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HOUSE OF ASSEMBLY
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3:00 P.M. - 6:00 P.M.
MONDAY, NOVEMBER 14, 1983

The House met at 3:00 P.M.

Mr. Speaker in the Chair

MR. SPEAKER (Russell): Order, please!

STATEMENTS BY MINISTERS

PREMIER PECKFORD: Mr. Speaker.

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, I am pleased today to announce a number of senior appointments to the public service. These appointments are in the Department of Rural, Agricultural and Northern Development, and in the Newfoundland Farm Products Corporation.

Mr. Gerry O'Reilly has been appointed as Chairman of Newfoundland Farm Products. This appointment is indicative of the important role which Newfoundland Farm Products is playing within the agricultural sector of the Newfoundland economy. Mr. O'Reilly brings to this position a great deal of management experience, both in the agricultural industry and in the senior public service.

Mr. O'Reilly has a degree in Agriculture from the State University of New York and a degree in Animal Science from the University of Maine. Mr. O'Reilly was appointed Deputy Minister of Agriculture and Co-operatives in 1968. He served as Deputy Minister of the Department of Rural Development from 1972 to 1979 and from 1979 to date as Deputy Minister of the Department of Rural, Agricultural and Northern Development. He is past-Chairman of the Atlantic Province's Agricultural Services Co-ordinating Committee and also served as the Newfoundland representative on the Canadian Agricultural Export Corporation.

Mr. Cyril Goodyear has been appointed as Deputy Minister of the Department of Rural,

PREMIER PECKFORD: Agricultural and Northern Development. Mr. Goodyear brings to this position a deep understanding of rural Newfoundland and a strong background in public administration. He is a veteran of the Royal Canadian Air Force and previously served in the Newfoundland Ranger Force, as well as the Royal Canadian Mounted Police. In September of 1979, after serving two years as Chief Magistrate, Mr. Goodyear was appointed Associate Deputy Attorney General and Director of Public Prosecutions.

His connection with Labrador began right after World War II when he served as a Newfoundland Ranger at Battle Harbour and Nain. He has continued over the years as a resident judge of the provincial court at Happy Valley - Goose Bay and in his immediate past capacity with the Department of Justice. As a member of the Royal Commission on Labrador, he had an opportunity to broaden his knowledge of the area and its people. In addition he has served on federal/provincial committees and has been actively involved for a considerable time in discussions and negotiations on aboriginal Constitutional matters.

There are a number of vacancies to be filled that result from these appointments plus other changes to the executive of the public service which will be announced in the coming weeks.

MR. NEARY: Mr. Speaker.

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

MR. NEARY: Mr. Speaker, these two appointments just announced by the Premier puzzle me somewhat. Not the fact that I do not think that the two individuals mentioned in the Ministerial Statement are not able and qualified men, they are. They have vast experience in the working of the public service and Mr. O'Reilly especially has a very

MR. NEARY: thorough knowledge of agricultural matters, but it seems rather strange that he should be removed from the Rural Development Department, where he was a deputy minister, and put in -

MR. WARREN: Is that a conflict there?

MR. NEARY: My hon. friend says 'conflict!'

Well, I do not know, I mean, obviously there must be some reason for being moved from Deputy Minister of the Department of Rural, Agricultural and Northern Development into a lesser capacity. Mr. O'Reilly, as I say, has tremendous knowledge of the agricultural industry. And, Mr. Speaker, the hon. gentleman told us some time ago that they were trying to divest themselves of this Newfoundland Farm Products and we will just have to wait and see, Mr. Speaker, how the thing develops. As far as Mr. Goodyear is concerned, Mr. Speaker, this puzzles me too

MR. NEARY: because I do not understand how a man with his legal training ends up deputy minister of the hon. gentleman's department. I suppose the fact that he was a magistrate in Labrador might help him in his new duties but, nevertheless, Mr. Speaker, I have nothing but the highest respect and the highest regard for these two hon. gentlemen and I know they will do a good job no matter what department they go in. But I am somewhat puzzled as to how they fit into the picture of things in the two positions where the hon. gentleman is placing them now.

MR. SPEAKER (Russell): Before we proceed, I would like to take this opportunity to welcome a delegation to the galleries today in the persons of Mr. Eldred Warren, the Deputy Mayor of the Joint Mayors Association of Trinity South, Mr. John Barrett, the Mayor of Old Perlican, Mr. Randy Howell, the Deputy Mayor of Old Perlican and Mr. Brian Walsh, the Mayor of Bay de Verde.

SOME HON. MEMBERS: Hear, hear!

MR. GOUDIE: Mr. Speaker.

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

MR. GOUDIE: Mr. Speaker, it is with great pleasure that I announce the continuation today of the Special Sawmill Assistance Programme for 1983 - 1984.

During the past several years, the government has funded this programme through the Rural Development Authority. The provision of preferred interest loans (currently 8 per cent) during the Winter months to qualifying sawmills provides the opportunity to build up inventories which may be sold during the building season. We have found this programme to be very much in demand and it is anticipated that we shall be making approximately

MR. GOUDIE: \$500,000 available to those people who qualify.

The programme is to be effective immediately and due to expire April 1, 1984. The maximum loan will be \$25,000 and, in order to qualify, a mill must have a production record of a minimum of 75,000 board feet.

Funding will be provided on an advance payment basis at the rate of \$90 per thousand with the repayment schedule to be within the period May 15, 1984 to October 31, 1984.

We anticipate that the provision of these funds will contribute directly to the stock-piling of approximately 5 million board feet of raw material and 500 person months of employment.

SOME HON. MEMBERS: Hear, hear!

MR. WARREN: Mr. Speaker.

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

MR. WARREN: Mr. Speaker, I believe that the minister once again, for I think the second time in the past two years, has come to the aid of the sawmill operators in this Province. I think we all know that the sawmill operators are in dire financial trouble and the only thing I am concerned about is that the minister is offering a small amount of money. I am wondering if it is just a little bit small and he is a little bit late in his offer to those sawmillers.

Mr. Speaker, if this \$25,000 can assist the sawmillers, maybe next year we could see more board feet of Newfoundland lumber used in the construction industry in Newfoundland than there have been in the past and we will not have to depend on British Columbia for our building materials.

MR. WARREN: I hope that this will encourage sawmillers in this Province to produce more lumber for the construction industry.

ORAL QUESTIONS

MR. NEARY: Mr. Speaker.

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

MR. NEARY: Mr. Speaker, a question for the Minister of Finance. Would the hon. gentleman tell the House when the people of this Province can expect to get the bad news that he has been talking about in the long-heralded financial statement that he is going to make to this House? We have now started our second week, Mr. Speaker, and members of the House treat this matter as urgent, so we would like to know when the minister is going to bring the bad news into the House.

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

DR. COLLINS: Mr. Speaker, I think hon. members will recall that in September I brought in an update on the first three months of this fiscal year that related to April, May and June. Now to bring in an update one has to get the figures together and some of the figures relate to our own source revenues and it takes a while before that information comes forward. It took us approximately just over two months, I think, after the end of June before we had all of the figures in and we could assess them in a reasonable manner and present them in some understandable form to the House. We are expecting this time to shorten that time considerably and we will bring in details of the first half of the year so that will be up to the end of September; in other words, July, August, September will be added on to the first three months that were updated on September 9, I think it was. So I expect now to be able to bring in that updating tomorrow and that will be, you know, just about five weeks after the end of the last month we are considering which is, as I say, being more rapidly done than we did in terms of the first quarter.

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

MR. NEARY: Mr. Speaker, I am surprised to hear the hon. gentleman say that it takes six to eight weeks to get these figures for the second quarter into the House when the hon. gentleman is continuously boasting about how efficient and how speedily they can develop information now with the new system and so forth in the department. Now would the hon. gentleman tell the House, in advance of this statement, Mr. Speaker, if the people in this Province can expect reduction in the sales tax? Can they expect the same sales tax? An increase in the sales tax? And could the hon. gentleman also tell the House where they are going to chop the public service?

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

DR. COLLINS: Mr. Speaker, the hon. Leader of the Opposition is having his little game, actually and obviously, because if I was bringing in an update tomorrow, you know, I am not, obviously, in a position to bring in the update today. If I was going to bring in the update today and answer the questions he asked, I would say I am bringing in the update today, I would not say I am bringing in the update tomorrow.

SOME HON. MEMBERS: Hear, hear!

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

MR. NEARY: Mr. Speaker, would the hon. gentleman tell the House if he has solicited the support, the advice of the Auditor General before bringing in this - this is a new technique they have now, bringing in a financial statement, it is not a mini-budget, I presume it is not a mini-budget, perhaps the hon. gentleman can confirm or deny that for me. Has he solicited the support, the advice of the Auditor General? And will the Auditor General be making his own report or a special report to the House during this session about the terrible state of the financial mess that this administration has gotten this Province into in the last few years?

MR. SPEAKER: The hon. Minister of Finance.

DR. COLLINS: Mr. Speaker, I somewhat lost track of the last part there because I was so amazed by the hon. Leader of the Opposition (Mr. Neary) making the point, I mean, he is a veteran of the House. You know, I mean, he has been here longer than anyone else in the House. I will not say longer than anyone would like him to be here, that is a matter of subjective opinion, but certainly longer than anyone else in the House here. And for him to suggest that the Auditor General is party to making up the Budget of the Province is so astounding it sort of threw me off so much that I did not catch the last part of his question. But I can certainly say that the Auditor General would be the last

DR. COLLINS: one in the world, I am sure, if we went to him and said to him, 'Will you please help us make up the Budget?' I think he would be the last one in the world to come forward. He knows his position very clearly and he knows what he is required to do and what he is not required to do. I am sure he knows that he is not required, nor would he want to get into budget-making. That is a matter for the administration.

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

MR. NEARY: Mr. Speaker, a supplementary.

Mr. Speaker, the hon. gentleman is right, I do have longevity in this House. I will start my twenty-second year the 19th. of this month.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: I will have completed twenty-one years on the 19th. of this month, and start my twenty-second year as an elected member of this House. So,

MR. NEARY: Mr. Speaker, I understand it a lot better than the hon. gentleman, who will never reach twenty-one or twenty-two years service in this House. But, Mr. Speaker, the hon. gentleman knows what I was asking. I was asking if the Auditor General had been asked to make a special report on the terrible financial mess that the administration have created in this Province? I believe the Auditor General should make a special report to the Legislature.

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

DR. COLLINS: Mr. Speaker, the Auditor General brings in his report and he is at liberty in that report to say what he wants. Now to my knowledge, ever since this administration took over the reins of power in this Province, the Auditor General has never even approximately alluded to a so-called financial mess. As a matter of fact, if one reviews the Auditor General's reports going back to the beginning of this administration, I think that any dispassionate observer, and unbiased observer, will say that the Auditor General has done very, very little to criticize in a destructive way. He has brought in a certain number of constructive criticisms, some of which we have acted on where we could and so on, but he has very, very seldom said anything in his reports that could be even approximately considered to indicate that the economy, the finances of this Province are not being handled in quite a good way considering the hard financial times that we are in.

MR. WARREN: Supplementary, Mr. Speaker.

MR. SPEAKER: Supplementary, the hon. member for Torngat Mountains.

MR. WARREN: Mr. Speaker, I have a question for the Minister of Rural, Agricultural and Northern Development (Mr. Goudie). Would the minister inform the House if his department intends to dispose of the oil and gas storage tanks

MR. WARREN: that are presently owned by his department in coastal Labrador?

MR. SPEAKER (Russell): The hon. Minister of Rural, Agricultural and Northern Development.

MR. GOUDIE: Mr. Speaker, there are no particular plans, no. As the hon. gentleman knows, the storage facilities for fuels in the community of Nain is already leased, if you will, to one particular operator in Labrador, and similar facilities in a couple of other communities are leased as well. But there is no particular move at this time to dispose of facilities in Postville.

MR. WARREN: Supplementary, Mr. Speaker.

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

MR. WARREN: In fact the distribution in Nain is not leased, it is owned by an individual oil company. My supplementary is has the minister received any proposals from any companies to take over the control of those oil and gas storage tanks, in particular Makkovik, Postville and Davis Inlet?

MR. SPEAKER: The hon. Minister of Rural, Agricultural and Northern Development.

MR. GOUDIE: Mr. Speaker, in the situation at Nain the facilities there are not owned by any particular distributor, the facilities themselves are owned by government. However, one particular operator, Woodworth Group of Companies has use of these facilities as he has had for a number of years.

In the case of other communities on the Coast of Labrador for the distribution of fuel, there has been no proposal presented to me. There may have been something routed through my department of which I am not yet aware, but there has certainly been nothing presented to me as minister.

MR. WARREN:

Supplementary, Mr. Speaker.

MR. SPEAKER (Russell):

for Torngat Mountains.

Supplementary, the hon. member

MR. WARREN:

Would the minister confirm to the House that before any of those tanks are passed over to particular oil companies he would assure us that they will go out on public tender before any decision is made?

MR. SPEAKER:

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

MR. GOUDIE:

Mr. Speaker, as we have done in the past when it comes to calling for proposals for the distribution of fuel supplies along the North Coast of Labrador, the communities for which we have responsibility, there is always a proposal call.

MR. GOUDIE: In the case of the facilities that I mentioned earlier, proposals were called and received from only two operating companies and, as I have said, these two companies both operate in communities on the North Coast of Labrador. That would certainly be the case in the North Coast communities, again for which my department has responsibilities. On the South Coast, that is a wide open market, if you will, and obviously not my responsibility.

MR. WARREN: Mr. Speaker.

MR. SPEAKER (Russell): The hon. member for Torngat Mountains.

MR. WARREN: Mr. Speaker, a new question to the Minister of Rural, Agricultural and Northern Development. I have asked the minister this question, I think, in the last sitting of our House, but I would ask him again would the hon. minister inform the House if there has been any further move by his department in transferring the government owned stores to private enterprise?

MR. SPEAKER: The hon. Minister of Rural, Agricultural and Northern Development.

MR. GOUDIE: No, Mr. Speaker, there has not been, not to the point, at least, of accepting proposals from any wide-ranging business community either in this Province or across the country. As the hon. gentleman knows, there has been some interest expressed by the Hudson Bay Company, in one case, and there have been enquiries made by other firms throughout the Province, but there has certainly been no decision by this government to dispose of the facilities, and certainly before that were to happen then the implications of such a move would have to be clearly outlined for government before that type of action would be taken.

We are looking at the operation of the stores internally from within my department and from within

MR. GOUDIE: government with a view to streamlining the operation a little more, perhaps providing - not perhaps but definitely providing a better service, and just seeing how the whole situation is going to go.

MR. SPEAKER (Russell): The hon. member for Torngat Mountains.

MR. WARREN: Mr. Speaker, a supplementary to the hon. minister. In view of the fact that the cost of living in Coastal Labrador is by far the highest anywhere in the Province, could the minister advise what steps, if any, that his department has taken, in particular as it pertains to the operation of the government stores and the goods and supplies and services that are in those stores, to lessen the burdern to the consumers who are obliged to shop at those stores? Has the minister taken any steps to try to alleviate the high cost of living along the Labrador Coast?

MR. SPEAKER: The hon. Minister of Rural, Agricultural and Northern Development.

MR. GOUDIE: Mr. Speaker, as the hon. gentleman knows, or should know, there are subsidies in place presently to airlines, and certainly the shipment of goods by boat to the Coast of Labrador by Canadian National is highly subsidized by the national government, and as a result of that prices are much lower now in all outlets on the Coast of Labrador whether they belong to government or private enterprise than they could be were these subsidies not in place. We subsidize directly. We have over the years, through my colleague's department, the Minister of Transportation (Mr. Dawe), a subsidy in place for Labrador Airways these factors are all taken into consideration.

I should point out as well that the prices on commodities retailed in our stores on the Coast

MR. GOUDIE: of Labrador do not yet meet our costs, so they are being subsidized through that service as well. We do not cover our costs in the stores on the Coast of Labrador. These moves have been taken. I should point out as well that this Summer I made representation to the Chairman of the Standing Committee on Food Prices and asked that he and his committee pay particular attention to the operation of stores on the Coast of Labrador which come under my department, and he assured me he would, and he did as a matter of fact. And, of course, when that report is presented to the Legislature then we will have an even better idea of what some possible action might be that we can take.

MR. SPEAKER (Russell): The hon. member for Torngat Mountains.

MR. WARREN: Mr. Speaker, a final supplementary. to the minister. I believe that the minister did not tell the whole facts when he responded to my question then because, number one, the prices are not the lowest on the Coast, and, secondly, there are no subsidies by Labrador Airways. Labrador Airways charges the Department of Rural Development 72 cents per pound for freight delivered in Coastal Labrador, which is the same rate that is charged to anyone else. So there is no subsidy for

MR. WARREN:

Labrador Airways for bringing freight into Coastal Labrador. Now in view of the fact that the minister said there are all kinds of subsidies, would the minister confirm that the markup on groceries going into the stores in Northern Labrador have increased from 37 per cent last year to 49 per cent at the present time and the markup on hardware and drygoods has increased from 43 per cent to 66 per cent at the present time? Now could the minister tell us where the savings are for the consumers along the Labrador coast when we had an increase of almost 20 per cent in the stores over the past year?

MR. SPEAKER (Russell):

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

MR. GOUDIE:

Mr. Speaker, I did not suggest to the hon. gentleman or to the House that the price of food charged in our retail outlets on the Coast of Labrador are lower than anywhere else. I am saying they are lower than the costs are incurred to to provide the service. He will have to figure that out for himself and he has not obviously done it yet. In terms of a subsidy, just let me give one example, Mr. Speaker. The hon. gentleman should be fully aware of this, he worked within that system itself for several years. If, for instance, we have to fly in fresh vegetables, fresh fruit, etc., to a community like Nain during the Winter months, it costs exactly what the gentleman said it costs. So you can imagine what the freight would be on a 100 pound of potatoes, \$72, by his own figures, and obviously that is not the price we charge in any of the outlets on the Coast of

MR. GOUDIE: Labrador. I would have to, obviously, get back to my records to get a more detailed breakdown of what the costs are. But all I am suggesting to the gentleman is that we are providing a service. It is subsidized whether he wants to accept that or not, subsidized because we are not recovering our costs. The consumers on the Coast of Labrador are not paying the cost of recovery. We can obviously debate this all day, and probably could at some point in time, but that is the situation as it stands right now, there is a subsidy in place.

MR. WARREN: Mr. Speaker.

MR. SPEAKER (Russell): The hon. member for Torngat Mountains.

MR. WARREN: Mr. Speaker, my last supplementary to the minister. I think the minister has said in Estimate Committees before that in his opinion he believes that the public tendering system as it pertains to the stores is not in the best interests of the consumers along the Labrador Coast. I believe the minister will agree with that. In light of this fact, and I will be the first to agree that it is the business people in St. John's and Carbonear who are really ripping off the people in Coastal Labrador, has the minister approached his colleagues in Cabinet saying let the managers of those stores shop around and find the best prices and the best commodities that are needed for the stores instead of going through the public tendering system, which is a headache and which in nine cases out of ten brings the consumer -

PREMIER PECKFORD: There is something to refer to the Auditor General.

MR. WARREN: If the Premier would

MR. WARREN: be quite for a second and listen he would be much better off - if his department would consider giving the manager the autonomy to go and shop around for the best prices and not have to buy what businessmen in St. John's and Carbonear bloody well want to send along to the Coast?

MR. SPEAKER (Russell): The hon. Minister of Rural, Agricultural and Northern Development.

MR. GOUDIE: Mr. Speaker, I agree with the hon. gentleman that in the case of a retail store operation, such as the ones we have on the Coast, and as he said this has been brought out in the Estimate Committees before, the public tendering system is a draw-back I do not agree with suggestion that the managers of the stores come out and buy wherever and whenever is necessary. We have several individuals employed within the department whose responsibility

MR. GOUDIE: it is to buy and take care of the shipment of food to the coast of Labrador to the stores that we operate. It would be much more convenient if we could operate outside the Public Tender Act but we cannot, That is the way the legislation is in place and applies to all departments of government. I do not know what the implications would be of exempting one department of government from the Public Tender Act. It could create quite a number of problems too, I would think, in addition to some advantages. But the reason that some of these difficulties are encountered is we cannot take advantage, for instance, of sales that may take place throughout the year. One of the other problems we have is that supplies that are shipped in to Labrador in many cases come in on the last boat of the season, in November, and it has happened quite often that many of the supplies that show up have been shipped from some point or other, either inside the Province or outside the Province, where it has been outdated by a year or two, could not be sold anywhere else and it is shipped to Labrador, and because it is the last boat, we cannot get it back. So these problems are in place but, as I have said, we are trying to cope with the situation a little better than we have in the past and we think we will be able to provide a better service. Certainly, there are more retail stores being constructed every year and hopefully we can provide an improved service and reduce the cost of that service to the consumers on the coast of Labrador as much as possible.

MR. ROBERTS: Mr. Speaker.

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

MR. ROBERTS: Mr. Speaker, if I could move from the coast of Labrador to the affairs of the Department of Justice, a question to the minister of which I have him some notice.

MR. CARTER: Sit down! Sit down!

MR. ROBERTS: Mr. Speaker, I would rather get on with it than be gone, as is the hon. gentleman from St. John's North.

Mr. Speaker, now that the Premier has made the former associate deputy minister of that department, Mr. Goodyear, the Deputy Minister of Northern Affairs -

PREMIER PECKFORD: Rural, Agricultural and Northern Development.

MR. ROBERTS: Well, whatever it is. Rural development is very important, I am not sure the department is, Mr. Speaker, but that is another story, really. He is deputy minister of whatever he is. And now that, of course, the former associate deputy minister, Miss Cameron, has been appointed to the bench as Madam Justice Cameron, we are missing two of the four senior appointments in the department.

Realizing as I do full well that the appointment of deputy ministers is the prerogative of the Premier, and properly so, in my view, can the minister tell us, Mr. Speaker, whether we might expect in the next little while to see appointments to replace these two senior people, both of them lawyers, one of them actively practicing law and the other, Mr. Goodyear, I think, who is doing as much administrative work as legal work, although he was supervising public prosecutions as the DPP? And perhaps, as part of that, could the minister tell us who is filling the position now of Acting Director of Public Prosecutions? That is obviously a key position given the Crown's responsibility to prosecute criminal offenses.

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

MR. OTTENHEIMER: Mr. Speaker, certainly an announcement on these two vacancies will be made within the very near future. Indeed, I would expect that that would be made during the course of the present week. That would be the appointment of

MR. OTTENHEIMER: an Associate Deputy Minister of Justice to take the place of Miss Cameron, so known when she was there, now Madam Justice Cameron, and also an appointment to the post of Associate Deputy Attorney General taking the place of Mr. Goodyear, whose appointment as Deputy Minister was announced today. During the interim there is of course an assistant, because Mr. Goodyear was also Director of Public Prosecutions and there is and has been for the past couple of years a prosecutor designated as Assistant Director of Public Prosecutions who, of course, acts as Director in the absence of the Director either on vacation or out of the province or in other circumstances. I would anticipate that appointments would be announced during the present week.

And the hon. gentleman asked also who was generally filling the work. Well, with respect, of course, Mr. Goodyear's position only becomes vacant as of now, but in general during the past month, the four or five weeks since the vacancy created by Miss Cameron's appointment to the Bench, in essence it has been the Deputy Minister, Mr. Penney.

MR. NEARY: Mr. Speaker.

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

MR. NEARY: Mr. Speaker, I would like to put a question to the Premier that I put to him the other day which the Minister of Manpower (Mr. Dinn) seems to have contradicted, something the Premier said in the House the other day about Winter drilling. We now have two viewpoints, one by the Premier and one by the minister. The minister says that the employment situation offshore will be at the same level as last Winter, the Premier has grave doubts about Winter drilling. Will the hon. gentleman tell us if a decision has been taken yet and if so what is the decision of the administration?

MR. SPEAKER (Russell): The hon. the Premier.

PREMIER PECKFORD: Well, Mr. Speaker, what I said the other day was that the Government of Newfoundland, from all I could detect from negotiations that are going on through the Minister responsible for Energy (Mr. Marshall), is that we as a government, and the Petroleum Directorate as a agent of the Government of Newfoundland, seem to be stricter in how we wish to apply regulations relating to safety to offshore drilling, especially in the Winter, than seem to be the case as related to COGLA and the companies. Now that is what I said. I did not say that there would be Winter drilling, I did not say there would not be Winter drilling, I said that we as a government, our perception of the process that is going on right now on Winter drilling, it seems to us that our approach to the whole question of regulations and safety and so on relating to Winter drilling, that we were taking a stricter position than was COGLA or the oil company. Now that is what I said. No more, no less. I did not say there would be Winter drilling, I did not say there would not be Winter drilling. All I said was

PREMIER PECKFORD: that the approach we are taking seems to be stricter than is being taken by the companies and by COGLA representing the federal government. Now if there are people out there who wish to interpret that as meaning there will not be Winter drilling, that is the way they can interpret it. If there is somebody out there wants to interpret that that there will be Winter drilling, that is the way they interpret it. I said what I said and no more. And from the Minister of Labour's point of view, I read the statements by the minister and I find nothing contradictory in what he said versus what I said, nothing at all. We are in the process of negotiating through the Minister responsible for Energy (Mr. Marshall), through the Petroleum Directorate with COGLA and the companies as it relates to Winter drilling in seeing whether there can be a system put in place which is acceptable to all the agencies involved. Whether that is going to be a successful process or an non-successful process still remains to be seen because no final decisions have been made on it.

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

MR. NEARY: Mr. Speaker, a supplementary.

Mr. Speaker, the hon. gentleman never seems to be competent about anything. He is awfully cocky, but not competent. Mr. Speaker, let me ask the hon. gentleman if the administration have given any consideration to having a Newfoundlander to having a representative of the Provincial Government on board of these rigs round-the-clock seven days a week? Because, Mr. Speaker, the other day I raised a question, the hon. gentleman did not get me the answer yet, but Mobil did supply the answer. But every time we ask questions in this House, Mobil seemed to resent it and they start playing with words. All we are interested in when we ask questions is the safety of the people who work on these rigs offshore and to safeguard the environment. I heard the other

MR. NEARY: day, for instance, and perhaps the hon. gentleman can tell me whether it is true or not, and I put it in the form of a question, Was there a kick, what they call a kick, at the hole that is being drilled by the Zapata Umland, and that some people were severely disciplined or even lost their jobs because they did not report that kick which, as the hon. gentleman knows, could be a very dangerous thing indeed, because you have to stop drilling when you get a kick? You have to stop drilling, as the hon. member knows, and drilling continued during this kick that was taking place. Now would it not be better for the Province to have a representative on board of these rigs twenty-four hours round-the-clock to report all of these instances and then make a report to the House so that we would know for sure whether safety has improved and whether or not all of the instances offshore are being reported?

MR. SPEAKER (Russell): The hon. the Premier.

PREMIER PECKFORD: Now, Mr. Speaker, that is just a speech. I mean, the Leader of the Opposition (Mr. Neary), first of all he gets up and makes a personal slight, which is his wont. The Leader of the Opposition has been in the House an awful long while, that is for sure, and he is known around Newfoundland for that, but he is also known for making personal attacks on people. Of course, he has to get up and make a personal slur otherwise he is not happy. Suffice it to say I do not intend to lower myself to that degree now or ever, Mr. Speaker. I guess it is one reason why I am over here and the Leader of the Opposition continues to be over there.

SOME HON. MEMBERS: Hear, hear!

PREMIER PECKFORD: It might also be a reason why the Leader of the Opposition is in trouble in the district of Terra Nova too, Mr. Speaker, in big trouble.

SOME HON. MEMBERS: Hear, hear!

PREMIER PECKFORD: Thirdly, what the Leader of the Opposition (Mr. Neary) likes to do just as much as the other two, besides his longevity as he jumps around the Province from district to district when he sees he is getting himself in trouble in the district he has been in for a long period of time, the other thing he likes to do is to throw out little half truths. I was very interested to see in the paper on the weekend a spokesman for Mobil Oil saying, and the headline was there, "Neary Wrong". What else is new, Mr. Speaker?

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

MR. NEARY: Mr. Speaker, the hon. gentleman should read it again because what they were saying was that I was right.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Mr. Speaker, I asked the hon. gentleman a question last week on a very serious manner, on safety offshore. He has not answered it yet.

MR. NEARY: Mobil answered and confirmed that I was correct. The only thing that they said was wrong was that they did not fire the captain because he was not employed by them. That was playing with words, Mr. Speaker, trying to be smart-alecky about it, Mobil, the hon. gentleman's boss. But let me ask the hon. gentleman again about this kick that I referred to. Could the hon. gentleman tell us whether or not that indeed did occur? And if it did occur, did they stop drilling when this kick took place or does the hon. gentleman know about it? And if he does not know about it, does he not think that my suggestion is a good one that a Newfoundlander, a representative of the Province be put on these rigs to report incidents to the Petroleum Directorate or to the administration twenty-four hours, round-the-clock surveillance on these rigs?

MR. SPEAKER (Russell): The hon. Premier.

PREMIER PECKFORD: The Leader of the Opposition, (Mr. Neary), Mr. Speaker, talks about Newfoundlanders on the rigs. If the Leader of the Opposition had his way three years ago there would not hardly be one Newfoundlander on the rigs offshore now instead of 2,000 or 3,000 like we have today.

SOME HON. MEMBERS: Hear, hear.

PREMIER PECKFORD: How the wheel turns, Mr. Speaker, how the wheel turns. I am not going to respond to the Leader of the Opposition as each day he picks up another little bit of rumour about an operational difficulty or an operational problem offshore. It is the same thing as getting a little piece of information from the mine down in Labrador City; there are 500 or 600 on a shift and something happens to a truck coming down over the hill or something. To every day respond to whether the truck did not go into the garage early enough the day before for the proper maintenance and therefore that is the reason why the truck came down. Or if something happened in Flat Bay or out in Baie Verte in the

PREMIER PECKFORD: asbestos mine or wherever. I mean, that is a silly, foolish way to operate. What the Leader of the Opposition (Mr. Neary) should be doing is we produced through the Minister of Energy (Mr. Marshall) there about a year or so ago improved regulations for offshore -

MR. CALLAN: Arrogance!

PREMIER PECKFORD: - and we are trying now to improve them even further as it relates to Winter drilling. So what the Leader of the Opposition should spend his time doing is go through those regulations - of course that is research - see where the Leader of the Opposition or the Party opposite can see some chances for improvement and address themselves to those regulations to see if improvements can be made. I am not going to respond to the Leader of the Opposition every day coming in with a little bit of rumour here and a little bit of rumour there. We are going to respond to substantial information and not to just rumour that the Leader of the Opposition picks up from time to time.

SOME HON. MEMBERS: Hear, hear.

MR. SPEAKER (Russell): Order, please!
Time for the Question Period
has expired.

Before we proceed I would like to welcome to the galleries a delegation from the Buchans Town Council with the Mayor, Mr. Harris Walsh, and two Councillors, Mr. Sean Power and Mr. Barry Pritchett.

SOME HON. MEMBERS: Hear, hear.

ANSWERS TO QUESTIONS FOR WHICH NOTICE HAS BEEN GIVEN

MR. SPEAKER (Russell): The hon. Premier.

PREMIER PECKFORD: Mr. Speaker, I wish to respond with the answer to Question No. 148 on the Order Paper of November 9th, 1983, asked by the Leader of the Opposition (Mr. Neary). The question was: 'A list of all the studies commenced and/or completed since 1977 on Newfoundland's economic future prospects if the Province were to separate from Canada'. This is a question asked by the Leader of the Opposition on November 9th that he put on the Order Paper. This is a written question, not an oral question, not done without some thought but done after considerable research and considerable thought. The answer is this: This same question was asked by the Leader of the Opposition as Question No. 127 on the Order Paper of April 28th, 1983, and at that time I replied that the answer to the question was no. Now, just seven months later in November, the Leader of the Opposition is asking the same basic question that he asked in April. I am pleased to tell him once again, for the second time in seven months, that the answer is still no. No such studies have been ordered by this government.

SOME HON. MEMBERS: Hear, hear.

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

MR. DINN: Mr. Speaker, this is an answer to Question 149 asked by the Leader of the Opposition on the Order Paper dated November 9th, 1983. And the question is: 'A list of all written complaints his department has received since January 1983 from concerned individuals and groups regarding poor and substandard safety regulations

MR. DINN:

at the IOCC operations in Labrador West.' The answer: No written complaints have been received in the Department of Labour and Manpower since January 1983 from concerned individuals and groups regarding poor and substandard safety regulations at the IOCC operations in Labrador West.

SOME HON. MEMBERS: Hear, hear!

MR. MORGAN: Mr. Speaker.

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

MR. MORGAN: Mr. Speaker, during the debate on the restructuring questions were asked on the amount of financing put forward to independent fish companies, it was asked by the member for the Strait of Belle Isle (Mr. Roberts), and I now want to table the list of those companies and to say for the record, Mr. Speaker, that we did assist since 1981 a total of twenty-five independent fish companies in the Province, this government alone.

SOME HON. MEMBERS: Hear, hear!

MR. MORGAN: Now, Mr. Speaker, I think it is important for the record that we read off these companies to indicate what companies and where we assisted them. For example, in my colleagues district up on the Southern Shore, Aqua Fisheries \$90,000; Bay St. George Seafoods \$72,000; Bay Bulls Sea Products, again in my colleagues district up on the Southern Shore, \$250,000; Belle Isle Seafoods \$400,000; Blue Ocean Products \$500,000; W.J. Burton Limited, along the Labrador Coast, \$150,000; Clarenville Ocean Products \$300,000; Greenspond Fish Processors, Mr. Speaker, out in that historic community of Greenspond, the island community in Bonavista Bay, \$450,000; Great Harbour Deep Seafoods up on the Great Northern Peninsula, \$50,000; P. Janes and Sons \$1,300,000, about which, Mr. Speaker,

MR. MORGAN: may I say that they have now covered their assistance and they are in good sound financial condition, just recently won the export award for fish products from this Province for this year, 1983.

SOME HON. MEMBERS: Hear, hear!

MR. MORGAN: And, Mr. Speaker, Eric King Fisheries over in LaPoile district, over on Burnt Island -

MR. NEARY: He did not get it.

MR. MORGAN: Mr. Speaker, listen to the little noise, 'He did not get it', and he sat in my office for two different meetings. And not longer than three weeks ago we were glad to assist him again, the second time.

SOME HON. MEMBERS: Hear, hear!

MR. MORGAN: Do not be so small-minded, little fellow. And we were pleased to assist that man in his operation, a good operation in Burnt Island, over in LaPoile district. Now, Mr. Speaker, I can go on. The Labrador Fishermen's Union Shrimp Company, along the Labrador Coast, \$150,000; Newfoundland Food Processors \$250,000; Port Enterprises, which is Mr. Phonse Best's operation out in Placentia Bay, \$150,000; Tors Cove Fisheries \$250,000; Smith's Seafoods, out in the Bellevue district, in Chance Cove, a good little operation, \$100,000, pleased to assist him, now getting a good little operation going out there; White's Fisheries up in the Strait of Belle Isle district, again, Mr. Speaker, on the Great Northern Peninsula, \$300,000; Ocean Harvesters \$2.5 million - \$2.5 million to Harbour Grace and my good friend, of course, is quite pleased with that and that operation out there helped them acquire a new trawler last year.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: I guess we were right, Mr. Speaker, the list is (inaudible).

MR. MORGAN: Mr. Speaker, Eastern Ocean Products \$75,000; S.T. Jones Limited - where, Mr. Speaker? -

MR. MORGAN: in our good Premier's district, in Green Bay, pleased to help them out down there; and Mr. Speaker, just recently, with the Premier and myself down meeting with the full membership, the Fogo Island Co-op in the Fogo district, \$700,000 loan guarantee. Now, Mr. Speaker, I table this information and I want to say again that this government, Mr. Speaker, is committed to the independent fish companies operating on a viable basis in this Province.

SOME HON. MEMBERS: Hear, hear!

ORDERS OF THE DAY

Motion, the hon.

the Minister of Justice to introduce a bill, "An Act Respecting Defamation," carried.

(Bill No. 70)

On motion, Bill No. 70

read a first time, ordered read a second time on tomorrow.

Motion, the hon.

the Minister of Justice to introduce a bill, "An Act Respecting The Award Of Interest On Judgements Of The Courts Of The Province," carried. (Bill No. 91)

On motion, Bill No. 91

read a first time, ordered read a second time on tomorrow.

Motion, the hon. Minister

of Justice to introduce a bill, "An Act To Amend The Commissioners For Oaths Act, " carried. (Bill No. 67)

On motion, Bill No. 67

read a first time ordered read a second time on tomorrow.

Motion, the hon. Minister

of Justice to introduce a bill, "An Act To Amend The Income Tax Savings Plans Act," carried. (Bill No. 61)

On motion, Bill No. 61

read a first time, ordered read a second time on tomorrow.

Motion, the hon. the

Minister of Health to introduce a bill, "An Act To Amend

The Solemnization
Of Marriage Act," carried. (Bill No. 78)

On motion, Bill No. 78
read a first time, ordered read a second time on tomorrow.

Motion, the hon. the Minister
of Social Services to introduce a bill, "An Act To Amend
The Alcohol And Drug Dependency Commission Act, " carried.
(Bill No. 65)

On motion, Bill No. 65
read a first time, ordered read a second time on tomorrow.

Motion, the hon. the Minister
of Environment to introduce a bill, "An Act To Amend The
Environmental Assessment Act," carried. (Bill No. 73)

On motion, Bill No. 73
read a first time, ordered read a second time on tomorrow.

MR. MARSHALL: Order 35 Bill No. 88.

MR. SPEAKER (Russell): I understand the debate
was adjourned the last day by the hon. Leader of the
Opposition.

MR. NEARY: Mr. Speaker, first of
all let me say that what the Minister of Fisheries (Mr.
Morgan) did today was to admit that he was wrong, but he
did not apologize to the House. And he did, finally,
after three days of us trying to get him to table the
list, he finally did table it. Mr. Speaker, I noticed
one name on the list where the plant that is mentioned

MR. NEARY: he had tabled the list previously but I am sure there will be a ruling on that in due course.

Now, Mr. Speaker, I want to congratulate our spokesman on Fisheries, the member for Fogo (Mr. Tulk), for an outstanding speech on this bill last Wednesday and Thursday. My colleague outlined our position, the Opposition position, on restructuring and told the House that it was the Opposition's intention to give Bill 88 speedy passage, Mr. Speaker, so that some measure of stability can be brought back into the deep-sea fishing industry.

Mr. Speaker, when we recall events leading up to the September agreement it would almost make one cry. In May and June the Minister of Fisheries (Mr. Morgan) signed two memoranda of agreement; however, the Premier, the be-all and end-all in Newfoundland life, not knowing what he wanted at the time, did not give his minister clear direction and instead of backing him up when he authorized him to sign these two memoranda of agreement he pulled the legs out from under the hon. gentleman. Then, in September, Mr. Speaker, some five months later, on his way from a baseball game in Chicago, the Premier abruptly requested a meeting with the federal Minister of Fisheries (Mr. De Bane) in Toronto. Now, why that weekend, Mr. Speaker? Well, the answer is simple. The Premier tried to make a deal with the Canada Development Corporation, when he could not make a deal with them, he tried to make a deal with Fishery Products, without success, the Bank of Nova Scotia would not even talk to him and it was virtually impossible for the hon. gentleman to use the credit of this Province to get the money necessary to restructure the deep-sea fishing industry. So in desperation, Mr. Speaker, the hon.

MR. NEARY: the Premier silenced his own Minister of Fisheries (Mr. Morgan) and asked the federal minister for a deal. I understand, Mr. Speaker, that the provincial Minister of Fisheries was directed that weekend to stay off the phone and to stay away from reporters.

Mr. Speaker, I forgot to mention also that there was one other point. Are there any hidden agendas? Is there anything here the hon. gentleman has to be paranoid about? It seems, Mr. Speaker, this sort of attitude is characteristic of this government and not only did we see it in the fishery negotiations but the Premier's mistrust and paranoia have dominated the offshore negotiations as well.

So, Mr. Speaker, after procrastinating for some five months and bringing the deep-sea fishery in this Province to the point where it looked like it was going to collapse completely, the Premier was forced to make a deal. And, as I said before, I believe a similar agreement could have been signed in May or June of this year. All the points outstanding were negotiable, Mr. Speaker, so the agreement that was signed could have been signed five months earlier.

Mr. Speaker, the Premier and his minister can say what they like, but what we have before us today is a bill to nationalize the deep-sea fishing industry in this Province. A rose by any other

MR. NEARY: name smells just as sweet. They can call it what they like, but it is nationalization, Mr. Speaker. The Premier had no choice, and now that the valve in Ottawa has been opened to financially assist the industry, in my opinion, Mr. Speaker, it will take a miracle before it can be turned off or before they can divest themselves of the company.

My colleague was right the other day when he challenged remarks by the Minister of Fisheries (Mr. Morgan) concerning the industry coming back into the hands of private enterprise. Mr. Speaker, I asked the hon. gentleman a simple question today; Will he indicate to this House when he is closing debate on this bill when divestiture will occur, give us some idea when they will be able to divest themselves of the company or parts of the company? Mr. Speaker, perhaps the minister would also tell us how much - I hope the hon. gentleman is making notes and listening - how much did the new corporation pay Fishery Products for the shares? And how much, Mr. Speaker, was involved in the purchase of shares from the Lake Group of companies? We were told there a couple of weeks ago that CDC received some \$14 million or \$15 million for their share. It is incumbent upon the minister that he tell this House before he moves second reading of this bill, how much we paid Fishery Products and how much we paid the Lake Group for their shares? How much is involved in restructuring, Mr. Speaker? What is the cost?

And, Mr. Speaker, how can the hon. gentleman say that he has more control over the industry when the federal government and the Bank of Nova Scotia have seven shares between them, seven out of eleven shares between them? Surely, Mr. Speaker, the Premier or his minion are not so naive or gullible enough as to think that the Bank of Nova Scotia

MR. NEARY: will vote against any proposal put on the table by the federal representatives on this company, by the federal government.

And, Mr. Speaker, we should note that previously, when a company ran into financial trouble or threatened to close for any other reason, it was the politicians who ultimately made the decisions whether companies would close or operate. The hon. gentleman talks about control, now Mr. Speaker, it is the super company who makes the initial decision on plant closures. And if the provincial government objects there is only one way out for them and that is for them to pay the full cost of keeping a specific plant open.

My point here, Mr. Speaker, is this, the provincial government has lost part of its control over a matter that comes under provincial jurisdiction, of taking the initiative immediately when a plant runs into trouble. Under this agreement they will enter discussions and take action only after the super company have made their decision.

Mr. Speaker, we note with interest a new concept in shares insomuch as the employees of the new corporation are being offered a representative on the Board of Directors.

MR. NEARY: Mr. Speaker, we agree that this is important and we hope it becomes larger. But, Sir, we must observe at this point in time that the union has been silent on this matter and have not indicated whether or not they intend to accept this principle. Another aspect of the corporation is the provision for a \$30 million development fund. Now, Mr. Speaker, while this may be a good measure, let us hope that confrontation will not impede the work of this development council, or corporation, whatever it is called. Let us hope that projects brought before the Development Authority will be approved swiftly and that there will be no infighting as to who is to get credit for what projects.

I should say, Mr. Speaker, in passing that there is a feeling on the Burin Peninsula in some communities, and there is a feeling amongst a large number of people on the Burin Peninsula that the two governments, if they could find \$30 million for a development fund, why could they not have found the money to refurbish fish plants in the area when they were being closed or were threatened with closure?

Mr. Speaker, the minister told us last week that the new corporation would be broken down into separate divisions, or cells, or parts, and that any of these parts, whether they are connected with harvesting the fish, processing or marketing the fish, once they are viable - to quote his own words "Once they are on a viable footing they should be turned over to private enterprise, whether private enterprise be from Portugal, West Germany or the United States."

This statement of the provincial government, Mr. Speaker, and the hon. gentleman was speaking

MR. NEARY: for his administration, this statement of policy has us really worried indeed.

Mr. Speaker, I would ask the minister for further elaboration of this policy when he closes the debate on this bill.

Mr. Speaker, we are concerned about these statements for two reasons; First of all, it seems rather ridiculous and somewhat hypocritical, I might add, for Canada to declare a 200 mile management zone and since the time this 200 mile limit was declared by the Canadian Government they have tried hard to remove foreign fishing vessels from this zone, and now the Canadian Government is being asked by the provincial government here in this Province to allow foreigners to come back inside our 200 mile management zone, foreign fishing vessels, to allow them to supply fish -

MR. MORGAN: To catch our fish for our plants.

MR. NEARY: Mr. Speaker, I will deal with that.

MR. MORGAN: They are doing it the last four years.

MR. NEARY: - to allow them back to supply fish for our resource-short plants. What they are saying, Mr. Speaker, what the minister is saying is that under certain conditions it is all right to allow foreigners back inside our 200 mile limit to fish.

MR. NEARY:

Mr. Speaker, let me make it abundantly clear that we on this side of the House want to see the inshore plants with a sufficient supply of fish to operate more months out of a year or possibly on a year-round basis, but the harvesting should be done by Canadian vessels, Mr. Speaker, and what the minister should be doing instead of inviting the foreigners in, is to work out a price with the Canadian companies suitable to the resource-short plants.

The minister's statements the other day, Mr. Speaker, fly in the face of all logic, and it would be very surprising to me indeed if the Newfoundland Fish, Food and Allied Workers Union tolerate the return of foreign vessels inside of our 200 mile limit.

Surely, Mr. Speaker, the hon. the Premier should know the rules of the House. If he wants to hold a meeting he should go outside, Mr. Speaker. If he listened to me he might learn something, but if he wants to have a meeting he should go outside and have it. One of the basic rules in this House is that a member is entitled to be heard in silence and I ask Your Honour to enforce that rule. Could I have silence from the opposite side?

MR. SPEAKER (Aylward):

Order, please!

The hon. member has the right to be heard in silence.

MR. NEARY:

Mr. Speaker, since the two governments have control of the fleet and the harvesting under the new agreement, they can see to it that fish is landed at the price required to make processing competitive for the inshore plants.

Secondly, Mr. Speaker, concerning foreign ownership, is the minister saying that

MR. NEARY: parts of the new corporation when they become viable, will be passed over to private enterprise and that the taxpayers will be asked to foot the bill for the non-viable sections of that company? Is the minister saying that the taxpayers should finance companies when they are losing money and turn them over to someone else to make the profits? - a very important question, Mr. Speaker.

Mr. Speaker, I would like to issue a word of caution to the administration on the question of foreign ownership of our plants and foreign vessels catching fish, whether it be processed here or in Europe. Mr. Speaker, I am personally opposed -

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

MR. SPEAKER (Aylward): On a point of order, the hon. the President of the Council.

MR. MARSHALL: Mr. Speaker, I refer Your Honour to Beauchesne, Page 101, Paragraph 309 (1): "It is a rule in both Houses of Parliament" - not both Houses of Parliament, any House of Parliament - "that a Member must address the House orally, and not read from a written, previously prepared speech." It refers to Bourinot and it goes way back into parliamentary practices. Now, the hon. gentleman is quite obviously reading a speech, Mr. Speaker. We heard him talk today about his being twenty-two years in the House, and after twenty-two years in the House, I would fancy that he should be able to give a speech without reading it. Furthermore, Mr. Speaker, in view of his rumoured removal to the Senate of Canada, I should say the proceedings of the Senate of Canada are enough to make people go to sleep at the best of times without the hon. gentleman getting up and reading his speech. So if he is going to the Senate he is going to have to learn, Mr. Speaker - the same rules

MR. MARSHALL: apply - to make a speech
without reading it.

MR. NEARY: Mr. Speaker -

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

MR. NEARY: Mr. Speaker, that is not a
point of order, that is just Mr. Nastiness is back after
being absent for a few days and wants to make his presence
felt, and is trying to use up some of my time that I had,
Mr. Speaker. I have notes, of course I do, everybody has
notes. I can make five speeches a day in this House with-
out a note but there is nothing in the rules, Mr. Speaker,
that says you cannot have notes. The hon. gentleman had
his notes when he introduced the bill the other day. And
I would suggest to the hon. gentleman that he go back to
Toronto or Montreal, wherever he was, because the House was
working much better without him.

MR. SPEAKER: To that point of order, I rule
that there is a Standing Order, as the President of the
Council (Mr. Marshall) pointed out, and he is correct, but it is
also permissible for any hon. member to use extensive notes
in the House.

The hon. the Leader of the
Opposition.

MR. NEARY: Thank you, Mr. Speaker.

Now, Mr. Speaker, I was about
to issue a

MR. NEARY: word of caution to the administration and my word of caution is this, Mr. Speaker, that personally I am opposed to cheap foreign labour being brought in to catch fish off our shores, within our 200 mile management zone. I am personally opposed to it, and I would submit to the administration that they be very cautious about this.

Mr. Speaker, I do not know if hon. gentlemen are aware of it or not, that cheap foreign labour is out there at the expense of Newfoundland jobs. That is what the hon. gentleman is advocating. Now, Mr. Speaker, is the hon. gentleman satisfied to let slave labour enter our Canadian fishing zone while 60,000 or 70,000 Newfoundlanders and Labradorians walk the streets with their hands in their pockets hopelessly looking for jobs? Mr. Speaker, as I indicated earlier, there is something radically wrong with our system, with our most basic industry, an industry that has been the tradition and way of life in this Province for over 500 years, Mr. Speaker, our most basic industry, when we have to get strangers from other countries to supply our plants with fish. What an insult, Mr. Speaker, to our craft and to our fishermen and to our people and to our ancestors who built up this great fishery, and who built up this Province on the fishery. Mr. Speaker, what an insult for these people to be told by a P.C. Administration, in 1983, to forget your past, forget your culture and your heritage, from now on strangers will be doing your work. Is this what the hon. minister is saying?

MR. MORGAN: The companies have asked for that. The companies have asked for the foreigners around Newfoundland to fish them. Get your facts straight. You are wrong again.

MR. NEARY: Mr. Speaker, my question to this administration is this, Do they think, Mr. Speaker, do they think that we and the fishermen and the people of this Province are stunned enough to believe that this will only be a one-shot deal? Once the door is open, Mr. Speaker, every evil you can imagine will emerge and this could very well establish the beginning

MR. NEARY: of a nightmare of foreign ownership of plants and harvesting fish that may take another four centuries to unravel.

Mr. Speaker, while I am on the question of foreign interests in this Province; the French island of St. Pierre must also be watched very carefully as they are, too, Mr. Speaker, according to information that we have, the French are asserting their claim on Canadian territory and fishing grounds,

MR. NEARY: and, Mr. Speaker, using French gunboats and frigates to protect their movements inside the 200 mile management zone. This year, I am told, the French are using six scallop boats inside our 200 mile management zone and have another six ready to start fishing on our scallop grounds without the approval or sanction, Mr. Speaker, either of the federal or provincial governments. Since France has already started a seismic exploration programme off the Coast of Newfoundland and Labrador inside our 200 mile territorial zone, it is obvious we can no longer ignore these aggressive moves by a sovereign country. Mr. Speaker, the next thing we will know is that we will end up before the international court. Mr. Speaker, members there opposite may be willing to turn back the hands of time and give away our most basic resource, the fishery, to all and sundry without as much as a moment's hesitation or an ounce of guilt. And, Mr. Speaker, the tragic irony of this monumental hypocrisy on the part of the administration is that this is the same administration, Mr. Speaker, that goes into an epileptic frenzy when anybody mentions a word about Churchill Falls.

Now, Mr. Speaker, my time has just about expired; I hope the hon. the minister has made notes of the questions that I asked, especially about the costs and about the price that we are paying for the shares of Fishery Products and the Lake Group, and the other very important questions that I raised concerning foreign ownership of plants and inviting strangers in to catch the fish offshore. And let me make it clear again, in case the hon. gentleman who has a tendency not to follow what has been said cannot follow what has been said, that these are very important questions, Mr. Speaker, that he has to address himself to.

MR. NEARY:

In conclusion, I would also like to ask the minister, who does not happen to be in his seat at the present time, what is being done to offset possible trade tariffs being considered by the Americans for what they consider unjust interference in the fishing industry by the government? Mr. Speaker, can the hon. gentleman assure this House that there will be no excessive import tariffs imposed by the United States that could undermine the whole purpose of restructuring? Mr. Speaker, as I said in the beginning, we support the bill but we do so, Sir, with some grave reservations about whether or not - not about the bill itself, not about restructuring but we do so with some grave reservations about whether or not this administration is capable of delivering the goods or handling this very complex problem.

MR. SPEAKER (Aylward): The hon. member for Fortune -
Hermitage.

SOME HON. MEMBERS: Hear, hear.

MR. STEWART: Thank you, Mr. Speaker.

First, I would just like to say to the Leader of the Opposition (Mr. Neary) I do not think he was very well prepared today, generally he does not give up thirty minutes of his time. The Opposition Leader, I think, had sixty minutes but he only saw fit to use thirty minutes of that time.

Anyway, Mr. Speaker, I would like to make a few comments on this major piece of legislation we are dealing with today, Bill No. 88, "An Act To Ratify, Confirm And Adopt An Agreement Entered Into Between The Government Of The Province And The Government Of Canada Respecting The Restructuring Of The Newfoundland Fishery".

This agreement, Mr. Speaker, signed on September 26th, 1983, between the Government of Canada and the Government of Newfoundland and Labrador concerning the restructuring of the Newfoundland fishery was, I think without a doubt, the most important agreement the federal and Newfoundland governments have signed since Newfoundland joined Canada in 1949.

Mr. Speaker, representing a district with twenty-three communities, all of which -

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

MR. SPEAKER: Order, please!

A point of order, the hon.
Leader of the Opposition.

MR. NEARY: I do not want to interrupt the hon. gentleman, but for the benefit of the Government House Leader (Mr. Marshall) I would like to point out that the hon. gentleman is reading from notes. It is perfectly okay with us -

MR. STEWART: Referring to them.

MR. NEARY: - Mr. Speaker, we see nothing wrong with it. The only thing is that we ask Your Honour to see to it that the same rules apply to this side of the House as apply to that side of the House.

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

MR. SPEAKER (Aylward): To the point of order, the hon. President of the Council.

MR. MARSHALL: Mr. Speaker, I know the hon. member for Fortune - Hermitage (Mr. Stewart) is not reading. It is permissible, the hon. gentleman should know, to refer to notes and that is all the hon. gentleman was doing. The notes he has referred to, Mr. Speaker, I am quite sure the hon. gentleman has composed himself and they are his own ideas, they are not ideas from other sources or anything. I would like to point out that that may be a distinction.

MR. SPEAKER: To that point of order, as I have previously ruled it is permissible for an hon. member to refer to notes.

The hon. member for Fortune - Hermitage.

MR. STEWART: Thank you, Mr. Speaker.

I think the Leader of the Opposition (Mr. Neary) is a bit upset because I pointed out he forgot once again that he was allowed sixty minutes and only took thirty minutes.

Anyway, Mr. Speaker, representing a district such as Fortune - Hermitage -

AN HON. MEMBER: He only had thirty minutes.

MR. STEWART: No, he did have sixty minutes.
- with twenty-three communities, all of which totally depend on the fishing industry and mostly, I might add, Mr. Speaker, the deep-sea fishing industry,

MR. STEWART: it was indeed, I think, a tremendous relief when finally both governments had an agreement that they both could live with. There are two major fish plants in my district - one at Gaultois and one at Harbour Breton - depending on the deep-sea trawlers fishing and processing mostly cod and red fish and, Mr. Speaker, two smaller type operations - one at Hermitage and one at Belleoram. An agreement such as the one signed on September 26th, 1983, ensures, I think, Mr. Speaker, the long-term economic viability not only of the Newfoundland deep-sea fishing industry but also the continued existence of these communities and, Mr. Speaker, not only in my district of Fortune - Hermitage but I think in many rural communities throughout the Province.

With the creation of a Newfoundland fishing company built around the assets of Fishery Products, the Lake Group, John Penny, North Atlantic Fishery and possibly other companies as well, we will finally see stability in the industry, a stability which will be the cornerstone of a better economic deal for fishermen and plant workers alike.

MR. STEWART: Mr. Speaker, the Leader of the Opposition (Mr. Neary) earlier tried to say that this similar agreement could have been signed five or six months ago, definitely not. The previous tentative agreement did not provide guarantee for the reopening of various forms of plants at Burin, Grand Bank and St. Lawrence.

MR. WARREN: Why did the minister (inaudible)

MR. STEWART: It was just a tentative agreement to be brought back to both respective governments. Further, Mr. Speaker, there was no time limit placed on plants at Harbour Breton and Gaultois, in my district. The new agreement signed on September 26, 1983, gives us, the Newfoundland government, a major say in the fishery, more than we have ever had, I think, since 1949, and this has been pointed out by both sides. It gives us veto power over major decisions that will affect the Province, it give us a significant presence on the Board of Directors . The agreement also states that both governments will seek to negotiate a social compact with the union. Provisions, Mr. Speaker, are also made in the agreement for the new company to provide its services to market products from independent processors, processors, Mr. Speaker, that could be operating plants at Belleoram and Hermitage, in my district, in the near future.

Mr. Speaker, "The company"- I am reading now from the statement by the Premier and the federal Minister of Fisheries (Mr. De Bane)- "The company will be financed by a cash contribution of \$75.3 million from the Government of

MR. STEWART: Canada, which will be used to purchase equity in the company; the conversion of \$31.5 million of debt to equity by the Government of Newfoundland and Labrador, and a similar conversion of \$44.1 million of debt to equity by the Bank of Nova Scotia. The possibility also exists for equity ownership by the company employees. The Board of Directors of the company will consist of five appointed by the federal government, three appointed by the provincial government, two by the Bank of Nova Scotia and one by the company employees. And a chairman and chief executive officer will be jointly appointed." I think that is a very important point as well, Mr. Speaker, 'jointly appointed by both governments.' The object of both governments, also, is to return the business to the private sector in the shortest possible time.

Mr. Speaker, just to ask ourselves a few questions, the agreement covers all the offshore operations in the Province excluding National Sea Products as well as certain inshore operations. Mr. Speaker, does this agreement provide a solution to the plants on the Labrador Coast? I am sure my friend opposite will be glad to know that it does. Does the agreement address the future direction of the offshore fishery? Yes, the agreement provides for a federal/provincial study on the structure options for the industry and to make recommendations on its future structure. Does the agreement address the major issue of resource identification and use? Yes, a special federal/provincial resource utilization task force is established under the agreement to specifically examine this issue and make recommendations.

MR. STEWART: Secondary processing of our raw resources in Newfoundland is also covered by this agreement. The secondary processing operation of the Burin plant, for instance, on the South Coast, will be upgraded to be the focus for this activity and marks the first time that a serious attempt has been made to provide for a meaningful liberal secondary processing of fish in Newfoundland.

Mr. Speaker, is this Province required to inject any new cash? No, the agreement calls for a conversion of debt to equity of \$25 million of Fishery Products and the Lake Group loans. Also, the Province will get credit for its \$6 million equity in the Lake Group and North Atlantic Fisheries.

MR. STEWART: Furthermore, it is expected that the Province will receive relief from other existing financial guarantees. And I point out that this is public information that the member can pick up and I will gladly pass it on to him. It is taken from different -

MR. BAIRD: He would never understand it anyway.

MR STEWART: - notes made by the Premier and the Federal Minister of Fisheries (Mr. De Bane). The agreement provides assistance also, Mr. Speaker, to plants under the resource-short plants programme. A process is established to ensure that excess trawler capability will be available to the independent resource-short plants at cost. A provision is also made to ensure that the cost is determined on a fair basis.

I do not know if the Opposition is aware of all this but by the way they are trying to condemn and tear it apart, I would say they probably did not do any homework on it anyway.

MR. WARREN: No, we are not going to do it.

MR. DINN: They know nothing about it. They do not want to.

MR. STEWART: Mr. Speaker, I would just like to say that this agreement provides a structure within which the fishing industry of Newfoundland and Labrador can evolve, grow and regain its place as a cornerstone of our society. It is, Mr. Speaker, as I said earlier, the most important bilateral agreement signed between the federal and Newfoundland governments since Newfoundland joined Canada in 1949.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

SOME HON. MEMBERS: Hear, hear!

MR. POWER: Mr. Speaker, it gives me a great deal of pleasure to speak on a bill which has such momentous input into the district of Ferryland and indeed into all of rural Newfoundland. Certainly the Fishing Restructuring Agreement has enabled, or at least in its planned form will enable and will allow rural Newfoundland to continue the way that it has for many, many years. Without the restructured agreement it is fair to say that there were a large number of very significant communities in this Province, and also a large number of fairly small communities in this Province, that could not have continued to exist as fishing communities. How they could have existed without fish would be any man's guess. It is also fair to say that in many of these communities around the coastline of Newfoundland it is absolutely impossible for those persons who live in those communities to exist and to make a living without the fishing industry. So the restructural agreement, Mr. Speaker, is important because of fish, but also because of what fish means to many people and many places in Newfoundland. Without fish, and I guess there are some people who are not fully aware of it, who do not, because they do not necessarily every day have to deal with small communities or fishing communities, do not appreciate the significance of fish in the Newfoundland economy or in the Newfoundland way of life. Because we have fishing communities, and because we have fish plants, we have fishermen and persons who work in small communities who are the very fibre and fabric of Newfoundland.

MR. POWER:

agreement itself, Mr. Speaker, there can be much debate, I guess, and discussion about exactly who won or who lost, who is now going to be in control, who is going to be the losers, if any. In my case, there are real no losers in this situation. There are many communities around Newfoundland who are not particularly happy with the situation. One community in point, in my district, would be the community of Fermeuse which always had, or has had for the last ten or twenty years or so, an offshore year-around plant. It has been going through some tremendous strains in the last three or four years - not getting an adequate supply of fish - and as a result was losing a fair amount of money. The Lake Group, which were the last operators of that plant, certainly did not have the cash flow or the money, or if they did they did not have the will, to modernize the Fermeuse plant and make it into the kind of modern, efficient dragger operation that it should have been.

As a result, when this restructured agreement and the many, I guess, previous agreements before we finally agreed to this one, the earlier agreements showed a very dismal future for Fermeuse. It was certainly the company's intention, in the early discussions, to close Fermeuse completely, to have it simply wiped off the face of the earth, if that was possible for a company so to do. We certainly fought long and hard that that was not going to happen. In the case of Fermeuse there are many residents there today, many plant workers, many fishermen who most certainly are not happy with the situation, now that Fermeuse is going to be relegated to an inshore plant which will get fish locally during the Summer months and then supposedly get a certain amount of fish year-round or during the Winter months, from the resource-short plant programme.

It has not been, certainly to this date, a very good programme. Last year the resource-short plant

MR. POWER: programme was not implemented at all. This year there seems to be some very serious problems as to whether it is going to work or not. But all said and done, this restructured agreement which we are debating and discussing today and hopefully will pass in this House, and hopefully it will also be passed in the House of Commons, will certainly in many ways improve the lot of Fermeuse. Because without this agreement Fermeuse did not have a future as an offshore or inshore plant, it simply could not have existed or survived. I only say that now, but albeit there are some people in Fermeuse who are not particularly happy with this situation, it is better than we could have expected had we allowed the companies to do some of the things that they wanted to do.

Mr. Speaker, I think there is time somewhere during this restructuring agreement debate to talk about the management of those big companies; how those major fish companies in a world that is starving, in an area where we did have an adequate supply of fish, how those fish companies got themselves in such substantial, financial trouble; how they could not run or conduct their businesses, and how they ran themselves so heavily into debt. There certainly has to be major questions asked about the management of those companies. And hopefully in this new Newfoundland fish company the management will certainly, if not be new management, be management with a different attitude, a different approach to the fishery, if that is possible to do, and if it is not possible for those former managers of those big companies to change their attitude and to change their ways, then it is simply time for us to go out and recruit new people from somewhere in this Province, this country, or somewhere in the world, to recruit new people who have the capability to run plants and to run them financially well.

Certainly, Mr. Speaker, it also says a great deal, that in this world fish and food are very highly

MR. POWER: have failed to have people who can market, who can sell. We simply have not been able to compete with the persons in the world whom we have to outdo if we are going to stay in business. If we cannot sell Newfoundland fish or Newfoundland newsprint and cannot sell it at a profit, then our companies are simply not going to be able to stay in business. In this case, I would love to see some new personnel, marketing oriented people probably from our own university, maybe some persons who have gone through our Masters in Business Administration programme, who will be given some opportunity in this new fish company to get jobs, get persons who have a fishing background, from our small communities or larger communities in Newfoundland, who have an understanding of the fishing industry but who have been taught at school to either manage or sell, to get involved in this new Newfoundland fish company. So hopefully, we will get some new ideas from some new personnel.

Let me say, I guess, also, Mr. Speaker, that one of the most important parts of this fishing agreement is that it does show that levels of government can co-operate - in this case, the federal/provincial governments, both of whom have a responsibility. It is very easy sometimes for any individual in either level of government to cast all the blame on the other side. That certainly has been the case in many of the dealings between our government and the Government of Canada and each side blames the other. I guess, as in most cases, it takes two to fight and always a certain amount of blame can be laid on either side. In this case, it shows that we, as a Province, and the federal government have taken a responsible attitude about the Newfoundland

MR. POWER: fishing industry and its significance and importance to Newfoundland. Because of this new co-operative approach that we have, it appears that the Newfoundland and Canadian Governments are going to be partners in a new fish company which is going to revitalize a very large section of the Newfoundland fishing industry.

It is also important, Mr. Speaker, that we have involved in this agreement, in this bill that we are debating, the financial institutions - in this case, the bank. I would like to see other financial institutions take an active role in our economy. I think that in certain industries such as the newsprint industry, such as the fishing industry, some of our major financial organizations such as life insurance companies and trust companies, that there is a role for those big corporations to play who have big financial assets, to get involved in the resource sector of Canada. It is not simply enough for the life insurance companies of the world and the trust companies of Canada to get involved in building and constructing buildings which are of a retail nature, buildings that are primarily meant to serve as part of an industry. What I would like to see is to get those big major financial institutions, not just the banks, involved in the resource industries of Newfoundland and Canada. If we had in Canada those financial institutions willing to get involved in things like the newsprint industry, then maybe we would not have the problem that we have in Corner Brook. If they could get involved in the fishing industry, whether it be restructured, now, or before, then maybe we would never have gotten into the degree of debt and troubled management that we had in the Newfoundland industry.

MR. POWER: I will also say, Mr. Speaker, at this time, that besides the financial institutions and the two or three levels of government there is another important player in all of this which can never be neglected and which certainly is being considered in this restructured agreement, and I think was not thought about sometimes in the management of the companies before, and that is the union, the ordinary workers in a plant and our fishermen. They are the people who allow the industry to be there. Without the plant workers and without the fishermen you do not have an industry. In this new agreement we are seeking the co-operation of - both levels of government and the financial institutions - seeking the co-operation of the union because it is now becoming a fact of modern life that you cannot have a large industry, especially in troubled economic times, you cannot have that industry survive if the union is not fully aware of the financial position of the company, is not fully aware of your marketing efforts, is not fully aware of the problems that you are facing as an industry. I think it is certainly becoming a standard form now that unions are taking a more active roll in companies which they, I guess to a large degree, are part of. I will also say, Mr. Speaker, in concluding, that besides being delighted to see this agreement going there is a part of the programme which is very, very important to the district that I represent and the is the resource-short plant programme. The dispute of who lands that fish, whether the fish will be landed by foreign draggers, whether the fish will be landed by Canadian draggers owned by this new Newfoundland company, whether that will happen or not is really a mundane point. What we do have in Newfoundland and what my colleague, the Minister of Fisheries (Mr. Morgan), did today to show the magnitude of the problem - in my district there is \$3.4 million worth of government loans and guarantees that had to

MR. POWER: be put in last year in order to keep small independent fish plants operating and there is \$12 million or \$13 million around the coastline to keep small plants operating.

MR. ROBERTS: How much has to go in this year?

MR. POWER: How much has to go in this year is a point which hopefully will be a smaller amount, certainly not a larger amount, and if we can get the resource-short plant programme working, then I think the amount will be smaller. If the resource-short plant programme does not get put in place, and very quickly, Mr. Speaker, then we are going to have the Minister of Fisheries, whoever he might be, next Fall standing up here and saying that instead of \$3.4 million to the district of Ferryland there is going to be \$7 million or \$8 million or \$10 million, instead of \$12 million for the Province there is going to be \$25 million or \$30 million, because those plants simply cannot work on a ten week fishing basis. They have to get fish for a large amount of time during the year. The only programme that is available in Newfoundland and Canada to do that is the resource-short plant programme. So somewhere in the very near future, even before these bills and this restructured company I guess becomes operative, somebody has got to come to terms with that resource-short plant programme. The small plants in my district, the small plants all along the coastline are going to find it impossible to get back in business for the 1984 fishing season unless they either get some fish to process in the interim or they get more of this kind of an announcement from the Minister of Fisheries (Mr. Morgan).

MR. ROBERTS: You do not happen to have the bottom line, do you?

MR. POWER: Yes.

And the bottom line is that they

MR. POWER: need fish, they need it during the months of January, February and March particularly.

MR. ROBERTS: At a cost that they can handle within their financial (inaudible).

MR. POWER: Yes. And the cost as the problem now relates, the cost that is being asked for by this Newfoundland fish company is too high. They cannot,

MR. POWER: the small plants in Witless Bay, Petty Harbour, Aquaforte and all along the coast, cannot pay twenty-nine or thirty cents a pound for fish and then have that fish processed in that small plant and expect to make a profit from it. The fish, if they can get it for twenty-one or twenty-two cents, I understand from my sources that it could be profitable and they could make a dollar. But, Mr. Speaker, if that does not happen, then you are going to have myself and many other politicians in this House of Assembly coming to the Minister of Fisheries (Mr. Morgan) and the Minister of Finance (Dr. Collins) and the Minister of Development (Mr. Windsor) asking for money to keep these fish plants going.

There is a great misunderstanding, you know, around the Province, sometimes amongst people in business and amongst people who do not deal with the fishery on a daily basis, as to whether the government should be giving these kinds of guarantees, as to whether we really have a capitalistic approach to that industry or whether it is a social one. And I suppose our kind of hybrid situation in the fishing industry in Newfoundland is one that is neither, it is a certain amount of both. You have got to have the industry make money if at all possible. But what you do, for instance, or as an example if, in Witless Bay last year, we had not allowed a fish plant to open to employ 450 people and buy fish from 300 fishermen? What would those 750 families have done during the Winter of 1983 and 1984?

MR. ROBERTS: (Inaudible)

Bowater's kind of thing to do.

MR. POWER: All they could have done, and maybe all that the Bowater people will do if they are not taken care of, is to come to the government and instead of dealing with the Ministers of Finance, Development and Fisheries

MR. POWER: and a member they will deal with the Minister of Social Services (Mr. Hickey). So is it better for a government in Newfoundland to give a guarantee with some risk or is it better for us to give and take no risk and allow the capitalistic system to run its course, those companies not to operate and then we as a Province have to accept the social responsibility, and the Government of Canada, and pay out tremendous amounts of money on social welfare? That is the problem that many people do not perceive about the fishing industry, is that it has to be kept alive, it has to be kept going. You have to have a rural Newfoundland and in order to have a rural Newfoundland you have got to have a fishing industry. And I just want to give praise at least for one moment to the Government of Canada and our own Government of Newfoundland and to the financial institutions who are involved in this restructuring. I just hope that it is successful, that it becomes operative very quickly and the things that we all hope to attain are attained and, I am sure, with a co-operative approach such as this bill entails those things will happen.

Thank you, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear.

MR. SPEAKER (Aylward):
of Belle Isle.

The hon. member for the Strait

MR. ROBERTS:

Thank you, Mr. Speaker.

Let me begin by drawing to the attention of the House, Mr. Speaker, the provisions of Section 6 of The Conflict of Interest Act which is Chapter 113 of the 1973 Statutes of Newfoundland. That section in paraphrase, Mr. Speaker, provides that a member shall not speak on any matter if there is a conflicting interest unless at the commencement of his speaking he states the conflicting interest. There is another provision that has to do with voting, I will

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MR. ROBERTS: not ask the permission of the
House to vote in this matter because I think there is a degree
of unanimity and one vote more or less does not matter

MR. ROBERTS: I wish to declare an interest, Mr. Speaker, and I would ask that the Clerk so note, I believe it is appropriate to put in the journal given that there is a statutory requirement. The interest is very straightforward. The firm in which I am a partner - and, of course, my interest in that firm has been declared in my Conflict of Interest Statement - the firm in which I am a partner has acted legally in behalf of the Bank of Nova Scotia in connection with certain matters which involve the restructuring matter. One of my partners, as was in the newspapers and on the radio, appeared as Counsel before the courts, Counsel of record. I certainly had an interest in that sense in the matter, I do not think it debars me either legally or in any other sense from speaking in the debate but I wish to declare it and I do now so declare. I do not know if it is like a marriage ceremony where I say if anybody here present has cause to object speak now or forever hold his piece, but I would say if any hon. member wishes to comment, or above all to challenge my right to speak in this debate I would ask that he or she do so now or at any other convenient time, I am prepared to deal with it, but I would just as soon, if there is some issue, deal with it. I do not think there is as I read the statute but in any event I have declared the interest and what will be will be.

Mr. Speaker, I would like to make some comments on this bill, Bill 88, in three connections - and I am glad to see the Minister of Fisheries (Mr. Morgan) is back. It is not that I need an audience, although he provides a first-class audience from time to time, but I have some very specific comments which I hope he will be able to deal with when he closes this debate or in Committee, as he deems appropriate. I also want to make some comments

MR. ROBERTS: about the bill itself and these will be mainly in the forms of questions and I will deal with these and the minister I hope will note them in whatever fashion he uses and he may chose to respond to them in Committee. Some of them are fairly detailed and some are not. Some deal with the major divisions of the bill.

And finally, Mr. Speaker, I want to say a few words about St. Anthony itself and the Northern Fisheries Development Corporation and here I would ask that the minister - I will not put a challenge to him, that is not the word at all. I will ask him whether he and his colleagues are prepared to respond to the initiative of the Government of Canada in dealing with the Northern Fisheries Development Corporation and particularly the amendments to the act, because I would say to him that I have spoken with some of my friends in Ottawa, it is still not too late to do what, in my opinion, must be done to ensure the future viability of not only the St. Anthony plant but of the Labrador plants. And let it not be forgotten that there are, I suppose, a half dozen plants between L'Anse-au-Loup running up to Nain, the most Northerly community, and these plants are very much part of the Northern Fisheries Development Corporation as are the plants at Cow Head and Parsons Pond and Flowers Cove and Anchor Point, some of which are in my district, some of which are in the district which my friend the member for St. Barbe (Mr. Osmond) represents, and then there is also the question of the plant at Port au Choix which is an integral part of the operation, in my view, of the Northern Fisheries Development Corporation, although I am not sure we need to address that at great length today; it will have to be addressed at some point before very much longer.

MR. ROBERTS: Mr. Speaker, my colleagues, particularly my friend from Fogo (Mr. Tulk) who speaks for us on fishery matters, and my friend, the Opposition Leader (Mr. Neary), who speaks for us as Leader of the Party have outlined our position in this matter and I do not propose to repeat here what they have said, once is enough. Even my friend for Humber West (Mr. Baird) ought to be able to grasp something when it is said once. I realize he does not always, but he is trying. Sometimes, in fact, he is very trying -

MR. BAIRD: Do not be like that. You were creating a new image and now you are ruining it.

MR. ROBERTS: - and I want to acknowledge that he does try very hard, and I look forward to seeing him at 9:30 in the morning at the Public Accounts Committee, where he is in charge of vice. We have divided up things in the Committee and I take the Chair and he takes the vice, and it is a very good arrangement, it seems to be working very well. That is 9:30 in the morning in the Colonial Building for the benefit of anybody who did not get the commercial in the mail or on the radio.

MR. ANDREWS: Does he do a good job?

MR. ROBERTS: He does a good job, yes, indeed. He is a first-class -

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: - deputy-chairman or vice-chairman, whatever you want to call him, and does very well.

Mr. Speaker, let me, however, make a general observation or two on the bill or, more to the point, on the agreement which is the subject of this bill and which will be ratified by this bill and made into law, and I predict the bill will pass with good support in the House. The agreement itself, a number of members have said this but let me say it

MR. ROBERTS: too, is most welcome, In fact, as the gentleman for Ferryland (Mr. Power) pointed out, it is really a bit of a landmark. I only wish that we had more examples before this House of the results that will flow from co-operation between Ottawa and Newfoundland. I am not here to argue at this point who is responsible for the fact there has been such a lack of co-operation. I will simply say that this agreement is an example of what can result from co-operation and I congratulate all those here in this House, in Ottawa in the House of Commons, and the officials. The minister very generously paid a compliment to them and, based on what I know of the matter, and I know a little about it— I may not know it all— I think that his compliment was well deserved. I would certainly want to join with him in congratulating all on both sides of the table who helped to make this possible, and that includes as well officials from the Bank of Nova Scotia because they found themselves, I think it is fair to say, in a very difficult position. They had a lot of money invested, and if there had not been some sort of an agreement their money would be at risk, but so would the entire offshore deep-sea fishing industry of this Province. They could have at any point in the last couple of years plunged the entire industry into bankruptcy in the legal sense.

So I think all concerned have reason, Mr. Speaker, politicians, bankers, officials all have reason to sit back and to feel that they have accomplished something very worthwhile with this agreement. The crisis in the offshore, and that is what it is, is a continuing crisis which has gone on a long time, it was only too foreseeable, was foreseen by many, predicted by many, but the crisis, although it is not a crisis that has had any one peak, has been a continuing crisis, if that is not a logical contradiction, those two words next to each other, but the crisis in the offshore must be

MR. ROBERTS: resolved and must be resolved quickly.

MR. CARTER: (Inaudible) to you.

MR. ROBERTS: There is too much at this stake in this Province for the likes of the gentleman for St. John's North (Mr. Carter) to give us his usual asinine comments. Now if he cannot

MR. ROBERTS: control himself, I wonder if he would at least exhibit his weaknesses in a proper place as opposed to here in the House.

What I was saying, Mr. Speaker, is that there is too much at stake in dealing with the offshore fishery to play any political games of any nature, silly or otherwise. I think the agreement before us is probably as good as it could be in the circumstances. I do not want to get into the debate of whether we could have had it five or six months ago or not. The record speaks very clearly. Anybody who was involved knows that what is now in the bill before the House could have been had five or six months ago if both sides had put up their minds to it. You could make your own opinion, Mr. Speaker, and so could any person in this Province, as to who is at fault and why. I am not interested in that now, that is over and done with.

So the agreement is there.

It is as good as could be achieved and I think it is something of which the minister and all who worked on it - the Premier, I know, had a very intimate part to play in that; in fact, we might not have had this agreement if the Premier had not come in when he did and the way he did. The agreement is probably as good as could be got. There is some give and there is some take on both sides in the settlement and that makes a good settlement. But - and it is an important 'but', Mr. Speaker, I can state it briefly, but it is important - the agreement, in itself, is not a solution to any of the problems of the fisheries of this Province. At best it is a statement of principles, most of them fairly motherhoodish, and the beginning of the means by which we may solve some of the problems. We may be on the road, we may

MR. ROBERTS: have taken the first step on the road towards solving some of the problems which confront the fishery. The agreement, in itself, will not solve any of them. It may give us some time, it may give us the means - I think, in fact, it gives us both - but it is not a solution. And we in this House - and I think the minister would concur with what I am saying; he might not agree with everything I am going to say this afternoon, but I think he could concur with this - we in this House, or anybody in this Province would be living in a fool's paradise and deluding ourselves dangerously, because to ignore reality is folly as we see in the offshore; we would be living in a fool's paradise if we thought for one moment that adopting this bill and giving it second reading - and the Premier, I know, will concur - making it the law, getting His Honour in to sign it and all that, for one moment solves any of the problems facing the fishery in this Province. It may give us the mechanism, I hope that it does. I believe it is a good shot at it and unless we try it we are not going to know. I think that is important. I think that is a point that we in this House should be very cognizant of and that we should act upon.

We are going to have a great deal more to hear about the fishery and a great deal more to argue about the fishery and a great deal more to decide about the fishery in the months ahead. The Minister of Finance (Dr. Collins), I am afraid, is going to hear a great deal more about the fishery; the Minister of Fisheries (Mr. Morgan) is going to hear a great deal more about it in the financial sense as well as in the policy sense.

While I am on that, Mr. Speaker, let me simply expose the canard that is being put around - I understand why; I mean, you have to do the best you can with what you have - but the canard that is being put around is

MR. ROBERTS:

the fishery now with this agreement than we had before. What has happened, Sir, and all you have to do, Mr. Speaker, is look at the agreement and look at what will result from it, is that the feds have come in with \$75 million, and that is only the beginning, and bailed out the industry financially. They have staved off bankruptcy, they have staved off all of the legal consequences and financial consequences which would follow from that, and that is welcomed. We for our part, the Province for its part, has acquiesced, I believe we had to, in a situation where the federal government, through the corporation, have more say than we do. They have as much or more say in NEWCO as we do, NEWCO, we are told, is to be independent. Well, we will see about that. We all agree it should be, but we will see. The proof of the pudding is in the eating, the message is in the mastication; we will see what happens. But the feds name, I believe it is five of the eleven directors, the Province names three of the eleven, and the other three are named, two by the bank and one by the Fishermen's Union in the social compact.

The feds have more say than we do and they have say now in an area which has hitherto been exclusively provincial, the operation of the plants, the licencings of the plants. I do not mean the quality inspection, that has always been federal, but that has nothing to do with fish. If you want to run an interprovincial abattoir, Mr. Speaker, you have federal licencing that grows out of the federal parliament's power over trade and commerces. But I am talking about the fishery. The federal government through the corporation now has gained a say in the operation of fish plants, in fact the preponderance, the greater part, the majority of the fish plants in this Province. It never had that before.

MR. ROBERTS: not ever, in any way. We on our part have gained nothing with respect to the federal jurisdiction over the licencing of fishermen or of trawlers, nothing with respect to the federal jurisdiction over the determination of quotas and their allocation, nothing at all with respect to the federal government's treaty powers. I am not saying that as a complaint. I have already said, and I believe this to be so, that the agreement if not only as good as we can get but it is a very welcomed step forward indeed. But I do want simply to lay that ghost. I will not, Hon. gentlemen opposite will not agree with me. The Premier, when he speaks, will take issue with me. That is fine. That is what makes horse races, lawsuits and Legislatures. But, Mr. Speaker, the fact remains that anybody who looks at the facts will have to come to this agreement. The agreement, the bill, does not give the Government of Newfoundland and Labrador any greater say; in fact, it reduces somewhat the area over which hitherto the government, as opposed to the Legislature, had an influence and a power.

Let us not try to claim the agreement is more than it is. In itself it is a substantial step forward.

Mr. Speaker, to sum up this part that I want to say, the agreement does not solve anything but at most it is the beginning of the end of the troubles of the industry. And if it is that, I would think the Premier and the Minister of Fisheries (Mr. Morgan) will quite properly be entitled to a place in the history of this Province, if not a page in history at least a footnote. And that is as much as many of us can aspire to.

MR. ROBERTS:

But, Mr. Speaker, the hard decisions are still all ahead of us. The Minister of whatever it is called, Forestry now - I cannot keep track of the names - but the gentleman from Ferryland (Mr. Power) who is in charge of Forests and does a good job at that, sketched some of those problems when he spoke of the situation of the fish plants in his district.

As I recall, the gentleman from St. Mary's - The Capes (Mr. Hearn) - and I was not able to be here on Thursday - spoke of that if the newspaper brought it to me correctly, and I know other hon. members on both sides have.

The hard questions of the fishery are still there to be answered. None of them have been solved, none of them have even been addressed by this bill. The debate has raised one of them, perhaps the most imminent one, this question of the cost of offshore landings. And it is true, I have no doubt - my information is the same as that of the gentleman from Ferryland - that the inshore plant operators who expect to get fish under the resource-short plant programme, which is adverted to in the bill or in the agreement, that they cannot afford to pay the price per pound which the Newfoundland or Canadian operators ask and still even break even, let alone make anything on processing that fish. That is true. But equally, I suggest it is true, my information is it is correct, that the Canadian operators cannot sell that fish for anything less than the price per pound they have quoted and even break even on it. What you have is that it is costing - I mean, in a phrase, it is simplicity itself really, it is a recipe for economic disaster - it is costing us more to catch that fish offshore than we can

MR. ROBERTS: get in the market once we have processed it. Whether that is a quality problem or a marketing problem or a processing problem, or because wages are too high or the price of fish is too low or what, adding it all together, the fact remains that we cannot offshore catch a pound of fish in a Canadian dragger, land it, process it, sell it and get enough to cover the cost, an economic return. And that issue has been debated here and there has been no real answer to it. The minister, when he closes the debate, may choose to address it, I hope so. But I just give you that as one example of the hard questions that are still ahead of us. The whole question of the inshore fishery, of course, this bill does not really address at all but we all know that there is an immense problem in the inshore fishery, not just in the plants. The other side of the problem is the fishermen, most of whom in Newfoundland and Labrador do not and cannot make a living from the fishery.

My friend, the member for St. Barbe (Mr. Osmond) has many fishermen among his constituents and he would agree that most of these men and women - more and more women are going into the fishery now - cannot make a living from the fishery.

MR. MORGAN: St. Barbe is one of the better ones.

MR. ROBERTS: St. Barbe is one of the better ones, I agree with the Minister of Fisheries. But in the inshore fishery - I am speaking particularly of inshore and I will even separate out longliners - it is almost impossible to make any kind of a decent living for your family. And that is true on the St. Barbe coast, it is true on the other side of the peninsula and it is true over most of this Province; the hon. gentleman's district of

MR. ROBERTS: Bonavista South, I suggest it is true there as well.

There are some people who make a good living from the fishery, granted, but most do not and most cannot. You cannot catch enough fish, given the price per pound that men get for fish, to enable you to meet your expenses and still to have a decent living for your family. And the situation may vary somewhat

MR. ROBERTS:

from place to place around the Island or down on the Labrador but the basic fact, I suggest, is true. That has got to be the top of the agenda once we get this restructuring out of the way. That has got to be the issue.

I have touched on the resource-short plant issue. That has got to be addressed. I have no doubt the Minister of Fisheries (Mr. Morgan) is at it. He has put up an imaginative proposal which may or may not be accepted, I do not know, but at least it is a proposal. We just cannot go on twiddling our thumbs.

I tend to agree with my friend from LaPoile, the Leader of the Opposition (Mr. Neary), that bringing in foreign dragnets is not the issue. It may be a short-term expedient but it certainly does not solve anything: It does not help the Canadian companies on the Newfoundland companies, it will not help NEWCO in the least to meet its bills or to pay its way, and if NEWCO does not pay its way then all we are doing is postponing the inevitable by this bill. In fact that is what we have been doing in this Province and in this country now for fifteen or twenty years. In my years in the House - they are not quite as extensive as my friend from LaPoile, but next to him the hon. gentleman from St. John's East Extern (Mr. Hickey) and I are the graybeards in this House right now - we have lived through five or six crises like this in the fishery. My friend from LaPoile casts his mind back to those halcyon long-ago days when he and I sat in Cabinet. Every five years there is a crisis in the fishery and the government have bailed them out. Now another big bail-out has come; the numbers get larger, the principle does not change, either the 'le' principle or the 'al' principal. Now hopefully with this restructuring we may address the major issues but, Mr. Speaker, they are still there.

MR. NEARY: At least we got the Ottawa treasury behind us now.

MR. ROBERTS: We have finally got Ottawa in on it although it cost us. Ottawa would have come in six months or a year ago. This initiative was Ottawa's initiative. Michael Kirby's appointment was done by Ottawa, the whole initiative that flows from it was by Ottawa, for good or for ill. I think for good. There are obviously problems there. But above all, Mr. Speaker, sooner or later in this Province - and I know the Premier is going to speak this afternoon and I may have to ask for a few more minutes if they will grant me time but in any event the Premier certainly has all the time he needs to speak and if he needs more time than the rules might allow him we would obviously grant whatever time he needed - but, Mr. Speaker, the real issue in the fishery in this Province, and sooner or later we have got to face it, is whether the fishery can provide a living, an economic income, I do not mean a few dollars, I do not mean sharing the poverty, I mean whether the fishery can provide a living for the numbers of men and women who are looking to it to do that. I do not know the answer. I have questions, I have any number of questions. I sometimes almost wonder if we can and then the other side of it is, well, what else do we do in Newfoundland and Labrador? The fishery has always been the employer of last resort. But more and more I find fishermen in my own district, or elsewhere as I move around the Province from time to time talking to people, listening to people, the question is coming can the fishermen who are there make a living from the industry? Some say the inshoremen would be okay if only there were no draggers. That may very well be so. If we ended the offshore fishery there might be a great deal fish to be caught by inshoremen and they

MR. ROBERTS: could then catch it, sell it, make a good living, not get rich but make a living. The only problem there is that that would doom all the trawler plants, all the trawler communities.

PREMIER PECKFORD: A lot of the fish in the trawler comes from fish that except for some that come from the South Coast (inaudible) or if they have been successful.

MR. ROBERTS: I think the Premier's point is well taken. The only technology we have to reach them. But he takes my point at the same time. He has had people say to him, 'Well, Sir, if only we banned the trawlers, kept them off, then we would have much more inshore,' and I hear this particularly down in my district. But it is true, I will swear. And the fallacy in it of course is the one he puts his hand on. I mean, it is not a solution. It is no solution simply to move the unemployment from one area of the Province to the other. That is no answer. And so when we think of the fishery that has got to be the concern. For a few years we went on opening plants. It was the New Jerusalem, every little community had a plant. There must be seven or eight in my district alone and it had very real advantages. The big one was for the women in the community who got to work in the plant for their ten weeks and got their stamps. And I am not necessarily an unreconstructed fan of Adam Smith and that school of economics.

MR. ROBERTS: but he speaks of the invisible hand - the Premier nods. He and I are probably the only two in the House who have ever read Adam Smith. I am not saying either of us understands it, I am feeling charitable today - but the invisible hand writes - now that is not the invisible hand that is in the Bible, 'Mene, mene, tekel, upharsin,' if I recall it correctly - but the invisible hand that Adam Smith writes -

PREMIER PECKFORD: I think Keynes had something to say about that.

MR. ROBERTS: Keynes had a great deal to say about that. But the fact remains that in a market economy, really in any free economic set up, and the Keynesian system is free in that sense. I suspect the Premier is Keynesian, I certainly am, although I think most of us feel that we have gone a little beyond Keynes. By the way, there is a superb - if the House will permit; the Premier and I we may be the only readers in this House - there is a superb new biography of Keynes. The first volume was published in London a fortnight or so ago by Sedelski, I believe. When I was there the Sundays, the qualities were filled with the reviews. If the Premier has not already sent to wherever he buys his books - Blackwells or Foils or Hatchers or one of these in London - he might want to. It is a superb biography, and it sets Keynes in perspective as one of the seminal minds of our time, a man whose influence will go on for long after the political leaders at all levels are dead and gone and built into monuments.

MR. CARTER: Is this relevant?

MR. ROBERTS: Well, I say to my friend for St. John's North (Mr. Carter), it is probably not strictly relevant but the forces of economics are relevant to us all. He might not realize that, but his leader does - I am sorry, the Premier does.

MR. ROBERTS: Mr. Speaker, I have had the five minute note. I wonder if I could ask my hon. friends opposite whether they will allow me a little more time.

SOME HON. MEMBERS: By leave.

MR. ROBERTS: I am grateful to them. I shall plunge on notwithstanding the bitter, violent harassment of my friend from St. John's North (Mr. Carter).

Mr. Speaker, the point I was making is that the fishery, the issues are still there and sooner or later in this Province we are going to have to face up to them. If I have a fundamental quarrel, and I have several with this administration - and that is fair; that is why they are there and I am here. They have won the election and have the right to be where they are - but if I have a fundamental quarrel it is with the fact that when we hear of the fishery and rural Newfoundland - all of which I endorse; my political career has been founded in rural Newfoundland and that is where I politically live and die - but if I have a quarrel it is at no time does the Premier oft-stated commitment to the rural areas, and I heard it today from several hon. gentlemen opposite, come to grips with the numbers. Can we in this Province through the fishery, our only significant, expandable, renewable resource - we will be lucky if in ten years or anything like as many men and women making a living directly or indirectly from the forest industry as there are today. The same I think holds true with mines. Mines, by their definition, come and mines go. We have lived through the problem in Baie Verte for the last year or two and there may be more to come there. We are living through the one in Labrador West, Buchans, what have you. They come and they go - but can the fishery, can that resource, which is finite - it is renewable, we are not catching all of it, but there is a finite limit to it.

PREMIER PECKFORD: We are not catching it all.

MR. ROBERTS: The Premier raises his finger and I agree we are not catching it all. There is no question at all. I forget the numbers - 50,000, 60,000, 70,000, 80,000 tons out there, some of it in foreign quotas - and he may have the numbers and I do not; well, I hope he does because I did not come with all the numbers because that is not directly what I am trying to get into.

PREMIER PECKFORD: No, but I am glad you are.

MR. ROBERTS: Well, fine. I think perhaps we might have a debate on it. We are being nice to each other. It will not last.

PREMIER PECKFORD: I like to hear your point of view, though.

MR. ROBERTS: We might think in this House, very usefully, of taking a day - if we had Opposition days it is one I would suggest to my colleagues we do - take a day and debate a general motion that the fishery can produce enough jobs so we can get into this as a House. Sometimes I think we spend too much of our time on debating legislation in the wrong way. This bill is a bill and the dentistry bill was a bill, and yet this bill will have influence and impact upon all of Newfoundland for generations to come, and the dentistry bill is important to the dentists and that area of our society but no more. I say to the Premier it is one of the reforms we might look at seriously - I do not care if it is an Opposition day or a Government day, we do not have that in this House as of yet - but taking a day or two and putting down a government motion with a debate, by agreement, limited on both sides of the House to maybe a day or two and talking about the fishery and getting into these numbers. Because, while there is uncaught fish, my understanding is that even if we caught all the fish we could catch, which I guess is all of it, even if we marketed all that we could market, which may not be all of it because there is a lot of that fish that is not marketable in any market known now - I can only state my understanding; the Premier may well disagree and we can certainly have a debate on that - but my understanding is even given those two ifs - let us assume we catch it all and market it all at an economic price - there is still not enough economic rental generated by that to meet the need. It would obviously be an improvement, and half a loaf, as I said the other day, is better than none. But I leave the point except to say again that I think it is the real heart of the fishery issue. All this restructuring

MR. ROBERTS: is just moving bucks around on a table and on the left hand and the right hand side of the balance sheet and that is standard. But the real issue is whether the fishery can support in this Province the numbers of men and women who look to it and I do not mean look to it in the family sense, I mean look to it directly, you know, out there in a boat or in a plant as the case may be.

MR. SPEAKER (Aylward): Order, please.

I have to inform the hon.

member his time has elapsed. I understand he has requested leave of the House to continue.

SOME HON. MEMBERS: By leave.

MR. SPEAKER: Leave is granted.

The hon. member for the Strait of Belle Isle.

MR. ROBERTS: Thank you, Mr. Speaker, and I thank hon. gentlemen.

Mr. Speaker, if I may turn to the bill, there are a number of questions that we could raise at committee, but if I raise them now perhaps the minister, who I know is pretty familiar with all of this, could acquaint himself with any that he may not have thought of. These were ones that came to me as I went through the bill.

I would like to know why we are having an operating company and a holding company. That is the legal structure that is being created. I have not doubt there is a reason, it may very well be a perfectly good reason, I just do not know what it is. I can speculate, I can think of some, but that is not the answer; the answer lies with the ministry. Perhaps the minister, in committee or wherever he chooses, could address that. There is a perfectly straightforward reason why there are two companies, but I do not know what it is. Why is one incorporated under the CBCA

MR. ROBERTS: and one provincial? Are we back on the Churchill Falls situation once again? Nothing wrong with it legally but certainly unusual.

I notice, Mr. Speaker, that on page five of the bill, the second page of the schedule, Section 2(a) that three per cent of the shares have been set aside - by the way, there is a typographical error in that schedule, \$29.3 million should be in brackets up there - three per cent of the common shares are set aside for the employees and that is the social compact and a very good idea. What happens if that 3 per cent is not taken up? Because my understanding is that remains to be negotiated between NEWCO on one side and the Fishermen's Food and Allied Workers Union on the other. So who gets those 3 per cent if the union are not prepared, for whatever reason, to take them up?

Could the minister tell us, please, what rights attach to each of the three classes of shares? There are three classes of shares; in fact, there are four classes of shares. There are two Class A shares preferred, there is the common and the Class B. What rights attach to each? Under our Companies Act and under the CBCA, and there are differences in these two, but under the Companies Act you can do some very creative things with shares and I would like to know what creations we are spawning here. It is significant that one class of the Class A shares goes only to governments and to the union, and the union, you will notice, is required to put up \$4 million. I do not know where they are going to get that, whether that is a cash input or whether that represents leaving in the company money which members of the union may now be owed; I just do not know, but perhaps we could hear that as well, given that this level of

MR. ROBERTS: government and the bank, neither of those two are putting in new cash. The new cash that is coming in is all coming from the federal treasury, and I would think that would be a welcome arrangement to the Minister of Finance (Dr. Collins), and to the chairman or whoever is in charge of the Bank of Nova Scotia, the chief executive officer, I guess, the chairman. But where does the \$4 million from the union come from? Is it cash in or is it conversion of money's worth that they now have in that company, as is the case with the -

MR. NEARY: It will be deducted from their pay cheques.

MR. ROBERTS: My friend from LaPoile says it will be deducted from their pay cheques. That then, is cash in, that is an investment into the company. It may well be the case, but I would like to know that, in which case Mr. Cashin and his associates in the union may very well have something to say about that. I do not know what position they take. But I notice that the Class A, Series (2) preferred shares go only to governments, whereas the Class A, Series (1) and the Class B shares go to the Bank of Nova Scotia in what appears to be a two to one ratio and that appears to reflect the amount that the bank is leaving in as debt and the amount which the bank has agreed to convert into equity, and yet all of these shares are equity as opposed to debt. So I wonder if the minister could tell us that. I do not read anything sinister into it, I just want to know what the shares are, Are they voting shares? Are they voting under any conditions? Do they have rights to dividends? What about the redemption rights? What about the rights on a winding up? These are all issues which very much relate to the

MR. ROBERTS: structure of the company.

If these are not addressed as yet, well, that is fair enough, I could be told that, and if they are not, well, we will obviously hear more down the road. Nobody may have thought of these, given the way this agreement had to be put together.

PREMIER PECKFORD: (Inaudible).

MR. ROBERTS: Well, I thank the Premier, but hopefully somebody can tell the House in Committee or otherwise, I prefer in Committee, because in Committee we can discuss and debate.

I would ask the Premier or the minister, whoever is appropriate, to tell us where we are with the CEO. I know a search committee

MR. ROBERTS:

has been set up, that is very public, I keep hearing two or three names which I think are good names, and I would like to know not who the man is going to be, or the women, we will hear that when it is announced, but is there any expectation that CEO may be in place fairly quickly? And I think the same would apply to the directors although I think the CEO is more important than the directors. The CEO is going to be in trenches day by day slogging this through. Can the minister give us any indication when we might expect to see a CEO put into place, a very critical appointment? And let me say I hope that the remuneration being offered is adequate, you are going to need a top-notch person for that and thus is going to need a top notch salary well beyond anything, I suggest, that the public service in Newfoundland has ever looked at.

The business plan; a number of references are made to the business plan in the agreement and it is obviously an important document. Will this be made public either in some form or another? I know it is a document being developed for the directors, to guide them in their decisions and to influence them, but obviously all of us have an interest in this. Not only is all of the money in it coming out of the public chest here or in Ottawa - well, a lot is from the bank, but a lot of it coming from the public - but of course on top of that, Mr. Speaker, the business plan says what opens and what closes. And let there be no doubt that under this plan the expectation is there is going to be plants closed. We all hope there will not be, but the expectation is there will be plants closed or significantly changed, as has happened already at Burin. That plant will never again function as it has in past. Hopefully it will function very profitably in

MR. ROBERTS: the new mode that has been prescribed for it, but again that remains to be seen. So the business plan, it is in 3(a) of the agreement, will that be made public in some form or another?

Clause 6 speaks of a study, Mr. Speaker, the fishing industry structural study. Can the Premier - maybe he has a note on this - would he be kind enough to tell us where we are on that? Who is going to be doing it, consultants or officials? I hope to Heaven they are not consultants, I am getting fed up with consultants. The Premier I know will agree with me when I say that I have never yet seen a consultant study that does not end with saying, 'We recommend that further studies be made and we know a consultant who can do it if you like to.' I would suggest officials do it. They may need to bring in consultants on a specific point from time to time.

PREMIER PECKFORD: Yes, that is how it will go.

MR. ROBERTS: Well, I hope so.

PREMIER PECKFORD: As a matter of fact we have done that already.

MR. ROBERTS: Certainly if my views have had any impact in any place that is the way it is to be done. But in any event, perhaps the Premier could tell us what has been done and who and when we might expect in rough terms to get some answers?

The task force report to which reference is made in Clause 10 is another vital issue. Will this be made public and, if so, when can we expect to see it, again in rough figures? But are we talking six months, or a year or more than that?

11(g), this is one that I suspect I can detect the fine hand of the member for Green Bay (Premier Peckford) in and I compliment him on it. Could he tell us what that clause means? He may not want to, but I do not know what it means. It says, 'Subject to the

MR. ROBERTS: restructuring of the Nova Scotia fishing industry the obligation of H.B. Nickerson and Sons Limited to supply Triton with 6 million pounds annually of offshore Northern cod will be honoured.' Well, that is clear. But the 'subject to' bit, we all know the Nova Scotia fishing industry is being restructured and Nickerson has gone, where then does that leave Triton? I have no doubt the Premier has attended to this and well he might. He is the Godfather of the Triton plant, Mr. Dorman Roberts is the 50 per cent owner of it and a very fine gentleman. No relation, by the way, I think he is older than I am so I had the wit to pick his name.

MR. ROBERTS: The Premier is the Godfather or the stepfather and I want to know where the Triton plant comes, because I think it is common ground that without that supply of offshore fish the future of the Triton plant is like Hobbes' description of the natural state of life which is nasty, poor, solitary, brutish and short, if I remember the Leviathan correctly.

Trawler replacement: That is referred to in this document. Where are we on that? I do not just mean Marystown, that is an important part of it, but, Mr. Speaker, anybody who knows anything about our fleet - and I do not know much but I know something about it - knows that our trawler fleet is almost totally decrepit, dilapidated, it is not unsafe although some of them are unsafe, I fear, but it all has to be replaced. And one of the things that the companies did do in an effort to stay alive was they used all their depreciation and they made no provision, I am told, at all for funding the replacement of those vessels and to buy new vessels and pay for them in a normal way. Even if somebody would lend the money short of guarantees, and I do not think anybody would lend the money short of guarantees, even on that basis the plants, I am told, cannot generate enough earnings to refurbish their fleets. That leaves the obvious question; they have to be replaced, where does the money come from? And we all know, Mr. Speaker, Cape St. Mary's pays for all. Has this question been addressed in detail? Perhaps the Premier can tell us.

Mr. Speaker, those are a few of the general concerns. Let me now say a few words about St. Anthony and I would address these particularly to the Premier and the Minister of Fisheries (Mr. Morgan). The bill itself in Ottawa, I understand, is being debated this afternoon.

PREMIER PECKFORD: Would you give us your comments?
I did not know (inaudible) just before I came up from
downstairs trying to (inaudible)

MR. ROBERTS: Could the Premier ask his
colleagues to be a little quieter?

PREMIER PECKFORD: On the Northern Development
Corporation.

MR. ROBERTS: Yes, I am coming to that now.

PREMIER PECKFORD: I knew your time was running
out.

MR. ROBERTS: Well, I am trespassing on the
House's time but I am trying to be concise. I can be long
winded, the Premier would agree, but so can he. I think on
this one we are both being concise.

PREMIER PECKFORD: I have no worries about
that.

MR. ROBERTS: My note is headed 'St. Anthony
NFDC' because the Northern Fisheries Development Corporation
is intimately connected with the plant at St. Anthony and the
St. Anthony plant is intimately connected with NFDC. The
point I was going to make is that the federal bill is before
the House of Commons today. I understand it will be called
for debate today in Ottawa. I am not sure there has been an
agreement. I know my friend, the Minister of Fisheries (Mr.
Morgan), has tried to get an agreement. I understand there
are a couple of members on both sides from the South shore of
Nova Scotia - Ms. Campbell and Mr. Crouse - who apparently
are not prepared to let this thing go through harmoniously on a
relatively speedy basis, so it may be held up. But now that the
Crow has been put out to pasture or hung out to dry,
whatever you do with it, hopefully the House will devote the
time that is necessary and the bill will get through. I
think it is essential that it get through; if not, we are back
on the legislative timetable for the next parliamentary session

MR. ROBERTS: to begin whenever it begins, very shortly, and I think there is a very great logjam in what will be almost certainly a pre-election session.

MR. NEARY: Ours could be signed tomorrow.

MR. ROBERTS: My hon. friend from Lapoile (Mr. Neary) is dead right, ours could be signed this week; if fact, it could go through all stages in a day or two if only members on both sides will confine themselves.

MR. ROBERTS: Mr. Speaker, the NFDC concept is obviously very close to my heart. The fishery is the lifeblood of the Northern Peninsula and Coastal Labrador. Whatever hope we have of building a viable society economically in those areas is founded on the fishery. I agree with the Premier, the resource is there. In fact, the most poignant and the most pointed and the most irrefutable argument for NFDC is the fact that the St. Anthony plant and Labrador plants and the other plants on the Island - Englee conceivably, Cook's Harbour, Flower's Cove, Anchor Point, Parsons Pond, Cow Head and, in my view, Port au Choix, no doubt in my mind Port au Choix should go in to NFDC. The Premier smiles. He may be of a different view, but there is a very strong argument that has been going on for months there. I have not had my way on that one, I will tell him quite candidly. Perhaps if I were in a different place and not sitting in this House, if I were in another house I might have had it. But, quite candidly, I have not had my own way on that one, no. I think he will agree I have scored fairly well on my little target list, but on Port au Choix I have no hesitation in saying that the powers that be have not heeded what I believe is the right advice on that one. However, that is a battle that may have to be fought again, it certainly has not been won and we have not given up on it.

In any event, the point is NFDC is absolutely essential. It will need an amendment to the Federal Salt Fish legislation, whatever the name of that is. I am not sure of the name of the bill but it does not matter, we all know what we are talking about. That amendment was drafted but it is not in the bill today.

PREMIER PECKFORD: Why do you say it requires an amendment? Have you already made up your mind? What is it going to be?

MR. ROBERTS:

No, I have not made up my mind.

I will talk about the form the amendment should take, it should be permissive. The reason is that the Saltfish Corporation is not permitted - and I will come back to the Premier's other point - the Saltfish Corporation is not now by its legislation permitted to deal in fresh fish products. Our act, I am told, is broad enough -

MR. MORGAN:

(Inaudible) Saltfish Corporation.

MR. ROBERTS:

Well, that is the Premier's point and

I will come back to that in a moment. But let me just say why amend the act? It is because the Saltfish Corporation is not permitted to deal in a noncured fish, I think they use the term 'cured fish'. The amendment as drafted would allow it to do that on a non-exclusive basis. It would not give it a monopoly. Now that raises the issue, Why has it got to be the Saltfish Corporation? It does not have to be the Saltfish Corporation. In a sense it does not matter what it is. But if the amendment does not go through it cannot be the Saltfish Corporation, and that is the whole point of it. Putting the amendment through does not mean it has to be saltfish; putting the amendment through means it can be. And the problem is that if we do not get in the legislative line-up in Ottawa this day, then that door is closed - forever is a long time, but it is closed for the foreseeable future.

MR. MORGAN:

But you would not need legislation if it is going to be part of the restructured company.

MR. ROBERTS:

I will deal with that right now.

It would be, in my view, totally wrong to have the NFDC or the St. Anthony plant as part of NEWCO, the restructured company.

MR. MORGAN:

You would not want St. Anthony plant part of it, for argument sake?

MR. ROBERTS: No, no. And I think in that I mirror not only the feelings of my constituents, but I mirror as well the feelings of a lot of people who are, in my view, knowledgeable in the industry that the St. Anthony plant would be the tail.

MR. MORGAN: What about Englee and Bide Arm?

MR. ROBERTS: Englee and Bide Arm equally should go into NFDC. Kirby 14 and 15 are right. They should all go in and we should use the revenue from the four shrimp licences, two of which are being fished into Port au Choix, one of which is by Torngat Fish, the other by the union company, the Labrador Shrimp, is it called? The Labrador Shrimp Company. That is \$2 million a year in revenue that we can sock in to the NFDC right now.

MR. ROBERTS: I think we have agreement on that although NEWCO may say they are Port au Choix licences and we will have that argument down the road. But, Mr. Speaker, the point is if the amendment does not go in, the door to the Saltfish Corporation will be barred. So I would simply ask the minister if even now he is permitted - it is not in for one simple reason, and I do not say this pejoratively, it is not in because the Province said, 'Please do not put it in.' And the feds, because Pierre De Bane and our minister are heart to heart and cheek to cheek and soul to soul, and we are all benefiting because of that, I encourage him to keep it up, because Pierre De Bane said, 'Alright, if the Province says, 'Hold on to it, let us study it a little more,' we will not put it in.' The only problem is that, given the timing, not putting it in would have closed the door forever.

MR. MORGAN: In the meantime St. Anthony is in on the restructuring.

MR. ROBERTS: St. Anthony is in on the restructuring. But let me say to the minister that - well, I said half a loaf is better than none, but that is not even a part of a loaf and I will tell you why. Because the St. Anthony plant is probably an unproductive plant by some standards - it needs a lot of capital spent on it; it needs millions spent; the wharf is about to slide into the harbour and a number of other areas need attention - and I can just see a bunch of fish plant managers, running the business economically, saying, 'St. Anthony must go,' the same way as the gentlemen in London are going to close Corner Brook, not because the Bowater mill is unprofitable in itself, but because, looking at their ROI figures and looking at their worldwide strategy, and this is what Lynn Verge is going to be told over there, 'It just makes no sense for us to keep it open. We are washing our hands of Corner

MR. ROBERTS: Brook.' They will give it away - well, no, they will not.

MR. NEARY: The global strategy.

MR. ROBERTS: Mr friend from LaPoile (Mr. Neary) is right. Under their global economic strategy they would give it away. That is why there is very strong feeling in the district, I say to my friend from Bonavista South (Mr. Morgan), and I think he will concur that, while I do not know everybody and I do not speak for everybody, I generally can reflect what is happening in that constituency of mine and there are very, very, very strong feeling that the St. Anthony plant ought not to remain part of NEWCO.

MR. MORGAN: Supposing the corporation wants a separate company by itself, its own corporation managing the nucleus of it?

MR. ROBERTS: That is a very welcome idea and I think that is what should come. The problem is perhaps that should be the Saltfish Corporation or a subsidiary of the Saltfish Corporation, and if this amendment does not go through the door is closed. So I would say to the minister and to the Premier that, even now when they think about it, I understand it will go back in if they allow it to go back in. Putting it in in Ottawa does not mean it must be the Saltfish Corporation, it merely means it can; leaving it out means it cannot. I cannot put it any more clearly and I will not repeat it because I think hon. gentlemen have grasped my point. What I would simply ask the minister to do is to indicate whether he is prepared to support this concept and then to go on and give us his vision or his view of what will happen to NFDC. I understand the feds are prepared to put in \$15 million cash and not ask a cent from the Province. I understand they are prepared as well to do what they can to take the \$2 million in revenues

MR. ROBERTS: from the shrimp licences, which are federal - and the minister has concurred with this idea and rightfully so, he may even have suggested it - but they are prepared to put that in as an operating subsidy so the NFDC has \$2 million a year coming in to start with to enable it to do the social things it must do. It has to do them because by straight economics many of those plants would not operate. By straight economics much of this Province would not operate, but that is not an argument that in itself is conclusive. So I would leave the point by appealing to the minister and to the Premier even now to agree to allow the clause to go in. They have no legal right to block it but we are not talking legalities, we are talking an era an aura of harmony, and I say to the Minister of Fisheries (Mr. Morgan) and to the Premier that putting it in does not in itself mean it will be the Saltfish Corporation, that is going to require agreement. But leaving out that clause now in Ottawa means it cannot be the Saltfish Corporation and that is, I suggest, closing a door that should not be closed. The Premier said to me that I have made up my mind. I have not. But I would say to him that leaving out that clause means that he has made up his mind. I do not think we should decide the NFDC right now. I think we should put that clause in so, if it is decided to go down that road, the Saltfish Corporation can be the chosen instrument; if it is decided not to, then it does not have to be. But not putting it in now

MR. ROBERTS: does not stop the Saltfish Corporation operating St. Anthony, they can do that as they have done it in the past. What it does stop is the Saltfish Corporation operating the NFDC and it puts the - well, the Premier shakes his head, he obviously has a different view. I will state mine and I will gladly hear what he has to say.

Mr. Speaker, the bill itself is one which we should all support, which all of us do support, but I think it is important we put it in perspective. I think it is important we realize that it does not, in itself, resolve anything; it gives us, as I said earlier, perhaps a methodology, the tool with which to begin to do the job. The new company, whatever it is to be called, will go forward with the hopes of a lot of Newfoundlanders in it, because if it succeeds it will bring great benefits to this Province, if it fails it will bring, I fear, great harm and great hardship, conceivably, to the Province. It is not the last chance, there is never a last chance, but we are getting to five minutes to midnight on the midnight clock with respect to the fishing industry in this Province now.

I am glad the government have come to the agreement. I think they did the right thing and I compliment them on it. The agreement is a step forward. It does not, in itself, address the major issues but one would not expect it to. I think all we can do at this time in this House is note that there are major issues as yet unaddressed and that these are going to have to be addressed not very far down the road.

This is not the last of the public money to go into the fishery, Mr. Speaker. It is not the last of the public money to go into the offshore

MR. ROBERTS: fishery, which is the area of Newco. It is but the beginning. I hope it is the beginning of the end of the troubles and for that reason I support the bill, Sir.

Thank you very much.

MR. SPEAKER (Russell): The hon. the Premier.

PREMIER PECKFORD: I do not know, Mr. Speaker, if anybody else wants to speak.

MR. ROBERTS: Want to call it six o'clock?

PREMIER PECKFORD: Yes. I would not want to start today and do it in a disjointed fashion. But if some other member wishes to speak for twenty or twenty-five minutes to present a point of view, that is fine. I had intended to speak but I would rather wait until tomorrow.

MR. ROBERTS: Call it 6:00 P.M.

MR. MARSHALL: Yes, we will call it 6:00 P.M.

PREMIER PECKFORD: So with the concurrence of everybody, we can call it 6:00 P.M. and begin afresh tomorrow.

MR. SPEAKER: It is noted that the Premier had adjourned the debate.

The hon. the President of the Council.

MR. MARSHALL: I move that the House at its rising do adjourn until tomorrow, Tuesday, at 3:00 P.M. and that this House do now adjourn.

On motion, the House at its rising adjourned until tomorrow, Tuesday, November 15, 1983 at 3:00 P.M.

INDEX

ANSWERS TO QUESTIONS

TABLED

NOVEMBER 14, 1983

Answer to Question Number 148 on the Order Paper of
November 9th., 1983:

QUESTION

Mr. Neary (Leader of the Opposition) -
to ask the Honourable the Premier to lay upon the
Table of the House the following information:

A list of all studies commenced and/or
completed since 1977 on Newfoundland's
economic future prospects if the
Province were to separate from Canada.

ANSWER

This same Question was asked by the Leader
of the Opposition as Question Number 127 on the Order
Paper of April 28th., 1983. At that time I replied
that the answer to the Question was "No"!

Now, just seven months later, in November,
the Leader of the Opposition is asking the same
basic question that he asked in April. I am pleased
to tell him, once again, for the second time in seven
months, that the answer is still "No". No such
studies have been ordered by this Government.

14 Nov. '83

Answer to Question No. 149 asked
by Mr. Neary (Leader of the
Opposition) on Order Paper dated
November 9, 1983

Question:

A list of all written complaints his
Department has received since January,
1983 from concerned individuals and
groups regarding poor and sub-standard
safety regulations at the IOCC operations
in Labrador West.

Answer:

No written complaints have been received
in the Department of Labour and Manpower
since January, 1983 from concerned
individuals and groups regarding poor
and substandard safety regulations at the
IOCC operations in Labrador West.