

PRELIMINARY
UNEDITED
TRANSCRIPT

HOUSE OF ASSEMBLY
FOR THE PERIOD:
3:00 P.M. - 6:00 P.M.
TUESDAY, NOVEMBER 8, 1983

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

MR.SPEAKER (Russell): Order, please!

ORAL QUESTIONS

MR.SPEAKER: The hon. member for
Port au Port.

MR. HODDER: A question for the
Minister of Finance (Dr. Collins). I realize that the
minister has said publicly that the Cabinet is assessing
the full impact of the loss of revenue suffered in
the first quarter of this year and that the report
indicated a \$13 million shortfall in current account.
But I would like to ask the minister if he could indicate
to the House whether the Province's financial performance
is better or worse in the second quarter? In other words,
are we falling behind or are revenues picking up?

MR.SPEAKER: The hon. Minister of
Finance.

DR. COLLINS: Mr. Speaker, I will
not be able to give any definitive answer to that today
but I will be in a position to give a much better
one very, very shortly now. Any answer I would
give would not be based on the final draft of the
statements I said I would make on behalf of the government
to the House. So I would like to leave answering
that question for a very short period, for a short
number of days anyway.

MR.SPEAKER: The hon. member for
Port au Port.

MR.HODDER: Mr. Speaker, it is
obvious that the minister will not answer the question

MR. HODDER: which means he has actually answered the question and that it is quite clear that revenues are not picking up in the Province. Would the minister tell the House -

MR. NEARY: The House is open two days now. He should have his statement ready.

MR. HODDER: - whether the statement which he intends to make will be similar to his Ministerial Statement of November 18, 1982 in which budgetary restraints were announced such as sales tax increases, layoffs, hospital bed closures and other social restraints? Will the statement include any of those measures such as were in the last statement of this type?

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

DR. COLLINS: Mr. Speaker, there will be certain similarities. I am going to use the English language, I am going to put it on paper, I am going to circulate the report, I am going to have a beginning to it and there is going to be a middle part and then there is going to be an end to it. But other than that I do not, at this stage, wish to go into any details. As I mentioned to the hon. member, I

DR. COLLINS: will have a definitive, written statement that he can peruse at his leisure, hopefully for his improved comprehension, in a very short number of days.

MR. HODDER: Mr. Speaker.

MR. SPEAKER (Russell): The hon. the member for Port au Port.

MR. HODDER: Again, Mr. Speaker, the minister has answered my question. It is obvious that there will be budgetary restraints that will be brought in in the form of a Ministerial Statement when there should be a mini-budget with all the chances to debate that particular statement.

Now, Mr. Speaker, I would ask the minister something else. The minister has been wrong in his budgetary estimates for the last three budgets in a row, if we class the Ministerial Statement of November, 1982 as a budget. But, Mr. Speaker, the minister told the House previously that he was planning to revamp the Department of Finance to better give accounting forecasts. He said that here in the House. Can the minister tell me what has happened with his projections so far and why is he so far off from this year's budget? Could he tell me what the people are doing down in the Department of Finance? Are they reading tea leaves or has the minister his own seer or psychic hired to inform him of what is happening in the Province?

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

DR. COLLINS: Mr. Speaker, I do agree with the hon. member opposite that our projections have been wrong in some respects. I do not know if I have ever seen a projection that was absolutely bang on. I would think it would, by the nature of the word 'projection,' mean that you are seeing into the future and you use the best information available. But I do admit that we were wrong, I admit that the Finance Minister in Nova Scotia was wrong, I

DR. COLLINS: admit that the Finance Minister in New Brunswick was wrong, the Finance Minister in Ontario was wrong, the Finance Minister in Quebec was wrong, the Finance Minister in Manitoba was wrong, the Finance Minister in Saskatchewan was wrong, the Treasurer in Alberta was wrong, the Finance Minister in B.C. was wrong and the one who was wrong most of all was the federal minister who was wrong - what was it? - by \$24 billion.

SOME HON. MEMBERS: Hear, hear!

MR. HODDER: Mr. Speaker.

MR. SPEAKER (Russell): The hon. the member for Port au Port.

MR. HODDER: Mr. Speaker, the real message I get from the minister is that he has been wild guessing and that he is mismanaging the economy.

Mr. Speaker, the minister has been consistently wrong in his projections. His record is unblemished, he has never been right. Mr. Speaker, would the minister tell me whether this Province is headed down the same road as British Columbia? Would he also tell me when he stands whether this is the first round in the public sector negotiations which we must have with some 9,000 health care workers, 7,000 public employees, nurses, wardens and lab workers in the hospital? Does not the minister feel that these groups which he has singled out have been picked on enough? Does he not agree that they have already borne the brunt of the of the six and five restraint programme?

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

DR. COLLINS: Mr. Speaker, I can give a very definitive answer this time to the hon. member. The hon. member asked us if we were going down the same road as B.C., I presume he means are we going to have a downgrading in our credit rating because B.C. had a credit rating downgrading in the last twelve months or so and I think that this is what the

DR. COLLINS:

no, we are not getting a downgrading. Yes, we have been confirmed and commended on the management that this Province has seen and our credit rating is quite secure and in actual fact is looked upon more favourably than previously.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER (Russell):

The hon. member for Port au Port.

MR. HODDER:

Mr. Speaker, no, I was not referring

to the downgrading of the credit rating, I was referring to the government's planned alienation of the public sector in British Columbia. But I would say to the minister, and I would ask him again whether with the \$13 million shortfall he is worried about the Province's credit rating? I would point out to him that Ontario's Finance Minister made public today that if the debt grows any larger in Ontario, that their Aaa credit rating will be downgraded. What makes this Province any different from Ontario? Is the minister saying that if our public debt becomes larger that we will not be suffering a downgrading of our credit rating?

MR. SPEAKER:

The hon. Minister of Finance.

DR. COLLINS:

Mr. Speaker, I am much too

modest to suggest an answer as to why we do not get downgraded when very much larger provinces with many more resources than we do do get downgraded. I am must too modest. Perhaps I will leave it to one of my colleagues to suggest that it was the management that was given to the affairs of this Province by the Department of Finance, and by the other departments of government, and by government as a whole. But I am much too modest to make that point.

I would just like to remind the hon. member when he asks is the collective bargaining going to be in chaos that this government found it necessary to bring in a restraint programme, as indeed did many provinces. I would like to

DR. COLLINS: point out to him that since that was brought in we have signed twenty-one collective agreements covering 19,000 unionized employees, and there have also been nineteen compensation plans for those workers who do not come under the collective bargaining umbrella, and those nineteen management agreements cover another 3,000 employees. In all that group we only had one work stoppage and that was the NTA strike and, of course, that was not related to the restraint programme we brought in. So there has not been chaos in the collective bargaining area considering the straited times and the difficulties governments have throughout the country, including this Province. There is something to be said for the public workers, for the public employees of this Province that they have accepted the realities of the economy of this Province and the financial times, something apparently that the members opposite have not accepted. But they have accepted it and with very few exceptions, very minor exceptions they have gone along with the necessary restraints that have been brought in.

MR. SPEAKER (Russell): The hon. member for Port au Port.

MR. HODDER: Mr. Speaker, I would like to ask the minister if he has gone through last year's budget to eliminate waste? For instance, is there any move to disband the Newfoundland Information Service which is the propaganda arm of government, the Bureau of Disinformation? Will there be any cutback in the excessive legal fees that this Province is paying in the millions of dollars?

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. HODDER: Mr. Speaker, I would like to ask the minister

MR. HODDER: whether there would be any elimination of waste, whether there will be cutbacks? Every year the Province spends anywhere from \$200,000 to \$250,000 on public entertainment. The Province supports many programmes which do nothing to help the people. I would ask the minister if the government is doing anything to eliminate waste.

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

DR. COLLINS: Mr. Speaker, we have started on the budgetary process for the fiscal year 1984-85 and in that process all departments are asked to put in their estimates for the coming year, but they are cautioned at the same time - they are reminded because they do not need the cautioning - about the straited times we are in, they are asked to be as stringent as they possibly can in putting in their estimates and they by and large very faithfully carry that out. When the estimates are brought in they are then put through a process of scrutiny by Treasury Board; following that they are put through a process of scrutiny by P and P Committee; and they are then put through a process of scrutiny by Cabinet itself before they are finally agreed upon. During this elaborate process we go over every single item of expenditure that government is expected to make and has to make in the interest of the people and the carrying on of government. It is a very onerous process and we do it with great seriousness and it requires a tremendous amount of effort.

MR. SPEAKER: The hon. member for Port au Port.

MR. HODDER: Mr. Speaker, would the minister agree that the 12 per cent retail sales tax discourages sales and would he agree to roll back the sales tax to encourage stronger consumer spending?

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

DR. COLLINS: Mr. Speaker, I am glad the hon. member reads his newspapers. If he did not read the newspapers he would not have a question to ask. Any tax on any item that is sold has a discouraging effect. If you put a 1 per cent tax on something it is not as good as if you had no tax at all. If you have 12 per cent on, it has a more discouraging effect I suppose than a 6 per cent. But that is not the point. We do not put the taxes on to encourage or to discourage. We put them on because we need to have certain monies available to discharge the responsibility that government has. Our sources of revenue are fairly limited. The federal government has wide ranges of taxation that are not available to us. We are limited, for instance, to direct taxation in terms of goods that are sold. We are limited to things like the sale of alcoholic liquor, the sale of tobacco and gasoline and so on and so forth, so we have relatively narrow sources of revenue. Unfortunately, because of the underdeveloped state of our economy, which this government is struggling and struggling hard to improve against tremendous odds, some of which need not be there, the artificial obstacles put in our paths, but because of that narrow economy we have our tax load has to be heavier than many other provinces. No one deprecates that more than this government and we will at our earliest possible opportunity lessen the tax load. But until such time as our economy is improved and is allowed to improve, we have to have in these onerous rates otherwise essential services will not be met.

MR. SPEAKER (Russell): The hon. member for Port au Port.

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

I should point out to the minister that he should realize that you cannot have the taxes in this Province substantially higher than the taxes in our neighbouring provinces. If we have taxes in our Province higher than our neighbouring provinces, we are going to lose revenues out of the Province, which we are doing now, particularly in cigarettes and liquor. The taxes have become so high that people are either rolling their own or they are bringing cigarettes in from other Provinces. Even though the minister last session said he was taking measures to keep cigarettes from coming across the borders, they are coming across more than ever before. But I would ask the minister another question, whether he contemplates the closure of hospital beds or further cutbacks in health services in the upcoming Ministerial Statement, mini-budget

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

DR. COLLINS: Mr. Speaker, practically all our taxation is on a voluntary basis; in other words, if you pay your income tax, you are responsible for telling the taxing authority what your income is and then you do your own calculation, or get someone to do it for you, and then you arrive at your tax. Now, there is obviously an auditing process that is carried out by the taxing authority so you are not totally on your own. But nevertheless, that is the basic principle, that taxation is voluntary. And I can say -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

DR. COLLINS: - that the people in this Province, by and large, send in their taxes faithfully as is required of them without any police action or what have you. Now, there is a small proportion of the population who just do not see it that way, who just do not play ball, who do not pick up their fair share. They will tend to get around the taxes, they will tend to gouge the rest of the honest taxpayers. Some of the people whom the hon. member referred to, the people who smuggle in cigarettes, they are the people that I am referring to, they are the gougers, they are the ones who are in the small minority, they are the ones whom the people should report to the authorities if they know who they are so that we can get after those ones. Because we do not get after the vast, vast majority of people who pay taxes. They know what is required of them and they come forward with their taxes.

MR. WARREN: Mr. Speaker.

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

MR. WARREN: Mr. Speaker, in the absence of the Premier, I have a question for the House Leader.

In view of the fact some 79.2 per cent of the people of Hopedale have signed a referendum requesting a move from the rock that they are located on to a new location, and in view of the fact that I wrote to this government some time ago to ask what their position would be on assisting the people of Hopedale in moving, could the hon. the minister advise if there has been any consideration given by his government to relocating Hopedale?

MR. SPEAKER (Russell): The hon. the President of the Council.

MR. MARSHALL: Mr. Speaker, there was a referendum made with respect to that question, but there were also, afterwards, indications that certain people had indicated they had voted a certain way and they did not mean it. I can tell the hon. gentleman this, that this government is very sensitive to the wishes of any community in this Province and that when communities wish to move, and when we are sure that they wish to move, and in the event that they completely of their own free will wish to move - not because post offices are closed down or because schools are closed down around them and they are forced out of it - they will be able to do exactly what they want to do. But it will not be in the way that the hon. gentleman has been familiar with in the past when they have been herded and driven out of their communities.

Having said that, Mr. Speaker, we will take into consideration the wishes of the people of Hopedale and we will assess these wishes very, very carefully. But I am not in a position to tell the hon. gentleman right now that there will be a movement from Hopedale. As I say,

MR. MARSHALL: that depends upon the basic wishes of the people in the long run up there.

MR. WARREN: Mr. Speaker.

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

MR. WARREN: Mr. Speaker, a supplementary to the Minister of Municipal Affairs.

In view of the statement that the hon. the House Leader (Mr. Marshall) just made, would the Minister of Municipal Affairs advise why tenders were placed in the paper about two weeks ago, since that vote was taken, asking for proposals from contractors to build a water and sewerage system in the present location of Hopedale?

MR. NEARY: The left hand does not know what the right hand is doing.

MR. SPEAKER (Russell): The hon. Minister of Municipal Affairs.

MRS. NEWHOOK Mr. Speaker, because the tenders were placed in the paper that does not mean that that project will go ahead. It was designed and the tenders have been placed, but certainly I would hope that we are not going to get into any capital investment in Hopedale until we have resolved the wishes of the people and have resolved whether or not it is going to be feasible for them to move. That question, I would hope, would have to be settled first.

MR. WARREN: Supplementary, Mr. Speaker.

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

MR. WARREN: Mr. Speaker, my supplementary is to the Minister of Municipal Affairs (Mrs. Newhook). I think this proposal calls for different companies to go in and give an estimated value on what it would cost for a water and sewerage system in Hopedale. Due to the fact of the request by some 79 per cent of the people of Hopedale favouring relocation, could the minister advise if she has withdrawn this proposed tender?

MR. SPEAKER: The hon. Minister of Municipal Affairs.

MRS. NEWHOOK: Mr. Speaker, I would have to check into that. I am not quite sure about the status of that proposal right now and I would certainly like to get that answer and respond to the hon. gentleman.

MR. WARREN: Supplementary, Mr. Speaker.

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

MR. WARREN: Mr. Speaker, my supplementary will go to the Minister of Rural, Agricultural and Northern Development (Mr. Goudie). In view of the fact that the monies that would be allotted for a water and sewerage project in any designated community in particular in my district would come out of the federal/provincial Native Agreement, could the minister advise if any monies have been allotted from his department to the Department of Municipal Affairs to carry out this proposal under the tenders for a new water system for Hopedale?

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

MR. GOUDIE: Mr. Speaker, the programmes of funding water and sewer systems, health care, education, etc., all comes from the one pot, I suppose, the federal/provincial agreements. But, as the hon. gentleman has pointed out in this particular case, the expertise lies in the Department of Municipal Affairs. They are responsible for designing, managing and installing systems and so on and funding comes from our department. At this point in time there has been, as far as I am aware, no specific amount of money transferred for that particular project. And I should also point out that in the communities along the North Coast of Labrador, where these types of services are needed, the dollar value I think projected in this year's dollars is something like \$18.5 million to do all communities, and there is certainly not that much money in the agreement as it exists today. So obviously government is going to have to address itself to the process of prioritizing which community would receive a water and sewer system simply because the dollars are not there at this point in time to cover all communities. We are in the process of that in conjunction with my colleague, the Minister of Municipal Affairs (Mrs. Newhook). And as it stands at

MR. GOUDIE:

this point in time, to address the broader question which was asked earlier about relocating Hopedale, Some officials of my department, and other departments as a matter of fact, have visited that area over the last couple of months and have talked to people, etc., etc., etc. The bill is projected to be something like \$22 million. With that kind of money and with that kind of a social impact on one important community in Labrador and in the Province, obviously we are not going to address that question seriously until a great number of facts are known.

MR. SPEAKER (Russell):
Torngat Mountains.

The hon. member for

MR. WARREN:

Mr. Speaker, a supplementary

back to the hon. House Leader. In view of the fact there has been shown a bit of confusion by both of those two ministers and the fact that the people of Hopedale have shown a concern about moving, could the hon. House Leader advise if he would consider setting up a task force to look into the matter? By the way, I might as well take exception to the hon. minister's remark that there were officials of other departments in there. There was only one official, one official from his department, and there were representatives from a consulting firm. So, Mr. Speaker, would the hon. House Leader consider setting up a task force among the different departments to visit Hopedale and meet with not only the community council in there but the people of Hopedale, the 450-odd people living in Hopedale

MR. WARREN: and just have a general discussion on the possibilities of relocating, the advantages and the disadvantages?

MR. MARSHALL: Mr. Speaker.

MR. SPEAKER (Russell): The hon. the President of the Council.

MR. MARSHALL: There are two main types of confusion. There can be complete confusion by way of communication and there can be confusion by way of perception. I listened very carefully to what both ministers said and I would hazard to say the confusion was in the hon. member's own perception because I thought they were quite clear.

Now, Mr. Speaker, as to establishing a task force, the government has not made a decision to establish a task force and we certainly would not make a decision on the floor of the House of Assembly in response to questions of the hon. member to do that. All I can do is just tell the hon. gentleman that as in all cases of this nature that this government will be very, very sensitive to it, will watch it very carefully and the bottom line of it all will be that we will take very much into account the wishes of the people in the community of Hopedale, as we do in other communities, in this instance. But I would say that there is a task force and the task force consists really of a very sensitive government which will react to the people accordingly.

MR. WARREN: Mr. Speaker.

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

MR. WARREN: Mr. Speaker, I have a question for the Minister of Health (Mr. House). Recently I understand that the minister made some statements that the hospitals at Botwood and Buchans will be phasing out and will be replaced by chronic care facilities. In view of the fact that this will be a positive step for the people of

MR. WARREN: Botwood and for the people in the Buchans area, and knowing they are in close proximity to a modern hospital in Grand Falls, why has the minister not seen fit to answer positively to the requests of the Health Care Committee in North West River who requested that a chronic care centre be set up in North West River?

MR. NEARY: Let us see you worm you way out of this one.

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

MR. HOUSE: Mr. Speaker, this morning I responded to that. I advised that the Department of Health have done the same thing basically in Botwood and Buchans as they did in North West River; they are closing the acute care hospital beds and having a clinic in the community. The Social Services Department, which is responsible for chronic care, have deemed that they are very short of space for chronic care people on the Island part of the Province in that area, and they are therefore going to use, I think it is Buchans as a chronic care centre. Botwood will be used temporarily partly as that but also they will be building a new one in Botwood in the future, something similar to what they have built in Happy Valley - Goose Bay now. I am only speaking now because the question was directed to me and the minister is not here, but Social Services

MR. HOUSE: did not deem that there was a necessity for a chronic care unit at this point in time in North West River.

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

MR. WARREN: Mr. Speaker, my supplementary is to the hon. House Leader (Mr. Marshall), in the absence of the Minister of Social Services (Mr. Hickey). The hon. minister said on May 20, in response to a letter I wrote to him, that he was interested. That is basically what he said in his letter, 'I appreciate your interest.' If a chronic care centre was needed in North West River, which was emphasized by the Health Care Committee, plus it was emphasized by representatives of the Department of Social Services, why try to put chronic care area in Lake Melville Hospital when the facilities and conditions there do not warrant a chronic care facility?

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

MR. MARSHALL: Mr. Speaker, I am not privy to any correspondence that flows between the Minister of Social Services and the hon. member. From what I gather what the hon. gentleman says is that he had an interest in what he said and we are interested also in what the hon. gentleman says. But I think that the hon. Minister of Social Services, even though I did not see the letter, gave a full and sufficient response to the hon. member as indicated by the words the hon. member is stating now.

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

MR. WARREN: Mr. Speaker, my final supplementary ; to the Minister of Health (Mr. House). Mr. Speaker, due to the fact

MR. WARREN: that the government have made provisions for a partial chronic care facility to be attached or included in the Lake Melville Hospital, is it the policy of this government to have a hospital required to have patients in beds out, in the hallways to make room for a chronic care area? That is happening in the Lake Melville Hospital, where they have to make the rooms smaller, and it is more uncomfortable for patients. The government is closing down North West River Hospital and not replacing it with a chronic care facility. So is it the policy of this government to overcrowd hospitals?

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

MR. HOUSE: Mr. Speaker, I suppose it is the policy of this government to overcrowd hospitals if they do not have space enough. Yes, we would not keep people out if they needed hospitalization. The fact of the matter is, Mr. Speaker, there are some cases of chronic care people who have been placed in hospitals. We are building a hospital now, for instance, in Port aux Basques, over in the hon. member's district.

MR. NEARY: There is a good member in Port aux Basques.

MR. HOUSE: That hospital is being built in spite of the member for LaPoile (Mr. Neary).

SOME HON. MEMBERS: Hear, hear!

MR. HOUSE: There are twenty beds in that hospital for chronic care. There were three chronic care cases that we had some problems with in the Happy Valley-Goose Bay area, I believe that is where they were, and we were going to accommodate these in a space in Melville Hospital. At the same time that was happening, Mr. Speaker, there were fifteen beds then at that time vacant in the Interfaith Home in Happy Valley-Goose Bay, but they thought it would be better to put these two or three in the hospital. And that is not unlike a number of hospitals in the Province where there are certain special cases

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MR. HOUSE:

taking up acute care beds.

There is nothing magic about that in any way.

MR. SPEAKER (Russell):

Order, please!

MR. SPEAKER (Russell): The time for Question Period has expired.

Before we proceed with other business there are some people whom I would like to welcome to the galleries today: First of all, a delegation from the district of Green Bay, the Chairman of the Triton Recreation Commission, Mr. Reg Budgell, the Chairman of the Fire Hall Committee and the Vice-Chairman of the Fire Hall Committee, Mr. Don Budgell and Mr. Winston Woodford respectively. We also have in the gallery the Mayor of Hopedale in the person of Mr. Garfield Flowers from the district of Torngat Mountains. I would like to welcome these gentlemen to the galleries today.

SOME HON. MEMBERS: Hear, hear!

NOTICE OF MOTION

MR. OTTENHEIMER: Mr. Speaker.

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

MR. OTTENHEIMER: Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a bill entitled, "An Act Respecting Defamation," "An Act Respecting The Award Of Interest On Judgements Of The Courts Of The Province," "An Act To Amend The Commissioners For Oaths Act," "An Act To Amend The Income Tax Savings Plan Act".

MR. HOUSE: Mr. Speaker.

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

MR. HOUSE: Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a bill entitled, "An Act To Amend The Solemnization Of Marriage Act".

PRESENTING PETITIONSMR. NEARY:

Mr. Speaker.

MR. SPEAKER (Russell):

The hon. the Leader of the Opposition.

MR. NEARY:

Mr. Speaker, I have here a petition that has been in my possession for some time. I understand there have been negotiations ongoing, but, nevertheless, I feel duty-bound to present the petition. My hon. friend, the member for Bonavista South (Mr. Morgan) also has a copy of this petition.

The petition is being presented on behalf of 828 petitioners in the district of Bonavista South: 139 from King's Cove, 51 from Open Hall, 93 from Keels, 98 from Duntara, 51 from Tickle Cove, 68 from Knights Cove, 51 from Red Cliff, 160 from Plate Cove West, 76 from Plate Cove East and 41 from Stock Cove.

Mr. Speaker, I will read the prayer of the petition: "The residents of King's Cove, Plate Cove East, Plate Cove West, Open Hall, Red Cliff, Tickle Cove, Duntara, Keels, Stock Cove and Knights Cove in the district of Bonavista South are gravely concerned about the downgrading of existing medical facilities in this area.

MR. MARSHALL:

Mr. Speaker, on a point of order.

MR. SPEAKER:

Order, please!
The hon. the President of the Council, on a point of order.

MR. MARSHALL:

The hon. the Minister of Fisheries (Mr. Morgan) advised me a moment ago that the petition the hon. gentleman is presenting is a copy, Mr. Speaker. It must be, because the hon. the Minister

MR. MARSHALL: of Fisheries (Mr. Morgan) has the original of it and the matter has been dealt with.

SOME HON. MEMBERS: Oh, oh!

MR. MARSHALL: Now, it is improper and it is outside the rules of this House.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Russell): Order, please! Order, please!

MR. MARSHALL: It is a serious abuse of the rules of this House, Mr. Speaker. The Standing Order says a petition must be signed by the member and at least three residents and it is not signed if it is a photographic copy. It is not signed, Mr. Speaker, and this is a copy that the hon. gentleman is attempting to bring before the House.

MR. NEARY: Mr. Speaker, I realize that it is embarrassing to the member and the administration -

MR. SPEAKER: Order, please!

Is the hon. the Leader of the Opposition speaking to that point of order?

MR. NEARY: Yes, I am, Mr. Speaker.

MR. SPEAKER: Okay.

MR. NEARY: I realize that it is embarrassing to the member and to the administration, but there are three signatures on the petition, Mr. Speaker, as required by the Standing Orders of the House, three original signatures.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. HODDER: To that point of order, Mr. Speaker.

MR. SPEAKER: Is the hon. the member for Port au Port speaking to this point of order?

MR. HODDER: Yes, Mr. Speaker.

MR. SPEAKER: Okay.

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MR. HODDER:

I would like to point out to the House that Standing Order 91 says: "A petition may be either printed or written and if more than three petitioners sign it, at least three signatures

MR. HODDER: must appear on the page containing the prayer of the petition." It does not say, Mr. Speaker, that these signatures must be of petitioners or from the district.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Russell): Order, please!

MR. MORGAN: To that point of order, Mr. Speaker.

MR. SPEAKER: To the point of order, the hon. Minister of Fisheries.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. MORGAN: Mr. Speaker, I understand from the rules of the House that for a petition to be tabled in the Legislature it has to be the original document, signed by the people concerned. In this case the hon. gentleman is using -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. MORGAN: - a document which is a copy of a petition which came to me and my colleague, the Minister of Health (Mr. House), some months ago, which has been now adequately dealt with to the satisfaction of all the residents of the area concerned, who are very pleased with the action of government.

SOME HON. MEMBERS: Hear, hear!

MR. MORGAN: And this is, Mr. Speaker, an abuse of the rules of the House; bringing in petitions which are months old, secondly, bringing in a copy of the original and, thirdly, the matter has been dealt with adequately by government.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Order, please!

It has certainly been a practice,

MR. SPEAKER (Russell): and the intent of this Standing Order in presenting petitions, that all petitions presented in this House have to be originals and signed by three residents of the area from which the petition is presented. And if indeed this petition is a copy, the Chair is not prepared to accept it.

MR. NEARY: That is something new, is it, Mr. Speaker?

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: What about the Standing Rules of the House?

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

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

MR. SPEAKER: On a point of privilege, the hon. President of the Council.

MR. MARSHALL: Mr. Speaker, Your Honour has made a ruling. Your Honour happens to be Speaker of this House who has made a ruling as to a point of order that has been brought in. And the hon. gentleman said, 'something new, is it?' That is debating the ruling of Your Honour. No member of this House on either side is entitled to debate the ruling of Your Honour, make allusions to Your Honour, make dispersions on Your Honour's impartiality, or question Your Honour's impartiality, all of which, Mr. Speaker, are implicit in the words of the hon. gentleman. Now I think the hon. gentleman must be asked to withdraw those words and apologize to Your Honour and apologize to the Institution of Parliament that we are operating here.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: Mr. Speaker.

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

MR. NEARY: Mr. Speaker, these kinds of nasty remarks would only come from somebody of the calibre of the hon. gentleman, somebody with a warped mind. I merely asked Your Honour if this was a new ruling and Your Honour, I would assume, is not permitted to indicate whether it is or whether it is not. So I will take the other course of action and I will consult with Your Honour in private, to find out if it is a new ruling, because we have never had a ruling like that before in this House. And it is a fair question to put to Your Honour. I know Your Honour cannot answer me, but there is certainly no intention on my part to abuse or ridicule the Chair.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Mr. Speaker, only a dirty, rotten buttoned-down mind would even harbour the thought.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Russell): Order, please!

There have been some comments made

MR.SPEAKER (Russell):

pertaining to a ruling made by the Chair. The Chair is indeed in a position to answer the question of the hon. Leader of the Opposition (Mr. Neary), because some years ago the same person occupied this Chair and recall vividly on one day there were two petitions, copies of petitions presented which were turned down by the Chair.

Mr.HODDER: A point of order.

MR.SPEAKER: Order, please! The hon. member for Port au Port on a point of order.

MR.HODDER: Mr. Speaker, Section 91 is the controlling section and there is nothing in this section, or in the section on petitions in the Standing Orders, that would say that a copy cannot be presented. A copy has always been allowed in this House as long as three signatures were on it, Mr. Speaker.

Mr. Speaker, I have no choice but to appeal the Speaker's ruling.

SOME HON.MEMBERS: Oh, oh!

MR.SPEAKER: Order, please! The motion is that the Speaker's ruling be sustained. All those in favour 'Aye', those against 'Nay'. I declare the motion carried.

MR.NEARY: Can we have a division on it, Mr. Speaker?

MR. SPEAKER: Call in the members.

DIVISION

MR. SPEAKER: Order, please!

Is the House ready for the question? The motion is that the Speaker's ruling be sustained. All those in favour please rise.

The Hon. the Minister of Development (Mr. Windsor, the Hon. the Minister of Rural, Agricultural and Northern Development (Mr. Goudie), the Hon. the Minister of Fisheries (Mr. Morgan), the Hon. the Minister of Finance (Dr. Collins), the Hon. the Minister of Justice (Mr. Ottenheimer), the Hon. the President of the Council (Mr. Marshall), Dr. McNicholas, Mr. Stewart, the Hon. the Minister responsible for Communications (Mr. Doyle), the Hon. the Minister of Labour and Manpower (Mr. Dinn), the Hon. the Minister of Culture, Recreation and Youth (Mr. Simms), the Hon. the Minister Transportation (Mr. Dawe), the Hon. the Minister of Public Works and Services (Mr. Young), the Hon. the Minister of Municipal Affairs (Mrs. Newhook), the Hon. the Minister of Health (Mr. House), Mr. Carter, Mr. McLennon, Mr. Baird, Mr. Peach, Mr. Tobin, Mr. Cross, Dr. Twomey, Mr. Walsh, Mr. Rideout, Mr. Patterson, Mr. Butt, Mr. Stagg, Mr. Hearn, Mr. Woodrow, Mr. Osmond.

MR. SPEAKER (Russell): All those against the motion please rise.

The Hon. Leader of the Opposition (Mr. Neary), Mr. Callan, Mr. Warren, Mr. Hodder, Mr. Tulk, Mr. Hiscock.

MR. SPEAKER: I declare the motion carried.

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

MR. SPEAKER (Russell): Order, please! The hon. Leader of the Opposition on a point of order.

MR. NEARY: Now that we have taken a vote and it is all over, Mr. Speaker, I would like to ask Your Honour how Your Honour knows or how the table knows if this petition is an original or a copy? Could Your Honour tell the House how the House knows whether it is an original or whether it is not? Your Honour has ruled, Your Honour has not seen the petition, the table has not seen the petition, now I would like to ask Your Honour how he can rule on something that he has not seen?

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

MR. MARSHALL: Mr. Speaker, you know, this is really without precedent. The hon. gentleman, I know, toys around with things to suit himself, he wishes to call certain people names that only the hon. gentleman can shove around with impunity. The hon. gentleman sitting in the Chair happens to be the Speaker and he happens to be the guardian of the institutions of this House. I refer Your Honour to page 38 of Beauchesne on the duties of the Speaker as presiding officer of the House. "His action," that is the Speaker, "cannot be criticized incidentally in debate or upon any form of proceeding except by way of a substantive motion."

The hon. gentlemen have used their right, very unwisely, because it is unprecedented in other areas to appeal the ruling of the Speaker, but they have done that and the matter should be over.

We continue on, on paragraph 117 (4) "The Speaker cannot be consulted, from the House, as to the consequences of the passage of a resolution. (5) Hypothetical queries on procedure cannot be addressed to the Speaker from the floor of the House."

MR. MARSHALL: So it is there, it is totally out of order. Mr. Speaker, if the hon. gentleman wants to continue his charade he can do it. He does it at the expense of the Legislature and the parliamentary institutions. But if he persists in this, Your Honour, there is only one course of action this Assembly can take with respect to it.

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

MR. NEARY: Mr. Speaker, in a court of law you have to produce the evidence. You have to see for yourself. Now, this is the highest court in the land, and there has been a ruling made that we do not agree with, but the documents have not been produced.

MR. SIMMS: We quoted to you what kinds were out of order. Those were copies, and you did not argue it.

MR. NEARY: My understanding was that the Speaker ruled it out of order.

MR. SIMMS: He told you what was acceptable and what was not.

SOME HON. MEMBERS: Oh, oh!

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

MR. NEARY: Mr. Speaker, I saw the hon. member for Bonavista South (Mr. Morgan) when he ran up to the Government House Leader (Mr. Marshall) and whispered something in his ear that caused him to stand on a point of order. Now, could anybody in this House, anybody, say whether the document I had was an original or whether it was a copy?

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Russell): Order, please! Order, please!
Order, please! The point of order raised by the hon. the
Leader of the Opposition (Mr. Neary) is not a valid point
of order. I would be more than happy to consult with him or
any other member of the Legislature if they wish to discuss
it privately.

ORDERS OF THE DAY

MR. MARSHALL: Motion 21, Mr. Speaker.

MR. SPEAKER: Motion 21.

Motion, the hon. the Minister
of Health (Mr. House) to introduce a bill, "An Act Respecting
The Registration Of Nursing Assistants," carried. (Bill No. 75)

On motion, Bill No. 75 read a
first time, ordered read a second time on tomorrow.

MR. MARSHALL: Motion 20, Bill No. 76, Mr. Speaker.

MR. SPEAKER: Motion 20.

Motion, the hon. the Minister of
Health to introduce a bill, "An Act To Amend The Hospitals
Act, 1971," carried. (Bill No. 76).

On motion, Bill No. 76 read a
first time, ordered read a second time on tomorrow.

MR. MARSHALL: Motion 19, Bill No. 66.

MR. SPEAKER: Motion 19.

Motion, the hon. the Minister
of Culture, Recreation and Youth (Mr. Simms) to introduce
a bill, "An Act To Amend The Wilderness And Ecological
Reserves Act," carried. (Bill No. 66).

On motion, Bill No. 66 read a
first time, ordered read a second time on tomorrow.

MR. MARSHALL: Motion 18, Bill No. 86.

MR. SPEAKER: Motion 18.

Motion, the hon. the Minister of Education (Ms. Verge) to introduce a bill, "An Act To Amend The Memorial University Act," carried. (Bill No. 86).

On motion, Bill No. 86 read a first time, ordered read a second time on tomorrow.

MR. MARSHALL: Motion 17, Bill No. 85.

MR. SPEAKER (Russell): Motion 17.

Motion, the hon. the Minister of Education to introduce a bill, "An Act Respecting The Conferring Of Titles And Degrees By Queen's College," (Bill No. 85).

On motion, Bill No. 85 read a first time, ordered read a second time on tomorrow.

MR. MARSHALL: Motion 16, Bill No. 68.

MR. SPEAKER: Motion 16.

Motion, the hon. the Minister of Education to introduce a bill, "An Act Respecting The Granting Of Degrees And Respecting The Operation Of Universities And Other Degree-Granting Institutions In The Province," carried. (Bill No. 68).

On motion, Bill No. 68 read a first time, ordered read a second time on tomorrow.

MR. MARSHALL: Motion 15, Bill No. 74.

Motion, the hon. the Minister of Forest Resources and Lands (Mr. Power) to introduce a bill, "An Act To Amend The Crown Lands Act," carried. (Bill No. 74).

On motion, Bill No. 74 read a first time, ordered read a second time on tomorrow.

MR. MARSHALL: Motion 14, Bill No. 83.

MR. SPEAKER: Motion 14.

Motion, the hon. the Minister of Transportation (Mr. Dawe) to introduce a bill, "An Act To Repeal The Ferries Act," carried. (Bill No. 83).

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On motion, Bill No. 83 read a first time, ordered read a second time on tomorrow.

MR. MARSHALL:

Motion 13, Bill No. 90.

MR. SPEAKER (Russell):

Motion 13.

Motion, the hon. the Minister of Mines and Energy to introduce a bill, "An Act To Authorize The Lieutenant-Governor In Council To Enter Into An Agreement With British Newfoundland Corporation Limited And N.M. Rothchild and Sons Limited And Brinco Mining Limited", carried. (Bill No. 90).

On motion, Bill No. 90 read a first time, ordered read a second time on tomorrow.

Motion, the hon. the Minister of Labour and Manpower to introduce a bill, "An Act To Govern Collective Bargaining Between The Government of The Province And The Interns And Residents In The Province", carried. (Bill No. 81).

On motion, Bill No. 81 read a first time, ordered read a second time on tomorrow.

Motion, the hon. the Minister of Justice to introduce a bill, "An Act To Amend The Newfoundland Human Rights Code," carried. (Bill No. 79).

On motion, Bill No. 79 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 Reciprocal Enforcement Of Custody And Access Orders," carried. (Bill No. 64).

On motion, Bill No. 64 read a first time, ordered read a second time on tomorrow.

Motion, the hon. the Minister of Justice to introduce a bill, "An Act To Give Effect To The Convention On The Civil Aspects Of International Child Abduction," carried. (Bill No. 63).

On motion, Bill No. 63 read a first time, ordered read a second time on tomorrow.

Motion, the hon. the Minister of Finance to introduce a bill, "An Act To Amend The Retail Sales Tax Act, 1978," carried. (Bill No. 87).

MR. NEARY: masquerading as a law enforcement officer, went out in an outpost to investigate a fire and spread all kinds of dirt and rumours about the family and caused all kinds of hardship and inconvenience and would not allow the insurance claim to be paid for about four years. Now, Mr. Speaker, I thought that was a very valid point. I do not know why the Minister of Culture (Mr. Simms) and the Government House Leader (Mr. Marshall) were snickering at that, that was a pretty serious matter. And, Mr. Speaker, I raised the matter to find out from the gentlemen piloting the bill through the House what they intend to do about this sort of thing. I am also told - I have no confirmation of this but I presume it can be verified - that the Fire Commissioner hires ex-RCMP personnel to carry out investigations, and in one instance, one of these gentlemen, so I am told - and I have to raise it because there seems to be a bit of a conflict of interest here - one of these gentlemen also is under the pay of an insurance company, while at the same time doing work for the Fire Commissioner's office -- also being paid by an insurance company. Now, Mr. Speaker, would that not indicate to you some kind of a conflict of interest? Where would the gentleman's loyalties be? And what is he going to do to sabotage the holders of insurance? He could very easily sabotage their claims. So I believe this sort of thing should be stopped. I know we have some good investigators in this Province, Mr. Speaker. We do have some good

MR. NEARY: people who investigate fires and I am in no way casting a reflection on those people. They are properly trained, I presume, and are doing a good job. But we have to be very, very careful about this kind of conflict of interest situation. Because as hon. members know, the insurance companies will go to no end to try to delay, procrastinate or not pay a claim. And if it means slandering and libelling a family they are prepared to do that too. They will drag their name down in the gutter, in the mud, as they did in the case that I know about and almost ruin them because they did not want to pay out a claim. And they used this stool pigeon, this Gestapo agent from Halifax, to do it, a gentleman by the name of Sparkes, in case hon. members think that I am just kidding around about it.

MR. STAGG: Shocking language.

MR. NEARY: It is not shocking language. It is enough to make your stomach turn over when you think about it because I saw what this family went through. If I could only use the language in this House that I would like to describe that situation, it would be unparliamentary. But, Mr. Speaker, these stinkers - that is all they are, rotten stinkers-coming in here like pocket sized Dick Tracys going around flashing their identification as if they were law enforcement officers, frightening people to death and then going around knocking on doors: 'Do you know if So-and-So cheats on his wife?' 'Do you know if So-and-So drinks?' 'Do you know if he has financial problems?' Now, Mr. Speaker, can you imagine what that does in a small community in Newfoundland? Well, it did happen in this Province in case hon. gentlemen are not aware of it, It did happen.

MR. STAGG: After four years they paid out.

MR. NEARY: That is right. My hon. colleague, my hon. friend, knows what I am talking about. After four years the claim was finally paid but the damage

MR. NEARY: was done then. And I am not criticizing a legitimate investigators, Mr. Speaker, I want to make that point clear, I am all for them. I am all for seeing fires properly investigated for arson or to determine the cause of the fire. But we cannot allow insurance companies to ride roughshod over their clients when they have a fire, to do what they like. There should be a law in this Province, Mr. Speaker, there should be a law that the claim be paid by a certain period of time and not allow the insurance companies to procrastinate four and five and six and seven and eight years. They take the premium in good faith and when somebody does have the unfortunate experience of having a fire they should pay the claims promptly. And the minister would be well advised to bring in a bill into this House making it law, mandatory, for insurance companies to pay out claims in a certain period of time. And my hon. colleague, the member for Stephenville (Mr. Stagg), is nodding his approval of that.

MR. STAGG: Not complete.

MR. NEARY: Not complete.

MR. STAGG: I cannot agree with you completely but you are not doing too badly there.

MR. NEARY: No, I certainly am not.

MR. STAGG: You are on to a good thing.

MR. NEARY: That is right.

MR. STAGG: Suggest it to your colleagues.

MR. NEARY: What I am arguing here is that there should be a law in this Province forcing insurance companies to pay claims in a certain period of time.

MR. ROBERTS: There is a law.

MR. NEARY: No, there is no law.

MR. ROBERTS: Either you pay in sixty days or you are sued.

MR. NEARY: You are sued, yes. Well, Mr. Speaker, I am not trying to take any work anyway from my hon. friend, or the hon. gentleman there opposite.

MR. ROBERTS: I work for the insurance company like our friend opposite.

MR. NEARY: But, Mr. Speaker, the hon. gentleman says in sixty days you can sue if they do not pay the claim. Now take a little fellow in the outports of this Province, and let us follow that through to its natural conclusion. Some little fellow taking on the insurance company, he has not got a chance of a snowball - Mr. Speaker, he does not have a chance, not a chance. He is licked before he starts.

MR. STAGG: They have high-priced lawyers on their staff.

MR. NEARY: He cannot get legal aid and he has to fight the insurance company. They can drag it on for years, and they have and will unless we make a law that if there is no suspicion of arson involved, nothing irregular about the fire, that the claim be paid in sixty days.

MR. OTTENHEIMER: That is what they are supposed to do.

MR. ROBERTS: That is what the law says now.

MR. NEARY: No, they are not supposed to do it.

MR. OTTENHEIMER: Yes, they are, but maybe it is not being done.

MR. NEARY: No, they are not.

MR. ROBERTS: Sixty days after a so-called 'usual loss' and the only reason they are turned down is if there is suspicion of arson.

MR. NEARY: Mr. Speaker, the hon. gentleman says the only reason they are turned down is because there is suspicion of arson, and I have to go back to the case that I was talking about earlier.

MR. ROBERTS: Now I do not know about a particular case. And there is a difference between civil arson and the crime of arson.

MR. NEARY: But anyway, Mr. Speaker, I firmly believe that, once they get their clearance from the Fire Commissioner and the law enforcement officers who are investigating, the claim be paid. Never mind the court action!

MR. STAGG: Do not put any of us out of business.

MR. NEARY: I will put some of the lawyers out of business. Lawyers there opposite are doing all right now. They are doing all right with all the government work. Millions of dollars paid out in the last couple of years to lawyers for tilting against windmills. The foolish cases the administration have going on; water reversion, fighting Quebec Hydro selling power, and the offshore. Millions. Mr. Speaker, if we ever had the total amount it would be astronomical. I guarantee you that you have a lot of Tory lawyers feeding at the public trough right now. Electoral boundaries commissions and what have you, They find all kinds of ways to shove their buddies in there. Millions. If you could only get the total. I am going to put a question on the Order Paper and ask the Minister of Justice (Mr. Ottenheimer) to collect in the total legal fees paid out to lawyers.

MR. ROBERTS: It would be like the national debt.

MR. NEARY: Here they are closing hospital beds and closing down clinics down in Kings Cove and we are not allowed to present a petition in the House objecting to it, Mr. Speaker.

MR. STAGG: Not so.

MR. NEARY: No, we are not allowed.

MR. STAGG: You are not allowed to present a copy of a petition.

MR. NEARY: Is that so? How do you know it is a copy?

MR. STAGG: I have seen the original.

MR. NEARY: I see. But have you seen the document that I have? Could there be more than one original?

As a lawyer and an officer of the court, does the hon. gentleman go in and make a charge, an accusation, without seeing the document?

MR. STAGG: Yes, I charge you had a copy of the petition.

MR. ROBERTS: He frequently does.

MR. NEARY: He probably does. He is silly and foolish enough to do it, Mr. Speaker.

MR. YOUNG: You had a copy.

MR. NEARY: Is that so? Would the hon. gentleman think that is a copy?

MR. YOUNG: Yes.

MR. NEARY: Is that so? Is that so?

MR. TOBIN: Yes it is. Yes.

MR. NEARY: It is no more of a copy than the one the hon. gentleman presented last session.

MR. NEARY: Now, Mr. Speaker, I will hang onto this. I guarantee you that some hon. gentleman in this House will rue the day that they ever brought that up.

MR. RIDEOUT: Pass it over to us. Let us see it.

MR. NEARY: No, I will not pass it over.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Do not worry, Mr. Speaker, I will deal with this matter in due course.

MR. DINN: It was signed by the member for LaPoile (Mr. Neary) and the member for Torngat Mountain (Mr. Warren) and the member for Port au Port (Mr. Hodder) and you signed it after you presented it.

MR. NEARY: Mr. Speaker, the Minister of Manpower (Mr. Dinn) is well used to signing documents. I have one in my possession that he signed to the Chairman of the Workers' Compensation Board that I will be dealing with in due course. He knows all about signing documents.

Now, Mr. Speaker, I want to come back to this bill again, and I want to say, despite the interruptions of my hon. friend, I believe my hon. friend will admit that it is very difficult for ordinary people to take on the insurance companies.

MR. ROBERTS: Are you talking about me or him?

MR. NEARY: No, I am talking to my hon. colleague.

It is very difficult unless you have the dollars it is very difficult and so I would encourage the Minister of Justice (Mr. Ottenheimer) to consider, somewhere down the road when he is bringing in amendments to the Fire Commissioner's Act and the Insurance Act in this Province, that he bring in a bill - and he will get my support and I will applaud him for it - making it compulsory for

MR. NEARY: insurance companies to pay out claims, Mr. Speaker, faster than they are doing at the present time. And good luck in St. John's Centre.

MR. ROBERTS: What is happening there? Is democracy not the rule?

MR. NEARY: Democracy is washed up. Democracy has gone down the tubes.

MR. HISCOCK: Mr. Speaker.

MR. SPEAKER (McNicholas): The hon. the member for Eagle River.

MR. HISCOCK: Mr. Speaker, I would only like to say a few things with regard to this bill. It pertains indirectly to it and it is concerning several things with regard to fire prevention. As the member for the Strait of Belle Isle (Mr. Roberts) mentioned yesterday, in this bill the Fire Commissioner has the right to say that certain buildings could be demolished. I am wondering with regard to certain buildings of a historical nature needing to be restored in our Province that they are in many ways a fire trap but, if we look at it in another way, if they can be restored then they should be. I would like to draw the attention of the House to a book that I am reading by Pickersgill, My Years With St. Laurent. Back in 1952, the interior of the Library of Parliament ended up being destroyed by fire. C.D. Howell suggests that it be torn down and a new one built. St. Laurent suggested that it be restored and a new library be built altogether, and the end result is we still have that original building today. And I think with regard to the Fire Commissioner his first priority is safety of lives, so it is up to other departments to look after buildings with historical ties. So I think that we are giving the Fire Commissioner a little bit too much power and that probably should be questioned and maybe some other government

MR. HISCOCK: departments given some discretion in the area.

Another point that I would like to bring up on this is fire equipment generally in this Province. The way we have it now is if a smaller town gets firefighting equipment it can get up to 75 per cent of its cost from the provincial government, and that is one of the most liberal plans that this government and other governments have had. But I am sure that each member in this House who represents rural areas find that a lot of these smaller communities are not even living up to that part of their obligation and hence we have schools, we have hospitals, we have clinics and we have private houses in these communities but it is only after two or three fires do they normally think about this. After the fires the community pulls together, rebuilds the house for the person involved and then falls back into a lax way again only to be awakened again by another fire.

MR. HISCOCK:

So I am wondering if the Minister of Justice (Mr. Ottenheimer) can in some way not only strengthen the authority of the Fire Commission over clubs by stationing men and seeing they are not overcrowded, but could also have another campaign going on in this Province to increase the awareness of the danger of fires not only in smaller communities but in communities at large.

That leads me to another point.

There was a dispute with the Minister of Justice and some people ended up calling it scab labour and that is with regard to firemen working in St. John's and being volunteer firemen in Conception Bay South, Kilbride and Torbay. In that regard I believe very, very strongly that as the provincial government are expanding the police force throughout this Province, we should also expand the fire department into larger urban areas. And if it is not done on a purely paid basis, purely paid throughout the provincial department, that a cost sharing arrangement could be done at least for the fire chief. At least the fire chief in these larger areas should be paid and then his job then would be to train other volunteer firemen. But I believe very strongly that we do have to expand our firefighting equipment and forces throughout our larger areas. When we talk about Conception Bay South, it is the third largest town in the Province and it still has a volunteer fire brigade, and Torbay and these communities have many public buildings so I do think we are not really putting our priorities in the right place. If we have all of these buildings that are costing millions and millions of dollars, I do think at least the fire chief should be paid, partly out of the Provincial Treasury and partly out of the town council. In that regard he could have a dual purpose, one of training the volunteers, and also he could go around and give the schools educational awareness and go around and inspect private homes and other private and public buildings and businesses in the community and make people more aware of the potential hazard of fire.

MR. HISCOCK: I know myself in my own district of Eagle River since 1979 we have at least several deaths as a result of fire, mainly because there is no firefighting equipment in those areas. I also know that several houses were destroyed completely, only to have them rebuilt by the goodwill of the people in that community. But I say the goodwill of the people in rebuilding is not good enough, that we need to make people more aware. I think that in our larger towns of 5,000 and 6,000 the fireman should be paid just like the town policeman. I hope that this government will look at this innovative step and go in the direction of offering cost-shared arrangements with these councils so that public property and lives can be saved.

Thank you, Mr. Speaker, for letting me speak a few minutes on this bill.

MR. SPEAKER (McNicholas): The hon. Minister of Justice, if the hon. minister speaks now he will close the debate.

MR. OTTENHEIMER: Thank you, Mr. Speaker. I will speak briefly on the comments made by three hon. members of the Opposition. First, with respect to the hon. member for the Strait of Belle Isle (Mr. Roberts) who yesterday raised the matter of appeal, there is, of course, now an appeal to the minister and, as the hon. gentleman pointed out, there is the possibility of a further appeal to the Supreme Court. The suggestion was made that it could well be more appropriate to make an appeal to the provincial court and that is a matter that, certainly between now and the committee stage, the department and the government will look at. There is much to be said for an appeal to the provincial court because, of course, it is present in many more areas.

MR. ROBERTS: The Fire Commission really operates universally throughout the Province.

MR. OTTENHEIMER: Yes. The second was a matter which pertained to drafting which I have not as yet fathomed out but will with respect to the use of the word 'willfully' on page 10 in subsection (d) so we will certainly have that checked. The hon. gentleman did raise the point with respect to the investigations that, after they are completed - these could be investigations frequently done by police, sometimes by fire departments, and sometimes by the Fire Commissioner, depending upon the availability of resources in specific areas - whether they could be made available to the insurer and presumedly to the insured as well. As the hon. gentleman knows, investigations can be fairly wide-ranging and I suppose unless an investigator feels pretty free in his wide-ranging and following just about everything to

MR. OTTENHEIMER: its logical conclusion, and putting it all on paper to keep a record of it, unless he has that kind of an ambit, then his investigation will not be as thorough as it should be. And one of the problems is, of course, that if this investigation in its totality then become available to other parties, the kind of free-ranging, which I am told is probably necessary, the following up of various leads, many of them leading to dead ends or becoming totally without basis but still have to be followed up; so our practice is that if the Fire Commissioner's Office or the Department of Justice are requested by the insurer or the insured for certain factual information, what is done it is extracted from the investigation and given to the legitimately interested party rather than making, let us say, the investigation in toto available because of the problems inherent in that.

MR. ROBERTS: Would you yield for a question, Mr. Minister?

MR. OTTENHEIMER: Yes.

MR. ROBERTS: Thank you. I will be very brief.

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

MR. ROBERTS: I take the minister's point and I concur. Certainly police investigations in particular by their very nature turn up a very great deal of information which ought not to go beyond the hands of the police authorities unless eventually a prosecution is laid. I think that is important from the polices' point of view and important as well from the point of view of the subject, of the person being investigated. All the minister need do is cast his mind back over the Farrell case to see how much grief would have been

MR. ROBERTS: My concern is this, and I will put this in the form of a question, since we are being relatively informal, relatively friendly for the time being in the House today. The department have recently changed their practice, I believe. I would not expect the minister, unless he happened, Mr. Speaker, to have had occasion to brief himself on this, to respond now.

But I am told - and I do not deal directly with it; he will understand that if it comes to me as a solicitor it comes through some in-between party, an adjuster or an investigator of some sort for the insurers - but I am told there has been a change. And assuming there has been, could the minister undertake to look into seeing whether we could go back to where we were? Because I think what has happened is there has been a clamming up, perhaps with reason. I am not speaking of the merits; maybe there are merits I do not know about. And the result, I assure the minister, and I know he takes this point, is exactly the problem that my friend from LaPoile (Mr. Neary) was on about earlier; insurers, you know, if they cannot get information, tend to take the safe line, which is deny the claim and we will go to court and make the guy prove his claim. But could the minister then, on my assertion that there has been a change, look into this with his officials - perhaps he and I can speak later, outside the House or in the Chamber as to the case may be - as to whether we can go back to where we were. But I take his point and I thank him for his attention to it.

MR. SPEAKER (McNicholas): The hon. Minister of Justice.

MR. OTTENHEIMER: Mr. Speaker, yes, certainly I will be pleased to follow that up and discuss it with the hon. gentleman.

With respect to the hon.

Leader of the Opposition's (Mr. Neary) remarks when he referred

MR. OTTENHEIMER: to an investigator in the Province - I think this was around six or seven years ago - who apparently conducted himself in an unethical or improper or harassing manner, all I can say is I have, since he spoke yesterday, been unable to get a thorough firsthand report on the matter, Of course, the senior people in the Department of Justice now are not the same ones who were there then, but my understanding is that this was a person brought in, of course, by the insurance company and not under the authority of the Fire Commissioner or the Department of Justice

MR. NEARY: But he was very close to the law enforcement officers. I told you that.

MR. OTTENHEIMER: That I do not know, but I know he was not on the Fire Commissioner's staff. But I am quite sure if an investigator for an insurance company - and indeed perhaps an investigator for anybody else, but just limiting it to that circumstance now - if an investigator for an insurance company were to act in a manner which is harassing or intimidating, then certainly the aggrieved citizen would have a remedy. An aggrieved citizen, informing, I would think, even a responsible law enforcement officer would have a remedy. But as I say, this whole series apparently was about six years ago and so far none of the senior people in the department were there at that time.

MR. NEARY: You can do an awful lot of damage before you get action.

MR. OTTENHEIMER: Well, you know, sometimes, of course, people are not aware of their rights, but obviously if an insurance investigator harasses or intimidates any person, then that person has a remedy.

MR. OTTENHEIMER: The vast majority of the actual investigations are done frequently by police officers, the fire department or by the Fire Commissioner himself. At times a person with particular expertise or knowledge is asked by the Fire Commissioner to make a particular study of this and particular recommendations. When that happens, that person has no access to any of the other investigations. He or she is just asked to 'Look at that furnace because you know a lot about furnaces' or some such thing and give us a factual report whether, let us say, it could explode, or it could not, under certain conditions. But it is only in a very limited, restricted area and such a person would have no access to the overall investigation.

MR. NEARY: Neither would that person be under salary from the insurance company.

MR. OTTENHEIMER: And there should be no conflict of interest. Now it does not mean now that that person two years before or a year after might not be asked by somebody else to make an investigation, but certainly that is the policy.

With respect to people paying their claims within a certain period of time, of course, as the hon. gentleman's colleagues said, they are required to do that, and if they do not then obviously the insured would have to take a legal remedy. Now if the person does not have the funds this would be a matter that, depending on that person's financial position, where Legal Aid, I am quite sure, would be available.

MR. NEARY: In between. Most people are middle-class people in between.

MR. OTTENHEIMER: Well, obviously there are people in that category.

MR. NEARY: You cannot fight the insurance companies by yourself.

MR. OTTENHEIMER: Obviously some claims are contested. But if the matter has gone to court and there is an obvious responsibility for the insurance company to pay it and they have a legal obligation to so do, there is not much more you can do then

MR. OTTENHEIMER: to put in a legal obligation, because if people do not recognize it then there has to be some additional action to require them to so do.

The final matter, with respect to the hon. member for Eagle River (Mr. Hiscock), I am not aware - that does not mean that it has not happened - that any historic sites have ever been pulled down on the orders of the Fire Commissioner. I am not aware of that.

MR. WARREN: What about ordering an apartment building closed for safety reasons and letting the tenants remain there until other accommodations are found for them?

MR. OTTENHEIMER: Pardon?

MR. WARREN: What about the time before eviction?

MR. OTTENHEIMER: Yes, I am sorry. The hon. gentleman mentioned that. I will come to that, yes, with respect to the eviction. I am sorry about that.

The other matter the hon. member for Eagle River (Mr. Hiscock) mentioned about the expansion of the fire department, of course it is an historic anomaly that the St. John's Fire Department is a Provincial Government function at all. It only happened because it started off as a branch of the police force. I forget whether it is eighty or ninety per cent now, it is one of those percentages, is paid by the St. John's and other town councils, Mount Pearl, and all within that area. And I would not doubt the day will come when, you know, it will be entirely municipal, because fire departments are municipal entities and it is only an historic anomaly that the St. John's one is not in the same position.

I certainly would not see provincial fire departments, you know, expanding across the Province. It is traditionally a municipal function. The hon. gentleman said there were many volunteer fire departments in the Province and that is true. That is true across North America, across Canada, and Ontario, and throughout the United States as well. It is the Fire Commissioner's office which is essentially, if you wish, the provincial instrument of public protection.

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MR. OTTENHEIMER:

Now the hon. gentleman's question
with respect to the eviction order, this was

MR. OTTENHEIMER: an instance, as I recall, that occurred last Summer. I am just trying to get the facts straight in my head.

MR. ROBERTS: The one is Goose Bay.

MR. OTTENHEIMER: Yes, This was an instance where the Fire Commissioner had ordered certain repairs to be made and they were not made. I think the land owner said he would make them in a certain period of time and he did not make them, or he did not make them all, and then there was an eviction order. I think most of the people went out and lived elsewhere, had friends or some such thing, and there were a few left, three left. If I remember rightly they had nowhere to go. I mean, it is a very delicate question of judgement. You know, are you so literal in your eviction, if the person has nowhere to do you say, "You just cannot stay in that building and you get out," or do you use a bit of judgement and say, "Well, look, find a place within a few days" or "We will help you find a place within a few days." I think in that instance we were in touch with the Department of Social Services but the person did not come within the ambit of Social Services. So it is not perfect but you have to use judgement. There can be an eviction order, but if you are going to take the person physically and put them down on the road, if they have nowhere else to go—

MR. WARREN: For safety.

MR. OTTENHEIMER: You say for safety but they might not be safe out exposed all night on the road either without anywhere to sleep.

MR. ROBERTS: It is a real problem, because in a great number of rural communities in this Province today it is literally impossible to find anything, either rental or even to purchaseable accommodation. You know, you can go and build your own house.

MR. OTTENHEIMER: Yes, but try getting a place overnight.

MR. ROBERTS: It is just impossible, whether you are on Social Services or not.

MR. OTTENHEIMER: You know, while I certainly agree that when the Fire Commissioner gives an eviction order it has to be taken seriously, and it was taken seriously, and the vast majority of people moved out and had a place to go, there were apparently three people, whether of the same family or not I do not recall, who said, "We cannot leave because we have nowhere to go." Well, I think it is a question of judgement and I guess the Fire Commissioner had to use his judgement and say, "Well, fine, we will not put you literally on the street." I think under the circumstances he was probably exercising his judgement properly. I would assume he was there present on the spot, if he was not his staff were, and those are the circumstances where there have to be individual judgements in individual circumstances.

Anyway I have endeavoured to answer questions hon. members put, and I move second reading.

On motion, a bill, "An Act To Amend The Fire Prevention Act" read a second time, ordered referred to a Committee of the Whole House on tomorrow. (Bill No. 12)

MR. OTTENHEIMER: Second reading of Bill No. 88, which is on our Order Paper as motion 2. By unanimous consent it has been given first reading for second reading today. So really what it is is second reading of Bill No. 88.

Motion second reading of a bill, "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". (Bill No. 88)

MR. SPEAKER (McNicholas): The hon. Minister of Fisheries.

SOME HON. MEMBERS:

Hear, hear!

MR. MORGAN:

Mr. Speaker, it is indeed with pride I stand today to introduce this bill to enact legislation to ratify and confirm the agreement that was signed between the two levels of government in the month of September, and to do it on behalf of the Premier and the government as Minister of Fisheries.

Mr. Speaker, before I get involved in the bill itself, I want to commend those people who were involved in the very delicate, long, intensive negotiations over the past year on this very important matter. It is not the answer, first of all, to all the fishery's problems, but, indeed, the answer to a large sector of the fishing industry, the deep-sea sector. And those officials who devoted their time and their effort, their energies and their abilities to help this government reach an agreement with the federal government I think should be mentioned, those people like the Deputy Minister of Fisheries and my Assistant Deputy, Mr. Andrews and Mr. Dean respectively, also the Deputy Minister of Development (Mr. Clarke), the Deputy Minister of Finance (Mr. Norris), the Deputy Minister of the Department of Justice (Mr. Penney), the Deputy Minister of Intergovernmental Affairs (Mr. Abery), the Senior Advisor to the Premier in the Premier's Office and others who were involved. But these gentlemen in particular were involved in negotiations from day one, when negotiations commenced, when I was the head of the delegation involved in negotiations, when it got down to the point of having an agreement or a memorandum of understanding between the two ministers, Mr. De Bane in Ottawa and myself here, to try to reach a settlement satisfactory to both governments on this major and important issue.

MR. MORGAN: Back in May, we at least laid the foundation for a final agreement. The foundation was laid in a memorandum of understanding brought back to each Cabinet by the two ministers, myself bringing it back here and my colleague in Ottawa back to his Cabinet in Ottawa. That agreement then, in May of 1983, was the foundation for the agreement. Unfortunately it took some time further, even to the point of the federal government announcing unilateral action. We finally, after that and after further intense negotiations involving these officials and involving the Premier - the Premier was on top of negotiations from day one. There is no one man in his Cabinet, on any negotiations, who can negotiate any important issue, whether it be resources in the offshore, which is still an issue outstanding, or this matter on fisheries, as one man made a final decision, it has to be a collective decision. And that is exactly what was done, a collective decision was made with the Premier's guidance as the head of the government here. And indeed, the Premier was very much involved in negotiations at the latter stage of it. From May in 1983, from the time negotiations broke off and after the negotiations resumed, from that point the Premier was very much involved with myself as his minister, the reason being, Mr. Speaker, because it involved more than one minister in Ottawa; you have senior people like the Minister of Finance (Mr. Lalonde) on a committee

MR. MORGAN: here and the federal government are of the same opinion and objective, we want to divest ourselves of our equity positions and our shareholder positions. We do not want to be involved in running the fishing industry. I have always maintained that governments cannot do as good as industry can do itself, any industry. That has been proven over the years in numerous sectors of the economy. But in this case, Mr. Speaker, we had no choice. There was nobody knocking our doors down with millions of dollars to invest in these troubled companies. So, Mr. Speaker, despite the effort of a committee to look at potential investors from outside, the offshore, the foreign investment potential, despite the efforts made in that regard, we could not find anyone willing and wanting to invest in these companies at this time. Hopefully it will be a different situation once we get this new company encompassing these companies I have mentioned so far, these three and also North Atlantic Fisheries, the Nickerson operation. Once that company is established, stability is brought back in the industry and we are once more getting this operation of harvesting, and processing, and marketing from the deep-sea side of our industry on a viable footing, then we may be able to attract someone. Whether they be from West German, whether they be from Portugal, whether they be from the U.S., no matter where they are from, or our own

MR. MORGAN: Canadian investors, no matter where we find them, we would like to see private sector dollars come into this new company. Maybe there are people in Atlantic Canada who will want to invest once the company is put on a viable footing. We are termed as being governments who want to nationalize the industry. We do not want to nationalize the industry, we merely want to take action to save the thousands of jobs of Newfoundlanders, both in the harvesting sector and the plant workers in the processing end of the industry, to ensure that that industry, which is so important to the overall economy of our Province, will continue in the future.

Now, Mr. Speaker, this agreement gives this Province more say than we have ever had before. That is the reason why the Premier and this government have said over and over again, 'This agreement we are now going to ratify through this Legislature here is one of, if not the most important agreements ever signed by the two levels of government - the provincial government and the national federal government - because it gives us more say over an industry which is so important to our Province'. The deep-sea industry represents approximately 55 per cent of the total fishing industry and that is looking at the companies I have mentioned earlier - North Atlantic Fisheries, the Nickerson operations in Newfoundland, T.J. Hardy -

MR. ROBERTS: I do not mean to interrupt the minister. The 55 per cent, is that of fish landings or of the numbers employed?

MR. MORGAN: That, Mr. Speaker, is based on the value to the economy, on the value of the landings of the deep-sea sector, on the value processed in their plants and the market value going into the market place. It comes to using these companies of John Penny and Sons, and the Lake Group, and Fishery Products and Nickerson, now included in this one company, and I note negotiations for the others which I will mention later, that will represent approximately 55 per cent of our total industry.

MR. MORGAN:

Mr. Speaker, we have never had any say over the harvesting side of the deep-sea fishery. We have been consulted, we have been on committees, in some cases, as observers, the government as an observer, but this kind of an agreement gives us more say than ever before. That is encouraging, because we have always said we wanted to have more say over the fishery. We never did say we wanted total jurisdiction over the fishing industry, all we said was that we wanted more say. We wanted to have concurrent jurisdiction, was the term we used through the constitutional debate. So what we did not get through the constitutional discussions and debate that went on about three years ago, what we did not get then through constitutional change we now have to a large extent through this agreement signed between the two levels of government. And that, Mr. Speaker, is very, very significant. But further, Mr. Speaker, the two governments and the Bank of Nova Scotia, by the formation of this new company, had to take this action, as I mentioned earlier, to prevent bankruptcy, the loss of jobs, closure of plants and total chaos. In fact, it reached a point

MR. MORGAN: where we did almost have total chaos in the fishing industry, substantial damage was done. When we had those court proceedings ongoing, when we had talk of receiverships, and we had receiverships on two different companies, I went to the U.S. to look at the situation myself and met with a number of the people involved in buying our product who were skeptical, they were worried, they were quite anxious, the uncertainty was demanding them to know, What is the answer up there? What is going to be the final result? Will we be able to get fish from those companies that have now gone into receivership? Will we have a supply of fish or will we have to depend on Iceland and Norway for our supply? And unfortunately, Mr. Speaker, during the period of turmoil we did lose some markets, we lost them to countries like Iceland and Norway. And that is the reason why a few days ago I made a very serious, sincere appeal to the leader of our party on the national level and to the members of parliament from Newfoundland in the Opposition. I did it sincerely and I say today in this House very sincerely, we cannot afford to have any more delay or any more procrastination on the part of anyone. I know it is not there on the part of the federal government, I know that, and it is not there on our part. We cannot afford to have any delays, intentionally or otherwise, by the Opposition parties in the House of Commons or anyone else, to obstruct this very important measure -

AN HON. MEMBER:

Hear, hear!

MR. MORGAN:

- to bring stability to an industry that is so important to Atlantic Canada, indeed it is important. I am of the understanding

MR. MORGAN: that there are some people who are - I will use the term 'lobbying' on behalf of certain interests from the Nova Scotia side in particular. I understand that is happening. I listened very carefully last night to some members of parliament on the national media talking about their concerns over restructuring. They were talking about the concerns as if the independent companies are going to be hurt by this restructuring and that is totally a falsehood, because the independent companies who operate, - well, let us use some examples - like Quinlan Brothers and Beothuck Fisheries and the Woodman Fisheries, and on we go, all of these, I can list them all, people who we assisted like, for example, Aqua Fisheries, Atlantic Fisheries, Bay St. George Seafoods, Bay Bulls Sea Products, Bell Isle Sea Products, Blue Ocean Products, Clarenville Ocean Products, Green's Pond Fish - by the way, I am reading this list off because I want to indicate that these are the independent companies that we, this Newfoundland government, have assisted to keep them independent, to maintain their independence.

SOME HON. MEMBERS: Hear, hear!

MR. MORGAN: We have assisted all of these companies. I can go on: Clarenville Ocean Products, Green's Pond Fish Processors, Great Harbour Deep Seafoods, Island Seafoods Limited.

SOME HON. MEMBERS: Oh, oh!

MR. MORGAN: Mr. Speaker. Eric King Fisheries, Labrador Fishermen's Union Shrimp Company, which is a division of the union and we assisted them; Newfoundland Food Processors Limited, North Atlantic Fisheries Limited, which is now going to come into this restructuring - it was independent and now it

MR. MORGAN: is part of the restructuring; Ocean Harvesters Limited, John Penny and Sons - we assisted them sometime ago and now they are coming into restructuring; Port Enterprises will be independent and remain independent; Smith Seafoods, independent and remaining independent; White's Fisheries remaining independent - we assisted them as well; Eastern Ocean Products, S.T. Jones and Sons, the Fogo Island Co-op - a different operation but still assisted by us; Burgeo Seafood - a situation which is now going to be dealt with through the Nova Scotia restructuring; Great Harbour Deep Seafood we assisted them twice in this case, Great Harbour Deep Seafoods. These are the companies, Mr. Speaker, I just list to show that these are independent companies that we will always maintain should remain independent. We will never see the day or permit the day to have them swallowed up and encompassed by the restructuring.

MR. MORGAN: Restructuring is going to encompass the companies mentioned in the bill, and I will clearly indicate who these companies are and what they entail.

MR. ROBERTS: Would you table that list?

MR. MORGAN: Yes, Mr. Speaker, not in the form it is now, but I will table the list of the companies we have assisted in the Province over the past year and a half.

MR. ROBERTS: And how much you have put in.

MR. MORGAN: And how much we have put in, Mr. Speaker.

Mr. Speaker, one important thing on fisheries: Because of the split jurisdictions over the fishing industry, this new agreement has done one very important thing, it has opened up a new era of co-operation between the two levels of government. Whether it be the technocrats or the bureaucrats in Ottawa and the officials, as we call them, or the officials here, or the politicians in Ottawa and the politicians here, no matter what level, it has opened up a new era of co-operation between two levels of government which has, in this case, split jurisdictions, one level of government with jurisdiction over one aspect of the fishing industry and the other government, jurisdiction over the other.

So after saying that, Mr. Speaker, I want to explain in some detail and comment on different aspects of the bill itself. As I said earlier, we had to find a lasting solution to the problems in rebuilding the deep-sea fishery and the only way it could be done is the way it is being done now, unless someone tomorrow morning or tomorrow afternoon or in the next few

MR. MORGAN: days in Ottawa during debate on the same subject tells us, the governments, where to extract the necessary millions of dollars to go into equity in these companies, or this major company in Newfoundland. There is no other option only the one we are now taking. We want to see an economically viable, efficient - that is the key word in the industry, 'efficient'. I am not going today to go back and blame the problems of the industry on poor management or lack of efficiency, I am not going to say that, but I am going to say there is a need to ensure that we do have efficiency and good management in the future, because if not we are not going to have a viable industry. We have to have these elements in the fishing industry and in this new company.

Mr. Speaker, the new management I will comment on later, but it is obvious that a very important role of the people who are involved, and the officials who are now involved in putting together the detail of this agreement and the formation of the new company, is the secondment or the recruitment of top level management for this new company, people like the chief executive officer. It would almost leave the impression that we would have to find a Superman to take this super company and make it viable and make the industry work, the deep-sea fishery in particular.

I would not want to mention any names, and I will not, about potential candidates who can become the CEO and take over that company, but the CEO is the most important man; there would be a number of vice-presidents responsible for different divisions of the company. But there are some good people in the existing companies now. There are some good people there

MR. MORGAN:

with the ability and the determination to do a job, the middlemen in particular. I know them, I worked with them over the years, and I am sure they have a major role to play in this new company.

Now, Mr. Speaker, one of the objectives I mentioned earlier, and again I want to stress it, clearly written out in this agreement is that we want to pursue the divestiture to the private sector of our government's and the federal government's ownership in a new company and to do it as soon as possible. That is a prime objective.

We are also determined to see that the independent companies like the ones I mentioned earlier and others, those who never get government assistance - I only mentioned the ones here as examples who got assistance from the Newfoundland Government in the past year and a half or two years, others out there never come to government. And I know today, I would not pinpoint names, there are people in the gallery here who own fish companies and never come to government. And I am doubtful if they ever will come to government looking for dollars. They are doing the right things in the industry, they have been doing the right things in the industry in the past and they will in the future. They are efficient. They have good management and they run their affairs properly, in a hands-on manner from day to day in their plant management. And we want to ensure that this new super company is not going to in any way adversely affect people of that nature, who never came looking for government dollars and who never will. So that is the reason why we have encompassed in this agreement a clause which says that 'if', and that is important - we are not going to in any way compel the independent fish companies to get involved with the new so-called super company, we will call it that for today, the Newfoundland Fish Company, or my preference would be the Newfoundland Fishery Products

MR. MORGAN: Limited. That is my preference for a name, an individual preference. Fisheries Products reputation in the market place is indeed good. It is good in the US. It is good in Europe. They have a good marketing organization. I can account for that. I have seen their activity and I have seen the marketing organization. And I will defend them anywhere and defend their product against the comments made by those people buying their product. I would not want to see their label come off the market, Fishery Products' label. I would like to see it kept there. Maybe we could call the company in Newfoundland, Newfoundland Fishery Products Limited. That is a good name. It also points out Newfoundland. I told my colleague a few weeks ago in Nova Scotia, it has been recognized in the US that the quality of products coming in from Newfoundland is a better quality than the products coming in from other parts of Atlantic Canada. No longer than two weeks ago, with about seven companies from Newfoundland in New York City, the message was coming home loud and clear, "Why do you fellows up there in Canada and Newfoundland not use your own Newfoundland label, Newfoundland brands, specify like Iceland, Newfoundland. In the cold waters", they were saying, "in the cold waters off Newfoundland and Labrador you have not got parasites. You have not got worms in your fish in the cold waters off Labrador, the Northern cod. Why do you not zero in and push Newfoundland?" A good thought, a good point. If they want to buy our products and say it is better quality, why not do that? So maybe Newfoundland Fishery Products Limited would be a good name for the new super company here in Newfoundland.

MR. MORGAN:

But getting back to the independents again, we are saying to them, if you want to avail of the access to international markets, you can, if you want to, market through this new super company. You are not compelled to do so, you may have trouble sometimes in the future marketing a certain species, but if you do, if you have a problem, if you want to you can avail of the access to international markets through this new super company's market organization, because marketing is going to be a key part of this new company. It has to be the key. Without markets we have not got a fishing industry, and without a top quality product to market we are not going to have an industry. The louder and clearer that is preached across Newfoundland and Atlantic Canada the more it has to be understood by all concerned; fishermen when working in their boats, truckers handling the fish, transportation means, the people handling the fish going into the plants, people processing it, and people packaging it, going into the market all have to understand that fish is food and we have to put up top quality products, and once we do that we have to have that marketing organization, which is so important, to make sure this is going to work and be a viable company in the deep-sea fishery.

So if the independents want to avail of that marketing arm they can, and, I am sure, many of them in the future may just well do that, but they are not forced to do it.

Now, Mr. Speaker, looking at the shareholding positions of the three shareholders it is important to note that we have left an allocation, a percentage of the shares to a fourth shareholder. We have the two governments and the Bank of Nova Scotia, then there is a fourth one that to me is a new concept. And is the right concept to have

MR. MORGAN: the workers, the fishermen involved in selling and processing the fish in this new company, having a say in management, having a say in the corporate board rooms of this new super company, and through a social compact arrangement with the workers through the Fishermen's Union - and there are ongoing negotiations and there will be, I think, maybe for sometime, but hopefully to a successful conclusion, with the Fishermen's Union, Mr. Cashin and officials from his union, with officials from the government here, officials not politicians in this case, officials - we can, the two governments and the union, work out a satisfactory social impact to give the union an equity position through employee deductions, give them an equity position so they can become shareholders and they can have a say in the running of this company. And that to me is a very, very positive concept and I am hoping it will work through the means of having the negotiations conclude successfully.

Mr. Speaker, the financial aspects, with regards to the funds that we have converted to equity, of course, is \$31.5 million Newfoundland Government dollars, giving us 25 per cent of the company. We know the other figures, \$75.3 million from the federal government for 60 per cent; 12 per cent for the Bank of Nova Scotia, because all of their exposure in the company is not going to be converted to class A preferred shares, it will be class D shares, most of their money, which will give them the right to receive dividends in other words, additional shares. The only ones to get dividends will be the Bank of Nova Scotia and that will be in the form of further preferred shares of the company to the bank, through dividends, and then when the time comes that the two governments want to purchase the shares of the bank we can do so, and it is in the agreement, on a 50/50 bases, which is

MR. MORGAN: also quite fair in this case to both levels of government.

Now, Mr. Speaker, the board of directors; I want to squash any rumour today that the governments are going to be managing and running the affairs of this company. We want to recruit from somewhere - hopefully within Canada, hopefully within Newfoundland, but from wherever - competent management, to put them in place, have the board of directors not civil servants, specified in the agreement, not government officials on the board of directors, and that is important to recognize and understand they will be appointed, put in place as the board of directors, and they will then put in place the management and they will run the affairs of that company. And that is important, because I would never want to see government interfering on a day to day basis on running that large company, I think it would be chaos. We have got to find the competent people, give them the job to do and let them do it. And this board of directors will consist of eleven members, five appointed by the Government of Canada, three to be appointed by the Government of Newfoundland, one to be appointed by the Bank of Nova Scotia, one to be selected by the employee shareholders, if they want to come in as shareholders, and we are hoping they will, so they can have a man or a person on the board of directors, from the workers themselves, to represent them on the board of directors.

MR. ROBERTS: Any requirements on residency?

MR. MORGAN: In answer to that question, there is established now a Recruitment Committee which consists of people like -

MR. ROBERTS: Well, that is CEO.

MR. MORGAN: Yes. But for the directors we would prefer to have Newfoundlanders on the board of directors

MR. MORGAN: and I think if it got down to the point Canada would say, or the Government in Ottawa would say we prefer to have Canadians, as long as they are not from outside the country. I do not think that is a very important point, the important point is once we find the competent individuals, appoint them to the board of directors and let them run the company. And, of course, the CEO has to be a joint appointment. I am hoping that will come to a point when we can agree without any disagreement on who is going to be the CEO. I do not think it will come down to that at all but if it ever did, at least there would then be a panel consisting of one nominee from each government who shall agree on a third person to Chair the panel and that panel will adjudicate - I guess that is the right word - any disagreement between the two levels of government on the new CEO. But I do not anticipate any problem in that regard at this time and hopefully there will not be.

Now, Mr. Speaker, plant utilization as we all know was a very key issue. Plant utilization is a major factor in all of this because of the social factors, looking at the maximum employment factor, if you want to have it at that, but maximum employment in this new super company and the assets they will own. So plant utilization became a very important issue throughout the negotiations, to the point where negotiations actually broke off because of being unable to resolve that one issue. One very important point I want to make is that if ever there is going to be again an issue of plant closures, we know what plants are going to be opened, and we can go over these later, but if ever a decision has to be made by this new super company's management, and by the board of directors, on the future merger of plants, on the closure of plants, where it is

MR. MORGAN: going to have any significant change in employment - for example, in excess of 100 people, or in a case where there are less than 100 people working, one half of the work force, if that new change of plant closure or plant merger is going to affect more than one half of the total work force, well that kind of decision is subject to the approval of both governments. Both governments have to approve that kind of decision on plant closures and plant mergers and significant changes in the operation with regards to employment.

Now, in the event of any one government opposing the action, and that is important to understand for all members of the areas where plants may very well be an important issue in the future, it may be Trepeassey, it may be Grand Bank, it may be Gaultois, it may be Harbour Breton, any of those plants we are talking about, or Twillingate, or Bonavista, or Catalina, or Port Union, for example, if it comes down to the point that a decision is made and one of the two governments says, No, we cannot agree with closing out Gaultois or closing Harbour Breton, whichever plant it may be, as an example, well, the government opposing the action shall, not any if, ands or buts, shall assume the additional cost associated with the continuation of that plant. If, for example, the company was losing x millions of dollars by keeping Grand Bank open - Grand Bank is being questioned somewhat and we are fortunate in having a situation where it is being given at least a trial period to prove itself, it can be part of the operation and make the overall company, or contribute to its viability for eighteen months, but it could be Grand Bank - whichever government opposes that decision of closing or merging - take merging Grand Bank with Fortune as a good example - well, that government shall assume the additional costs associated with the continuation of the

MR. MORGAN: existing level of operations, such costs including the loss of income to that company, to the company overall. And that is an important section of this agreement because it means that governments, although they are willing to assign the responsibility for management, and rightly so, when the management says, No, we cannot keep on going with this part of the operation, or this plant, or that plant, one of the governments, or two of them combined, shall assume the cost associated with keeping these plants going. In other words, it brings into play government subsidies to recognize social problems and social factors that will come into play by means of closure of any of these plants with regard to employment, etc.

Now, Mr. Speaker, the corporate organization, that is a very important topic. When we were having discussions and negotiations we were worried about one large, big conglomerate being put in place. Right now we are going to take in all the plants owned by Fishery Products, all the plants and trawlers owned by the Lake Group, John Penny and Sons, all of North Atlantic Fisheries operations on the Northeast Coast, the Nickerson plants, as we call them. We are going to have negotiations, if not commenced already soon to be commenced, with the officials of government negotiating with Triton Seafoods in Triton, to take them into the large company; T.J. Hardy's operations, which is fifty/fifty Nickerson and T.J. Hardy, to take them into the company through negotiation, but the fact is, Mr. Speaker, it is well known that these companies are having financial difficulties and somebody has got to come along to assist them unless somebody else comes along with money who will do so, as I mentioned earlier.

MR. MORGAN: So having one big conglomerate company did not appeal to me as Minister of Fisheries.

MR. NEARY: The hon. gentleman says, 'We are in the negotiations'. Who does he mean by 'we'?

MR. MORGAN: Mr. Speaker, 'we' are the three important parties concerned with the restructuring, that is the two governments and the Bank of Nova Scotia.

MR. NEARY: Who are the 'we' negotiating with T.J. Hardy?

MR. MORGAN: Mr. Speaker, the hon. gentleman comes in now with little chip on his shoulder there, and he is now concerned about a little parochial issue over in his own riding. And all I said was any other companies, for example, Triton Seafoods, T.J. Hardy, which want to become part of this restructuring company it will be done through the negotiating process. That is all that was said. I do not want any more misinterpretations of what I said.

Mr. Speaker, these negotiations will be carried out and if successful it will mean that all companies I have just mentioned will be in one big conglomerate, which leads me to talk on the topic of corporate organization. I do not think I will ever see the day as a politician, or maybe live long enough as a Newfoundlander to see someone come in with enough money to buy that big, large conglomerate company. So we want it structured in a big way that would make it easy for divestiture. We stressed and we obtained through negotiation, and it is now in the agreement, that the company will be organized into three or more divisions, consisting of a common services division, which will include marketing - in other words, marketing and common services would be one division of the company - and then at least two or more processing/harvesting divisions. Each of these portions or divisions will be given individual, separate corporate allocations, corporate of fish stocks, or enterprise allocations we call it now, the level of quota allocations, and these would operate with separate accounts.

MR. MORGAN: And that is the only way we could ever see someone wanting to come in and buy out parts of divisions, if you want to call it that, it could be the Fishery Products Division as one division, with a vice-president running the company, and separate accounting systems. They would all go to the same marketing organization. The Lake Group would market to the same organization, Fishery Products Company, as we know it, is one division, maybe John Penny and Lakes is one division, then we would have the Nickerson operations in the Province as one division. There are three divisions. Take, for example, those three divisions with three vice-presidents, each responsible for its own division, with separate accounting systems. Then when we could find people with money to invest, when we have stability and viability in the company, we would be able to sell off, if you want to use that term, these different divisions to the private sector. Because if not, if we did not have that, I am very doubtful if we would ever see the day that people would have sufficient monies to come in here and be able to buy this one big, large conglomerate company.

MR. NEARY: Are you talking about (inaudible).

MR. MORGAN: Well, there would be different divisions, including processing and harvesting together. For example, Fishery Products, as we now know the company, could be a division with a vice-president, and the Lake Group and John Penny combined would have a vice-president. Now, Mr. Speaker, that is important because, as I mentioned earlier, we do not always want to be owners or shareholders of this new company. The marketing organization, as I mentioned earlier, the marketing organization for the independent processors, we would not want them to be just merely marketing their products with this new marketing division of the new company without having some say. So there will be established, if independents want to market through this new division and they do make a decision to do so, a Newfoundland Marketing, Planning and Co-ordination Council, and that Council will indeed have

MR. MORGAN: representation from the independent companies who want to take part in marketing their fish or their seafood products through the marketing division of this large company.

Now, another aspect of the agreement, which is important to those independents as we call them, is fish for the resource-short plants. That, Mr. Speaker, is one of the key problems today in the part of our industry other than the deep-sea fishery, which is these companies I mentioned, getting fish to those plants which are closed this time of the year at the end of the inshore fishing season. I have had more discussions and talks with Mr. De Bane in the last ten days on this topic than any other topic. That was by telephone discussion. We have a good working relationship. I can pick up the phone and call him at his home and he calls me at my home and there is no hour of the day we cannot talk to each other about any problems pertaining to the fisheries and that is a good way to have things, with ministers working hand in hand, that kind of co-operation. The resource-short plant programme, I discussed it today, for example, with Mr. De Bane and his deputy on a conference hook-up and we discussed as to how to get this resource-short plant programme into action. Because these independent plants have not got any fish, they have not got any trawlers, they have not got the financial ability to have the trawlers, and we do not want to always have to depend on foreign fishing vessels to land our fish to our own Canadian and Newfoundland plants. We should never have to always depend on foreign fishing. So Mr. De Bane's policy and the federal government's policy has been - and we have been supportive of it up until the last few days when we put forth a new proposal on the matter - to let the independents use - if they can negotiate a cost to them to their satisfaction, a price per pound or a

MR. MORGAN: cost per pound - to use Canadian bottoms, to harvest the fish and land it and have it processed in these independent plants. But I am sure the independents understand from the meetings I held with them about two weeks that they cannot expect to have the new company, or the governments right now, subsidize the harvesting cost per pound for to get fish to their plants. That would be wrong. So we were hoping that the trawler representatives of the companies like Fishery Products and Nickerson and National Sea and the Lake Group, because we have not got the restructuring all finalized and a new company formed, that these representatives in meeting with the independent representatives could work out an arrangement whereby the cost per pound would be satisfactory to the independents and they could send their trawlers, which are now tied up and not being used, out to harvest a quota of 10,000 tons which is out there set aside for the very purpose, to supply the resource-short plants, the inshore plants.

MR. MORGAN: But unfortunately the negotiations between the two sectors of the industry - and I have been in touch with the man mediating, a very competent individual on the fishing industry, Mr. Bill Wells, who has been assigned as the mediator or the man in charge of negotiations, put it that way, in trying and get the two sides to come to an agreement - have reached a stalemate. The Canadian owners of the vessels are saying, 'We cannot tell you what it is going to cost. Let the trawlers go out and sail and whatever the cost may be you pay it.' But they cannot tell me independents what the cost is. It is rather a ridiculous situation if the independents do not know what it is going to cost them per pound for the fish from the offshore. How can they send trawlers out not knowing what the cost is going to be per pound? So until the restructuring is in place - I made proposals to Mr. De Bane last Thursday and have discussed them with him again today, and I mentioned to him that I would be mentioning it in debate today as well - until restructuring is in place, until we have - when I say we again, the two governments and the bank, the shareholders - until the new super company has control over the harvesting fleets - one fleet it will be then - but because National Sea has not yet been finalized over there and the new company is not in place, let us go with a programme of giving the rights for the independents to harvest a portion of the 10,000 metric tons, not the total, to foreign bottoms. At least do it this Fall and we will be able then to determine quite clearly what the cost will be to the independents by using foreign bottoms, and then when the new company is in place we will then allocate our trawlers in this new company to catch fish when they are not being used for the purpose of their own plants and look at their cost. Let us look at the cost of the two methods and hopefully by doing that we can assess it in such a way that we will be able to use Canadian

MR. MORGAN: owned vessels to catch the fish and land it at a satisfactory price to the independents.

MR. NEARY: If you need more time, go ahead.

MR. MORGAN: Yes.

MR. SPEAKER (Russell): Is it agreed that the hon. minister has leave to continue?

SOME HON. MEMBERS: Agreed.

MR. ROBERTS: May I ask a question?

MR. MORGAN: Sure, Mr. Speaker.

MR. ROBERTS: Mr. Speaker, we are all listening with great interest to the minister. This question of the 10,000 tons for resource-short plants, two questions arise out of it. Is it correct that allocation must be used by the end of the calendar year or else it disappears, becomes a dropped balance, to use a term that we use in the financial context with which the Minister, I know, is familiar? And, secondly, what happens if it is established that the price at which the Canadian bottoms - to use that new word the Minister has found - if the Canadian bottoms cannot catch it at a cost equal or less than that which the foreign bottoms are going to have to charge? Has that been addressed? If it has not been, of course I understand. But has that been addressed?

MR. MORGAN: Mr. Speaker, that is a very good question

MR. MORGAN: because it is a matter of much discussion. What we are proposing to be done is, for example, of the 10,000 tons, let us leave 2,000, take 8,000 and go halves on that. Take half of the 8,000, which would be 4,000 tons, and let the independents use foreign bottoms for that. We are convinced that the cost will be lower from the foreign vessels because of less labour cost.

AN HON. MEMBER: Three or four cents a pound.

MR. MORGAN: Well, at least seven or eight cents a pound according to past activity.

Then if we had the other 4,000 caught by Canadian bottoms, then the total cost of 8,000 tons landed to these independent fish companies cost would be averaged out. By having a low cost per pound for at least so much fish, say half from foreign vessels and the other half from Canadian vessels, then we would average it out. I think that is the only solution for now. But when the new company is formed the objective, which is in this agreement, is to have the trawler company - for example, National Sea's trawlers have been tied up in St. John's. I look through the window in my office every day and there is a line-up of stern trawlers tied up in St. John's harbour. There is one man in the gallery right now, and there are other owners of plants along the Northeast Coast who have not got fish. All he wants is these trawlers to go out and land fish, not at a loss but not at a profit - allocate their trawlers, when they are not required for landing fish at their own plants - and there are quite a few times they are not landing fish at their own plants, because they have a certain corporate quota to catch, and when that quota was caught their trawlers could be tied up, and in many cases are tied up - to land fish for the independents.

MR. MORGAN: The new company is going to have to clearly define the cost per pound of harvesting fish in those trawlers. If the independents do not agree totally with the company's costs as told the independents, then they can appoint - and this is what is in the agreement as well - an independent firm of chartered accountants appointed to review the management's determination of the cost supplied to the independents. If the independents say, 'No, twenty-nine cents is too much per pound' - twenty-nine cents I use as an example - 'for me to pay for fish coming in by your trawlers, I cannot afford to pay it, and I am not sure it is the right cost. You are telling me it is the cost.' Well, then we will appoint an independent board of chartered accountants to review the decisions, review the costs, etc. and make a report to both governments on the matter. I am hoping that when the new company is formed that indeed that resource-short plant programme will be worked out to the satisfaction of all those independent companies who need fish from the offshore, because it is so important.

I mentioned, Mr. Speaker, the social compact and I stress again the importance of that being resolved. Now, one very important thing further is a resource utilization task force. Not much recognition has been given to that task force and people will say 'Oh, we got enough task forces and studies and everything else in the fishing industry.' But this one is going to be so significant, it is unfortunate that to date it has been overlooked somewhat in all the restructuring talks. Because one of the mandates of that task force is - and I repeat it it is so important - the displacement of foreign fishing effort. How often

MR. MORGAN: have I spoken in this House of Assembly in the past four years as Minister of Fisheries and talked about the bad deals of having foreign fishing effort come into our 200 mile economic zone and take fish away to no benefit whatsoever. If there was a market benefit of marketing our final processed products, there is a judgement call as to whether or not it is wise to have fish taken away in raw form and then to compete with our own processed fish in the final stages in the market place. There is a judgement call on that one. But in many cases fish was taken to no benefit whatsoever to our fishing industry, none whatsoever, by not rights but privileges given to foreign nations to come and take fish from our 200 economic zone. And that task force, agreed upon by both governments, one of the main mandates of it is to look at and review the problem with the objective of displacing foreign fishing effort. If that is done, I will say that it will mean enough raw material from the offshore so that we may even eventually - and I do not want to build up hopes and expectations - we may eventually have our processing plants that we have in Newfoundland operating at 85 to 90 per cent of their capacity, whereas right now it is 45 to 55 per cent, in that range; those plants not owned by the trawler companies, that is the average. And that would be a very significant development. Now, Mr. Speaker, I mentioned earlier plant utilization, I am sure that my colleagues in different respective districts will be speaking in this debate on the different individual plants in their own respective areas. The situation at Burin and Grand Bank - I guess it is fair to say have been involved in negotiations,

MR. MORGAN: these two plants themselves were the cause of the break-off in negotiations. It was not any other plants, it was not a general plant utilization issue. The plant utilization was the issue but there were only two plants, Burin and Grand Bank, involved.

Of course, when I did sign the memorandum of understanding to come back to the Cabinet in which I sit, back in May, saying that the management would have to decide the future of Burin and Grand Bank, let them come into play and let them decide the future of Burin and Grand Bank, the position was then that they felt that Burin and Grand Bank could never be viable operations when you have a big neighbouring plant at Marystown, next to Burin, more modern, with the capacity and with the people who can commute not too far away over a paved road. That was the argument made. The same way with Grand Bank, the employees would be able to work at Fortune. That was the argument put forward to us, that it would be more economically viable for the company to have the same through-put of fish going through one plant than having the same total through-put going through four plants. So this was the issue on the Burin Peninsula. And, of course, we took a strong position as a government, as a Cabinet, and I as a member of the Cabinet went back to Ottawa, this case involving the Premier, and we pushed strongly for a second look, 'Give Burin and Grand Bank a chance, they have always been deep-sea plants,' We know what the figures are with the loss of monies to the overall companies. The figures that were used was \$50 million in five years. In other words \$10 million a year the new company would lose was the figure put forward by

MR. MORGAN: Price Waterhouse engaged by the restructuring process, Mr. Kirby and his group and the federal government, and, of course, we had access to all this information as well. They claimed that by keeping Grand Bank and Burin open, and not having the merging of these plants into the two plants of Marystown and Fortune, the overall losses to the company would be \$50 million in five years. And that was a pretty strong argument, Mr. Speaker. It

MR. MORGAN: was an awfully strong argument. I do not think anybody would fault me, in looking at everything else we gained at the time, in saying, "Well, look. We have all the issues resolved, and this is the only one outstanding which we have some dispute on. I will go back to the Newfoundland Cabinet but I am not convinced I can sell it." I recall telling Mr. Kirby and De Bane over and over, "I will take it back. I am not convinced I can sell it and here is why, because they have always been deep-sea plants. Let us give them a try. Let us give them a trial basis with a new management." Not because Fishery Products wanted to close Burin, not because the Lake Group wanted to close Grand Bank, the existing old managers. "If you are going to have new management let them assess the situation and give those two plants a chance."

Well, as you know now in the agreement, Mr. Speaker, the federal government has agreed to give Grand Bank a chance, an eighteen month chance to show it can be viable. And they have given Burin not a chance to be a primary processing plant, but a chance to prove there can be viable economic employment activity in Burin, in this case secondary processing. I am convinced the secondary processing is going to be a big thing in the future. There are potential markets across Canada. The tariff barriers are preventing us from going into the US in any big way with our final processed products, but there is a potential market. The only other competition, any sizeable competition in secondary processing is National Sea in Nova Scotia. I do not see any problem they have in marketing their secondary process products. My

MR. MORGAN: colleague from Burin-Placentia West (Mr. Tobin) was over with me, and the mayor, and the union; We saw the secondary processing being carried out in Lunenburg, and we talked to the company officials and they were quite co-operative despite the fact they knew we were going to be in competition with them eventually, the Nova Scotian company. But they have no problem marketing these final products for the consumers, secondary processed to the final stage, and I am convinced that Burin is going to have indeed a bright future.

MR. TOBIN: It started today.

MR. MORGAN: And as my colleague just said, the secondary processing has started in Burin, even before the new company is officially put in place. There is a future for it. But coupling that with the fact you are going to have 40 plus 28, approximately 68, I should not use figures vaguely but I am pretty sure it is 68 trawlers would have to be refitted, maintenance supplied and refit operations and having that operation carried out in Burin for the whole company, the refit centre at Burin, Burin hopefully, and I am confident it will, have a very significant employment factor from this restructuring. And I am also hoping that, down the road eighteen months time, will clearly show that Grand Bank can also be so and contribute towards the viability of the new company.

 But I want to mention these two because they were the main ones. St. Lawrence was not as an important one as Grand Bank because they were never a fully deep-sea port, but they are still important because they had a brand new plant built with DREE funds and assistance from us over the last few years and they were left there with a big modern plant and no fish for the plant.

MR. TULK: Did you believe in the old method?

MR. MORGAN: With the understanding from the federal minister that we could work out an arrangement to get some fish, maybe using some leasing of foreign vessels, we would get some fish and we could keep it an inshore plant and it would not have to be part of the restructuring, so it was, not part of the restructuring. But it was still important that, if we could get it in there, to have it in there. And, of course, when the Premier and delegations went back and forth to Ottawa, and me with them a number of times, to Mr. Johnston and Mr. Lalonde and others, we finally were successful in having St. Lawrence part of the restructuring company, And an eighteen month deal for Grand Bank and a secondary processing operation at Burin.

MR. NEARY: What is the reason it was not in the agreement?

MR. MORGAN: Mr. Speaker, as I mentioned earlier when the hon. Leader of the Opposition (Mr. Neary) was out of the House -

MR. NEARY: I was listening.

MR. MORGAN: -it was not in the agreement because it was in the agreement that management would be left to decide the future of these plants. As I said earlier, there were always reservations, and I said earlier that what I did sign and bring back indeed has been and is now, many parts of it is, the foundation of this major agreement.

Now, Mr. Speaker, my colleague is not here, but Fermeuse is not faring so well on the issue, and I have to say that. Fermeuse is not faring that well and my colleague is concerned about it, because it is downgraded from a deep-sea plant to an inshore plant, but with a special clause pointing out it will be eligible to receive fish from the resource-short plant programme which it would not be if it was , as in may cases + I do not know how many cases there are - owned by a trawler company.

Some other plants, like Triton, are not now part of the new company. Triton Seafoods is not part of this new company. There will have to be negotiations. Triton, I am convinced, is unable to carry on on its own as a company, despite the agreement we have now with the National Sea people to land 6 million pounds of fish from the offshore annually to that plant at Triton, which is owned by Nickerson, but National Sea agreed to land the fish there, National Sea and Nickerson, of course, are primarily being one company. We are going to have to negotiate to encompass them in the new company. We are going to have to negotiate with T.J. Hardy Limited which had plants on the Southwest part of the Province and the Great Northern Peninsula, some of the plants owned by us and leased to that company.

MR. NEARY: Were they separate agreements, you know, apart from the new company or what?

MR. MORGAN: No, Mr. Speaker, the agreement itself points out what companies will be encompassed, and the wording of the agreement clearly points out that through negotiation these two companies can become part of this new restructured company.

MR. NEARY: Which ones?

MR. MORGAN: These are Triton Seafoods and T. J. Hardy Limited.

MR. NEARY: What about Port aux Basques and Rose Blanche?

MR. MORGAN: Port aux Basques and Rose Blanche primarily because they are owned by the company; up in Anchor Point and Flower's Cove the plants are owned by the government and leased to the company, but they still operate them at the present time.

Now going on from there, Mr. Speaker, Northern Fisheries - and my friends from Labrador are not in the House, I was hoping they would be in the House of Assembly for this debate, and I hope they will take part.

MR. NEARY: They are listening.

MR. MORGAN: But Northern Fisheries, what we said on Northern Fisheries is that the two governments will work together, this is what the agreement is saying, to establish a Northern Fisheries Development Corporation, and that Northern Fisheries Corporation would include the plant at St. Anthony and all those plants along the Labrador Coast, but with the clear stipulation that plants which the private sector do not want to operate - and that has been a major problem in Labrador; we have been unable to attract the private sector, as my colleague, the minister here responsible for Labrador (Mr. Goudie) is fully aware - we have been unable to attract the private sector in any significant way to develop Labrador's fisheries, to carry out harvesting and processing, but processing primarily.

MR. TULK: Would the minister permit a question?

MR. MORGAN:

Yes.

MR. TULK:

The Kirby Task Force said the Northern Fisheries Development Corporation would operate North of the 50th. parallel. Can it expand? What is happening with that now?

MR. MORGAN:

The agreement itself says St. Anthony and the Labrador Coast, but the hon. gentleman is right. In the Kirby Task Force Report, the recommendation pointed out they wanted a new Northern Fisheries Corporation North of the fifty degree latitude. But in the agreement itself we are talking about at least St. Anthony, which could be the nucleus of the new company -

MR. TULK:

But could you move anywhere?

MR. MORGAN:

- and then go North.

MR. TULK:

But could you come South?

MR. MORGAN:

No, unless it is agreed by both governments.

MR. TULK:

Okay, but that opening is there for agreement?

MR. MORGAN:

The opening is there.

But I want to repeat again, Mr. Speaker, it is so important that this is not a monopoly. We do not want to establish a monopoly on the Labrador Coast, a monopoly in Northern Labrador. We only want to

MR. MORGAN: do things nobody else wants to do and develop our fishing industry in these areas. In places, for example, like Balck Tickle, who owns the plant? The Newfoundland Government. Well, we attracted Nickerson going in there and operating under a lease arrangement at Black Tickle. We operate Nain, we operate Makkovik, we operate Hopedale. We lease the plant we own in Cartwright to the union. We lease the plant in Mary's Harbour to the union. And I can go on. With the exception of one plant along the Labrador, except for some buying stations and salt fish operations, the only plant that I can think of owned by anybody but the Newfoundland Government is the Fishermen's Union at L'Anse-au-Clair, the union's shrimp companies' operations. But, Mr. Speaker, that is an important part of this agreement, that the agreement is recognizing the Northern part of our Province, the Labrador portion in particular.

MR. TULK: When the minister is finished, would he talk about the factory trawlers and why he felt that was important to put in? When he is finished.

MR. MORGAN: Yes, sure. Mr. Speaker, I would like to hear the comments and views in this debate from the Labrador representatives in the House of Assembly on that Northern fisheries in Labrador. I would like to hear the comments on one major issue. Should the Northern Fisheries Development Corporation be separate, a separate corporation? Should it be part of this new restructured super company as a division? Or should it be part of the Saltfish Corporation? These are important questions now being addressed by both governments now in our discussions and I would like to have the benefit of the opinions of members of the House of Assembly on these questions. How should it be? Should it be a separate company and operate separately as a

MR. MORGAN: separate corporation with its own board of directors?

MR. TULK: Separate from the super company?

MR. MORGAN: Yes, separate from the super company. A separate division rather of the super company, or a division or part of the Saltfish Corporation? And the idea of the Saltfish Corporation having the jurisdiction over Northern fisheries because of their activity in the Northern part of Newfoundland, and because of their somewhat expertise in the product which is primarily the product produced in Labrador, salt fish, that has been a prominent position taken from certain circles as well, that the Saltfish Corporation could be the vehicle to encompass this Northern Fisheries Development Corporation as part of the Saltfish Corporation.

MR. NEARY: What is your personal views on that?

MR. TULK: How do you feel, 'Jim'?

MR. MORGAN: Mr. Speaker, I am of the opinion at the present time that one of the two should occur. I do not think the Northern Fisheries Development Corporation should be part of the restructured company. I think it may get lost, it will not get the emphasis that Labrador and Northern development needs.

MR. TULK: It is a different kind of outfit, too.

MR. MORGAN: Yes. And because of the kind of operations it should not be, in my view as minister, part of this super company. It should either be a separate corporation on its own or somehow tied into the Saltfish Corporation. We would change the legislation of the Saltfish Corporation, making accommodations for it, by means of changing legislation both in the federal government and through this Legislature here, but one of these two ways.

MR. MORGAN: Now, the Burin Peninsula Development Fund that has not been discussed too much. But it is a special fund which came into being when we looked at leaving the future prospects of the operation of Grand Bank and Burin to the new management, that if there was any loss of employment this Burin Peninsula Development Fund, which is still in there, could be used to develop industry or to improve upon the economy of the Burin Peninsula. And I can see my colleague, the Minister of Development (Mr. Winsor) - and he is already working on a number of matters on how to use the development fund; he has held meetings and discussions - is determined to use that fund, with the expertise in his department, as a means of indeed attracting industry. It may be an industry that we know about in the past, and the Minister of Development is working quite hard on bringing it back and I think he is going to be successful, that is in the St. Lawrence mines, and we are all counting on that. It may be in that kind of an industry. It may be in the boat building industry, in Marystown Shipyard.

MR. MORGAN: That is one thing that is encompassed in the agreement, for example, to ensure that Marystown gets a fair shake , a good shake, at getting all the work on rebuilding and replacing the trawler fleet. What more appropriate yard? I am convinced that the Minister of Development (Mr. Windsor), in his appointment some time ago of that very competent man, Mr. Whalen, in managing the Marystown Shipyard turned the yard around, the yard is now making money. It is a very important factor to look at , when you look at the age of the trawler fleets of this large super company. I mentioned markets are a key thing to make the company work, but I guess, if I could put it in categories, the second most important thing is trawler replacement. There has got to be a major trawler replacement programme to be able to harvest the fish in our waters in X number of years as the stocks grow. The Lake group is a old fleet, a lot of them old side trawlers. We cannot use side trawlers; they are not ice strengthened, they cannot go in the Northern cod areas. Fishery Products has got to have many of their trawlers replaced. They are not as bad a fleet as the Lake group but they still have many to be replaced. And each trawler is going to cost in the range of - my guess, without going pinpointing it to the last dollar - at least \$7 million to \$10 million range per stern trawler. And the only way this can be done was again a suggestion from my colleague, the Minister of Development . I held meetings with the minister in Ottawa some time ago. He said, "If we are going to get Marystown on the move down there," the Minister of Development , my colleague, said, "we have to have some kind of standard

MR. MORGAN: design of vessel." And once we can establish Marystown as the competitive source of building that standard design of prototype vessel, who knows? We could end up building vessels for the Nova Scotia super company's fleet. That is a good possibility. So I was quite pleased with the results of Mr. De Bane saying, 'Yes, we will agree with you Newfoundland. We will put in place the funding.' He mentioned the figure of \$7 million to pay the cost of developing a prototype.

AN HON. MEMBER: Who said that?

MR. MORGAN: Mr. De Bane, and he is standing firm on his position. He wants to see a prototype standard design trawler deep-sea fishing vessel developed in Marystown by the Marystown yard. If it is then determined to be built at a competitive price or cost, it will open the door for all kinds of markets from maybe other fishing nations - who knows? - but from our neighbouring province in particular. Can you imagine the activity in my colleague's district of Marystown if we have one, two or three trawlers per year being built to replace the fleet over the next ten or fifteen years? Marystown will be indeed even more viable than what the minister has made it now.

MR. NEARY: Mr. Tobin would be so swelled he would not be able to get his head in through the door.

MR. TOBIN: I will tell you something. You will not need a door to bring your colleagues through if Labrador City is the case.

SOME HON. MEMBERS: Oh, oh!

MR. MORGAN: Mr. Speaker, we have had pretty good co-operation. If we could have order!

MR. SPEAKER (Aylward): Order, please!

MR. MORGAN: I do not want to end up on a sour note, Mr. Speaker.

MR. SPEAKER: Order, please!

MR. MORGAN:

Mr. Speaker, the Opposition has been kind enough to give me leave to carry on. I wish my colleagues would appreciate that. I want to finish up as soon as I can. Mr. Speaker, the agreement encompasses a number of things, and my friend from Fogo (Mr. Tulk) asked a question about factory trawlers. Why would we want in the agreement no factory freezer trawlers? Now factory trawlers and freezer trawlers are not the same thing, and, of course, my friend is aware of that,

When we saw the plan of National Sea in Nova Scotia which was presented to the federal government just before they declared they were in the position that they wanted federal government assistance, that private company put forward a plan of operation and in their plan was the acquisition and the use of factory freezer vessels. Factory freezer vessels, in the view

MR. MORGAN: of this government, would mean one of these days you would look out there off the Coast of Bonavista, or off Cartwright or somewhere else and you would see a processing operation you could say, "Well, that was once Grand Banks." "That was once Twillingate." "That was once Bonavista." So we took a strong position. We would never want to see fish processed at sea when here we are, I guess we are the biggest processing operation anywhere in the world sticking out there in the Atlantic Ocean, the Island of Newfoundland and the Labrador Coast. We are a floating factory freezer trawler, if you want to call it that. We are sticking out there. We are indeed a freezing capacity. The freezing capacity and the processing capacity that we have in this Province today is underutilized, as I mentioned earlier approximately 45 or 50 per cent utilized. We should never, never agree to having factory freezer vessels processing at sea when we have plants on shore which close up most of the year. That is the reason why the Premier and the government, the Premier in particular was quite adamant on that, the position he took on it. I want to say further that some people would argue, and I have heard the argument time and time again that -

MR. TULK: Not on this side.

MR. MORGAN: No, not on factory vessels - on a number of issues, 'Why did you accept the agreement and sign it back in May? Why could you not have signed it then?'

MR. WARREN: You signed it, did you not?

MR. MORGAN: Well, as a government, Mr. Speaker, and the Premier as head of the government.

MR. WARREN: Did you not sign it?

MR. MORGAN: Mr. Speaker, the hon. gentleman has been away from the House all the afternoon and I am not going back over what I said earlier this afternoon. I was speaking for a good hour and a half or so and I appreciate the Opposition's co-operation. But the Premier took part in negotiations and on behalf of the people he represents, as Premier of this Province, he went back and pursued many important issues and was indeed successful as a negotiator.

I do not want anybody to ever tell me again, as a politician in this Province, if I ever hear it said again, that the Premier of this Province cannot negotiate -

MR. WARREN: Right on.

MR. MORGAN: - because that is so untrue. He was in the midst of negotiations in night and day meetings, I was with him as his minister and other officials, and he was the one who successfully concluded this agreement. It was not Jim Morgan, it was not the officials, it was not any minister, it was the Premier of the Province with the help of his officials and his ministers and other ministers, but he concluded the agreement. And by concluding it, Mr. Speaker, a number of changes were made. We discussed this yesterday, the Premier and myself, and we agreed rather than take up time in debate today, and I will table it in the House, so copies can be made for all different members, the difference in the main points that we did not have in May when we could have signed the agreement -

MR. WARREN: But you signed it in May.

MR. MORGAN: - when we could have signed the agreement as government -

MR. WARREN: You signed it in May.

MR. MORGAN: - Mr. Speaker, and we then could have -

SOME HON. MEMBERS:

Oh, oh!

MR. MORGAN:

Mr. Speaker, now the hon. gentleman from Labrador -

MR. SPEAKER (Russell):

Order, please!

MR. MORGAN:

- I earlier spoke and I said I would like to have his comments and views on important topics concerning Labrador, and I mentioned what topics these were, I am looking forward to hearing from him in debate but not interjecting when I am talking on this important matter.

MR. WARREN:

What did you sign?

MR. MORGAN:

Mr. Speaker, please! I would ask him to be quiet at the present time.

MR. SPEAKER:

Order, please!

MR. MORGAN:

I will be glad to answer his questions when the time comes that his questions are posed through debate.

MR. WARREN:

You signed it.

MR. SPEAKER:

Order, please!

MR. MORGAN: Mr. Speaker, it is important that the people through the press, because we count on the media to relay things we have said in this House to the public, to understand the reason for tabling this document is to point out that there was substantial improvements and gains made by hanging tight and hanging tough and demanding better conditions. By hanging tough and demanding better conditions we did get better conditions. Now, nobody wants to score whether we got better or the feds got better, that is not the issue. We finally got to the point where we recognized as a government here that we got the best possible deal to resolve a major, difficult problem in a very important industry in our Province and that is where it got to.

MR. WARREN: Where is the Premier today? Is he going to speak?

MR. MORGAN: Do not worry, Mr. Speaker, the Premier will be speaking in this debate before it closes.

Now, Mr. Speaker, that is important. People may argue the other side, 'Why are you delaying on the offshore resources? Why do you not just grab a deal now in the hope that it can change it later on?' But the fact is that the deal we have on the resources of the offshore is not to our satisfaction, to the people of Newfoundland's satisfaction. If we thought it was we would sign it. We think this one here is and I defy anybody to say it is not the best deal we can get under the circumstances considering the magnitude of the problem. So, Mr. Speaker, the Premier and his government have done a number of things through this major document being signed. Now hopefully I am looking forward to it being passed unanimously. And I think that will be very significant to those people who may not want to see it passed quickly, irrespective of what circles they are in. I think it is important it be passed and put in place as quickly possible because there are

MR. MORGAN: so many things that hinge on this agreement, there are so many things that count on getting stability in an industry that accounts for thousands of Newfoundlanders being employed, that accounts for so many hundreds of communities - yes, I would even say hundreds of communities - that depend on this important industry. So it is important to get that done as quickly as possible. Why? For a number of reasons. Not because of the problems that now exist and have existed for the last year and a half in that sector of that industry, but because we then have to place emphasis on other sectors of the fishery which are also important. Mr. Cashin brought them to light a few days ago on behalf of his fishermen and his members. There are problems that need the attention, almost on a weekly basis or a daily basis, with the levels of government working together, problems connected with the inshore fishermen, the harvesting side of the inshore fishermen, the inshore fish plants and the problems I mentioned earlier of getting fish to these plants. A number of things. But, Mr. Speaker, I will say in closing the the introduction of the bill, that there is no question that the Premier was right when he said this is if not the most, one of the most significant documents ever signed between two levels of government, because it is so important to an industry which is so important to Newfoundland, rural Newfoundland in particular. We think it is a good deal for our Province; if we did not it would not be signed and now tabled here to become law. We are counting on the co-operation of the

MR. MORGAN:

Opposition and we are looking forward to good debate, not a partisan debate but a good debate, and positive suggestions can come forward in the matters and questions I posed. I want to say again in my closing comments it is a good day for Newfoundland. It is a good day for the fishing industry because we have now embarked on a new era of co-operation with two levels of government working hand in hand for the benefit of this Province's most important industry.

Thank you very much.

I will now adjourn the debate.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Russell): The hon. member for Fogo.

MR. TULK: Mr. Speaker, since it is five minutes to six and we have given the minister unlimited time, I would at this time like to adjourn the debate.

MR. SPEAKER: It has been noted that the hon. member for Fogo (Mr. Tulk) has adjourned the debate.

MR. OTTENHEIMER: I move that the House adjourn until tomorrow, Wednesday at 3:00 P.M.

On motion the House at its rising adjourned until tomorrow, Wednesday, November 9, at 3:00 P.M.