debatable. So it is a technical point which I will have to just satisfy myself on a question of fact and I will resume the Chair in approximately five minutes.

MR. SPEAKER: Order, please!

The motion made on which I adjourned briefly is under Standing Order 21 of the Standing Orders of The House Of Assembly, "A motion for reading the Orders of the Day shall have preference to any motion before the House." It is in order, the motion is in order. The Standing Order is based verbatim on Standing Order 24, the House of Commons, which reads: "A motion for reading the Orders of the Day shall have preference to any motion before the House."

As hon. members are aware the order of authority which I have to go by is Standing Orders, number one; number two, the precedents; number three, where these are not applicable, either because of different procedures or because the situation has not arisen, then the practice in the House of Commons. In this instance I have gone to the practice in the House of Commons. In the House of Commons Standing Order 32 (2) says, "All other motions unless otherwise provided in these Standing Orders shall be decided without debate or amendment." Now the rest of Standing Order 32 goes about three pages and it lists out those motions which are debatable. This motion is not among those. I therefore have to apply the general statement of Section (2) of Standing Order (32) of the House of Commons Standing Orders, "All other motions unless otherwise provided in these Standing Orders shall be decided without debate or amendment." I therefore have to put the question.

It has been moved that the House proceed to reading of the Orders of the Day. Those in favour "Aye".

SOME HON. MEMBERS: "Aye".

MR. SPEAKER: Contrary "Nay"?

SOME HON. MEMBERS: "Nay".

MR. SPEAKER: In my opinion the "Ayes" have it.

MR. NEARY: Divide.

MR. SPEAKER: Call in the members.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please! Order, please! Our

Standing Orders do require that we wait three minutes for a division, but it would be unfortunate if order were to deteriorate during that period, so I would ask hon. gentlemen to converse in soft tones.

DIVISION

MR. SPEAKER:

Order, please!

Those in favour of the motion that the House proceed to reading of Orders of the Day please stand.

The hon. the Premier, the hon. the Minister of Labour and Manpower, the hon. the Minister of Tourism, the hon. the Minister of Rehabilitation and Recreation, the hon. the Minister of Forestry and Agriculture, the hon. the Minister of Social Services, the hon. the Minister of Industrial Development, the hon. the Minister of Justice, the hon. the Minister of Transportation and Communications, the hon. the Minister of Municipal Affairs and Housing, the hon. the Minister of Fisheries, Mr. Lundrigan, Dr. Winsor, Mr. Marshall -

SOME HON. MEMBERS:

Hear, hear!

- Dr. Collins, Mr. Young, Dr. Twomey, Mr. Goudie, Mr. Neil Windsor, Mr. Cross, Mr. Patterson, Mr. Woodrow, Mr. Power.

MR. SPEAKER:

Those opposed to the motion

please stand.

The hon. the Leader of the Opposition, Mr. Hodder, Mrs. McIsaac, Mr. Strachan, Mr. Fred Rowe, Mr. Neary, Mr. White, Mr. Lush, Mr. Callan, Mr. Flight, Mr. Canning, Mr. Nolan, Mr. Rideout, Mr. McNeil, Mr. Jack Winsor.

I am informed that the motion is carried, twenty-three affirmative, fifteen negative.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

I therefore call motion 12.

The hon. member for Harbour Grace.

SOME HON. MEMBERS:

Hear, Hear!

MR. YOUNG:

Mr. Speaker, the only regret

I have in introducing this resolution is that it is so

MR. YOUNG: late in the session. But
I am very grateful to the member for St. John's East
(Mr. Marshall) -

MR. NOLAN: You should be ashamed for
the member for St. John's East.

MR. YOUNG: May I be heard in silence,
Mr. Speaker, please?

MR. SPEAKER: Order, please!

MR. YOUNG: - to the member for St.
John's East for bringing in the motion so that the people
of Harbour Grace can hear the debate, people who came
all the way from all around Conception Bay and that area
this afternoon.

SOME HON. MEMBERS: Oh, oh!

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

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. YOUNG: Could we hear the debate on Nordsee?

MR. SPEAKER: The hon. gentleman has made known his wish that the rule with respect to speaking without interruption be observed and hon. members are required to observe it.

MR. YOUNG: Mr. Speaker, I am sure that the people who are here today, the Mayor, his Councillors, the Chairman of The Board of Trade, distinguished businessmen and other citizens, and plant workers from Harbour Grace, the visitors in the gallery can realize the attitude of the Opposition by trying to filibuster, filibuster until 6:00 o'clock before this debate could come on.

SOME HON. MEMBERS: Oh, oh!

MR. YOUNG: They have been screaming all of the year -

SOME HON. MEMBERS: Hear, hear!

MR. YOUNG: They have been screaming all of the year, Mr. Speaker, about oh, the debate on the fisheries, and the debate on Nordsee, Today illustrates the attitude of the Opposition when they talk about our industries in the Province.

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

MR. SPEAKER: A point of order.

MR. NOLAN: I rise on a point of order because of a false charge, that I believe false, made by the hon. member opposite in stating that the members of the Opposition attempted to carry petitions until 6:00 o'clock. The hon. member, Mr. Speaker, and I draw to your attention when the member for LaPoile (Mr. Neary) stood to present his petition, a member opposite, namely, the member for Naskaupi (Mr. Goudie) also stood with a petition at the same time.

AN HON. MEMBER: Right on!

MR. NOLAN: Now I ask for a withdrawal, Mr. Speaker, of that remark from the hon. member opposite. I am sure that he would not want to misrepresent the facts.

MR. MORGAN: (Inaudible) as well.

MR. NOLAN: Pardon?

MR. RIDEOUT: Well, talk to your own colleague.

MR. NOLAN: Yes, but I mean who can speak for your opinion?

MR. SPEAKER: Order, please!

AN HON. MEMBER: Hear, hear! A good point.

MR. SPEAKER: In my opinion a point of order is a quite a technical matter, and obviously there is a difference of opinion between hon. gentlemen which may well be debated, but not a matter on which the Chair can make a decision. It is a matter of perhaps debate between hon. members but not a matter in which the Chair could make a decision.

MR. YOUNG: Thank you, Mr. Speaker. There again they are trying to stall the forty-five minutes I have on this debate by bringing in useless points of order. Now, Mr. Speaker, I feel it a great privilege and a great honour to introduce this resolution as it affects the town of Harbour Grace, the district of Harbour Grace, Trinity and Conception Bays, the Avalon Peninsula and Newfoundland, and, Sir, probably most of all the fishermen and the fish plant workers. As I said before, Sir, I am so proud to see so many from the area of Harbour Grace in the galleries. This resolution, Sir, is of great concern to all Newfoundland. I appreciate the support for this project, a merger that has been outlined by the Premier, the Minister of Fisheries and other members of the Cabinet, and members of government and myself who represents the district of Harbour Grace.

Sir, since this resolution was introduced on March 6 many changes have taken place. As it states in the resolution it was favouring the fifty-one per cent. Now the hon. Minister of Fisheries has stated that probably we could go into a merger of forty-eight, forty-seven and five. Sir, before starting any remarks on this merger I would like to give a brief history of the fish plant in Harbour Grace. Sir, it was started in 1942 by the late Silas W. Moores when he purchased the property from MUN and Company. Processing began, Sir, in 1944, thirty-four years ago. Two weeks after starting, Sir, tragedy struck the town of Harbour Grace when fire in August, 1944, just about swept the town including part of the waterfront and the new fish plant.

MR. YOUNG:

Before that fire, Sir, Harbour Grace was the capital of Conception Bay. It was offering an ice free port. It has never again asserted its commercial place in Conception Bay or in the Province. But we, the people of Harbour Grace, Sir, are trying hard and we hope that this Nordsee merger will bring that about.

Sir, with sheer determination and relying on his keen business ability the late Sir Moores, as he was known to the business community and Conception Bay, rebuilt the plant in 1946, two years after the fire. Sir, the plant as it was known then, as North Eastern Fisheries Industries

MR. YOUNG: that year produced some ten million pounds of fresh fish. Ten years later, in 1956, the output tripled, also, Sir, producing about 4,000 pounds of smoked fish a day and about 250,000 pounds of cod sticks a year. Si Moore, Sir, set up his plant that year. It was the largest single frozen fish plant on the Eastern Seaboard. That same year, Sir, 1956, three draggers were operating out of Harbour Grace and the plant was employing about 500 people paying out, Sir, something like \$1.5 million in wages and purchases. Sir, that was twenty-two years ago. Imagine what that would be in wages today.

In the mid 1960's, Sir, the people in Harbour Grace thought they had seen the end of the rainbow and Birdseye purchased the plant. It was much fancier, Sir, in that they - 30,000 people in Harbour Grace, 17,000 people in Port de Grave - everything was all go, Sir, but this was short lived. The fish blocks on the world market dropped to nineteen cents a pound. Tragedy struck our town again and Birdseye pulled out after sinking about \$8 million in the project. Sir, that was not the fault of the Premier of that day, no more, Sir, than the closedown of the Come By Chance oil refinery or the Stephenville Linerboard mill or the St. Lawrence mines is the fault of our Premier today. That was because of world markets. But, Sir, the difference today and that of the Opposition - the Premier of that day had the guts to go ahead, Sir, and speak out.

In Saturday, June 13th paper from the files almost fifteen years ago, I would like to read from the files of The Evening Telegram: "Speaking during debate on the fishery estimates in the House of

MR. YOUNG: Assembly, Premier Smallwood said that he had no intention of discouraging foreign fishing interests from setting up fish plants in Newfoundland and if the Newfoundland frozen fish industry do not like it they can lump it.' The Premier said that three different companies are at present negotiating with the government on this very matter. One company is Japanese, another English and one Spanish."

Mr. Speaker, I have it from very reliable sources that the former Premier Smallwood's stand on Nordsee was just as strong as we on this side, the government today. And I am sure, Sir, if he were over there - at that time it was a positive Liberal Party, Mr. Speaker, and they had one leader, but now today it is a negative Liberal Party with three or four leaders. No one knows where they are going, Sir.

Sir, when Birdseye pulled out of Harbour Grace it was a serious blow to the economy and the livelihood of that area. Some 800 jobs were at stake and once again, Sir, like the serious fire, Harbour Grace was on her knees.

In July, 1967, Sir, Mr. Alec Moores, the Liberal M.H.A., formed Ocean Harvesters Limited as we know it today, but the unfortunate aspect of that sale by the government and when the plants were disposed of four trawlers were sold to the Bonavista Cold Storage plant together with the fish plant at Fermeuse leaving one trawler, the Newfoundland Dragger, Sir, and unfortunately again for the town, that trawler sank at its berth in 1970.

Since then, Sir, that part of the coast and the plants in that area have been without a

June 14, 1978

Tape 4403

EC - 3

MR. YOUNG: trawler, and Ocean Harvesters
depend solely and wholly on the inshore fishery.

MR. H. YOUNG:

I say now, Sir, I said the other day, that the fishery in Newfoundland, our fishing industry is at its crossroads and it is useless for me or anyone else to say, 'Stop fishing on the Hamilton Banks.' Probably, Sir, I would be the one, I am sure we would all, probably with unanimous consent of the House vote to have that done. But, Sir, things have been happening the last month or so. I agree with the hon. member for St. John's East that we must or should try to regain the issuing of fishing license in our Province. What we see today, Sir, is Mr. LeBlanc trading off our fish stocks and last night, Sir, on the CBC news concerning a deal made outside the 200 mile limit on the Grand Banks and the Flemish Cap. It was a great advantage to Mr. LeBlanc if he got to the foreign markets with a few fish in his back pocket. Sir, during this last few days we have seen the shrimp licenses which were given away, Sir, to other provinces and licenses for other provinces which was a giveaway and for the processing plants in St. Anthony.

I am sure that is the concern of the hon. member from the Straits of Belle Isle - 5,000 tons have been given away to the Spaniards with not one cod's tail or a scale coming to Newfoundland. The fisherman's broadcast a couple of days ago on CBC another 15000 pounds was given to be caught under foreign flags to supply the plant at Fermeuse, Ramea and Gaultois. Sir, the Opposition condones and supports these actions but objects to Nordsee coming into Harbour Grace. I ask them now in the presence of many members, people from the district of Harbour Grace, what do they have against Harbour Grace?

AN HON. MEMBER: (Inaudible) like sheep.

MR. YOUNG: Not sheep at all. What do you have against Harbour Grace? The hon. Minister of Fisheries said the other day they were not true Newfoundlanders, they are putting politics before Newfoundland. Mr. Speaker, I probably would like to go further, Sir, and say that what does Ottawa have against Newfoundland. In the Daily News, Sir, of May 5th - "Nova Scotia trawlers accused of quota fraud," is the headline, Sir. "Newfoundland trawler skippers and owners are furious."

MR. H. YOUNG: Then further again, Sir, on May 16th headlines in the Daily News "Curtains for Harbour Grace." On May 17th - "License for St. Lawrence unfair to Harbour Grace." Do they have a special deal for joint ventures in Nova Scotia? This is why, Sir, I wonder if deals are not being made by the Department of Fisheries in Ottawa and we are getting the short end of the stick. And the dilly of them all, Sir, so I will remind the hon. members in the Opposition when they speak about foreign investment in the fisheries in Saturday, June 10th of the Evening Telegram under the Atlantic Provinces news, CP from Halifax, interest shown - "Canada's declaration of the 200 mile offshore limit has contributed to the growing interest of European businessmen in Nova Scotia said Jack Holmes, an industrial development officer with the Nova Scotia agent offices in London. In an interview here Holmes said a major British firm importer

MR. YOUNG:

will arrive in the Province during the weekend to look into new types of fish processing plants and to seek out sources of lobster and shellfish. Some Europeans were becoming interested in Nova Scotia's fishing potential because of the dwindling stocks of some species of fish in European grounds."

Then again, Mr. Speaker, the Opposition, I feel, are just doing it for political benefits and trying to make political hay at the expense of the Harbour Grace people. Sir, I would like to go back now and say a few words about what I feel are the benefits that we will receive from this merger. There has been much public and press reaction, Sir, and most of it is complete nonsense. The people of the Harbour Grace area will be the hardest hit and those who object and say that the inshore fishery will be hurt, Sir, and to hinder the inshore fishery, I say it is the saviour for the Northeast fishery on the east coast and to our fish plant workers. The signs have said, Sir, that the fish that will be taken by Nordsee will in no way interfere with our inshore fishermen. The fish is going to be caught, Sir, and they will be caught by the foreign efforts.

An attractive feature, Sir, of this proposal is that five ships will be added to the Canadian fleet with not one cent being invested by the federal or provincial governments and they have a replacement value of about \$45 million. Plus, Sir, the new technology that is not available to our fishermen now and furthermore opening up of new markets. Sir, our U.S. market is not longer stable and safe and when we joined Confederation, Sir, in 1949 in the minds of many of the people in Ottawa the fishery stank. Now today they have a different attitude, Sir. It smells of honey and it is a viable industry and it is hard cash.

I would like to read, Sir, from an interview by a Mr. Reader who is the head of the Nordsee in West Germany. "Speaking to a dinner, Sir, Mr. Reader told his Newfoundlander visitors that unless they begin to demonstrate a little more confidence and pride in themselves and their Province they will find it hard to compete in the

MR. YOUNG:

international market and perhaps worse still you will stand to lose. He stated that the Province's future does lie in the fishery and in the offshore resources. However, much will depend on how you realize and accept that future. The Nordsee Chairman said that his company was ready and willing to assist the Province with his expertise in the fishery."

Mr. Speaker, what are the Opposition opposing? Sir, the seven conditions as laid down by the minister, and I presume the Cabinet and the Premier are, Sir, number one, that the Nordsee give a firm commitment that the processing of fish to the final customer product be carried out in Newfoundland. Secondly, processing would add value to the industry and create more jobs. That Nordsee give a long term commitment to provide offshore capability to the plant with respect to the availability of the five trawlers. That Nordsee indicate more clearly its proposals with respect to training of Newfoundlanders on the trawlers and in the plant and that a time table be established. That Nordsee be required to transfer or otherwise establish a research and capability development in Newfoundland and that there be a commitment that they accept the fish supplied by inshore fishermen as a priority over trawler landings during the inshore fishing season under competitive terms and conditions.

MR. YOUNG:

That Nordsee insure that local firms be given every opportunity to provide goods and services in support of vessel and plant operation and maintenance; and number seven, Sir, that Nordsee agree that there will be no removal or reduction of existing processing capability within the Ocean Harvesters Limited.

Sir, these seven proposals spell out very clearly what the government want Nordsee to do and I understand Nordsee is willing to do it.

Sir, the licencing of draggers is a federal responsibility. The licence of the plant is the Province's responsibility. I am sure, Sir, that to Nordsee this is a sound investment on their part and it is a sound business proposal to the people of Harbour Grace and Newfoundland.

Sir, the Opposition are always crying about unemployment in the Province, and, Sir, this is one way that we can help eliminate at least - I would not like to say the numbers because I will be quoted for saying so and so, but these jobs will be created in Harbour Grace, Sir, and they will be full time jobs.

Now, Sir, let me get back to the history of Harbour Grace. Harbour Grace has had a history of trawlers since 1949, and today, Sir, we have not one trawler operating out of the port. Sir, this is why the plant operators there can only operate on a five or six month basis, and the most they can operate now in the trap season on full time is four weeks, leaving about forty-eight weeks on a part time basis. Temporary work, Sir, seasonal employment and plant closedowns are no longer realistic and acceptable in our society.

June 14, 1978

Tape 4406

EC - 2

MR. YOUNG: Our people need and deserve steady jobs at negotiated wages in order to plan their lives with a secure economic base. This, I feel, Sir, Nordsee will give to the Harbour Grace area, and this merger means, Sir, in essence that Ocean Harvesters will be in a position to catch the part of that expanding, renewable fish resource, landed in Harbour Grace to help provide a great economic base for the Harbour Grace area. This merger, Sir, also really means that we will fish for stocks, Canadian fish quotas which Canada cannot catch in areas where Canada cannot fish, land it at Harbour Grace for processing and sell it in established markets at world prices.

It is all a plus, Sir, for Canada and a plus for Newfoundland and our Newfoundland fish plant workers.

Sir, Ocean Harvesters cannot have any fish from offshore resources, it has no ships and no trawler licences, and our future if this proposal is not approved, we will have no fish available for our plants in Trinity and Conception Bays. Sir, this merger is a total package - money, ships, expertise and marketing - a proposal that Newfoundland cannot afford to lose regardless of what Ottawa or Mr. LeBlanc say. We must stand up as Newfoundlanders, Sir, and now is the time.

This is not a giveaway, Sir, as suggested by members of the Opposition. The fish quotas, Sir, and the fishing licences will still be controlled by the federal and provincial governments.

Mr. Speaker, I support this resolution and not only that, Sir, the unions say that

June 14, 1978

Tape 4406

EC - 3

MR. YOUNG:

Harbour Grace needs trawlers.

Mr. Speaker, this resolution says, in fact, "Whereas the Nordsee of West Germany has applied to the Foreign Investment Review Agency of the federal government for

MR. YOUNG:

permission to acquire 51 per cent interest in Ocean Harvesters in Harbour Grace; and whereas the proposed association of Nordsee with Ocean Harvesters under the conditions suggested by the Government of this Province will result in a larger number of additional full time jobs, increased harvesting and processing technology and significant long term benefits for the entire Province; be it resolved that this hon. House support the proposal of the Nordsee Company to purchase the 51 per cent interest in Ocean Harvesters Limited subject to the conditions set down by the Government of the Province and communicated to the Foreign Investment Review Agency and that this hon. House further support the application of Ocean Harvesters Limited to the Government of Canada for five deep sea trawler fishing licenses necessary for the implication of the Nordsee-Ocean Harvesters proposal."

Mr. Speaker, I ask every member of this hon. House to support it also for the sake of the future of our Newfoundland fisherman and for our fish plant workers and for Trinity and Conception Bays. Thank you.

SOME HON. MEMBERS: Hear, hear!

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

MR. W. ROWE: Thank you, Sir.

SOME HON. MEMBERS: Hear, hear!

MR. W. ROWE: Mr. Speaker, I have seldom heard a more disgraceful speech than the one just delivered by the member for Harbour Grace district (Mr. Young). The gall of it, Mr. Speaker, to attribute unworthy motives to me and my colleagues on this side of the House concerning the Nordsee proposal. The shame and disgrace, Sir, of that hon. member not to get up and in a statesman like fashion deliver himself of a speech favouring the Nordsee proposed takeover and giving them the reasons for it, detailed argument for it, facts and figures for it, Sir, but to get up and in a scurrilous fashion try to attribute unworthy motives, motives which do not exist, to members of this side of the House or anybody, Mr. Speaker, who happens to have the temerity to oppose

MR. W. ROWE:

or question this takeover by Nordsee, the West German company. The face of it, Mr. Speaker, to get up and attribute bad motives or political motives to members of this House on a very important issue such as this one.

What has the Opposition got against Harbour Grace! The Opposition, Sir, like every other person in the Province, and they do not claim any greater virtue in this regard than any other person in the Province, on that side of the House, on this side of the House or anywhere else in the Province, the Opposition, Sir, has the best interests of the people of Harbour Grace at heart as it has all the people in the Province at heart. And I am sure that everyone feels the same way in the Province as we do over here.

SOME HON. MEMBERS: Hear, hear!

MR. W. ROWE: For him to stand up, Sir, and try to pretend in a most scurrilous fashion that he or his colleagues on that side of the House have cornered all the wisdom and all the virtue and all the knowledge and all the best interests of the people, that he and his colleagues have cornered all that, Mr. Speaker, totally ridiculous.

We see what kind of a government, Sir, is trying to bring in this Nordsee proposed takeover. It is a government which is so run out of ideas and so frightened and scared of questions and is so lacking in answers to the problems and questions, Mr. Speaker, that they will use their majority in this House in a tyrannical and dictatorial way. In comes a petition signed by 2,000 people on the Avalon Peninsula and in the Springdale area, other petitions as well, which is supported by half a dozen people on this side of the House against the spraying of the poison chemical, Matacil, into drinking water and near communities in this Province and a half a dozen people had spoken. And the time, Sir, was somewhat after four o'clock with two hours left in Private Member's Day with one member left to speak on it, my friend from Port au Port (Mr. Hodder) district. I myself, Sir, in order to save time had decided not to speak on this particular petition. And in comes the member for St. John's East (Mr. Marshall) -

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

MR. SPEAKER: A point of order,

MR. LUNDRIGAN: Mr. Speaker, first of all the remarks of the hon. gentleman are not relevant and secondly he is reflecting on a decision that the House has already made. I think he should be called to order.

MR. SPEAKER: Order, please!

If an hon. member were to make the subject matter of his speech to be a

MR. SPEAKER: criticism of the decision which the House had made, that would be improper. The proper way to do it would be a substantive motion. I would not be prepared at this time to say that the hon. Leader of the Opposition was in fact doing that. I think he was making a passing reference, at least that is my judgement of the matter as it has transpired up to now.

SOME HON. MEMBERS: Hear! Hear!

MR. W.N. ROWE: Your Honour as usual is right. The hon. member for Grand Falls as usual is wrong and abuses the rules of this House on every occasion possible.

MR. LUNDRIGAN: (Inaudible) totally irrelevant!

MR. W.N. ROWE: It is not irrelevant, Sir, because I am indicating, Sir, I am indicating to the House what kind of a government this is and trying to indicate to the House the reasons why not only we in the Opposition, Sir, but nearly every responsible journalistic paper or periodical and so on, various groups throughout the Province involved in the fishery, why almost to a man or a group they have been against this procedure and this proposed take over with the exception, Sir, of the government side of the House and even there there is indication of very serious doubts and splits. I am trying to indicate, Sir, what kind of a government it is; a government, Sir, which would use its tyrannical majority in order to cut off Question Period in this House for no reason, Sir, for no reason whatsoever except that the members opposite, the Minister of Forestry and other members opposite, Sir, do no longer have the courage or the intestinal fortitude to hear questions raised, Sir, concerning Matacil -

MR. MORGAN: Talk about Nordsee, boy! Come on!

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Order, please! The hon. gentleman to my left, please.

MR. W.N. ROWE: Concerning Matacil, concerning the strike situations in the Province, Sir, or concerning any other important issue that may be raised by us here or by the public generally. This is a government, Mr. Speaker, which for - How long has the House been open? Three months? Four months? A government, Sir, which at any day, Monday, Tuesday,

MR. W.N. ROWE: Thursday or Friday, Mr. Speaker, any of those days could have brought on debate on the Nordsee proposed take over merely by calling it.

SOME HON. MEMBERS: Hear! Hear!

MR. W.N. ROWE: And did not have, Sir, the courage or the guts to do so. They could have done it. They could have done it on any occasion, Mr. Speaker, on any one of those days and we could have had the debate. Newspapers in this Province, reputable journals in this Province are asking why this government has not had a full-fledged debate on the fishery, including the Nordsee take over.

MR. NEARY: Hear! Hear!

MR. W.N. ROWE: And they, I would assume, conclude, like everyone else in the Province has concluded, that this is a government which has no ideas, is bankrupt of ideas when it comes to the rational, sensible development of the fishery in this Province. They could have done it, Sir. Now, Mr. Speaker, I do not mind some members of the House interrupting me because they have some sense. The member for Bonavista South, Sir, I say to Your Honour I do not care to be interrupted by that hon. member, especially that hon. member. So could you maintain some order in the House, Your Honour.

MR. SPEAKER: Order, please! I understand the hon. member wishes to make his remarks in silence which is his right. The hon. Leader of the Opposition.

MR. W.N. ROWE: The member for Naskaupi district had a petition he wanted to bring into the House and I assume it was on an important matter or he would not have risen in the House to bring the matter up and his own colleagues, Sir, cut off any possible talk or debate on it. What political hay, Sir, is there to be made by any political party by opposing a deal which the people of that area of Harbour Grace feel is going to increase employment opportunities? What political hay can be made, Sir? I would suggest, Sir, no political hay and for the hon. member for Harbour Grace to stand in his place and try to make the people of Harbour Grace believe that we in some way are trying to

June 14, 1978

Tape No. 4408

JM - 3

MR. W.N. ROWE: use partisan politics on this matter is a disgrace to this hon. House, Mr. Speaker, because we are not. We are concerned about the development of the fishery particularly the inshore and the near shore

MR. W. ROWE:

fishery in this Province. That is what we are concerned with. Harbour Grace is a political district, like every other of the fifty-one political districts in the Province, and we have no desire to make ourselves unpopular or anything else in that district, except popular and perhaps win the district in the next election.

But, Sir, when we see that something is wrong we are going to speak out on it, that when we see that something is right we are going to support it. That is the position we have taken in this Harbour Grace situation and the proposed Nordsee takeover.

When this motion was first moved, Mr. Speaker, it was resolved in the motion that this hon. House support the proposal of the Nordsee company to purchase the fifty one per cent interest in Ocean Harvesters Limited, fifty-one per cent interest, that Nordsee be supported in its proposal to take over a majority interest, a controlling interest in Ocean Harvesters.

The uncertainty of the government, Mr. Speaker, in this matter as in nearly every other matter which the government has brought up in this House since the House began, is evident from the fact that we had a minister, who, according to press reports and substantiated reports around, Sir, a minister who was willing to resign on this Nordsee proposed takeover and in fact got the Premier and the government to agree to some other scheme whereby on the surface Canadian interests would have a majority interest in that plant.

The president of the Party which represents the government was certainly not satisfied with the proposed takeover and publicly spoke out against it. Mind you, he was whipped into line some days later after a talk with the Premier and some members of his caucus. But his initial impulses were to speak out against this deal as a sell-out which was not in the

MR. W. ROWE: best interests of Newfoundland and Labrador. And there have been cracks and rifts, Sir, in the government concerning this proposed Nordsee takeover as there have been on the Matacil, the poison spray programme, as there have been on several other programmes which this government has brought in from time to time.

So how can anyone have any confidence, Mr. Speaker, in a government which supports this kind of a proposal? There is no way you can have any confidence whatsoever.

Now, Mr. Speaker, I propose, contrary to the member for Harbour Grace (Mr. Young) who I would have expected would have given a forty-five minute - I do not know if he had unlimited time in this particular case or not, certainly would have given a forty-five minute speech on the matter and gone into some detail of the proposal so that members of the House would have an opportunity to decide whether the proposal was good or not. But he spoke, Sir, for fifteen or twenty minutes, twenty-five minutes at the outside -

MR. NEARY: And then collapsed.

MR. W. ROWE: Collapsed, Sir, and I am no wiser, and I would suspect that no member on that side of the House or this side of the House is any wiser as to the facts and figures and the details of that proposal, Mr. Speaker, than we were when the hon. member got up in his place a half an hour or so ago. Got up and turned it into a partisan debate, Mr. Speaker, full of spleen and bitterness and shed no light whatsoever on the proposed Nordsee takeover, and tried to pretend that this government was interested in shedding light and debating the issue rationally.

You will recall, Sir, that we when was it? December this thing was first mooted? We called upon the

MR. W. ROWE: government, Sir, to bring the House together early in the New Year in order to debate this issue and other important issues affecting the fisheries. And the government resisted, Mr. Speaker, resisted bringing the House together until sometime early in March. The Minister of Fisheries is trying to get a lack of quorum in the House now, Mr. Speaker, in case you are wondering what the grand government strategy is.

MR. HICKMAN: On the contrary, we are trying to get them in their seats.

MR. W. ROWE: They are trying to get members out of the House now, Mr. Speaker, so that the debate cannot go on for a lack of quorum. That is how interested they are in the Harbour Grace deal, the proposed takeover for Harbour Grace, the Nordsee.

MR. HICKMAN: You remind (inaudible).

MR. F. ROWE: You were told to keep quiet.

MR. W. ROWE: Now, Mr. Speaker, the government refused and resisted our pleas to bring the House together from December of last year until early in March of this year, two or three months, Mr. Speaker, and even then would not call this debate until the dying days of this session.

MR. W. ROWE: And that is a government, Sir, which pretends to be interested in this! A Premier, Sir, who did not speak in the Budget debate, a Premier who did not speak in the Address in Reply, the two major debates in this House of Assembly; a Premier who has not risen himself in his seat this session to make any substantial contribution to the deliberations of this House.

Mr. Speaker, the whole thing is just a complete travesty of what parliamentary debate should be, and the government has obviously fallen apart on this issue as in all other issues.

Now what is the proposal, Sir?

One of the radio stations reported erroneously that I had some great bombshell or something to drop on this matter when I spoke in the House today. In fact, Sir, all I said when I spoke in the House on Friday was that I intended to go into this matter in some detail, to analyse the situation in order to see whether it was, in fact, in the best interests of Newfoundland and Labrador, and that, Sir, I propose to do, because it is a very important issue, and an issue which has exercised this caucus and members of the caucus, Sir, for the last numbers of weeks and months in an effort to grapple with the important issues involved and to make sure that we make the right decisions that are in the best interests of the people of the Province.

The proposal, Mr. Speaker, has never been made public. Nobody in this House, Sir, I would defy the hon. the member for St. John's Centre (Mr. Murphy) - he may have picked it up in Cabinet somewhere.

I would defy the hon. the member for Exploits district (Dr. Twomey) and the hon. the member for St. John's East (Mr. Marshall) or the hon. the member for Ferryland district

MR. W. ROWE: (Mr. Power). I would defy them, Sir, to stand up in this House and tell us what the proposal is by Nordsee - in detail and accurately what the proposal is regarding their takeover of the Ocean Harvesters plant and their request for licences from the federal government. I defy them, Mr. Speaker.

This whole subject has been characterized by lack of information from the government from start to finish and it is only because I have friends, Mr. Speaker, who do have knowledge about what is going on in this issue that I have been able to get some information and develop some opinions based on information over the past number of months.

The proposal, Sir, is for Nordsee to purchase 51 per cent of Ocean Harvesters for \$1,700,000 to go to the present shareholders in the proportion, of course, that they would sell it to Nordsee. Now, Mr. Speaker, this is not part of the issue at all and this has no bearing on our decision that has to be made here, but I would ask this question, Mr. Speaker: How many more owners of that plant over there in Harbour Grace are going to make a capital gain killing on the plant, Mr. Speaker, on the pretense of a great economic bonanza for the area? That is a question which has to be asked. What the answer is does not determine one way or the other how we are going to vote here or what our position is, but that question must be asked, because it is not the first time that owners of a plant have been in a position, Sir, to pick up a tremendously large capital gain as a result of a purchase by an outside firm, and we have to ask ourselves how much the possibility of such a capital gain colours the opinions of the people or affects their opinions

June 14, 1978

Tape 4410

EC - 3

MR. W. ROWE: when they are out on the public airways saying what a good deal this is for Newfoundland and Labrador. I ask that question in all sincerity.

Now, Mr. Speaker, part of the proposal is for Nordsee to make available two freezer trawlers and three wet fish trawlers as part of the proposal. They would, of course, fish in the Northern cod stock, as I mentioned on Friday, and supply

MR. W. ROWE:

fish to the plant in Harbour Grace. It sounds great, Mr. Speaker. It sounds like we are going to get five trawlers to keep that plant in constant supply. But we have to also look at that aspect as well, Sir, in the light of the knowledge lest we think that Nordsee is doing something very generous and very altruistic and so very much in the interest of Newfoundland and Labrador as against looking after its own interests, Sir. We have to realize that these trawlers were made redundant, rendered useless from the point of view of Nordsee by the declaration of the 200 mile limit. That fact has to be borne in mind that they were made redundant by the declaration of the 200 mile limit.

Part of their proposal is to train and hire locally, to the extent possible, trawler officers and crew estimated at some eighty to a hundred men. That is part of their proposal and that is a laudible proposal that is a good part of the proposal if all other aspects of it were good as well. But, Sir, jobs for eighty or a hundred men on trawlers is not a sufficient inducement if there are other reasons, other compelling reasons why this proposal should not go ahead, and I would submit, Sir, as we get on down through this that there are very compelling reasons, very conclusive reasons why this proposal should not go ahead in the present form.

Also part of their proposal is to invest, Nordsee, to invest up to \$3 million to expand and improve the Harbour Grace facilities. \$3 million, Mr. Speaker. \$3 million is not hay, Mr. Speaker, but it is certainly not a large amount of money compared to investments which have been made in this Province either backed by the government or not over the last number of years. But let us keep in mind, Sir, that we are talking about the investment of \$3 million by way of expansion and improvement to the Harbour Grace facilities, not, Sir, as the member for Grand Falls (Mr. Lundrigan) mentioned on the radio there when he was pushing this deal, \$50 million or as somebody was talking about, scores of millions of dollars. Let us remember what we are doing. We are talking about an investment of \$3 million in addition

MR. W. ROWE:

to five trawlers which are what? Ten or fifteen years of age? I have it here in my notes somewhere. We may come to it, - which were made redundant by the 200 mile limit.

Mr. Speaker, part of their proposal is to create employment for 450 people onshore in the processing side of things, in the plant, 450 people. That figure happens to be Nordsee's estimate, Mr. Speaker, 450 people is Nordsee's estimate. My information from various sources in government, both provincial and federal, in the union, Mr. Speaker, which has come out against this proposal, the Fishermen's Union, except for the local in the Harbour Grace area which of course is very understandable, this 450 onshore jobs, Mr. Speaker, is mentioned to me by reputable, reliable sources as being highly exaggerated and it is not 450 people. So we should bear that in mind as well.

Before we can determine whether a proposal or a deal or a scheme is a good one or not, Mr. Speaker, we must know the facts in detail, not ideas thrown out or fantasies thrown out by members of the government or members of the fish company who stand to make a considerable capital gain on the deal although there may be nothing wrong with that. We should have the facts. And the facts as I have them is that the employment figures, Nordsee's estimate, are highly exaggerated, that we are not talking about 450 men onshore, that it is considerably less than that.

The other reason for the proposal as given by Nordsee is that Nordsee would make available

MR. W.N. ROWE: its considerable expertise in the field of processing and marketing fish. We will get into that a little later on, Mr. Speaker, because we do need to diversify as far as markets are concerned. We should not be totally reliant on the US market although the dangers there were highly overblown some days when people were talking about raising of tariffs and cutting off our markets and all that sort of thing. There are interest groups in the United States, Sir, as well who in no way, shape or form can afford to see Canadian fish not going in to the US market. But, Mr. Speaker, the benefits of the market is highly exaggerated as well, as I mentioned last Friday, because the availability of those markets, Sir, as I will show a little later on, is not dependent on whether or not Nordsee owns the Harbour Grace plant or whether they have licenses for five trawlers to fish in the Northern cod stock. They are not dependent on that at all; totally irrelevant, as a matter of fact. And, Sir, Nordsee every now and then throws in the possibility of reducing the common market tariffs and thereby allowing processed or greatly processed or greater processed produce from Newfoundland go into the common market countries, the EEC countries.

But, Sir, my information from the Government of Canada, it is not confidential information but is just as a result of my digging and probing, Sir, is that the reduction of the EEC tariffs is exceedingly doubtful and if they are ever effected, Mr. Speaker, it will not be by Nordsee owning and operating trawlers in the Northern cod stock or owning a processing plant in Newfoundland. In other words, Sir, what I am saying is that as desirable as a reduction in tariffs in the common market countries, as desirable as that is, Sir, it is totally irrelevant and is only a red herring when it is dragged into the issue and dragged into the debate by people who are trying to push this Nordsee take over as a beneficial deal. And, Mr. Speaker, as far as technology is concerned, I mentioned in this House one time before, some months ago that when Birdseye, my information again from sources in the Government of Canada, civil servants and so on

MR. W. ROWE: who will give information on this, not here, by the way, in Newfoundland, but some people who used to be members of the Civil Service of the Government of Canada, people in the fishing industry, Sir, my information is that when Unilever owned the plant in Harbour Grace before and was operating under the name of Birdseye there was no company, Mr. Speaker, no company in Canada involved in the fishing industry which was so incredibly secretive as Birdseye over its technology and its expertise. I have been cautioned, Mr. Speaker, against believing that Unilever is going to make technology and expertise, or their entry into this field is going to make technology and expertise available and therefore beneficial to the fishery generally in this Province. We should be on our guard against it.

Mr. Speaker, those are the bare bones of the proposed take over by Nordsee and we have to look at it, Sir, as rational and sensible men and women and see whether it is in the best interests of the Newfoundland and Labrador people. Before doing so, let us look at who owns the company at the present time, the company to be acquired, Ocean Harvesters. Who owns the company? The share list shows that there are 2575 common shares owned at the present time. My hon. colleague has a share list there. Just over eighty percent, eighty point six per cent are owned by Canadians at the present time. This is the 1975 share list.

MR. W. ROWE: Eighty per cent of the shares, Sir, are owned by Alec D. Moores Limited and by Cyril Babb Limited. They own 80.6 per cent of the shares, about 80 per cent of the shares. Just under 20 per cent of the shares are owned by F. W. Bryce Incorporated. Now here on the share list, Sir, it is F. W. Bryce Limited of Montreal. My information, Sir - and I am not saying there is anyone trying to mislead anybody, perhaps it is the Canadian subsidiary - but my information, Sir, is that the shares beneficially are owned or controlled by F. W. Bryce Incorporated of Detroit. And, Sir, I am further led to believe that all American sales of groundfish by Ocean Harvesters Limited are made through this Bryce company in the United States, F. W. Bryce Incorporated of Detroit - that is my information.

So, Mr. Speaker, when we listen to the rhetoric - and I enjoy good rhetoric as well as the next man - but when we listen to the rhetoric and the outraged screams from people that Ocean Harvesters is finished, that Ocean Harvesters, unless this deal goes through is going to go under and the company can only be saved, Mr. Speaker, and therefore the jobs of the people in Harbour Grace can only be saved and increased by allowing this proposal to go through, I have to remember that one of the shareholders - 20 per cent of the shares - is this American company which markets all the fish, and I am reliably informed, Sir, that the actual financial position and situation of Ocean Harvesters Limited could only be indicated, could only be shown, could only be demonstrated by a full-fledged audit of that company to see what its relationship is with F. W. Bryce Incorporated, which is the marketing company in the United States, and what kind of

MR. W. ROWE: an arrangement there is there. That is the only way we can find out, Mr. Speaker. So before we fall victims to the rhetoric about saving the company and saving Harbour Grace as a result, we have to know the facts involved. And the situation is not helped, Sir, when the owner of the company or somebody supporting him or acting for him goes on the air and says, 'Since this is a private company there should be no public debate on the matter and there should be no detailed information given out publicly.' That is the wrong approach to take, Mr. Speaker. And I respect and like that man as much as anybody. He was a colleague of ours in the House of Assembly for years - for a term, but, Sir, even though he was a friend and a colleague, and I hope, although I doubt it, but I hope a supporter in the future, I have to say to him point blank that I cannot support something based on emotionalism and rhetoric and inflated figures and exaggerated claims and lack of detailed knowledge, Mr. Speaker. I can only support something or vote against something on the facts and what these facts mean to the people of this Province, not the exaggerated claims of people who have an axe to grind and stand to benefit to the tune of \$1.7 million on this proposed takeover, a capital gain.

Now, Sir, if the proposal is accepted, my information is - and I hope that somebody can correct me on this if I am wrong - my information is that Nordsee would own 51 per cent of the shares in Ocean Harvesters Limited; Alec Moores Limited, presumably, would own 16 per cent of the shares,

Mr. W. Rowe: that the Babb company, Cyril Babb Limited—or maybe these gentlemen would own them personally, that is a detail— Cyril Babb Limited or Cyril Babb himself would own 18 per cent; and this F. W. Bryce of Detroit, F. W. Bryce Incorporated of Detroit—now whether it is owned by the Montreal company, Sir, or the Bryce Incorporated Company in the United States directly is irrelevant. We are talking about shares which would be controlled, whether through the Canadian subsidiary or directly through the American mother company— F. W. Bryce in Detroit would own 11 per cent. There would be a total foreign ownership, Sir, under the proposals as we had it given to us, a total foreign ownership, therefore, of 62 per cent of the common voting shares of that company, 62 per cent.

I do not care, Sir, as I said, if F. W. Bryce Limited, the Montreal company, owns the shares or whether they are owned directly. There would be control to the tune of 62 per cent by foreign interests, by Nordsee, Mr. Speaker, representing their own interests and the interests of their markets, and the interest of their business in West Germany, and F. W. Bryce Incorporated representing their interest in the United States, subject to United States pressure, subject to United States law, subject to their own interest as they perceive them in the United States, and not the interest necessarily of Canada or of Newfoundland. Now, Sir, that is my information.

So I would ask the Minister of Fisheries to look a little more carefully at the ownership of this company, directly or indirectly, before he thinks that the situation is going to be solved by the Government of the Province taking 3 per cent or 5 per cent of whatever it is he proposed, and thereby having the controlling interest. Because, Sir, the Government of Newfoundland would have to take far more than 5 per cent to have controlling interest if these figures and these facts, as I have given them out, are in fact accurate.

Mr. W. ROWE:

Apart altogether, Sir, from the ridiculousness of thinking that the Newfoundland Government would in some way have control over a company because it owns 5 per cent, if you had Nordsee with 47 per cent, say, and some other interest with 48 per cent, if the Government of Newfoundland thinks that by holding 5 per cent it is going to have any controlling interest or any interest is totally ridiculous. As Newfoundland and Labrador has a minority interest in—or had a minority interest in certain Labrador holdings, under BRINCO, if I remember correctly—my hon. member for Eagle River (Mr. Strachan) perhaps remembers the details on that, \$10 million worth of shares in Javelin or something, was it not? It is useless, Mr. Speaker, money down the drain. Totally useless, because unless you have your 51 per cent in a company such as this one, Sir, you have no control whatsoever, — you simply do not have control unless you have 51 per cent. If it is a company like General Motors, Mr. Speaker, 3 per cent can give you control, because you can have proxy fights, and you can have control of the management and so on, and once you have control of the management, you have total control because you can get proxies in and votes in your own favour and so on and so forth; you are talking about untold millions of shares spread over a vast nation. But when you have what is essentially a small company closely held by three or four parties, then unless you have 51 per cent, as many company owners have found, Sir, to their chagrin, and to their sorrow, unless you have — or who thought they were owners 51 per cent, unless you have the 51 per cent controlling interest, Sir, you do not control the company. So even if the situation was as correctly stated by the government or anybody else that Nordsee would have 51 per cent, and then Canadian interests would have 49 per cent and therefore if the government had 5 per cent there would be a majority of Canadian ownership, Sir, but even if that was so, I would say it is ridiculous to think, naïve and innocent and ridiculous to think that you would control the company. But, Sir, from my facts and figures, if the government had 5 per cent or even if the government had 10 per cent there would still be control of that company

Mr. W. Rowe: although divided, control of that company in foreign hands, Nordsee on the one hand, and F. W. Bryce Incorporated on the other. And the government and the other shareholders native through Newfoundland, or living in Newfoundland, Sir, would have no control whatsoever in terms of ownership. And we should know that,

Mr. W. Rowe: and we should not try to pull the wool over the eyes of people in Harbour Grace, or Newfoundland generally, by thinking that the government would have some kind of control over this company as far as ownership is concerned or that the government would be in a position to stop that company operating legally, operating within the parameters of the law, that the government by only 5 per cent would in some way be able to stop that company from acting in a way which was detrimental to the best interest of Newfoundland fishermen, say, or Newfoundland processors, for that matter, or if they were acting purely in their own best interests either as a West German company or as an American marketing company in the United States.

Now, Mr. Speaker, there are two aspects to this proposal, and it is important that everybody in the House and everybody who is concerned about this in the public realize that there are two aspects, two separate aspects to this proposal. One aspect of the proposal is the processing of fish at the plant in Harbour Grace. The other aspect of the proposal is the catching of fish, the other aspect of the proposal is the catching of fish, the fish catching, the catching of the fish to be processed in the plant.

And, Mr. Speaker, these two important aspects of the operation of that plant have to be kept separate in people's minds if we are going to make a rational and sensible decision as to whether the Nordsee proposal, even as altered or amended by the Minister of Fisheries, is going to be accepted.

Let us look first at the fish processing, the processing of fish in the Ocean Harvester's Plant in Harbour Grace. First of all, Mr. Speaker, when it comes to foreign ownership and foreign control, let us say that the ownership of that plant, purely for the purpose of processing fish by a foreign company, is not nearly the problem, not nearly as serious as foreign ownership or foreign control regarding the catching of fish for the plant. It is not nearly the problem. If that company was owned as a processing company, if that plant was owned as a processing plant, was owned by foreigners, West Germans or Americans or anyone else, foreigners from the Mainland of

Mr. W. Rowe: Canada, for that matter, looking at it in terms of foreign to Newfoundland, if the company as a processing plant was owned by foreigners, Mr. Speaker, and that company continued to buy fish from the inshore fishery, as is presently the case, inshore fishermen, Sir, there would not be much difference, in my opinion. There would not be too much problem, there would not be too much to differentiate or to say that there is any difference in the situation then compared to what exists now. I suppose then it boils down to a matter of taste almost, whether the bricks and mortar, the bricks and mortar of the plant itself is actually owned in Newfoundland or owned by a foreign company.

My own feeling is that we should try where possible to keep control of the plant, even as a processing plant, in Newfoundland hands or at least in Canadian hands. We should try to do that. That is my own feeling. I have no complaint at all about foreign investment, money going into the plant either by way of share capital or by way of loan from foreigners. No complaint at all. I have a bit of a complaint regarding foreigner ownership of the plant as a processing plant. I think we should try to control our own destinies even as far as the ownership of the processing plant is concerned. I believe that we should try where possible, if this means assistance from the government in financing and so on, we should try where possible to keep the ownership of the plant itself in local hands. And it is even possible, Sir, that FIRA, F-I-R-A, the agency, the Foreign Investment Review Agency in the Government of Canada, it is even possible that they could in fact approve, they could in fact approve the take over of the plant in Harbour Grace, the plant itself, that could be approved by the Nordsee foreign interest. That could be approved by FIRA, but it would not alter the situation regarding the catching of the fish as I shall discuss a little later on.

June 14, 1978

Tape 4416

EC - 1

MR. W. ROWE:

My own taste, my own feeling is that, no, that should not happen. We should try to keep it in local hands. We should try to make sure that we in Newfoundland do not sell out even so far as the processing is concerned, that we should try to control it ourselves and direct our own destiny, as I say.

But the two things should be kept separate: The processing on the one hand, the processing plant and the ownership of that, and the catching of fish on the other hand and the use of trawlers and the granting of licences to foreign owners of the trawler and foreigners holding these licences to catch fish in large quantities in the Northern cod stock.

Those two things have to be kept separate, Mr. Speaker, or there is a danger of serious confusion. And before getting on to the catching of the fish, the question may be asked, Would Nordsee, Mr. Speaker, take over a controlling interest, lay out a couple of million dollars of their own money to take over the fish plants themselves if they knew that they were not going to get trawler licences, licences to catch fish with trawlers in the Northern cod stock? Would they come in here and lay out \$2 million to improve and so on, spend another \$2 million or \$3 million on the improvement of the plant and so on if they knew that they were not going to get the trawler licences? I would say no, they will not do that, and since they will not do it, Mr. Speaker, the question has to be asked, Why will they not do it? Why would not Nordsee, in spite of the fact that it is not going to get or would not get licences for its five trawlers to fish in the Northern cod stock, why would they not come in anyway and take over the ownership of the plants by purchasing them and processing the fish, purchasing the

MR. W. ROWE: fish from inshore fishermen and so on and continuing to operate the plant at, I hope, an enhanced level, an improved level, but without the trawler licences? Why would they not do that if they are so interested in getting fish, processing it here and selling it to their markets in West Germany? Why would they not do it? The answer, Mr. Speaker, is that it is not the plant they are interested in. It is not the plants owned by Ocean Harvesters Limited, Mr. Speaker, that Nordsee is interested in. It is not. And anybody who tries to paint that picture, Mr. Speaker, is deceiving the people of this Province. Unilever through its Nordsee company is interested, Sir, in one thing and one thing only and that is getting its licences so that it can use its trawlers, which have been rendered redundant by the declaration of the 200 mile limit, get licences to use its trawlers in the Northern cod stock in this Province, the cod stock which, as we know, extends from Cape Chidley down to the Southern tip of the Avalon Peninsula.

MR. F. ROWE: Getting into our fish stocks through the back door.

MR. W. ROWE: Exactly. As I will mention a little later on, Sir, what they are doing is using the so-called take over of a company or a plant in Harbour Grace in order to get their trawlers in through the back door, Mr. Speaker, and do what they could not do previously or this year because of the declaration of the 200 mile limit. So the question is, Would they take over the plant without the trawlers having been getting licences and so on? And the answer to that is no!

So the question, Mr. Speaker, now boils down to this, Should we as Newfoundlanders, as legislators in this House or as Newfoundlanders generally,

June 14, 1978

Tape 4416

EC - 3

MR. W. ROWE: should we agree that a foreign company such as Nordsee should be permitted to come in here, not to take over a plant, that is just a red herring; opinions could differ on that; enlightened people and intelligent people could have different views on that, whether they should take over the plants, the bricks and mortar, as I say, of the plants. The question boils down, Mr. Speaker, to this; whether we should accept a position whereby a foreign company such as Nordsee should come in here and under pretense of buying a local plant get licences to operate their five redundant trawlers in our Northern cod stock, something which they could not do and cannot do directly because we have declared the 200 mile limit and, therefore, in order to utilize these trawlers they have to cut into the Canadian quota in those cod stocks.

MR.W.ROWE: that is what we are talking about, Sir, the catching of fish; not the processing, but the catching of fish and this involves- how much time do I have, do you know?

AN HON. MEMBER : Finish next day.

MR.W.ROWE: So I have one half hour left today. Mr. Speaker, let us just look at that fish catching aspect of it for a moment or two. On Friday, Mr. Speaker, I spoke for an hour or so, an hour and a half here in the House and I mentioned that aspect of it, the granting of licences to foreign trawlers. A number of radio stations and television stations carried the substance of my remarks then, Sir. The newspapers, for some strange reason or other, Sir, did not comment on it at all- not because I was speaking on it - even though the issue was a very important one. So important in fact, Sir, that both newspapers in the St. John's area have written editorial after editorial, well reasoned and sensible editorials against this proposal. So I was a bit surprised, Sir, to see the substance of my remarks on the catching of fish in the Northern cod stock by offshore effort, the trawlers getting licences and cutting into the Canadian quota, I was very surprised to see that totally ignored by the Evening Telegram - I do not blame them. They have a hard job -but for that reason, Sir, I am going to have to go over very briefly some of the ground which I covered on Friday. Because, Sir, the question boils down, as I mentioned on Friday, as to whether there is a genuine surplus in the Northern cod stock which we should allow anybody, Canadians and especially foreigners, foreigners who come in and utilize the Canadian quota, take fish in the Northern cod stock by offshore effort as to whether a genuine surplus exists to allow them to do that. Let me say first, Sir, that this is not the first and I am sure it will not be the last attempt by foreign companies to gain access to Canada's fish resources which they are unable to get through allocations. This is not the last attempt, Sir, to do this, to try and get through the back door by acquiring Canadian facilities and licences which they cannot get through the front door. And the question which has to be asked, Mr. Speaker, is where does it all stop? If we allowed Nordsee to do this now, before getting into the surplus

MR. W. ROWE: question at all, how do we stop Japanese companies, American companies, other companies who have similar proposals to the one that Nordsee has to make, how do we stop them, Mr. Speaker, from coming in and gradually taking over, taking over, Mr. Speaker, all the offshore fishing effort in the Northern cod stock? And I would say, Sir, by implication, and as time went on, eating into and destroying the inshore and near-shore fishery in this Province. That is what would happen, Sir, as sure as you are sitting there, Mr. Speaker, and knowing about the fishery. Sir when I look at you here, making a statement on the fishery, Sir, I suddenly feel a little bit inadequate because Your Honour knows more about the fishery in his little finger than I suppose seventy per cent of the members of this House know in their whole bodies.

AN HON. MEMBER: Including the minister.

MR. W. ROWE Well, especially the minister, I would have said, Mr. Speaker. But there are questions which occur and which arise to any reasonably intelligent person looking at this issue. And the question we have to ask is where would it all stop if Nordsee was given the right to do by the back door what they are not permitted to do by the front door? How could we keep out other companies who are trying to do exactly the same thing? How would we keep other local people here from selling out to foreign companies for vast capital gains in order to allow them to get at the Northern cod stock through an offshore effort and gradually eating into the inshore fishery as the years went on?

I would say, Sir, that it is highly undesirable on these grounds alone to have one company, especially a foreign company, foreign owned, to catch such large quantities of fish. It is highly undesirable to have one company into the Northern cod stock catching such large quantities of fish but if you once say it is desirable to have one company doing that where do you stop with regard to other foreign companies who should come in and be given the same opportunity.

Mr. Speaker, even if there is a surplus, which I will show very briefly in a moment does not exist, but even if there is a

June 14, 1978

Tape No. 4417

AH-3

MR. W. ROWE: surplus in the Northern cod stock, Sir, I do not think it should be by way of sell-out to foreign companies, by allowing foreign companies to have licences to come in and have our allocations

Mr. W. Rowe: on some specious reasoning that we are not able to take advantage of the allocations. I do not care what the Government of Canada says about it; it is up to this Government here, Sir, to provide leadership in this field, not capitulate to the Government of Canada, and certainly not to capitulate and to give in and cave in to private interests if they are not into the best interests of the public of this Province.

So, Mr. Speaker, the proposal as has had been made clear by myself here today, I hope, and by other members when they speak, the proposal clearly has more advantages for Nordsee than it has for Canada as a nation and certainly for Newfoundland. In exchange for what could be characterized, I suppose, as five fairly old trawlers, - what? ten to thirteen years of age, I believe, they are some investment, \$3 million or so, a few jobs, which are very welcome in Newfoundland and Labrador, but let us not overblow or exaggerate the employment opportunities here. We are all in favour of people in Harbour Grace and other parts of the Province of Newfoundland and Labrador, of the Northeast Coast getting additional employment, Sir, but let us not do it by a sell-out method, selling our control and sense of direction over the fisheries to foreign effort.

In return for that, Mr. Speaker, Germany would get twenty to thirty thousand metric tons of Canadian fish, and an assured supply of raw material for their markets, and continued employment for their redundant trawlers. And, of course, they would make most of the profits that are to be made as well. It is clearly, Sir, even without getting into the question of the surplus of fish in the Northern cod stock, it is clearly a matter which is greatly to the advantage of the Nordsee people, and one in which the Newfoundland people, as a whole, do not benefit to any great extent. I do not know why the Premier and the Minister of Fisheries and other members of the House, Sir, on that side, some reluctantly, some had to be whipped into line, I do not know why the Premier, and some of his colleagues have been so eager, Sir, to cash in on this capitulation, this sell-out to foreign interest. I do not

Mr. W. ROWE: know why. A government which has made its position clear in the past concerning the take over of our own resources for our own benefit, I do not know why they are taking an inconsistent and opposite stand on this particular case, suspicious circumstances have been mentioned. I will not go into them today, I have my own suspicions, I have my own ideas, but it is very unseemly, Sir, the haste with which this government tried to push the Nordsee deal, the lack of explanation, the lack of facts or enlightenment which they were willing to give the people of the Province, and the pressure which they have been putting on the Government of Canada, and this House, and the people of the Province in order to get this deal through. It is very suspicious in my mind, Sir. And inconsistent with the position that this government has taken on its own resources over the past number of years, especially, Sir, since there is capital available for investment in the fishery as has been evidenced by the fact that Fishery Products had no trouble getting capital or other fishing companies have had no trouble getting capital in Canada. It is a very suspicious thing.

The other thing I mentioned on Friday, Sir, is that more fishermen would be employed in catching a fish taken by the inshore fishery rather than by the large trawlers which would have relatively smaller crews, and the technological investment would also be less. And although there may be some differences in efficiency, that is, the return on capital invested, there may be, the fact that there are more men employed in the inshore and near-shore fishery, Sir, is a strong argument against getting involved in an offshore effort which would undoubtedly, I believe, lead to a further effort along those lines, further pressure along those lines and the gradual destruction of the inshore fishery on the Northeast coast of this Province.

MR. F. ROWE: If they want to give it a try why do they not lease it?

MR. W. ROWE: Yes. That is right. The leasing possibility is also there as proposed by the Government of Canada.

MR. F. ROWE: And by this Government.

MR. W. ROWE: And by this government here, that is right.

There are many ways of dealing with the problem, Mr. Speaker, even if you assume there was a surplus which should be taken off shore, there are many ways of dealing with the problem which will be as much to the benefit of the people of Harbour Grace, and to other people on the Northeast and the Eastern coast of this Province without selling out to a foreign interest.

But, Mr. Speaker,

MR. W. ROWE: the question which has to be asked is whether all this is just academic, whether looking at the best way to operate an offshore fleet in the Northern cod stock is, in fact, academic, because I believe, Mr. Speaker, as I mentioned here on Friday, that the answer to the question as to whether there is a genuine surplus in the Northern cod stock, a surplus above and beyond what the inshore and near shore fishery on the Northeast coast requires, a genuine surplus, Mr. Speaker, the answer to that question is, No, there is not a surplus.

As I mentioned on Friday, Sir, I hope that by now the misconception has finally been cleared up that there are two independent and unrelated fisheries, the inshore or near shore fishery on the one hand and the offshore fishery on the other. And we have to realize, we have to remember that what is done in the offshore fishery drastically affects the future of the inshore and near shore fishery and the thousands and thousands of fishermen involved. We have to remember, Sir, that the two fisheries are not mutually exclusive, the offshore and the inshore and near shore fisheries, and if you catch too much offshore, Mr. Speaker, you will have the effect of destroying the inshore fishery in this Province. And we must agree, I believe, as Newfoundlanders and Labradorians in this House and elsewhere, that for economic reasons, for reasons of efficiency in the industry, for cultural reasons, for social reasons, we have to agree that when there is a dispute as to what comes first, the offshore fishery on the Northeast coast and the Northern cod stock or the inshore fishery on the Northeast coast, we have to

MR. W. ROWE: agree, Sir, that the inshore and near shore fishery must come first.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: Yes, that is right.

MR. W. ROWE: And therefore, Sir, we must move very slowly as far as concessions being granted by Canada to other countries are concerned. Why should we rush headlong and heedlessly into this Nordsee proposal if we are not certain whether, in fact, there is a surplus which can be allocated to a foreign venture or to anyone in the offshore without hurting the inshore and the near shore fishery? And certainly, Sir, we should be very wary of locking ourselves into a long term deal with anybody concerning an offshore effort in that Northern cod stock. I believe, Sir, that we have to take the time as a government and as a House and as an industry to see where we are going, how well the stocks in the Northern cod stock, the Northern groundfish stock are recovering, how our own inshore and near shore fishermen are doing; we must assure ourselves of that before any foreign ventures of any kind are entered into regarding the offshore fishery. Because, as Dr. May of the federal Department of Fisheries said in the Marystown conference which I referred to on Friday, "You cannot catch the same fish twice. If you catch a fish offshore in April you cannot catch it inshore in July." I believe that is recognized, Sir, by all the experts in the industry. The fishermen understood that for centuries, I would say. The experts are now catching up to the knowledge of the fishermen regarding the migration of the cod offshore, near shore and inshore during various periods of time during the year.

I believe, Sir, as I indicated on Friday that from my researches and my studies and the

June 14, 1978

Tape 4419

EC - 3

MR. W. ROWE: expert evidence I have from talking to fishermen and talking to union people and talking to people in the industry, I do not believe, Sir, that a genuine surplus exists in the Northern groundfish stock of this Province. What we are talking about, of course, is the ICNAF areas, 2J-3KL, and we talked last day, on Friday, about the fact that 135,000 metric tons had been set as the quota in this area; 35,000 tons have already been allocated to foreign fleets. So what we are talking about is 100,000 tons of codfish in 1978.

MR. W. ROWE: And if the West Germans are to be given their twenty or thirty thousand tons, Sir, it comes out of this one hundred thousand tons. I do not believe, Sir, that we do in fact have any fish to give away, as I mentioned on Friday.

In 1977 the inshore and near-shore fishermen landed seventy-five thousand metric tons, Mr. Speaker, of cod. I do not know how many more tons, as my hon. friend from Fogo (Capt. Winsor) district mentioned, how many more thousands of tons would have been landed if during the glut people had not been constrained to not pull their traps. That is a question, Sir, that nobody has answered in this House. Or if there had been enough processing equipment around, processing facilities, enough capacity, how much more, Sir, would have been landed in 1977 or would be landed in 1978? Sir, with more and more of our people, and rightly so, returning to the inshore and the near-shore fishery and with action which the government announced publicly it was going to take to remedy the problem of the trap glut - and I would like to hear the Minister of Fisheries on that subject - and, Sir, with the improvement in the cod stock, immediately hopefully, in those areas and the state of the resource I do not think, Sir, that the landing of the full one hundred thousand tons of our quota in those areas, in the Northern cod stock so-called, by the inshore and near-shore fishery on the Northeast coast, I do not think that the landing of the full quota, the full Canadian quota, Sir, is beyond the realm of even reasonable possibility. And as I mentioned, Friday, even if it is not possible for 1978 now, and who knows, it could be if the right moves had been taken and are taken, we should not, as I say, we should not lock ourselves into a long-term deal, Mr. Speaker, with foreigners concerning that Canadian quota. Because I believe that in 1978 and into the 1980s, the early 1980s with the inshore effort increasing all the time, with the glut problem alleviated hopefully, and the inshore fishery with better landings for boats and so on, the inshore and near-shore fishery should be able to take it, Mr. Speaker. There is no reasonable reason why the inshore and the near-shore fishery should not be able to

MR. W. ROWE: take the full Canadian quota for at least the next few years.

As I mentioned on Friday, in 1955, which was twenty-three years ago, with more limited technology in the inshore and near-shore fishery and with fishermen occupied on other aspects of the fishery to a greater amount of time, salting and drying fish, for example, our inshore fishery had landings of one hundred and sixty seven thousand tons from the very same area that we are talking about, 2J-3KL, the Northern groundfish stock extending from the tip of Labrador to the Southern tip of the Avalon peninsula.

And my belief, Sir, acting on the best knowledge that I can obtain, the best information that I can obtain, in my sincerely held belief is that if at some time, several years away, a few years away, the inshore and the near-shore fishery has reached a plateau, a peak, with good processing capacity and as many people who are going to go back into that fishery have gone back into it and it reaches a peak and it levels off, reaches a plateau which only increases marginally from year to year, if we reach that point, Sir, and we know, Mr. Speaker, not suspect or feel or believe, but if we know that the inshore and the near-shore fishery is taken care of, we know that they are taken care of as far as the amount of fish available to them is concerned and if then by careful management of that resource there does happen to be codfish left over that is really surplus, really surplus, Mr. Speaker, not some hypothetical surplus or some perceived surplus but a real genuine surplus, really surplus to the inshore and the near-shore effort, Mr. Speaker, then and only then should we look at the possibility, the realistic possibility of an offshore effort involving trawlers and so on, Mr. Speaker, when we know that it will not adversely effect the full development of the inshore and the near-shore fishery.

MR. W. ROWE: I only have ten minutes or so left, Mr. Speaker, today.

There have been some tremendous articles written on the subject of the fishery in the last few years in this Province. I am constantly amazed, Mr. Speaker, at the articulateness and the substance and the ideas expressed in The Evening Telegram by editorial writers, people writing articles, by The Daily News, by editorialists and writers and so on concerning this whole area of fishery development. And, Sir, I would be wrong if I did not say that a considerable amount of the background knowledge that I have managed to obtain over the last three or four years on the fishery has come from the insight and the thought and the research of some of our better journalistic writers, editorialists, editors and so on in this Province.

There is one editorial, Mr. Speaker, which I hope I have time to read - which I believe I do - which comes from The Daily News of January 30, 1978, Mr. Speaker, portions of which summarize in an admirable fashion what we are trying to do in this House and what we should be trying to do in the Province as a whole with regard to fishing. I will just take some excerpts out of this, Sir, because I believe it summarizes admirably the right position in this whole matter. It starts off, "Nobody in his right mind in this Province above all places in Canada could be against foreign investment." I agree with that wholeheartedly, Sir. Further down it says, "Foreign investment, therefore, is not and has not been the issue at Harbour Grace insofar as The Daily News is concerned. It is not the issue at all. Indeed, if we have any argument on that score with

MR. W. ROWE: the Nordsee proposition it would be that there is too little foreign investment in it rather than too much." A little further down, "No, the issue is not foreign investment, it is foreign control, not of the Harbour Grace plant, which is only bricks and mortar and really quite unimportant in the scheme of things, but rather of a portion of the fishery resource through purchase of control of a company that as it hopes will soon own deep-sea fishing licences. That is what we are concerned about because it will open the gates to a flood that will kill aborning the chance of Canadian and particularly Newfoundland fishermen for the first time to bargain from the strongest position possible for the greatest benefit from the fishery resource. Nor is that all. We are concerned as well with the condition of the resource which in the case of the critical Northern cod stock especially, has been depleted to the point the total allowable catch - TAC - in 1978 is only about one-fifth of what it was seven years ago and with stringent management will take, at the best estimates, another seven years to recover half its former sustainability." And, Mr. Speaker, when I talked on Friday, I mentioned this graph on the back of The Union Forum of February, 1978, which gives a good idea, Mr. Speaker - to anyone concerned, the graph is obtainable from the Federal Fisheries and Marine Service - gives a good idea, Sir, as to the wholesale destruction of that Northern cod stock over the past number of years, even from 1970, Sir, where there was over 500,000 metric tons taken down to 1978 where there was, of course, only 135,000 allowed TAC, and then the moderate progress over the next number of years up to 1985, Sir, showing a moderate increase in the TAC over that period of time.

June 14, 1978

Tape 4421

EC - 3

MR. W. ROWE: "In point of fact," The Daily News goes on to say, "the total allowable catch has not been realizable in a single year and has had to be revised downward annually from over 750,000 metric tons to only 157,000 metric tons last year, and this year it was revised downward again to 135,000 tons. Does that give confidence in the state of knowledge of this stock? Does it really provide justification for loosing more trawlers on these fish than are already there? Do the confidential reports The Daily News reported on a few days ago detailing the taking of immature fish or the wastage in conversion to meal, etc., inspire confidence in what is now proposed? We think not. We think it indicates just the opposite approach should be taken to the Nordsee proposal and as well to Fisheries Minister LeBlanc's suggestion that the federal government do what Nordsee should not. We think the Newfoundland

MR. W.N. ROWE: Government, far from supporting Nordsee, should tell Ottawa, who have shown for the first time a willingness to listen to the Province in such a fundamental question, to ban all trawler fishing on the Northern cod, foreign and Canadian alike, for the next three years, something Canada has a perfect right to do as manager of the 200 mile limit. That would accomplish things. It would give the stock needed time to more fully recover from the rapine of the past two decades, it will time better to assess it, to improve the pitiful state of scientific knowledge and it would allow the Newfoundland inshore fishery to grow freely to some kind of apex, the plateau I was talking about, Sir, having exclusive access to the Northern cod during that period."

Sir, the editorial concludes by saying, "Let it be Newfoundlanders and Canadians in full and complete control, manning the ships, catching the fish and bidding for the highest prices. Let us determine that for the first time in Newfoundland's long history, the primary producers are going to be the masters, not the people who grow fat on our risky labours and hand us back a pittance. Let us determine that the indiginous people who live by the sea, our people, our flesh and blood are in charge of the fishery and not people we have spent lifetimes trying to shake loose from their stranglehold on our God-given resource, the resource they almost destroyed," Mr. Speaker. "The same people we are now talking about and their ilk, almost destroyed this resource and they now eye greedily and would entice us by grandiose promises to place it back in their hands under the guise of Canadian corporate citizenship."

"Certain people in a disparaging way may condemn that as emotionalism, and perhaps they are right. It is time we became emotional about such matters, it is time that we became angry, it is time we made up our minds firmly and finally that the patterns and practices of the past, no matter how wrong or how justified are not something we have to repeat in the future, especially as now in the fisheries, if the priceless opportunity to reverse them is given to us."

MR. W.N. ROWE: Now, Mr. Speaker, that I believe summarizes the point that I am trying to make and have been trying to make for the last hour or so here and tried to make on Friday. Let us make sure that the inshore and the near-shore fishery is looked after before we even think about giving, especially long-term consideration to an offshore effort in the Northern groundfish stock. Let us make sure, Mr. Speaker, that before - on grounds of principle - before we look at something which would pass the control and future development of the Newfoundland and Labrador fishery out of our hands into foreign hands, let us make sure that we cannot do it ourselves. I believe we can do it ourselves. I believe that the Newfoundland Governments, the Newfoundland industry, the Newfoundland fishermen have never either made for themselves or been given the opportunity to see whether we can control our own destiny in the fisheries, put our faith squarely in our own hands as far as the fishery is concerned, and make Newfoundland and Labrador, as I have said before, the capital of the fishing industry for the whole world. I think that should be our aim, it should be something we should try to do ourselves.

Now, Mr. Speaker, as far as Harbour Grace is concerned, and God knows we should all have concern for the people of Harbour Grace and other parts of the Province as far as providing employment goes, I believe we ourselves can over the next two or three years, by doing the right things, can provide for Harbour Grace and for other inshore fishery capitals of the Northeast coast, and there are several, I think that we ourselves, Mr. Speaker, can provide the opportunities for the people of Harbour Grace in the processing of fish. We can do it ourselves.

MR. NEARY: Hear, hear!

MR. W.N. ROWE: And, Mr. Speaker, we should do it ourselves, we should not sell out our resource to foreign interests. Let us do it ourselves and let us make sure the inshore and the near-shore fishery is protected to the best of our ability. Sir, I move the adjournment of the debate.

SOME HON. MEMEBRS: Hear, hear!

MR. SPEAKER (Collins): Is it the wish of the House that the

MR. SPEAKER(Collins): time be called six o'clock?

MR. HICKMAN: Good enough.

MR. SPEAKER(Collins): As it is Wednesday and the hour is
six o'clock, this House is now adjourned until tomorrow Thursday,
June 15, 1978, at 2:00 p.m.