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TRANSCRIPT

HOUSE OF ASSEMBLY
FOR THE PERIOD:
3:00 p.m. - 6:00 p.m.
THURSDAY, APRIL 5, 1984

The House met at 3:00 p.m.

Mr. Speaker in the Chair.

MR. SPEAKER (Russell): Order, please!

ORAL QUESTIONS

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 Justice.

In view of the fact that
last Friday a very unfortunate event took place in the
town of Hopedale which resulted in the death of two
men and a lady, could the minister advise if he has
received the police report and could he tell us the
circumstances surrounding these deaths?

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

MR. OTTENHEIMER: Mr. Speaker, with respect to
the most unfortunate incident or series of incidents to
which the hon. member refers, I have only received a
preliminary report. I am expecting a full police report
within the next few days. I would not - and I am sure
the hon. gentleman would not wish me to - go into a
great deal of detail, especially since I do not have
the full police report. Obviously, and, I think, as
the hon. member is aware, as well, the person who
apparently died a suicide had had previous conflicts
with the law during the past number of months.
I expect to receive the complete police report within
a few days.

In incidents of violent death,
it is customary that there is an inquiry and, while

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MR. OTTENHEIMER: I would not wish to say now until having received the full police report, certainly when I receive that, very serious consideration will be given to the establishment of an inquiry.

MR. SPEAKER (Russell): Order, please!

Before I recognize the hon.

member, we know there is going to be a distinguished visitor in the Gallery and I would just like to remind people outside that there are not to be any pictures taken, which is the custom.

MR. NEARY: Only out in the corridors.

MR. SPEAKER: No. Not in the precincts of the House.

MR. WARREN: Mr. Speaker.

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

MR. WARREN: A supplementary to the Minister of Justice (Mr. Ottenheimer).

MR. SPEAKER: Order, please!

I would ask the cameramen to cease taking pictures outside.

SOME HON. MEMBERS: Hear, hear!

MR. WARREN: Mr. Speaker -

MR. SPEAKER: Order, please!

I must interrupt the hon. the member once again. It is an extreme pleasure indeed for me to welcome to the Speaker's Gallery the hon. Jean Chretien, the federal Minister of Energy for Canada.

SOME HON. MEMBERS: Hear, hear!

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

MR. WARREN: A supplementary to the Minister of Justice. I understand his concern in this matter in answering the question. Could the minister advise us if the young chap who presumably did commit suicide was on probation or parole at the time?

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

MR. OTTENHEIMER: Mr. Speaker, the person in question had been convicted of an offense last September and was given two years suspended and placed on probation. During that period and the period of the suicide, there had been two charges and two convictions, one of them resulting in a three month sentence, which was served, and one resulting in a three day sentence, which was served, and there was another charge pending. But it was probation, it was not parole.

MR. WARREN: Mr. Speaker.

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

MR. WARREN: Mr. Speaker, a final supplementary to the minister. Due to the fact that this did take place in a small community in Northern Labrador and it does have a large impact on Coastal Labrador and in particular Hopedale, did the minister indicate that there would be an enquiry set up? I would like to ask the minister, considering the seriousness of this event, would the minister consider going one step further and appoint a judicial enquiry under the Public Enquiries Act?

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

MR. OTTENHEIMER: Well, Mr. Speaker, I will certainly consider it. There would be two forms of enquiry, One would be the provincial court enquiry which ensues, I cannot say automatically but, in the vast majority of cases where there is a violent death, The hon. gentleman is referring to another form of enquiry which is a Royal Commission.

MR. OTTENHEIMER: Of course I would point out, and I am sure the hon. gentleman is aware, that in terms of taking evidence, a subpoena, etc., they both have equal jurisdiction. I will certainly consider that and will advise the House when I have the full police report, number one, of the facts of the enquiry, and, number two, the nature of it, and that would be either a provincial court enquiry or under the Public Enquiries Act.

MR. BARRY: Mr. Speaker.

MR. SPEAKER(Russell): The hon. the member for Mount Scio.

MR. BARRY: Mr. Speaker, I would like to address a question to the Minister responsible for Energy (Mr. Marshall). I wonder if the Minister responsible for Energy is aware that the Minister of Fisheries (Mr. Morgan) took the position today during the Fisheries estimates that it was sufficient control for the Province, as far as the new restructured fish company is concerned, to have the three provincial nominees, because the federal nominees were -

MR. MORGAN: That is not true.

MR. SPEAKER: Order, please!

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

MR. SPEAKER: Order, please!

I recognize the hon. the Minister of Fisheries on a point of order.

MR. MORGAN: Mr. Speaker, if the hon. gentleman is going to refer to any statements I made this morning in dealing with the estimates for the Department of Fisheries he has to refer to and quote me accurately.

MR. TULK: He did.

MR. MORGAN: Mr. Speaker, the fact is that the records of this morning's debates and discussions are there and speak for themselves, and if the hon. gentleman is going to refer to any aspect of that debate of this morning, it is important that the records be here in the

MR. MORGAN: House to be reviewed by all hon. members. Mr. Speaker, the hon. member should not be misquoting my position with regard to the fishing industry. In his attempt he failed, by the way, he failed miserably this morning, failed again miserably, to belittle the Minister of Fisheries and this government in their efforts, successful efforts in obtaining for this Province the best agreement ever with regard to the fishing industry.

SOME HON. MEMBERS: Hear, hear!

MR. MORGAN: And if he is going to try to further belittle that effort, that successful effort and successful conclusion by twisting it around to make it look like we can use the same kind of effort in the offshore, yes, Mr. Speaker, maybe we can use the same successful efforts but not by misquoting the representations I made this morning during Committee.

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

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

MR. NEARY: Mr. Speaker, I believe Your Honour is aware that that is not a point of order, it is merely a difference of opinion between two hon. gentlemen. My hon. colleague, the member for Mount Scio(Mr. Barry) under the rules of the House of Assembly is entitled to ask the hon. gentleman questions during the Oral Question Period. The hon. gentleman can refuse to answer the questions if he so desires, Mr. Speaker. The only reason he raised that point of order, by the way, was just to try to use up a little time, as we only have a half hour.

MR. NEARY: I would submit, Your Honour, that my colleague be allowed to continue with his cross-examination of the minister.

MR. SPEAKER (Russell): To that point of order, it would certainly appear that this Chair is in no position to make a ruling, right now at least, on what was said in a committee outside this Legislature today and indeed it certainly is a difference of opinion between two hon. members.

The hon. member for Mount Scio.

MR. BARRY: I would like to continue with my question to the Minister responsible for Energy (Mr. Marshall). In light of the fact that the Minister of Fisheries (Mr. Morgan) has confirmed that having three out of ten members on the board of the new restructured fish company is a sufficient degree of control for the Province, since the federal appointees are Newfoundlanders, I wonder if this indicates a change of position with respect to the provincial government as far as control with respect to the joint management board is concerned? I wonder if it would be sufficient to satisfy the minister and government with respect to the offshore if the federal government were prepared to confirm that the federal appointees to the board would be Newfoundlanders? And I wonder, in light of this, whether the Minister responsible for Energy, in light of the fact that the federal Minister for Energy (Mr. Chretien) is in the Province and in this hon. House, could we have some fresh new initiatives from the Minister responsible for Energy?

SOME HON. MEMBERS: Oh, oh.

MR. SPEAKER: Order, please!

SOME HON. MEMBERS: Oh, oh.

MR. SPEAKER: Order, please!

I think the Chair has allowed

MR. SPEAKER (Russell): the hon. member for Mount Scio
(Mr. Barry) ample preamble to his question or questions -

MR. BARRY: I have not finished my question.

MR. SPEAKER: - and I would ask him to be
very specific and very direct with his questions.

The hon. member for Mount Scio.

MR. BARRY: The final part of the question
is whether the Minister responsible for Energy (Mr. Marshall)
would take this opportunity with the federal minister
present in this House to start or commence a fresh new
initiative to indicate to the minister he is prepared to
get back to the bargaining table so that we can get this
offshore issue settled once and for all?

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

MR. MARSHALL: Mr. Speaker, first off, with
respect to what the hon. Minister of Fisheries (Mr. Morgan)
indicated, the hon. gentleman should know there is as much
difference between that aspect of the fisheries and the
operation of the company and the control of the offshore as
there is between fish which is head on and head off. I
say with respect to the hon. gentleman, the nature of his
question indicates that he has his head off.

MR. MARSHALL: Mr. Speaker, if Newfoundlanders are on the board! Look, the fact of the matter is the situation, Mr. Speaker, with the offshore and the control of the offshore is well known and our position has been stated quite clearly. It was negotiated with the hon. minister. First of all, I would like to say welcome to the hon. Federal Minister of Energy (Mr. Chretien).

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: We on the government side are delighted to welcome a Minister of the Crown from the federal government or from the provinces and we are delighted to see him here in the Assembly. But, Mr. Speaker, I would also say to the hon. gentlemen there opposite that the issues that touch this Province are very grave and are of deep concern to the people of this Province. What we require from the offshore is equality, equality with the average Canadian, equality in management and equality with respect to revenue sharing. Now I could go much further than that, Mr. Speaker, but I would deem it to be a grave discourtesy to get involved in by-play with the hon. gentleman. The hon. gentleman should know that the Federal Minister of Energy is quite capable of speaking for himself from time to time, is quite capable of putting his position, he does not need the hon. gentlemen. And while the hon. gentleman is a guest of this House, I fancy it would be a matter of good Newfoundland hospitality for us not to put him in a position of attempting to embarrass -

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL:

→the hon. gentleman in a forum where he cannot speak. Now I know the hon. gentlemen there opposite like to be hand-maidens of Ottawa from time to time but I can assure the hon. gentlemen that the Federal Minister of Energy is quite capable of responding himself.

The position of the government is well known with respect to the matter. The position of the government has been clearly stated and I do not know if the hon. gentleman wishes to grandstand, or the hon. gentlemen there opposite. They are welcome to do so if they will, but we will not partake in it to the detriment of the people of this Province at the present time.

The fact of the matter is, Mr. Speaker, as I say that our position is crystal clear. We seek equality from that resource which we brought into Confederation with us. To date we have not been able to attain it from the present federal government, but we have no doubt that we will attain it eventually from the people of Canada.

SOME HON. MEMBERS:

Hear, hear!

MR. WARREN:

Mr. Speaker.

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

MR. WARREN: Mr. Speaker, in the absence of the Minister for Rural, Agriculture and Northern Development (Mr. Goudie), I would like to ask a question to the minister responsible for Energy (Mr. Marshall). Mr. Speaker, one cannot help but wonder if the same policy of this government applies to the less fortunate people in St. John's as it applies to Coastal Labrador. Mr. Speaker, everyone knows that recently a big controversy arose in St. John's over accommodations for social assistant recipients.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. WARREN: Mr. Speaker, as a result of this controversy, the Minister of Social Services (Mr. Hickey) has made accommodations available throughout St. John's at various hotels for social assistant recipients who have been living in accommodations that were unfit to be living in. I would

like to table some information, Mr. Speaker, on some twenty-odd houses which the Minister of Rural, Agriculture and Northern Development has issued a bill of sale on to the Native people in Nain telling them that we are going to sell these houses to you for you to occupy. Now, Mr. Speaker, I would like to ask the minister in response to state if there is a different policy for the Native people of Labrador then there is for people of lower incomes who are living in and around St. John's?

MR. MARSHALL: Mr. Speaker.

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

MR. MARSHALL: Mr. Speaker, I did not know whom the hon. gentleman was asking the question of. The fact of the matter is for clarification the hon. Minister of Rural, Agriculture and Northern Development is in Labrador attending

MR. MARSHALL: the funeral of a member of his family, and that is why he is not here, and I know the hon. gentleman understands that. I can only say to the hon. gentleman that every person in Newfoundland, be they in Nain or be they in Hopedale or St. John's or Bonavista, are treated alike, they are equal before the law. And the policies that this government implements for the benefit of the people of the Province are available to them as well as to anyone else.

MR. WARREN: Mr. Speaker.

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

MR. WARREN: Mr. Speaker, I would like to put my next question to the Minister of Health (Mr. House), and I would suggest to the page that probably the Minister of Health can have one of these copies also. I ask the Minister of Health did he ask his health inspectors to go in and inspect these homes before another arm of government decided to sell them to the Native people? I would like to ask the Minister of Health if he had an inspector carry out an inspection?

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

MR. HOUSE: Mr. Speaker, the Department of Health Inspection Services only inspect homes at the request of councils or if there is an indication that there is some pestilence in the particular area. There is no standard practice for Health Inspection to inspect dwelling houses. So, Mr. Speaker, I have not. There is no cause for me to do it, I have not been advised of it and I should not be advised of it.

MR. WARREN: Mr. Speaker.

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

MR. WARREN: Mr. Speaker, what a way for a Minister of Health to act! He said there was no cause! I have raised this question in the House on several occasions about houses that are unfit for human habitation in Nain.

MR. HOUSE: Who are you?

MR. WARREN: Who am I? An elected member representing people -

MR. SPEAKER: Order, please! Order, please! The hon. the member for Torngat Mountains is now getting into a speech and perhaps he should direct a question to somebody.

MR. WARREN: Thank you, Mr. Speaker.

I would like to ask the Minister of Health will he undertake now to advise the Department of Rural Development to cancel those sales until there is a health inspection carried out on those homes?

SOME HON. MEMBERS: Hear, hear!

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

MR. HOUSE: Mr. Speaker, the hon. member said, you know, 'A Minister of Health to give that kind of answer!' I wonder if some health inspector walks into the hon. gentleman's house, wherever he lives, to inspect it tomorrow morning, how he would feel about it?

MR. HOUSE: There is no responsibility on the Department of Health to go in and inspect people's houses unless somebody comes to us and asks us to go and inspect the home and the facilities around it.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Russell): Order, please!

MR. HOUSE: And then, when we get the proper representation, if we deem it necessary, we will do it.

MR. WARREN: Mr. Speaker.

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

MR. WARREN: Mr. Speaker, I have to advise the hon. the minister that those homes belong to the government and it is the minister's obligation to inspect them.

SOME HON. MEMBERS: Oh, oh!

MR. WARREN: I heard the comment that the Minister of Social Services (Mr. Hickey) made and in fact, in that light, Mr. Speaker, I would like to ask the Minister of Social Services a question. Since, Mr. Speaker, the government already has been told by the town council of Nain that those homes are unfit for human habitation, and knowing that the Minister of Social Services has clients in those homes, will the Minister of Social Services take the same approach towards the people in Nain as he has taken towards welfare recipients in St. John's, put them in hotels? There is an hotel in Nain unoccupied at the present time. Why does he not do so?

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

MR. HICKEY: Mr. Speaker, I do not know what the hon. gentleman is talking about. He is talking about a boarding house problem in St. John's, and it seems like he is itching to end up with a boarding house problem in Nain. I cannot accommodate the hon. gentleman by creating a boarding house problem in Nain. But I will tell the hon. gentleman that if people are living in unsanitary conditions, overcrowded conditions, where there is not good quality care being provided for boarders in Nain, in Davis Inlet, in Timbucktoo, the same policy developed by my department on behalf of this government applies to Cape Chidley, St. John's, and Mount Pearl.

MR. WARREN: Mr. Speaker, I have a supplementary question for the Minister of Social Services(Mr. Hickey).

MR. SPEAKER: The hon. the member for Torngat Mountains on a supplementary.

MR. WARREN: I understand that the community of Nain has been without a social worker for the past month and a half. Could the minister advise if his department has recruited a social worker for the community of Nain?

MR. SPEAKER: The hon. the Minister of Social Services.

MR. HICKEY: Mr. Speaker, very seriously, I cannot respond to that. I will take it under advisement and check. I do not know. We could have one today, we might have had one yesterday, I do not know. I will look into that. I will tell the hon. gentleman, though, that recruitment is done through the Public Service Commission. There is no lineup of people waiting to go to Nain and those isolated communities to work.

MR. HICKEY: At the same time, I will tell him that we have made such strides in delivering services to Native peoples in this Province. The district office that we had some trouble with a little while ago has the highest staff/client ratio in the whole Province, six staff members serving a population of 1,500.

So this government is well known for the emphasis it places on delivering services to the Native peoples of this Province, and the North.

MR. WARREN: Mr. Speaker,

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

MR. WARREN: Mr. Speaker, I have a question for the Minister of Social Services (Mr. Hickey). I understand the minister could not answer the question then. Could the minister advise if it is true what his administrator in Goose Bay relayed to school board officials that the department does not know when they will have a social worker for Nain because, in his words, 'There are no social workers within the Province willing to go to Nain'. Is that true?

MR. SPEAKER (Russell): The hon. Minister of Social Services.

MR. HICKEY: Again, Mr. Speaker, it would be making an assumption which I am not prepared to make. I will take the matter under advisement and advise the hon. gentleman by telephone or indeed through the Legislature tomorrow on the status of our efforts to recruit somebody to work at Nain. I merely remind him, as he is well acquainted with, I am sure, that a vacancy in the North, especially in a community and town like Nain, does not bring the same number of applications. And this is what I meant when I said there was no line-up of people waiting to serve in the North. But I do want to take the opportunity, Mr. Speaker, to say that we have some very credible, some very professional, highly qualified people working in the North to whom we are extremely grateful for the high calibre of service that they deliver to our people.

MR. WARREN: Mr. Speaker.

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

MR. WARREN: Mr. Speaker, at least I am getting better answers from the Minister of Social Services than I did from the Minister of Health (Mr. House). I would like to ask the Minister of Social Services now, knowing that

MR. WARREN: he does have social assistance recipients living in those homes which I just showed the minister pictures of, would the minister now undertake to advise his Labrador staff, and if it is necessary to advise the Department of Health, the health inspectors, to go in and see if those homes are fit for social assistance recipients to be living in?

MR. SPEAKER (Russell): The hon. Minister of Social Services.

MR. HICKEY: Mr. Speaker, at the expense of being accused of defending my colleague, the Minister of Health (Mr. House), for whom not defence is required and who is most capable of defending himself, I have to agree with him that he is absolutely accurate when he tells the hon. gentleman that it would be termed a violation of privacy, indeed an intrusion for him to send his officials in without a request being made. I can more definitively respond to the hon. gentleman by saying that I will alert my staff to the hon. gentleman's concerns. If through their visitations they find conditions so unsanitary or unsuitable or unacceptable that they deem it appropriate to make a request for health inspection, they will so do. And I say to the hon. gentleman with all the sincerity in the world, I was not joking or being frivolous with regards to the issue when I said to him, and my offer still stands, there is a motel in Nain, I believe, and if there are people for whom there are no suitable accommodations or if there are emergency situations, our policy of putting people up in the Skyline or any other hotel in this city

MR. HICKEY: applies to the same degree to the people of Main or any other community or town in the Province.

MR. WARREN: Mr. Speaker.

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

MR. WARREN: The minister said that it might be an intrusion on privacy, but I think the minister is forgetting one important element in the whole issue which is that those homes belong to this government and this government is trying to sell those homes to the Native people. This is where the whole problem lies.

MR. HICKEY: Talk to the Minister of Housing.

MR. WARREN: No. They belong to the Department of Rural, Agricultural and Northern Development.

So I will just ask the minister one more time; knowing that the government owns those homes, would the minister see fit that before those homes are sold, at a nominal fee, by the way, to those recipients that there will be an inspection carried out before those homes are sold to the people?

MR. SPEAKER: The hon. the Minister of Social Services.

MR. HICKEY: Mr. Speaker, I want to be very careful because if I give the hon. gentleman my word to do something I want to do it. I assure him that I will go to whatever length I can in discussing with my colleague, the Minister of Development (Mr. Windsor), who is also Minister of Housing, to see if something cannot be done. So I am not passing the buck when I say that what the hon. gentleman is now asking for seems to me is more appropriately done by the Division of Housing through Newfoundland and Labrador Housing, because all housing in the final analysis comes under

MR. HICKEY: my colleague, the Minister of Housing (Mr. Windsor). For me to have my staff do an inspection, which they are not qualified to do in the strict sense of the word, I think would be inappropriate. Any people who are buying those houses or who are being provided those houses who are social assistance recipients, then we have a profound responsibility and I will see to it that that is lived up to.

MR. WARREN: Mr. Speaker.

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

MR. HICKEY: Mr. Speaker, I thank the minister. My next question is to the Minister of Municipal Affairs (Mrs. Newhook). Could the Minister of Municipal Affairs advise us if her department has a different criteria when different town councils or communities are applying for water and sewerage projects? Are there different criteria for financial arrangements for the different town councils throughout the Province of Newfoundland and Labrador? Does the same criteria apply to all town councils? I hope she says yes.

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

MRS. NEWHOOK: Yes, Mr. Speaker, the same criteria apply across the Province.

MR. WARREN: Mr. Speaker.

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

MR. WARREN: Thank you, Mr. Speaker. If the same criteria apply which I think call for 15 per cent of a municipality's fixed revenues be applied against government guaranteed loans, why is it the Town Council of Nain is not allowed to use that criteria but has to guarantee the minister's department that on phase one of the water and sewage project Nain has to take \$170,000 out of the Federal/Provincial Native Agreement, which could be used for housing, but has to be taken out of the Federal/Provincial Native Agreement against the guaranteed loan?

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

MRS. NEWHOOK: Mr. Speaker, the hon. member is incorrect when he says that municipalities all across the Province are only required to pay a minimum of 15 per cent of their fixed revenues towards capital debt. We have quite a number of municipalities who pay 100 per cent of their debt.

MR. WARREN: That is right. They can afford it.

MRS. NEWHOOK: We have others who pay 50 per cent, 70 per cent, 80 per cent. It depends on the ability of the municipality to pay.

- MR. SPEAKER (Russell): The hon. member for Torngat Mountains.
- MR. WARREN: That is exactly it, Mr. Speaker. If the town can afford it they can pay it. Right. But the Town Council of Cartwright, the Town Council of North West River are only -
- MR. MARSHALL: A point of order, Mr. Speaker.
- MR. SPEAKER (Russell): Order, please! The hon. the President of the Council on a point of order.
- MR. MARSHALL: The hon. gentleman is running a one-man show here this afternoon.
- MR. SIMMS: Hear, hear! The next leader.
- SOME HON. MEMBERS: Oh, oh!
- MR. SPEAKER: Order, please! Order, please!
- MR. MARSHALL: It is very good but the only trouble, Mr. Speaker, he is making speeches and advancing arguments and doing everything but asking questions.
- MR. SPEAKER: Order, please! The questions are supposed to be brief and the answers equally as brief. I am not sure if it was a valid point of order raised by the hon. President of the Council (Mr. Marshall). In any event, the time now for the Question Period has expired.
- DR. COLLINS: Mr. Speaker, a point of order.
- MR. SPEAKER: The hon. Minister of Finance.
- DR. COLLINS: On a point of order, Mr. Speaker. I wonder if I could revert to Ministerial Statements just very briefly?
- MR. SPEAKER: Does the hon. minister have leave to revert to Ministerial Statements?
- SOME HON. MEMBERS: Agreed.
- MR. SPEAKER: Agreed.

DR. COLLINS: Thank you, Mr. Speaker, and I thank the Opposition. They have been very accommodating, as they always are, of course. This is a very brief statement.

Mr. Speaker; I am pleased to inform the House that Government has adopted formal procedures to cover the method of acquiring insurance coverage on government assets.

These procedures confirm that insurance will be acquired in accordance with the principles of public tendering. Mr. Speaker, while we have followed the spirit of public tendering up to now, the adoption of formal procedures demonstrates Government's commitment to the competitive process, thereby ensuring that as many qualified firms as possible have the opportunity to submit bids. Under these procedures, government is also assured of obtaining the best possible coverage at the lowest available prices.

Insurance policies will normally be for a one-year period, but government will have the option to extend policies for up to three years. Beyond that period, competitive bids will be sought. Thank you.

MR. SIMMS: Good news.

MR. HODDER: Mr. Speaker.

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

MR. HODDER: Mr. Speaker, there seems to be nothing in this statement that we could disagree with at face value. We are pleased that the principles of public tendering will be used. Certainly,

MR. HODDER: as I understand, they were not used on the Bell Island ferry. But before, Mr. Speaker, for example, when someone became involved in an accident with a government vehicle, or became involved with some sort of an accident which required compensation with something belonging to the government whether it be a vehicle or not, there was often bargaining and legal wrangles. It is our hope this will make the process more equitable and it is also our hope that it will hasten the process, Mr. Speaker, because bargaining

and wrangling with the government whenever there was a problem insurance-wise, has always taken a long period of time and very often it came down to a bargaining between government and the individual.

So, Mr. Speaker, I realize my time has run out, but we do support this and we do hope that it will solve the problems and wrangles and it will hasten the process. Thank you, Mr. Speaker.

PRESENTING REPORTS OF STANDING AND SPECIAL COMMITTEES

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

MR. STEWART: Mr. Speaker, a point of order was raised in Committee this morning by the member for Mount Scio (Mr. Barry) and a ruling was made by the Chairman. This ruling was not complied with and a motion was made to refer the matter to the House. Subsequently a point of privilege was raised by the Minister of Fisheries (Mr. Morgan), on which I am reporting to the Speaker, since I was unable to rule on a point of privilege in Committee.

The point of order raised by the member for Mount Scio was with respect to language used by the Minister of Fisheries alleged to be unparliamentary. The point of privilege raised by the Minister of Fisheries was with

MR. STEWART: respect to the conduct of the Opposition members during the examination of the estimates of the Department of Fisheries.

MR. SPEAKER (Russell): The Chair has heard the report from the hon. member for Fortune-Hermitage (Mr. Stewart) as to events that took place in the Committee this morning. If the hon. Minister of Fisheries (Mr. Morgan) and/or the hon. member for Mount Scio (Mr. Barry) wish to take a couple of minutes perhaps to put forth some report of what happened, I will make a ruling on it either now or later.

The hon. Minister of Fisheries.

MR. MORGAN: Mr. Speaker, I think I will address the point of privilege I raised this morning in the Committee on the estimates, in this case, of Fisheries. And what I found happening was that we appeared before the Estimates Committee on Monday evening for three hours, and most of that time there was only one member from the Opposition in attendance. There were two and one had to leave to go to other business, the member for Fogo (Mr. Tulk), I believe, and the only member of the Opposition was the member for Mount Scio (Mr. Barry). We gave three hours of estimates time and it was agreed to come back this morning to continue, accompanied by officials who do not take part in discussion, but they were there. And my point of privilege was, Mr. Speaker, listening to the wrangles and the disruptions this morning in the Committee caused by the member for Mount Scio, and looking at what happened last evening on the Finance Estimates when he was quoted in the morning paper as saying the Committees were a farce, he disrupted the Committees proceedings yesterday.

MR. MORGAN: and this morning it was the same kind of a tactic to disrupt the proceedings of the Committee. We had members on the government side, from fishing districts, in particular, who wanted to ask questions, who wanted to have good debate and discussion on the issues, on the programmes and policies and how this minister is going to spend the funds in the coming year of the Department of Fisheries. I said it was a waste of time for any minister and his senior officials to be there having to listen to and follow the disruptions caused by the member who was out to scuttle the process of Committees dealing with the estimates. That was clearly evident from his activities in other Estimate Committees.

SOME HON. MEMBERS: Hear, hear!

MR. MORGAN: He is quoted as saying that it was all a farce. And I am saying, Mr. Speaker, that kind of attitude and that kind of action is a violation of privilege of a minister or a member who wants to appear as a witness. I was appearing there as a witness requested by the Committee, and that kind of a situation should not be allowed to continue.

MR. CARTER: No indeed.

MR. MORGAN: Because it is a violation of our rights as members who want to give evidence, who want to give information, who want to have information flow to the public through the media, who can also take part and listen to the discussion and debate. And that was the point of privilege I raised.

Now, Mr. Speaker, the Committee Chairman (Mr. Stewart), rightly so, because the Committee is governed by the rules of the House of Assembly,

MR. MORGAN:

decided to have this matter referred to Your Honour, the Speaker, for further input and a final decision through the House of Assembly and this has now been done.

Now, as to the accusation made this morning by the same hon. member for Mount Scio (Mr. Barry), who was continuing to disrupt the proceedings of the Committee, that I said something unparliamentary, used some unparliamentary language, he said during the discussion that the word 'vindictive' was unparliamentary. I had said during the debate, and I maintain it now in the House, that the hon. gentleman has been vindictive towards the Peckford administration; he has been out to scuttle the Peckford administration, and I stood by my statement in the Committee and I would not withdraw. The Committee asked me to withdraw that statement and I said no, I could not because it was a judgement call on the part of the Chairman not in accordance with any rule. He told us, and rightly so, that the parliamentary procedures indicate that the word 'vindictive' is not, in fact, a violation of parliamentary rule and is not unparliamentary. I did not withdraw that term and I did not withdraw what I had to say. And what I said then, I will say in the House. I said the hon. gentleman from Mount Scio has been vindictive towards the Peckford administration ever since he quit the Cabinet. He has been out to scuttle this administration. And now he is out to scuttle the system of Committees dealing with the estimates.

I further went on to say during the debate, Mr. Speaker, he was also -

SOME HON. MEMBERS: Oh, oh!

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

MR. MORGAN: Mr. Speaker, the hon. the Opposition House Leader (Mr. Hodder) can have his say on this point.

So, Mr. Speaker, the hon. the member for Mount Scio (Mr. Barry) asked the Chairman to ask me to withdraw that statement, that he was not out to scuttle this administration and scuttle the restructuring as well. And I used the argument during the Committee stage that because he was then involved as a lawyer in the scuttling of the company, Fishery Products, by placing that company into receivership at a time when we were, as a government, trying to find private sector investment dollars to save Fishery Products, that same hon. gentleman then scuttled the whole scheme that the Peckford administration was trying to put in place by arranging through his legal advice to the Bank of Nova Scotia to place that company into receivership. And I posed as an example, Mr. Speaker, why was it the Bank of Nova Scotia in the Province of Nova Scotia, the same bank we have here involved with the fish companies, gave three extensions to enable National Sea and the government in Nova Scotia to find private sector dollars to put into National Sea to keep them from being restructured with federal government money? Why was it that the same bank over there was so lenient with National Sea and not placing National Sea into bankruptcy or receivership? They gave them three or four extensions. Upon what advice? Upon legal advice. And here in this Province, because the same hon. gentleman, appearing before the Committee, because he took exception to me saying he was out to scuttle this government

MR. MORGAN: and he was vindictive toward the Premier, he then took exception to what I was saying, that he was out to scuttle the restructuring. Mr. Speaker, as I told the Committee this morning, and I stand by my statement, I am saying it in the House, the hon. gentleman, first of all, was out to scuttle the restructuring process by placing Fishery Products into receivership, upon his advice as a man outside this Legislature, no connection as an M.H.A., but as a legal, private sector advisor, and I used that and used it quite factually.

Secondly, that he was out to scuttle this administration, and, thirdly, he is out now to try to scuttle the Committee system dealing with the estimates. That is the issue, Mr. Speaker.

MR. BARRY: Mr. Speaker.

MR. SPEAKER (Russell): I recognize the hon. the member for Mount Scio (Mr. Barry) and shall certainly allow equal time as the minister, which was, in my estimation, six minutes.

MR. BARRY: Thank you very much, Mr. Speaker. A good ruling.

Mr. Speaker, first the facts: The facts of what took place this morning are that I rose on a point of order to submit that the Minister of Fisheries (Mr. Morgan), in an attempt to avoid responding to the questions put sincerely and seriously by members of the Estimates Committee, had resorted to questioning the motives of myself as I put the questions to the minister.

So the point of order was that the minister was questioning my motives. The Chairman found and ruled that, in fact, the Minister of Fisheries was challenging my motives, ruled, as automatically had to follow since it is clearly established in this House

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MR. BARRY: that to question the motives of any hon. member is unparliamentary, ruled that the language used was unparliamentary and asked the Minister of Fisheries (Mr. Morgan) to withdraw.

MR. HODDER: And he refused.

MR. BARRY: The Minister of Fisheries, as he confirmed here again this afternoon, point-blank challenged the Chair, challenged the authority of the Chairman, refused to withdraw and went on to repeat the same diatribe we see him carrying on here in the House this afternoon.

Now, Mr. Speaker, this is a serious matter in that we have to seek the protection of the Chair in the Estimates Committee as we do have to seek Your Honour's protection from time to time when the minister tries to resort to the same tactics in the House of Assembly.

The minister is now saying that he based his reaction upon what took place in the Finance Committee estimates yesterday. The minister was not present. I was present during the course of the Finance estimates being considered by the Committee, he was not present yesterday evening.

The minister has challenged the authority of the Chair. Mr. Speaker, we submit that that challenge is something that cannot go unanswered. It is putting the entire committee system, and, in fact, the entire procedure of this House at risk to permit the minister in that authoritative and dictatorial fashion to purport to tell members of the House of Assembly in Estimates Committee what we may or may not put in terms of questions to the ministers. That is what the minister is saying, he will decide what questions to answer. Mr. Speaker, for Your Honour's information, the questions dealt with the philosophy of the minister. We were on the minister's salary and we

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER(Russell): Order, please!

MR. BARRY: - dealt with the philosophy of the minister. We submitted that the minister had shown incompetence in negotiating and therefore we were concerned that the same incompetence would be shown in the future with respect to future negotiations in the fishing industry. We established that the minister, as was pointed out earlier in a question, had been prepared to give up control to the federal government in this most important resource, the fishing industry, and at that point, I guess, the minister could not take it any longer. The minister made allegations with respect to a certain client whom I was proud to represent, a client that had financed the fishing industry, and still does, in more rural communities around Newfoundland than any other financial institution, that did more to support the fishing

MR. BARRY:

industry in hard times than the minister ever did. They kept the company going when the minister was not prepared to do anything for it. The minister asked why was it that in Nova Scotia there were certain extensions of time given and so forth. I submit to you, Mr. Speaker, that it was clear to all the people of the Province that in Nova Scotia we had a government that was prepared to negotiate with the federal government, a government that did not walk away from the bargaining table and thereby give up all opportunity of having any control over the fishing industry. We had a government that was prepared to support the private sector instead of a government which here, while engaging in the rhetoric of wanting to have the private sector involved, has ended up with an agreement that gives control to government. The minister stood up again today during Question Period and said this is a good deal for the Province. The minister cannot have it both ways: Either it is a good deal with government involvement or it is a bad deal because the private sector is not involved. Now which is it?

MR. MORGAN:

Your time is up.

MR. BARRY:

my time is up.

Mr. Speaker will tell me when

But, Mr. Speaker, we have a very serious problem here in that the Minister of Fisheries, (Mr. Morgan) because he is in the hot seat, because he has the fisheries' policy in shambles -

MR. TOBIN:

you were going to leave.

You were so upset

MR. SPEAKER (Russell):

Order, please!

MR. BARRY:

- because the minister has the fishing industry in shambles with his lack of policy, with his lack of leadership, with his incompetence in negotiations -

MR. NEARY:

'Voice in the Wind.'

MR. BARRY:

- 'Voice in the Wind', Mr.

Speaker - the Minister of Fisheries (Mr. Morgan) therefore has attempted to avoid the Estimates Committee questioning him on his philosophy, on his policies, on the manner in which he engaged in negotiations and so forth. And he has attempted to stymie the investigation of a Committee of this House into his operation as minister and into his department's administration of the fishing industry. It is a shameful day for this Province and we ask the protection of the Chair.

MR. SPEAKER (Russell):

Order, please!

The Chair at the beginning said it recognized the two hon. members who were involved in the points raised in Committee and does not feel that there is a need to hear any further arguments for fear that it could get into sort of a full-scale debate on the point. I think both hon. members explained their positions very well. Of course, not being present, I shall wait to get the transcripts of what both hon. gentlemen said today and a transcript of what transpired this morning in the Committee and, obviously, reserve a ruling and rule on it later.

MR. HODDER:

A point of order, Mr. Speaker.

MR. SPEAKER:

A point of order, the hon.

member for Port au Port.

MR. HODDER:

Mr. Speaker, I was not at that particular Committee meeting so I am not talking about that Committee meeting at all.

MR. STAGG:

You should have been there.

MR. MORGAN:

Where were you?

MR. SPEAKER:

Order, please!

MR. WARREN:

It is none of your business.

MR. HODDER:

Mr. Speaker, this is ridiculous.

MR. SPEAKER (Russell): Order, please!

MR. NEARY: He was out looking for your record, the flip side of your record.

MR. SPEAKER: Order, please!

MR. HODDER: Mr. Speaker, this was a point of order which I intended to raise before which also arose from the Committee. And perhaps when Mr. Speaker rules on this point of privilege he might take this into consideration. One of the problems that we have seen in some of the Committees is that they do not run by the rules of the House. And my understanding from the Standing Orders is that the Committees, except in certain circumstances where rulings might go back to the Chair for clarification, that the Committees should run by the rules of the House. Now, Mr. Speaker, in normal times and normal

MR. HODDER:

circumstances, the committees work very well. They can sometimes be very quiet with conversation going back and forth at a very normal pace and most members do not object to the fact that the rules of the House are not strictly enforced. But occasionally, Mr. Speaker, when a hot item comes up such as the one that we just referred to this morning, or in other departments where something which is in the public eye this side or that side feels very strongly about, we find that sometimes chaos reigns. I remember in the Social Services Estimates, at one time there we did not know if we were on points of order, points of privilege, everybody was just jumping in. I do not say that in a derogatory way towards the Chairman because he has been the Chairman for quite a long time and runs quite a good committee, but I believe, Mr. Speaker, from the experience that we have seen on some issues that perhaps Your Honour should take it under consideration that we should run them strictly because sometimes the rules just break down and fly apart. I understand that

members, publicly, on both sides of the House have expressed these same feelings, that these committees should be run more strictly by the rules of the House. I think the days of the soft hand is over and that the committees are becoming much harder hitting than they used to be. Perhaps Your Honour would like to take that under consideration. I raised this point of order just for that purpose.

MR. MARSHALL: Mr. Speaker.

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

MR. MARSHALL: Mr. Speaker, it is not really a point of order but it is something I think the government should respond to. This committee system has been set up

MR. MARSHALL: and is working extremely well. It would be, Mr. Speaker, working much better if we had the co-operation of the hon. gentleman there opposite. Now the fact of the matter is, Mr. Speaker, what the hon. gentlemen are doing is trying at every stage to bomb out the effectiveness of that committee. This year we have moved to accommodate the hon. gentlemen at every turn. They wanted to have no more than one meeting running concurrently, which we did, there is only one meeting at a time.

MR. OTTENHEIMER: Do not forget Don Jamieson.

MR. MARSHALL: As the hon. the Minister of Justice (Mr. Ottenheimer) indicated, 'Do not forget the hon. Don Jamieson either.' The hon. Don Jamieson was part of this system and he is the coauthor.

MR. NEARY: Somebody brought him home for good.

MR. MARSHALL: It is all right to say that now, but when the hon. gentleman was running things, the hon. gentleman was as obsequious as he always was to Mr. Jamieson and Mr. Smallwood et al. But the fact of the matter is, Mr. Speaker -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Russell): Order, please!

MR. MARSHALL: -I do not understand the hon. gentleman's point of order, Your Honour might have been a school teacher before Your Honour got in the Chair, but Your Honour is not a school teacher in the Chair. I mean, he is almost like he is somebody reporting to the principal. Now the fact of the matter is there are parliamentary rules, Mr. Speaker, that can be enforced in the committees, these committees can work if there is a good will on both sides to make them work, there is good will on the government side, as has been indicated this year that we have only had one meeting

MR. MARSHALL: at a time, and if the hon. gentlemen would stop grandstanding and trying to obstruct the way in which the committees were operating they would work even better.

MR. OTTENHEIMER: Bring Don home.

MR. SPEAKER (Russell): To that point of order raised by the hon. the member for Port au Port (Mr. Hodder) -

SOME HON. MEMBERS: Oh, oh!

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

The Chair is not in any position to rule on good will which may or may not exist in committees, but certainly a committee of this Legislature, be it here as a Committee of the Whole or outside, is certainly an extension of this Legislature and, except under certain circumstances, perhaps should operate under the same rules. I suppose the responsibility for the operation of any committee lies with the Chairman of that committee.

NOTICES OF MOTION:

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

MR. OTTENHEIMER: I was in reverie back to a few years ago when the hon. Don Jamieson was here, co-author of this excellent system, and I was just reflecting back and I almost forgot to give notice of motion.

I give notice that I will on tomorrow ask leave to introduce a bill entitled, "An Act To Amend The District Court Act, 1976."

ORDERS OF THE DAY:

MR. MARSHALL: Committee of Supply.
On motion that the House resolve itself into Committee of the Whole on Supply, Mr. Speaker left the Chair.

COMMITTEE OF SUPPLY:

MR. CHAIRMAN (Aylward): Order, please! Committee of Supply, We are on Consolidated Fund Services.

The hon. the Leader of the Opposition.

MR. NEARY: First of all, Mr. Chairman, let me say that anyone observing the proceedings of this House since it opened in June will notice that the Premier sits in his seat on very rare occasions.

MR. YOUNG: Who?

MR. NEARY: The Premier.

And when he does appear in the House, Mr. Chairman, he will only sit in his seat there opposite for a few minutes. It seems to us, Mr. Chairman, that the Premier will do anything except sit in this House and sit in his office where he is supposed to be. He will avoid like

MR. NEARY: the plague thinking about the problems of this Province down in his office, or becoming involved in debates in this House. He will do anything to get out of his office, Mr. Chairman. He cannot take the heat of the House of Assembly, and he cannot stand to be in his office thinking about the economic and financial problems of this Province.

Mr. Chairman, the Premier will accept an invitation to speak anywhere, at any time, he will accept invitations to have his picture taken anywhere as long as he can get away from Confederation Building. Mr. Chairman, not only is the hon. gentleman a poor administrator and a greedy negotiator, but he is quickly earning the reputation as one of the laziest premiers in the whole history of this Province. What a reputation, Mr. Chairman.

The hon. gentleman now went down to Labrador West, took off for Labrador West. My hon. colleague, the member for Mount Scio (Mr. Barry) went down ten days ago, two weeks ago, to a big banquet in Labrador West, in Wabush, in the Sir Wilfred Grenfell Hotel. The largest banquet I think they ever had in that hotel, overflowing. The hotel is being refurbished and renovated and I believe the first big banquet they had my hon. colleague was the guest speaker.

Now the Premier had to put together in a hurry some kind of a Tory presence in the area so that he could get down. But he refused to meet with the unions, refused to meet with the town councils, refused to meet with the Chamber of Commerce in Labrador West.

MR. TULK: Do you not know the real reason he is down there?

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MR. NEARY:

And I have no doubt the reason he is not in the House today that he is probably down ice fishing in Churchill Falls, down at McParland House probably.

Now, Mr. Chairman, we know that the MHA for Menihek (Mr. Walsh) has filed his nomination papers for the riding of Grand Falls-White Bay.

MR. NEARY:

Now, Mr. Chairman, if the Premier were here - unfortunately he is not and that is not my fault - I would ask him to immediately ask the MHA for Menihok (Mr. Walsh) to submit his resignation as a member of the House of Assembly, because you cannot serve two masters. Mr. Chairman, is it unreasonable of us to say that the hon. gentleman is only now thinking about federal politics and not interested in the provincial matters that affect the people in his constituency? Mr. Chairman, I do not wish to belabour that but, again, I have to say that it does not make any difference, night or day - and the Premier, by the way, tries to leave the impression that going out on these speaking engagements and having his picture taken is a very arduous task; he gets tired. He has to take off half-a-dozen times a year to get his batteries recharged. Now, is that what he calls work? It is down in his office he should be, wrestling with the problems that are facing the people of this Province, and here in this House debating these matters so that the press can report to the people what their leader, what their Premier is saying, what he is going to do about the many problems that are confronting the ordinary people of this Province. He is getting too stuck-up and too swelled-headed and too big for his britches, that is the trouble, Mr. Chairman! He will go down in history as one of the laziest Premiers we have ever had in this Province. And God only knows that Frank Moores was bad enough, but at least Moores got a few things done in his day. This crowd there opposite now got nothing done, nothing!

MR. NEARY: Now, Mr. Chairman, let me ask the hon. the Minister of Finance (Dr. Collins) a couple of questions about the Consolidated Revenue Fund. First of all, let me deal with the Lieutenant-Governor's Warrant that the hon. gentleman tabled the other day, the Lieutenant-Governor's Warrant just issued prior to the end of the fiscal year. It says, 'Under Subsection 2 of Section 28 of the Financial Administration Act (1973) that Treasury Board hereby recommends that a special warrant be prepared for signature of His Honour in the amount of \$200,000, being the sum required for the purpose referred to in the report of the Minister of Forest Resources and Lands.' And according to the subdivision number and title, this \$200,000 was required to pay for professional services, industry development. We are told in the warrant that the sum was urgently required to enable the government to provide additional funds for the purpose of paying the costs of the services of Woods Gordon and McLeod, Young, Weir with respect to pulp and paper production in this Province. Now, would the hon. gentleman tell us what that is all about, that \$200,000 that was paid out to Woods Gordon and McLeod, Young, Weir? What was it for? That is the first we heard of it! What was the report done on? Why are they studying the pulp and paper production in this Province? What is the reason behind it? Can the hon. gentleman give us a few details about that \$200,000?

And when the hon. gentleman is on his feet, also, let him give the House a few details about the \$137,000 guarantee for Messrs. Gerald Ryder and Walter Street, who defaulted on

MR. NEARY:

on the guarantee and the taxpayers had to pick up the principal and the interest and make payments to the bank of \$156,685.73. What is all of that about? The hon. gentleman mentioned something the other day about a fishing boat. What kind of a fishing boat? And why was it not done through the Fishery Loan Board? And what protection did the taxpayer have for lashing out this money? And why was there not a first mortgage or a second mortgage on the asset? And what happened to the boat?

Now that the gentlemen in question renewed on the interest and on the principal, did the minister seize the assets of the company? If so, what were the assets? Where are they? Mr. Chairman, there are so many questions that have to be answered about this list that was tabled by the hon. gentleman the other day. So I will take my seat and sit back and look forward to hearing the hon. gentleman giving us the details of these two very important questions that I put to the hon. minister.

MR. CHAIRMAN (Aylward): The hon. Minister of Finance.

DR. COLLINS: Mr. Chairman, I will respond to the hon. Leader of the Opposition's (Mr. Neary) question in just a moment, but I would just like to revert back to a point we made, I believe, when the Committee was sitting on this particular matter a little while ago. And you remember the question came up about the power contract in regard to the Upper Churchill. And the hon. Leader of the Opposition said that the government of the day had no knowledge of it. The Premier of the day had absolutely no knowledge of the power contract and therefore could be held blameless for any of the manifest faults that are in that power contract and the fact that the power contract does not take into consideration the

MR. NEARY: water rights agreement between
BRINCO and the Province.

Now, Mr. Chairman, of course,
I am not bringing any news to the Committee when I say that
no one in the Province believes that and there is good grounds
for not believing it. If one wants to get it in printed form,
there is a book that was put out called BRINCO: The Story of
Churchill Falls and it was written by Philip Smith. It goes
into great detail of what happened to the Upper Churchill
right from the time the waterfall up there was first discovered
right up to the time that the thing came on stream, including
all of the manifest negotiations that went on, who was involved,
how the governments related to it. And in this it shows
that Mr. Smallwood was up to his elbow, shall I say, in every
aspect of the negotiations.

Perhaps I could read one little
part from it. This was where Mr. Duncan, one of the gentlemen
involved, was talking to Mr. Lessard "He was, Duncan said,
going to see Premier Smallwood the next day. Did Lessard
agree with this suggestion and could he tell Smallwood so?"
And he went on there.

"Duncan, Borden and McParland
flew to St. John's on January 12. For some time now Joey
had not been able to understand what was holding things up.
After all, he had agreed to the five year settlement months
before and had been led to believe; that all other aspects of
the deals were satisfactory. Duncan now explained the letter
of intent withholds the idea and said that once the hurdles
represented by the signature of the latter were surmounted
the various holds could easily be plugged in further talks.
Joey approved the plan of campaign, but once again warned his
visitors that 'if we have to nationalize, we will.' " That was

DR. COLLINS: just one part where it was quite clear that Mr. Smallwood was involved right up to his eyeballs in it.

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

MR. CHAIRMAN (Aylward): A point of order, the hon. the Leader of the Opposition.

MR. NEARY: Mr. Chairman, we do not mind at all the hon. gentleman reading or quoting from the book, as he said he was going to read from the book, but Your Honour knows that under the Standing Rules of this House if you quote from a document of any kind it has to be tabled. I ask Your Honour to inform the House that the hon. gentleman will be instructed to lay the book on the table of the House.

DR. COLLINS: Mr. Chairman, to that point of order.

MR. CHAIRMAN: To that point of order, the hon. the Minister of Finance.

DR. COLLINS: Perhaps I could assist the Committee. I have absolutely no objection to laying this book on the table of the House. As a matter of fact, the table of the House owns this book.

MR. CHAIRMAN: The hon. the Minister of Finance (Dr. Collins) has suggested that he will table the book.

The hon. the Minister of Finance.

DR. COLLINS: Mr. Chairman, in another section of the book here again dealing with this matter, this is on page 224, 'Joey flew to Montreal secretly on June 7, and Lesage and Lessard joined him in the hotel room. "Apparently we agreed on everything," Joey noted in his diary later. The same evening Jack Pickersgill drafted a letter for him which he delivered to Lester Pearson the next day. "The Premier of Quebec and I" - this is Joey's letter that he signed - "The Premier of Quebec and I had a long discussion on this great project today" the letter

DR. COLLINS: said, "and we found ourselves in complete agreement on all points."

MR. NEARY: What were the points?

DR. COLLINS: "They had reached an understanding on development of the five Southward flowing rivers and made still other co-operative arrangements for the development of the area, which would be of great advantage to both the Province and the whole of Canada. In the same letter Joey renewed his request to the Prime Minister that the federal government should withdraw from the taxation, production, and distribution of electric power in favour of the Province, thus removing the last obstacle to the immediate start of the construction work."

So it was quite clear that Mr. Smallwood was involved in this. Every word, every jot, every tittle, every move that was made, Mr. Smallwood was into it and knew everything about it and approved it. The various gentlemen who were negotiating on the part of BRINCO, they did not move without going to Mr. Smallwood because they knew if they did Mr. Smallwood would go into a rage, and he would get into a frantic uproar, and he would disrupt all the painstaking arrangements that had taken place over the previous months and so on and so forth. It is very instructive reading, and I would recommend to all members of the House to read this book just to see the extent to which the government of that day was involved in the Upper Churchill and to realize at the same time the absolute lack of protection of the interests of the people of this Province that was gained thereby. It is an absolute revelation! I think it should be made required reading in all the schools throughout the Province. Perhaps the hon. the Minister of Education (Ms. Verge) would take up my suggestion. I would suggest that it is probably a much more valuable book

DR. COLLINS: than some of the book now being placed in the schools of the Province. It certainly would put a perspective on some other books that are going into the schools of the Province.

Now, Mr. Chairman, just turning to the matters that the hon. the Leader of the Opposition (Mr. Neary) brought up here today, he wanted some information on the \$200,000 that were being expended in regard to the Department of Forest Resources and Lands. That \$200,000 was made up of \$190,000 which was paid to Woods Gordon for consultant services to the government in its efforts to attract a buyer for the Waterford mill.

MR. NEARY: For what mill?

DR. COLLINS: The Waterford mill is in great difficulty on the West Coast. It is a matter of absolute prime importance to the Province. We know that unless something is put in place very quickly and very efficiently it may be that that mill would close down and a lot of people will be thrown out of work. And if it ever did close down for any period of time it would be very difficult to restart it again, and so on and so forth. So quite rightly the Province has -

MR. NEARY: What mill are you talking about?

DR. COLLINS: - asked the co-operation of Bowater in an effort to make sure that the least damage possible is done to the work force of this Province, and to the woods industry of this Province, and in doing this we had to get outside expertise and one of the outside expertise is Woods Gordon, for which we paid \$190,000.

MR. NEARY: What mill did they look at, Bowater?

DR. COLLINS: Bowater.

MR. NEARY: What did they do for \$200,000?

DR. COLLINS: Oh, Woods Gordon carried out financial investigations, they went back over the records

DR. COLLINS: so that they could make sure that the Province knew what the problem was out there, so the Province would be in a position to assess any offer that came in and so on and so forth.

The other \$10,000 was paid to McLeod, Young, Weir, also for financial consultant work in regard to the divestiture effort over the mill.

DR. COLLINS: On the question of the two gentlemen, Ryder and Street, \$137,000, I thought I had explained that the other day.

MR. NEARY: No, you did not.

DR. COLLINS: The fishermen of this Province, the worthy fishermen of this Province, you know, the people whose forebearers have been fishing in this Province for centuries and who are the backbone of the economic activity in this Province, these individuals, of course, nowadays face enormous capital costs in carrying out their chosen profession. To buy a vessel these days even, you know, a longliner of a fairly basic nature, is hundreds of thousands of dollars and fishermen, obviously, do not have that sort of capital readily available. Government has set up two mechanisms to assist them. They have set up the Fisheries Loan Board which, at one time, handled all the assistance of a capital nature that was given to fishermen but now primarily deals with amounts up to about \$50,000. The other mechanism that government has set up is an agreement with the banks, as a group, whereby they will extend assistance, loans and so on, to fishermen requiring larger boats, larger vessels that are more costly. And, of course, government has to stand behind these agreements between the fishermen and the banks in terms of guarantees.

I had a list the other day, I am afraid I do not have it with me now, but I had a list the other day that showed, at a rough guess, perhaps eighty names on it. And we have had a number of defaults on that, a very small number. If my memory serves me, it is about four since this arrangement was made in regard to the banks. It has been a very successful programme, very few defaults. But one partnership, if you want to call it that, or an association between two individuals that did not succeed was this particular one and these gentlemen could not

DR. COLLINS: prosecute the fisheries sufficiently profitably to keep up their payments to the bank. And when that happened, of course, the bank called our guarantee, we had to honour the guarantee. In place of it, of course, we had security in place when we put the guarantee on, we then took into our possession the vessel itself. That was the security.

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

The hon. Leader of the Opposition.

MR. NEARY: So now, Mr. Chairman, we have discovered for the first time in this hon. House -

DR. COLLINS: I said it all the other day.

MR. NEARY: No, the hon. gentleman did not say it all the other day. We are finding out now for the first time that there are two programmes in this Province to help fishermen purchase boats.

DR. COLLINS: Or lease them.

MR. NEARY: Purchase or lease boats. We now have two programmes. Let the word go out today, because I do not think it had been known before by fishermen in this Province, that there are two avenues open to them for purchasing or leasing boats that cost over \$50,000. If they are under \$50,000, the minister is telling us the policy of the administration there opposite is that you go to the Fisheries Loan Board, for boats under \$50,000, but if they are over \$50,000 you come to the government for a loan or a guarantee and the administration will go on the back of a note and they will guarantee -

MR. CARTER: (Inaudible)

MR. NEARY: Mr. Chairman, I would like for Your Honour to enforce the rules of the House.

MR. CHAIRMAN: Order, please!

MR. NEARY: I think there has to be a ruling, by the way, on very serious unparliamentary statements that were made by the hon. gentleman yesterday. So that will be twice in a week that he will be ruled out of order.

Now, Mr. Chairman, the hon. gentleman now tells us that there are seventy or eighty names

MR. NEARY: on the list of those who received guarantees to buy, purchase or lease boats over \$50,000 but the only two fishermen who defaulted so far were Messrs. Ryder and Street. Now, Mr. Chairman, I believe the minister should table the complete list. And the hon. gentleman should also tell the House what forms of guarantees they take from these individuals, Do they have a first or second mortgage?

DR. COLLINS: Usually the boat.

MR. NEARY: Usually the purchase of the boat is the collateral. They do not have to put up any collateral other than the boat itself, the physical asset itself, Mr. Chairman.

DR. COLLINS: They make a percentage investment also.

MR. NEARY: What is the percentage of the investment?

DR. COLLINS: Usually around 10 per cent.

MR. NEARY: So in this case \$13,000 was put in by the two men themselves.

Now, Mr. Speaker, is this programme widely advertised by the administration there opposite?

DR. COLLINS: Yes.

MR. NEARY: It is widely advertised that fishermen can come -

DR. COLLINS: They make an approach to the Fisheries Loan Board and the Fisheries Loan Board present their programme and what is available on the bank side of things and the bank and the Fisheries Loan Board work very closely together on these things.

MR. NEARY: So they go to the Fisheries Loan Board and if the amount is over \$50,000 the Fisheries Loan Board will say, 'Look, we cannot handle this because

MR. NEARY: it is not within our terms of reference, so your best bet is to go' - where? - go to the Minister of Finance (Dr. Collins)?

DR. COLLINS: No.

MR. NEARY: Go where?

DR. COLLINS: Go to the bank.

MR. NEARY: And then the bank will wheel and deal with the fishermen.

DR. COLLINS: With the Fisheries Loan Board involved.

MR. NEARY: How does the government get involved? How does the Minister of Finance get involved?

DR. COLLINS: When a satisfactory agreement is put in place, satisfactory to all concerned, then it is brought to us and if we agree with it we then put a guarantee on it.

MR. NEARY: So if the bank and the fishermen come to a satisfactory agreement, then they go back to the Fisheries Loan Board and the Fisheries Loan Board then arranges through the Department of Finance a guarantee at the bank.

DR. COLLINS: That is essentially it, Yes.

MR. NEARY: Basically that is it. And there is no collateral, no mortgages, nothing?

DR. COLLINS: No, no.

MR. NEARY: You take a first mortgage on the boat.

DR. COLLINS: Yes, the bank and the government take the mortgage. So if we have to honour the guarantee the mortgage reverts to us.

MR. NEARY: So then in this case the government ended up with a boat. Now, how big was the boat? What kind of a boat was she? Was she a longliner, inshore dragger,

MR. NEARY: offshore dragger? What kind of a boat was it?

DR. COLLINS: I do not want to mislead the House but I am pretty certain it was a longliner type. I am not really into the details of that.

MR. NEARY: Well, the hon. gentleman must have the information there with him.

DR. COLLINS: No.

MR. NEARY: A longliner type. Well, where is the boat now, and will the taxpayer recover any of their investment in this boat? Has the boat been resold? Will it be put up on tender? Will it be auctioned off? What will happen to the boat now, and where is the boat? Is it in the custody of -

DR. COLLINS: It is available.

MR. NEARY: Pardon?

DR. COLLINS: It is available for anyone else who wants to make a suitable (inaudible).

MR. NEARY: Has it been advertised yet?

DR. COLLINS: Again, I do not have all these details.

MR. NEARY: Well, where is the boat? Is it in onshore? Is it in the water? Has it been put up on tender, or auctioned, or advertised for sale? Where is the boat?

DR. COLLINS: Would you like to ask the Minister of Fisheries (Mr. Morgan) for these details, because quite frankly I am not too sure?

MR. NEARY: Sure. I do not care who answers the question. Could we get the minister in the House to answer these questions.

MR. YOUNG: Here he comes.

MR. NEARY: Here he comes. Voices in the wind.

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Tape No. 718

MJ - 4

MR. NEARY: But, anyway, Mr. Chairman, I will wait until the hon. gentleman comes in the House. I have a few more questions yet.

MR. NEARY:

Mr. Chairman, the hon. Minister of Finance (Dr. Collins) now is down - they are developing a policy there now. This is a new policy. What I am asking the Minister of Finance is, there are two programmes in place now, the Fisheries Loan Board can loan fishermen up to \$50,000 to purchase or lease boats, if it is over \$50,000, so we are told by the Minister of Finance, the fisherman is told to go to the bank, the bank will negotiate with the fishermen an agreement and then get in touch with the Fisheries Loan Board -

DR. COLLINS: The Fisheries Loan Board is involved.

MR. NEARY: - and the Fisheries Loan Board will arrange a guarantee for the fishermen of anything over \$50,000 to lease or purchase boats. We are told that is the procedure.

Now, in this case we have a boat - and the only collateral, by the way, is the boat itself, the fisherman has to put 10 per cent into the purchase of the boat. But now in this case we have a boat, Messrs. Ryder and Street, what kind of a boat is it? Where is the boat? What is the present status of that boat? Will it be auctioned off? Will public tenders be called? Or will it be sold? And the Minister of Finance says that the Minister of Fisheries (Mr. Morgan) has the answers.

MR. MORGAN: Mr. Chairman.

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

MR. MORGAN: Mr. Chairman, I am not sure I can get down to the exact footage, or the exact inch with regard to the size of the boat, but to answer it in a sincere way, the

MR. MORGAN: fishermen who are having their boats repossessed, and right now there is a total of thirteen, I recall telling the Estimates Committee a couple of days ago, thirteen boats are being repossessed.

MR. NEARY: Under this programme.

MR. MORGAN: Well, most of the boats are over \$50,000 but the bank programme only came into place a few years ago so some of the repossessions are dealing with the old programme.

MR. NEARY: The old programme. Okay.

MR. MORGAN: But when the fishermen are told to go to the bank to deal with the bank programme the interest subsidy still comes into play, in other words, 3 per cent below the bank's prime rate, so that fishermen still qualify for that. And the bank does not decide the criteria. The bank will deal with the application on the criteria set down by the loan board. Really the banks are agents of the loan board. They will take the applicant into their office, they go over the application in full detail, but sitting next to them are our guidelines, the Department of Fisheries Loan Board guidelines and regulations which the bank must use in scrutinizing the application, and making a decision to refer back to St. John's; it comes from the bank then into the loan board, and the loan board would have the final say, not the bank. And the loan board will also have some final say with regard to any repossessions.

The hon. gentleman referred to these names as one boat owner I recall, I happen to know these gentlemen, they are in Bonavista, and these gentlemen

MR. MORGAN: had a problem with their boat where the loan board had no choice but to take action to repossess because they could not meet their payments. Their problem was caused by a combination of factors: The engine was too small for the boat, they got a larger engine to go in the boat and then they got a poor season, and then they just sort of abandoned the operation altogether. Now without going into individual details, individual accounts, we try to be fair with fishermen if there are circumstances beyond their control with regard to making their payments. If they cannot make the payments because it is beyond their control, a bad fishing season, or a poor fishing season, bad weather conditions, etc., we are not going to just move in, or the banks will not be allowed to move in either, through our programme, to take over fishermen's boats and seize them from him and not let him carry on and try to make a go of it.

So all of the thirteen boats - I am not sure at this time, but I will get the information for the hon. gentleman and supply it to him, whether or not these gentlemen they are referring to, that boat owned by those two fellows, two fishermen in Bonavista, that that is one of the thirteen now advertised. There are thirteen vessels now advertised in the local media, public tender, and we try to keep the boats within the fishery.

MR. NEARY: But the minister told us these were the only fishermen who have defaulted under this programme yet.

MR. MORGAN: No. No.

MR. NEARY: Well, they are the only ones listed on your list.

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Tape No. 719

NM - 4

MR. MORGAN:

We have only had a thirteen -

DR. COLLINS:

information.

That is on that particular

MR. MORGAN:

Because what we try to do,
for example, if fishermen cannot make their payments, we
try to sit down with them, through the loan board,

MR. MORGAN:

and work out a satisfactory arrangement like, for example, assignment of catch: So much of their catch can be assigned to the Loan Board through the company they are selling to, to go towards payment on their boat. That kind of arrangement we can work out with them, or other arrangements, to try to keep them in the fishery. Only as a last resort will a boat be repossessed and public tendered.

MR. NEARY:

Where is the boat that was bought for \$137,000?

MR. MORGAN:

Mr. Chairman, I do not know where that boat is or where the other thirteen or fourteen boats are at the present time, but if they are being tendered, I would assume the boat is at a near location where the -

MR. NEARY:

Well, what is the name of the boat?

MR. MORGAN:

Mr. Chairman, I mean, I just cannot stand here and name - I can get all the information, and the information, in fact, I could make a point of tabling in the House. There is no problem with information with regard to all boats repossessed in the last fiscal year, the names of the boats and the names of the owners, the locations of the boats, I can do all that. That is no problem because it is information that should be made public, as far as we are concerned. There is nothing wrong with giving information. But I am saying that the boat was repossessed from these gentlemen in my own district, the same as other boats are being possessed in other districts around the Province from people only as a last resort; they just could not make a go of it and they gave up on the whole thing and abandoned it and we take the boats, sometimes by working out with

MR. MORGAN: the fishermen a satisfactory arrangement. I am working on a situation now which the hon. gentleman brought to my attention yesterday, over in his own riding. And we are being very sincere in contacting the person who has more or less abandoned the vessel, it is over in the area of Port aux Basques. The owner does not live there. His vessel is over there. He is abandoning it. And we are going to him and saying, 'Look, if you are going to abandon it, do not let it sit there and tie it up legally to become a derelict vessel, let us work out something for someone who wants to buy it.' And that is what we are trying to do in all cases rather than have the vessel damaged and in a bad state of repair and left there for a year or so, and then nobody can use it afterwards. So we are trying to work out arrangements when we have defaults on these loans to keep the loans in good condition and keep the vessels, if at all possible, in the fishery. That is the main thing, keep the vessels in the fishery. And if we call tenders and no fisherman bids, then we have no choice but to go to public tender and anybody - I do not know about members of the House - but anybody around from the general public can bid on these vessels, and if they bid high enough and to the satisfaction of the board and of the bank, they can take the vessel and use it for pleasure craft if they want to; but again, that is a last resort. The idea is to keep the boats in the fishing industry.

MR. NEARY: Mr. Chairman.

MR. CHAIRMAN (Aylward): The hon. the Leader of the Opposition.

MR. NEARY: Mr. Chairman, I thank the hon. gentleman for the information. At least the hon. gentleman knows what we are talking about a little more than the

MR. NEARY: Minister of Finance
(Dr. Collins).

Now, I wonder if the Minister of Finance will table the list of all the guarantees given to individual fishermen, table the list of those who got a guarantee over \$50,000 under this programme that we are talking about? Would the hon. gentleman undertake to do that?

DR. COLLINS: No problem.

MR. NEARY: No problem.

MR. MORGAN: Mr. Chairman.

MR. CHAIRMAN (Aylward): The hon. the Minister of Fisheries.

MR. MORGAN: Mr. Chairman, on that point, I cannot foresee any problem of us supplying it - and I say this sincerely, if the hon. gentleman wants the list for his office -

MR. NEARY: That is all, yes.

MR. MORGAN: - we can do that, rather than have it filed and go to the media and have the names bandied around in the media. As a member of the House, he is entitled to the information. We can get the information supplied to his office, to him directly, rather than have the names of the fishermen concerned bandied around, because they could establish credit again with some of the banks or something, and if their names are out in public as being bad fellows in dealing with the Loan Board or the bank, that may hurt them. So rather than do that, we can do it the way just mentioned.

MR. NEARY: Mr. Chairman.

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

MR. NEARY: That is fine with me, Mr. Chairman.

MR. NEARY: Now, we can dispense with that matter.

I am going to come to another item on the hon. gentleman's list. I want to talk a few moments about Cape Pine Fisheries Limited.

MR. TULK: He is starting to leave. He is going to take his marbles and go home!

MR. NEARY: My hon. friend, our spokesman on Fisheries (Mr. Tulk), should listen to this.

MR. TULK: Oh, yes!

MR. NEARY: Cape Pine Fisheries Limited - the principal amount guaranteed was \$1,275,000.

MR. TULK: One million what?

MR. NEARY: \$1,275,000. And the principal and interest payments made during the period were \$17,659. Now, Mr. Chairman, I want to ask one or other of the ministers -

MR. NEARY: This is the Quick Freeze plant we are talking about here that was turned over to a private operator. Now let me ask either one of the ministers what the operator paid for that facility? And is this the only guarantee or loan that was given to the operator? And if my calculation is correct, Mr. Chairman, and I believe it is, the only amount invested by this operator so far is \$17,659.04. In other words, the plant is a gift. The Minister of Fisheries (Mr. Morgan) cannot deny that. That plant is an outright gift. First it was given to an operator, then he was given the money to buy it, then he was given money to operate it, now he has this facility and so far has paid \$17,659 interest. Am I right in my assessment? And if I am not right, can hon. gentlemen set the record straight, tell us the history of the plant since the government took it over? I am completely ignorant of this matter. I want the history of the plant since the government took it over.

They turned it over to an operator, and then they gave the operator the money to buy the plant, and then they gave him operating costs.

MR. TULK: They did what? Repeat that for the House.

MR. NEARY: Well first, they said, we have to find a private operator. So they called in an operator. I do not know if they invited proposals or if it was just the laying on of hands. They called in an operator and they said, here is a plant and we want to get it started up because there is an election coming, -

AN HON. MEMBER: Oh!

MR. NEARY: - and we cannot have this plant closed. Will you please take it and operate it for us and employ these plant workers? or we are going to be in trouble in this district in the election. So to the Minister of Finance

MR. NEARY: (Dr. Collins) or the Minister of Fisheries (Mr. Morgan) they said, Okay, we will make you an offer. And the offer they made was give us the plant -

AN HON. MEMBER: You mean as a gift?

MR. NEARY: - and we will pay you this amount of money for it, I believe it was \$2.5 million or something. Then they came back and they said give us the operating expenses, which they received.

MR. TULK: How much was that?

MR. NEARY: Well, we know there is one guarantee here of \$1,275,000 of which they only paid back \$17,000.

Now, Mr. Chairman, I do not want to jump to conclusions, that is one thing I do not want to do, I want to get the facts. I never do jump to conclusions. I am in the dark on this one. And I am asking the minister just to set the record straight as far as Cape Pine Fisheries Limited is concerned, start right back to when Quick Freeze pulled out and left the plants high and dry. The government had to pay Quick Freeze for the plants -

MR. TULK: You are asking the Minister of Fisheries (Mr. Morgan) for that are you?

MR. NEARY: Well, one of the ministers. The government had to pay Newfoundland Quick Freeze so much for their plants, then they found a private operator. How much did the operator pay for that plant? How much was given to him in loans and guarantees? And how much has he paid back so far? Fair questions, Mr. Chairman, and I will take my seat and anxiously wait for the answers.

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

MR. MORGAN: Mr. Chairman, I have a few comments. I have to leave shortly to catch a flight, but my colleague, the Minister of Finance (Dr. Collins), I am sure will take over from there and supply more information.

MR. TULK: How long will you be gone?

MR. MORGAN: I will be gone until Sunday.

MR. TULK: What place?

MR. MORGAN: New Brunswick.

MR. TULK: You will not be here tomorrow?

MR. MORGAN: No, no questions on fisheries tomorrow.

AN HON. MEMBER: Will you be singing?

MR. MORGAN: The hon. gentleman is right.

A certain part of what he had to say is right, but the full facts are not there.

Well, Newfoundland Quick Freeze did not go into receivership, they did not go bankrupt but they went into voluntary liquidation, if I recall - that was the term they used, voluntary liquidation, which is a fancy word for bankruptcy really - and they closed up all of their operations in the Province. And Rich Seapack of the U.S. was the major shareholder in Newfoundland Quick Freeze, it was really a subsidiary of that American company. In this case Rich Seapack which produce the Rich creams etc. for coffee and these kinds of things in the U.S. It is a big business, a big conglomerate. Anyway, they had the plants and they wanted to get out, so they went into voluntary liquidation. And we called for proposals, for someone to take over those plants because it would have been a loss of approximately, if I recall, around 2,000 jobs in these plants, or 1,000. So we called for proposals at the time, I recall, by making it through

MR. MORGAN: publicly known through the media we were asking proposals from all fish companies. We made it known to all the companies in conversation with them. And proposals came in from a number of companies and took up different sections of the Quick Freeze operations. In this case the O'Briens in Bay Bulls, who are connected with the Bay Bulls Sea Products, put a bid in on Witless Bay; somebody else put a bid in on the Branch operations, in this case Blue Ocean; somebody else put a bid in on St. Bride's; somebody else put a bid in on the Dildo operations; so it is all broken down. We arranged meetings with the O'Briens, in this case in connection with the Witless Bay plant now called Cape Pine Fisheries, they formed a new company and put a bid in to take over the plant. And the money that they owed to Rich Seapack for the purchase of the plant - now I do not know the exact purchase price - I forget those figures there were so many people involved, so many parties involved - but the exact figure of that purchase price, they made an arrangement with Rich Seapack that they would so some financing, Rich Seapack would, on the purchase by Cape Pine of that plant. And what happened was in about a year or maybe less than a year, the company, Cape Pine, defaulted, they defaulted in their payments to Rich Seapack. That means we had to move in to ensure that the plant would be kept going. And when we moved in to look at them, we moved in with regards to a proposal from the company for some assistance, they could not make their payments to Rich Seapack, so we then arranged to provide financing to that company on their purchase price. There were no grant involved, there were outright direct loans, There were no outright grants just direct loans and that loan was to the company for the asset which we mortgaged. We are mortgaging the asset, in other words,

MR. MORGAN: we have security on the assets that they are purchasing and we have adequate security because we are the only creditor in this case, I understand, on these assets. So we hold the assets as first mortgage, or first security, and the purchase - maybe my colleague can supply that information, I cannot at this time. And then any interest they owed we are not letting them off with saying, 'Yes, we forgive your interest', we are not letting them off saying, 'Yes, forget your payments'. They owe the money to government and government is pretty adamant and determined that they are going to pay the money owing on that facility. There are no gifts to them. And the Minister of Finance (Dr. Collins) and myself in recent weeks, after analyzing the account, the Minister of Finance indeed instructed the company that they are at a point where they must come forward with payments on this plant. And he is determined to see that they do, if they can at all, and he has arranged, and I can say this for him, he has arranged to have the books of the company, all information, all financial information supplied to government to be analyzed and assessed to determine if they can indeed make any payments. If they cannot make their interest payments it is automatically added on to the overall cost which will mean additional cost to the company Cape Pine Fisheries.

Now it is a bit of an exception, I guess, because it is a direct loan. The other loan guarantees are exactly as I say, loan guarantees. We have assisted a number of companies. We have made direct loans to other companies as well, when they found themselves in unfortunate difficulties. Now, if we did not do that, we would be accused as a government of ignoring the fishery, ignoring the fishery operations, ignoring the plants and we would find ourselves in a situation of losing jobs, having plants

MR. MORGAN: close down and nobody around to operate. So our obligation as a government is surely to keep the jobs in our resource industry and if we can justify, and I say justify, through our criteria we set down, looking at the need, looking at the management of the company, looking at the need for their funds and their management, looking at the fact that we set down conditions that they must make reports to us on a regular basis, financial reports on the condition of their company, they must do other things with regard to ensuring they market their product properly and produce quality products and these kinds of things, if these companies meet our criteria and our conditions, well, why should we not give assistance to these independent companies?

The argument I am hearing from the rest of Atlantic Canada right now is that the Government of Canada and the Government of Nova Scotia are putting large chunks of money into large companies like National Sea and ignoring the independent companies. So we are looking after those medium sized independent fish companies in a way which we feel is quite responsible and if it comes to a point because of difficult market conditions - Witless Bay was manufacturing crab last year and anybody who understands what is happening to the crab market they should understand why the company is having difficult times. The price of crab dropped from seven dollars down to five dollars within the past year. There are inventories left unsold and that company is, indeed, one of the companies holding inventory.

I met with all fifteen of them yesterday afternoon, all fifteen companies producing crab in the Province, and that company was represented at the meeting. They are all finding it difficult at this

MR. MORGAN: time, and have during the past year. They have inventory to sell. If it moves in the next month and a half, well, that means revenue coming into the company and any obligations they have to government hopefully they will meet.

There are no indications the company is trying to weasle away from honouring their responsibility. There is no indication of that, it is just the mere fact that they are going through some difficult times, as are other independent fish companies. So my position, Mr. Chairman, in my closing comments, I have to leave to catch a flight, is that there is nothing strange or weird about the company mentioned, nothing strange and weird about Port Enterprises in Southern Harbour we assisted last week, or Smith Seafoods out in Bellevue we assisted last week, and I can go on around the Province, all these independent fish companies, except that in this case it is a direct loan more so than a loan guarantee.

But the Minister of Finance (Dr. Collins) and this administration are determined to see that any obligations of the private sector, as a result of our financing put forward, are met if the companies are financially able to do so. If not, we have to sit down with them to assess the situation and to determine how we can always be protected as a government with regard to our exposure in financial output from government to the companies. So, Mr. Chairman, I hope that I have clarified the matter somewhat. And I have to say that my plane leaves in forty-five minutes and I have to leave.

MR. TULK: Mr. Chairman.

MR. CHAIRMAN (Aylward): The hon. the member for Fogo.

MR. TULK: I wonder if the minister could perhaps take another two or three minutes. In relation to this company I will perhaps just ask a few simple questions.

MR. TULK: It probably will not take him any longer than five or six minutes and he can be out of here. I want to ask him first of all, if you take that whole list, how many loans and guarantees were made last year? And are we looking at here the only people who paid back anything on their principal and interest?

MR. NEARY: They all defaulted.

MR. TULK: Those defaulted?

MR. NEARY: Oh, they all defaulted.

MR. TULK: Those are the people who defaulted?

MR. NEARY: Yes.

MR. TULK: All right, let me ask him then, in connection with Cape Pine Fisheries, if he will table how much is currently owed by Cape Pine Fisheries, and would he table any or all documents relating to the transaction carried out with this company?

MR. NEARY: Right on!

MR. CHAIRMAN: The hon. the Minister of Fisheries.

MR. MORGAN: Mr. Chairman, I think that question regarding the financial information on the company - I was asked by the Leader of the Opposition (Mr. Neary) to give some explanation as to what happened, the history of the situation. I think I gave at least, if not a detailed, a concise history of what happened in the area and what took place up there. As for the financial data, my colleague, the Minister of Finance (Dr. Collins), will deal with that. But before I leave I would like to say that the fishing industry is a cyclical industry and you may have one or two bad years and then.

MR. MORGAN:

four or five good years. And as long as we are ensured by the companies they are not taking advantage of government in any way, and we will ensure that by demanding which is a condition of our guarantees, that they give financial reports to us on a regular basis, and we are down to the point now with some of these companies of getting a monthly report from them showing us quite clearly what their financial stature indeed is and whether or not they can afford to honour their obligations to government. Other than that, Mr. Chairman, I will leave the next line of questioning or information to my colleague.

MR. CHAIRMAN (Aylward): The hon. member for Fogo.

MR. TULK: Let me ask the Minister of Finance (Dr. Collins) a question. The Minister of Fisheries (Mr. Morgan) obviously has some doubts about tabling the information on Cape Pine Fisheries. Let me ask the Minister of Finance a question. Will he commit himself to giving this information to the Opposition privately? Will he give it to the Opposition without tabling it in the House? Will he give us all of the transactions that have gone on and bring us up-to-date on just how much is owed currently? And perhaps when he stands he could also tell us just how well Cape Pine Fisheries are doing now. As I understand it, as the Minister of Finance knows, the other day in the House we raised a question here about a fish plant on the South Coast of this Province, the Southern Shore as it is called -

AN HON. MEMBER: Which one?

MR. TULK: That is the same one. The minister has admitted that since publicly, in the press. We raised a question about this company having to cut the wages of their plant workers, calling them in and telling them they were going to cut their wages 80 cents an hour. That indicates to me that that company is still in some trouble, or otherwise they are trying to fleece their employees. And I do not believe they are trying to do that, I think they must be still in some financial trouble. So could the minister perhaps stand and tell us just where that company is called Cape Pine Fisheries? How are they now financially? And how much is currently owed by this company? And would he table all of the transactions, or give us privately all of the transactions that have gone on between the government and that fish company.

MR. CHAIRMAN (Aylward): The hon. Minister of Finance.

DR. COLLINS: Mr. Speaker, perhaps I should clarify one or two points there. The Financial Administration Act requires that the information be tabled in this House whenever a government guarantee has to be honoured, in other words, whenever government has to pay out on a guarantee. And I do not know if hon. members of Committee remember, but I do that every so often, you know every six months or whenever the House sits, and I will table a short list of guarantees that have been paid out since the last list was placed on the table.

Now, that is the requirement. There is not a requirement under the Financial Administration Act, I am quite sure in saying this I think, that we actually lay out all the guarantees and certainly not all the details

DR. COLLINS: of the guarantees that government gives. We have to honour a guarantee, yes, we do, because there is an expenditure of government money there. If we just give a guarantee there is no expenditure of public money up to that point in time and there is no obligation on us to lay that out.

However, my understanding is, and this does not directly involve the Department of Finance, my understanding is the Department of Fisheries and the Loan Board has made it a policy that if anyone wishes for anything like reasonable reasons to want to know which guarantees are given in terms of helping to finance fishing vessels, or fishing equipment, or that type of thing, the assistance to the inshore fishery essentially, that they will make that information available. Now, it is not tabled in the House but it is made available on the basis as, shall we say, a need to know type of thing.

DR. COLLINS: In regard to this Cape Pine Fisheries, I do not think there is any problem in having the hon. members opposite in on the details of this. One caution I would make and that is that even though government is assisting these firms, they really are private firms and I think they have a right to some commercial privacy not just that it has to be a secret matter but, I mean, business has to be conducted very often not in the full glare of publicity and the press. I mean, that is not the way business works. If you are a public company, yes, there are certain things required by Corporation X and all that sort of thing that you have to do. But a private company, just because it gets assistance from a bank or some other backer or from government or whatever does not mean that they have to lay out all the details of their operations, which may or may not put them at risk in terms of the competition and their plans for the future and what proposals they got in mind which may or may not come off and so on and so forth. I do not see any problem in making this information available to the hon. the members of the Opposition opposite except that I would put a caveat in there, that if there are certain things that are ongoing which look as though if they got out it would be to the detriment of the operation of the company and accordingly to the employment of the workers there in the company, and also result in detriment to the fishermen who are depending on that company, I do not think that anyone would want that to happen. But other than that I am sure that the Department of Fisheries - we would not have any objection really, and I am sure the Department of Fisheries would not have any objection that the hon. members opposite would have a briefing on just where things stand.

Now in terms of the amounts owing by the company, I think the hon. member asked that, I just

DR. COLLINS: have to quote from memory.
Something over \$200,000 is their current liability that they currently have to make up. It is not that they have defaulted on that yet, but that amount of liability is needed from them in the very near future. If they make that up, well, fine. If they do not, suppose they did not make it up - and I should not be saying this because it is a bit hypothetical - if they did not make it up, well, we would have to put that on to them, we would have to take over an obligation that they would have to their suppliers or whatever, and then we would have to translate that into an addition to their direct loan which they would have to pay back to us at some subsequent date.

MR. TULK: Mr. Chairman.

MR. CHAIRMAN (Aylward): The hon. the member for Fogo.

MR. TULK: Mr. Chairman, let me point out to the Minister of Finance (Dr. Collins) that indeed if a company is dealing with a private bank, a commercial bank, that they do have a right to commercial privacy, if you want, or commercial invisibility or whatever you want to call it. But in this particular case what we are

MR. TULK: dealing with here, millions of dollars in this case, what we are dealing with is the taxpayers' dollar, taxpayers' money. And surely the minister is not standing in this House to tell us that if a company in this Province gets money out of the public treasury, out of the public chest that they have a right to privacy.

DR. COLLINS: No, no. I did not say that. I said if we pay out the money The Financial Administration Act says we have to table it. But a guarantee is not a pay-out of money.

MR. TULK: But you are still guaranteeing taxpayers dollars and -

DR. COLLINS: There is no pay-out on these.

MR. NEARY: They can call that.

DR. COLLINS: If they do. If they do, yes.

MR. TULK: -when those companies default, as they have in a great number of cases, then they do not have the kind of privacy, the commercial privacy that the minister is talking about.

DR. COLLINS: Absolutely. Yes, when we pay out we have to make it a loan.

MR. TULK: Let me ask the minister, taking Cape Pine Fisheries Limited as an example, is this the only amount that they are guaranteed? Is this all that those seven companies are guaranteed? If you take the seven of them, are these all of the loans or guarantees that they have? As I understand there is a list that the minister has tabled. This is only the amount that they have defaulted on, the loans that they have defaulted on.

DR. COLLINS: The second column is what they defaulted on.

MR. TULK: The second column is what they owe, but they have defaulted on the loans and the guarantees that the government made. But the question is are there other loans and guarantees that the company has not yet defaulted on or have they now defaulted on them? Has that happened? And what is the total amount, for example, that Cape Pine Fisheries Limited is now owing the government? And let me again ask him the question, in view of the fact that last week Cape Pine Fisheries, and perhaps some of the other ones-I do not know, but I know about Cape Pine Fisheries - Cape Pine Fisheries called in their employees and said, 'We are going to cut your wages by eighty cents an hour.' Is that company still performing to the extent that it is going to be able to pay back its guaranteed loan to the government? Are they performing in such a way that they are now doing that? Are they keeping those things up to date? Or is that company about to fold, is it still in serious trouble? And I think we have to know that from the point of view of the fishing industry. I am sure the people on the Southern Shore want to know, down in the Minister of Forest Resources and Lands (Mr. Power) district they want to know whether their plant is going to be there this year or whether suddenly the government is going to be forced to pull the legs out from underneath Cape Pine Fisheries, and so on? So could the minister tell us just where that company stands right now?

MR. CHAIRMAN (Aylward): The hon. Minister of Finance.

DR. COLLINS: Mr. Chairman, as the hon. Minister of Fisheries (Mr. Morgan) explained, when Newfoundland Quick Freeze decided in their own good wisdom to give up the operation down there, we determined that unless someone was found to operate the plants down there that it would do tremendous

DR. COLLINS: harm to that area. It was not a case where there were other plants around and if this plant went it would not matter, the fishermen could go elsewhere and so could the plant workers. In that particular area it would be of great damage to the plant workers, to the community and to the fishermen unless this particular plant and plants were operated. And for that reason we became involved.

Now I think that it is hypothetical to say what would we do if this particular company folded up, would we do the same thing again? I think that is a bit hypothetical. All I can say is that we did it once and, you know, that is as far as I will go. And the second thing is that this company has not folded at this point in time. They are having difficulties, obviously, because otherwise we would not be paying out on some of the obligations that they have not been able to match.

MR. SIMMS: We judge each case on its own merits.

DR. COLLINS: Judge each case on its own merits.

I think it is a very good phrase. I think the minister has coined a new phrase there.

But the other point is that the plants there are essentially seasonal plants and I think the company is just now gearing up, I believe they are about to get into the capelin fishery. That is the first aspect of the fishery for this season.

SOME HON. MEMBERS: Oh, oh!

MR. CHAIRMAN (Aylward): Order, please!

DR. COLLINS: You know, I think it is a bit early in the season yet to say, Most fishing companies, I am sure I do not have to tell hon. members this, most fishing companies are in a working capital deficit position in the early part of the season and probably for a good proportion of the

DR. COLLINS: season. They have to pay their plant workers, they have to pay their fishermen before they actually get paid for the product that they ultimately sell. So they often are in a working deficit position. The banks usually have to come in and make loans at that stage of the game and they take the receivables and the inventory as security. Towards the end of the season when the company has actually sold its product, well then they can make up for these loans that they have had to contract in the meantime. So I think it is bit early in the season to say how Cape Pine is going to do this year. All I can say is they are still in operation. They are about, I believe, to begin the fishery this year. And until such time as they do fold, and I hope they do not, until such time as they do fold we will not have to make a decision on who is to replace them.

DR. COLLINS: I do hope that we will be able to get them through this rough patch and not have to go for other operators. And on that point, too, I think that, you know, as I say every year there is a problem area in the early part of the season when the companies go into debt. But in addition to that, shall we say, short cycle, there are years when the fishing industry and the companies are in difficulties, and they have to be assisted throughout the year and then they get into a good period where the fishery is going well and that will make up for the years when it was bad. So as the Hon. Minister of Fisheries (Mr. Morgan) mentioned, the fishing industry is cyclical during the year, almost every year, but it is also cyclical over a number of years and often they need assistance during the low years and they will make it up during the high years.

MR. TULK: Mr. Chairman.

MR. CHAIRMAN (Aylward): The hon. member for Fogo.

MR. TULK: Mr. Chairman, we hope on this side of the House, too, that for the sake of the people on the Southern Shore and for the sake of the rest of the people in Newfoundland that there is not a single fish plant that will close this Summer. But the minister has not given us the information, the financial information, that is required to tell us just how those fish companies are doing. Are they indeed now in a situation where they can perhaps pay back some of the funds owed to the government on those loans and on the guarantees? That is the kind of question that the administration has to answer if they are going to be able to tell the Opposition and tell the people of this Province that indeed we are coming out of, as he calls it, one of those bad cycles in the fishery. Let me ask the minister another question. Will he, first of all, tell us the total amounts - and let us use

MR. TULK: Cape Pine Fisheries again - will he tell us the total amount, the total number of loans and the total amounts of those loans that have been given out to those companies? In particular Cape Pine Fisheries, because I am somewhat concerned about what happened with them the other day when they called in their employees and told them that they were going to cut their wages by eighty cents an hour? And let me ask him another question. Are they now asking for more funds? Are they asking for more guarantees and more loans, or does the minister anticipate them coming back and asking for more loans?

Let us look at the rest of the companies as well. Ocean Harvesters, by the way, paid back before they defaulted some \$254,000, at least 10 per cent of their loan, which at least showed some viability.

DR. COLLINS: No, no, perhaps I can explain.

MR. TULK: Yes, the minister can explain in a minute, but let me ask him those two questions. Will he tell us the total amount of their loans and can he guarantee this House that the fishing industry is now in such an upsurge that they will not be back again, or is the fishing industry still in the condition where those people are going to be coming to the government looking for more loans and more guarantees?

MR. CHAIRMAN (Aylward): Order, please!

MR. TULK: At least, Mr. Chairman, I asked a question with specifics.

MR. CHAIRMAN: Order, please!

Before I introduce the hon. minister, it being 5:00 p.m. I wish to inform the House that

MR. CHAIRMAN (Aylward): we have two questions on for the Late Show. One from the hon. member for Mount Scio (Mr. Barry) to the Minister of Energy (Mr. Marshall) concerning surplus power in Quebec, and one from the hon. member for St. John's North (Mr. Carter) to the hon. Minister of Culture, Recreation and Youth (Mr. Simms) concerning gifts given to the Province.

MR. CHAIRMAN (Aylward): The hon. the Minister of Finance.

DR. COLLINS: Mr. Chairman, I think the hon. member may just be misreading the tabled reports a little bit. The first column is the amount of loan or whatever it was, the bank loan that the company received, the amount that was guaranteed. For instance, X company made an arrangement where they needed the \$2 million. They went to the bank to get the \$2 million but the bank said, 'No, we cannot give it to you unless you have a government guarantee.'

MR. TULK: Yes.

DR. COLLINS: They came to us and we went over everything and said, 'Alright, it looks as though this is a viable situation.'

MR. TULK: You guaranteed it.

DR. COLLINS: 'We will give you a guarantee.'

Now that is the amount that would be entered in that first column there. For instance, Ocean Harvesters Limited, \$2.5 million. They needed to buy that new vessel over there, that trawler they have over there.

MR. TULK: Yes.

DR. COLLINS: They had to raise the amount of \$2.5 million and we gave them a guarantee for it.

Now, in the second column, that is the amount not of the guarantee, that is the amount of the payment they were unable to make and we had to make it in their place. For instance, Ocean Harvesters -

MR. TULK: Is that right?

MR. NEARY: No, that is not so.

DR. COLLINS: Yes, it is.

MR. TULK: \$2.5 million?

DR. COLLINS: \$2.5 million was the amount that was guaranteed.

MR. TULK: Yes.

DR. COLLINS: Now, they were in default of \$254,705.16 and this is what we had to -

MR. TULK: On a point of order, Mr. Chairman.

MR. CHAIRMAN (Aylward): On a point of order, the hon. the member for Fogo.

MR. TULK: Is the minister now saying - and I suppose it is a point of clarification - that really, when you look at that column, the principal and interest payments made during that period of time, that that is the amount that the government was held responsible for?

DR. COLLINS: Yes, that is what we paid out.

MR. TULK: Or is it the amount the company paid back?

DR. COLLINS: No, that was the amount that we paid out.

MR. TULK: Well, you should make the columns clear.

DR. COLLINS: Yes.

MR. CHAIRMAN: There is no point of order. The hon. the Minister of Finance.

MR. NEARY: You are committed now to the whole works.

MR. TULK: That is right.

DR. COLLINS: Pardon?

MR. NEARY: You are committed to the whole thing, the whole amount.

MR. TULK: That is different.

DR. COLLINS: Just let me make sure now that the hon. members of the Committee understand this. I will

DR. COLLINS: read the thing: 'In accordance with Section 51, paragraph (c) of the Financial Administration Act (1983), the Minister of Finance is to provide a report on the details of the guaranteed loan, paid in part or in whole, since the last sitting of the House.' In other words, at the last sitting of the House, I put on the table a similar list to this.

MR. TULK: Yes.

DR. COLLINS: Now I am required at this sitting of the House to put on this list. This is an update of the list I did last time.

MR. TULK: The only thing that appears here is what you paid.

DR. COLLINS: 'The following is a list of the guaranteed loans paid in whole or in part since the last report on November 11, 1983. That was the time the last report was in.

Now, with that in mind, using the first item as an example: Ocean Harvesters, principal amount guaranteed, \$2.5 million.

MR. TULK: Right.

DR. COLLINS: That is the agreement we entered into eighteen months ago, or whenever it was, that we were going to guarantee the \$2.5 million so they could buy this boat.

MR. TULK: That is perfectly clear.

DR. COLLINS: Now, principal and interest payments made during the period from May 11th, when I last put something on the table, up to the 29th of March -

MR. TULK: That was made by the company.

DR. COLLINS: - which was a few days ago, \$254,705.16 was the amount that the company should have paid to the bank or whoever it was, and they could not pay,

DR. COLLINS: and, because we had a guarantee in place, we had to stand in their shoes.

MR. TULK: Oh, I see.

AN HON. MEMBER: Is it clear now?

MR. TULK: Well, of course it is clear now.

DR. COLLINS: Now, having done that, that amount goes on as a direct loan to the company.

MR. NEARY: Now you are committed to paying off the \$2.5 million.

DR. COLLINS: Well, they still have that obligation there and they might be obligated to pay it off over a twenty year period, but in addition to having to pay that to the bank that they got the loan from, they are now also on the hook to us for roughly \$250,000 because we stood in their shoes when they could not, temporarily, meet their obligations.

MR. HODDER: We will have to pay the rest of that \$2.5 million, is that what you are saying?

DR. COLLINS: Not necessarily.

MR. TULK: You could.

DR. COLLINS: It is only that, at this point in time, that is all that they could not meet and we paid it in their place. It does not necessarily mean that, you know, they will get more fish and find more markets and God knows what all, and they will then be able to not only pick up their payments to the bank and they will not go into default any longer, but

DR. COLLINS:

also they will be able to pay us back for the amount that we had to stand in their shoes for on a temporary basis. So that is the explanation.

MR. TULK:

Mr. Chairman.

MR. CHAIRMAN (Ay! vard):

The hon. the member for Fogo.

MR. TULK:

Now the

minister has made it clear, because his table is not clear. He should have put in his table 'the principal and interest payments made by the government during this period'. But it is perfectly clear now what the minister is saying. He is saying, for example, and we will take Fiserhy Products Limited, government guaranteed \$2,477,590 and that in default of payment the government has had to pay \$109,439.90. Now, that brings up another very interesting question which is not shown for either of those companies, and that is did they make any payments at all themselves, or are those companies, technically speaking, bankrupt?

MR. NEARY:

That is the question.

MR. TULK:

Now, that is the question.

I would like for the minister to stand and tell us just how much, for example, Ocean Harvesters Limited has paid back themselves, just how much Fishery Products Limited has paid back themselves, if any, and what kind of condition does that mean that those companies are in?

MR. CHAIRMAN:

The hon. the Minister of

Finance.

DR. COLLINS:

Well, the answer is that,

yes, they have made payments. If I may just refer to Ocean Harvesters first, they got this vessel, I think it was a twenty-year loan or something at the bank to get the vessel, and we had a guarantee on it; they kept up their payments for a number of months but then they got into difficulties with their fishing operations and they

DR. COLLINS: did not have the cash flow to keep up the payments and therefore we had to step into their shoes. We fully expect that after awhile their cash payments will pick up again and they will be able to do it themselves.

In regard to Fishery Products Limited, yes, of course, over the years they have met their obligations, but you will remember that they essentially went into bankruptcy and were taken over by the so-called new super company and, therefore, they could not make their payments during that period.

Now, when the new super company is finally put into place, we will certainly point out to them that this is an amount of monies owed to government, which government had to pay on an interim basis in the place of Fishery Products until the new company was put in place. So we will get that back from the new super company, from Fishery Products International.

MR. TULK: You are talking about Fishery Products only.

DR. COLLINS: Yes.

MR. TULK: But Fishery Products is the only one on this list that is in that company, is it not?

DR. COLLINS: That is the amount that we are owed by Fishery Products, the Fishery Products which is now essentially defunct, Fishery Products International have taken over the liabilities of the defunct company.

MR. NEARY: Did they promise that they would pay that?

DR. COLLINS: Yes, but they just have not completed putting their whole structure together yet, and we have not had a payment on it.

MR. TULK: Mr. Chairman.

MR. CHAIRMAN: The hon. the member for Fogo.

MR. TULK: The Minister of Finance (Dr. Collins) has still not answered the question, and I ask the minister of Finance, in view of the fact that he has put down what the principal amount guaranteed was, guaranteed by the government - if I can get his attention now.

MR. NEARY: He is taking his advice now from the Minister of Culture, Recreation and Youth (Mr. Simms).

MR. TULK: That is a poor source for him to go to.

The minister has told us that there was a principal amount guaranteed for each of those companies; he has told us what the government has paid, but he has not yet told the Committee just what those companies paid on those loans. Now, it is all very well for him to stand in this House and say, yes, Ocean Harvesters Limited bought a boat, they made so many payments on it but eventually they fell behind and they had to borrow monies from the government. That is what we are concerned about, they borrowed monies from the government. Have they been able to pay back on either the principal or the interest? And if not, is it not the case that if the fishery stays the way it is, and if those people cannot recover more funds, cannot be more profitable, are we not saying that eventually, over time, the government is going to pay back the works of the principal that was guaranteed?

MR. NEARY: That is correct.

MR. TULK: If the minister cannot tell us, for example, that this year Cape Pine Fisheries is going to make a payment on that principal amount guaranteed, then what he is really saying to us is that this year we will have to make their payments again, and maybe next year, and maybe the next year, and in five or

MR. TULK: six years we will have to pay back the works.

Let me ask him another question about Fishery Products Limited. He says that they will recover that money, that will be recovered. But I wonder if indeed the amount that is owed by Fishery Products Limited has perhaps been converted into equity in the new super company of Fishery Products International and will, indeed, the government realize one red cent of that? I have asked that question, too.

MR. CHAIRMAN(Aylward): The hon. the Minister of Finance.

DR. COLLINS: No, on the last point, Mr. Chairman, we did convert certain things into equity, but not this one.

MR. NEARY: Well, why not that one?

DR. COLLINS: Well, this one, shall we say, is a nongoing thing.

MR. NEARY: It was a little side deal, a little deal on the side.

DR. COLLINS: No, it was not a little deal on the side.

MR. TULK: Yes, it was. So you are still responsible for it. Fishery Products is gone.

DR. COLLINS: When we reach an agreement with the federal government as to what we put in as equity, we said a certain amount, I believe it was \$32 million or whatever, we did not say we would turn to equity every single thing that the company owed us. It was an agreement. We would put in so much, the feds would put in so much. The stuff we did not put in remained on our books as a loan to Fishery Products and we would expect as now the super company is taking over the assets and the liabilities of Fishery Products that they will pay it back in due course. And we have no doubt that that will be the case.

In regard to the other question, the hon. member for Fogo (Mr. Tulk) said, "Well, it is not a case that we are going to keep paying and paying and paying and finally we will pay it all off." Well, you know, that is not necessarily so. Just because we paid it this year does not mean we are going to pay last year. Many companies do get into temporary difficulties, they need assistance, then they get out of their temporary difficulties, when they get out of their temporary difficulties then they take care of their creditors. In this case we are a creditor of that company. And I would also point out of course that when we put on the guarantee we take security, Even though there has been no expenditure of public funds at that time, we take a security so that if we do have to honour the guarantee that we have that security. And if it should happen that ultimately we did have to pay it all off, we would own the assets, we would own the plant, we would own the wharf, the machinery, whatever it is that the company gave us in terms

DR. COLLINS: of security.

MR. CHAIRMAN (Aylward): The hon. member for Fogo.

MR. TULK: Mr. Chairman, there are a number of questions that you can ask about this whole deal, especially as it relates to Fishery Products Limited and the money that is owed by Fishery Products who have now become part of Fishery Products International, which is a whole new company.

Mr. Chairman, as I was saying to the minister, there are a number of questions that you can ask about that \$2,477,590 that the government guaranteed for Fishery Products Limited. Fishery Products Limited is now part of Fishery Products International, which is a whole new company and the minister stands in the House and says in relation to some questions that we asked him, he thinks and he hopes and he believes that Fishery Products International will pay back that loan. But does he have anything in writing? Does he have any documentations? Does he have any agreements signed with Fishery Products International, any written commitments from them, not oral commitments, does he have any written commitments from them that indeed they are going to fulfill that obligation of Fishery Products Limited, Fishery Products International? Does he have that type of agreement? If not he could be whistling for \$2.5 million. And I would suggest to the minister that before Fishery Products became part of the super company called Fishery Products International, it was the minister's responsibility

MR. TULK: as the person who is responsible for the Treasury of this Province, for the taxpayers' dollar, to see that that amount of money was recovered from Fishery Products International, and he has not done that.

Now let me go back to the question that I asked the minister, Particularly in relation to Cape Pine Fisheries Limited, I asked him the question if this was the total amount of the guaranteed loan or loans that have been made by the government to Cape Pine Fisheries Limited? I would like for him too to answer that question.

MR. CHAIRMAN (Cross): The hon. Minister of Finance.

DR. COLLINS: Mr. Chairman, in regard to Fishery Products Limited, we have security for that amount.

MR. TULK: Security from whom, Fishery Products International.

DR. COLLINS: Just take the hypothetical situation where Fishery Products International did not honour the amount they owe us, well, we own the asset.

MR. TULK: Mr. Chairman, they do not own it.

DR. COLLINS: Fishery Products owned it.

MR. TULK: Fishery Products International does not own it to you.

DR. COLLINS: And we have security for it, a vessel or whatever it is. If Fishery Products International, say, have informed us that it is their full intention, we have no reason to doubt them, to take over the obligations of Fishery Products Limited, if they do not we own the vessel.

MR. NEARY: But have they made any commitment.

DR. COLLINS: Sure they have. They told have told us.

MR. TULK: But sure you have agreed to give them the vessel as part of a new company.

DR. COLLINS: No, we did not. Not in this instance. We have other things as equity.

You have to bear in mind two things. Take it that there were two loans outstanding between the government and Fishery Products; we said we would convert this into equity. Now that is equity.

MR. TULK: That is what you did.

DR. COLLINS: That is no longer owed to us, that is our investment in the company. This one we did not convert to equity, that is still a loan.

MR. NEARY: Why?

DR. COLLINS: Because we did not have to. The federal government said, "We only want you to convert \$30 million, not the total amount you owe."

MR. NEARY: You have \$34 million plus.

DR. COLLINS: We have something more than \$32 million. I do not remember the exact amount but it was something more anyway. So there was some that was left there as a loan. Now, Fishery Products International said, 'When we get in full gear we will take over those remaining, we will take on that obligation, we will be the ones with whom you have a loan.' Now, if they should not do that - and that is very unlikely - we still have that trawler or whatever it is that we have the loan on.

MR. NEARY: You gave away all that.

MR. TULK: You signed an agreement which says that it is owned by Fishery Products International.

DR. COLLINS: We gave away other things, not that one.

Now the total amount of guarantee for Cape Pine was \$1,275,000. That was the total amount that we guaranteed in terms of Cape Pine.

MR. NEARY: What about loans?

DR. COLLINS: Pardon?

MR. NEARY: Do you have any loans to Cape Pine?

DR. COLLINS: That \$17,600, or whatever it is, that is now a loan because we have to pay it out when they did not keep up their obligations.

MR. NEARY: Mr. Chairman.

MR. CHAIRMAN (Cross): The hon. the Leader of the Opposition.

MR. NEARY: What is the total amount of money that the taxpayers have given to Cape Pine Fisheries for loans and guarantees and operating expenses? Lump it all together.

DR. COLLINS: I told him, I said it was approximately \$200,000. I told him five minutes ago.

MR. NEARY: Maybe I am not making myself clear.

MR. NEARY: Let me ask the Minister of Finance (Dr. Collins) what commitments the Province have made to Cape Pine Fisheries in the way of loans and guarantees, the total amount?

DR. COLLINS: Two hundred thousand dollars, \$2-0-0-,-0-0-0-.-0-0.

MR. NEARY: You got \$1,200,000 there already.

DR. COLLINS: That is a guarantee.

MR. NEARY: That is what I said. That is what I am asking.

DR. COLLINS: That is not a loan. How stupid are they? I am getting irritated at how stupid.

MR. NEARY: What is the total amount of operating expenses given by the taxpayers to Cape Pine Fisheries and what are the total amounts of the loans and guarantees, the total amounts?

DR. COLLINS: Two hundred thousand dollars is the t-o-t-a-l.

MR. NEARY: Mr. Chairman, according to this list: Principle amount guaranteed by the Province -

DR. COLLINS: That is not a loan.

MR. NEARY: Mr. Chairman, I am talking about the total since the Province gave the plant to the operator on the Southern Shore, what are the total of the amounts of loans and guarantees given by this Province and what operating expenses have they given that company? I cannot make it any clearer than that. There is more than this. Cape Pine Fisheries have gotten more than the principal amount guaranteed there, \$1,275,000. We know there is more than that. Will the hon. gentleman give us that figure or undertake to get that figure for us?

DR. COLLINS: I have already given it to him about four times, you know. They are so innocent of financial

DR. COLLINS: acumen they do not understand what I am saying to them.

MR. NEARY: Will the hon. gentleman just go down to his officials and say, 'Look, is this the only guarantee?'

DR. COLLINS: I will go over it once more.

MR. MARSHALL: That is undue repetition.

MR. NEARY: Okay. I will not belabor the point, the hon. gentleman is going to get us the information.

Now, we know that Ocean Harvesters received a guarantee of \$2,500,000 to buy a trawler, a boat. Now, the hon. gentleman has not spelled it out yet how that investment is protected, how that guarantee is protected. Does the government have a first mortgage on that trawler, do they have a mortgage on the plant, a first or second mortgage on the plant? How is the taxpayer protected that he will not be called upon to pay the whole amount of \$2,500,000?

MR. CHAIRMAN (Cross): The hon. the Minister of Finance.

DR. COLLINS: Mr. Chairman, I will just go over this. I will try to go over it very simply. Someone comes to us and asks for a guarantee because they want to raise a bank loan and the bank says, 'We will not give it to you without a guarantee.' Now they are not saying that you are not a good operation and so on but they are saying, 'Look, for our extra security we want you to get a government guarantee.' So they come to us. If we accept it we extend the guarantee. At the time we extend the guarantee we take security sufficient to

DR. COLLINS:

cover our liability if we ever have to honour the guarantee in part or in whole. Now at some point in time we may have to honour the guarantee in part or in whole. If that is the case, that becomes a direct loan to the company. As well as the company owing us for the amount that we have had to pay out in terms of the guarantee, they will owe us interest on that amount until such time as they pay us. So, supposing, you know, they got a \$1 million loan and we had to pay out the \$1 million, we will then take on that loan of \$1 million as a direct loan from government to that company and we will charge them, whatever it is, 13 per cent. So if they do not pay back within a year they will then owe us \$1 million plus 13 per cent of \$1 million. So when the hon. member says, 'How much is the exact amount that is owed by Cape Pine?' all I can tell him is that we guaranteed \$1,275,000 and in this particular period we are referring to, the 11th of May 1983 up to the 29th March, 1984, we had to pay out in their place \$17,659.04. Now with that amount plus other amounts that are owed, I do not have the exact figure, but I told the hon. member opposite it adds up to approximately \$200,000. I do not have the exact amount. So they owe us in hard cash \$200,000 -

MR. NEARY: Who does, Cape Pine Fisheries?

DR. COLLINS: Cape Pine Fisheries, \$200,000, which includes that \$17,659. That is part of that \$200,000.

MR. NEARY: Is the \$200,000 interest?

DR. COLLINS: No, not necessarily interest. These are amounts we had to pay out on their behalf, it might be part interest and part principal. But anyway, the total amount is \$200,000.

MR. NEARY: Can the hon. gentleman give us a breakdown?

DR. COLLINS:
figure here.

I do not even have the precise

MR. NEARY:
what?

But the \$200,000 is payment on

DR. COLLINS:
out.

On amounts that we had to pay

MR. NEARY:

How many amounts and what are the

totals? That is what I am trying to find out.

DR. COLLINS:

You want to know if we paid it

out in five dollar bills and two dollar bill and ten dollar bills? You know, these are picky bits of information. All that is important is how much we paid out, it does not matter whether we paid it out in May or June or July or August or whether we paid it out in three dollar bills or four dollar bills or whether we paid it out because it was principal or interest or what it was. That is what we had to pay out on their behalf and that is now a loan to us. Now we have beaten this to death. I think we have told hon. members opposite that if for good reason they want details on how these companies stand at the present time, we will be quite willing to sit down with them and give them the details, and no doubt we will ask them to keep that within the bounds of confidentiality to the extent that confidentiality is required for the continued operation of the company in the interest of the company making the best shot it can of being viable, and also in the interest of those people who rely on the company for employment and those fishermen who rely on the company so that they can sell their products there.

MR. NEARY:

Mr. Chairman.

MR. CHAIRMAN (Aylward):

The hon. Leader of the Opposition.

MR. NEARY:

Let me get again get back

to the Cape Pine Fisheries because we are getting a different version now. Let us take it from the time the plant went

MR. NEARY: Now, the private operator was found on the Southern Shore, and that private operator made an offer to Newfoundland Quick Freeze to buy the plant; but Newfoundland Quick Freeze would not accept the offer, or the banks or somebody would not accept the offer unless it was guaranteed by the provincial government. Am I right or am I wrong? Is that correct?

DR. COLLINS: You are doing fine, except that Quick Freeze took a mortgage themselves.

MR. NEARY: What part of the mortgage, what part of the - Mr. Chairman, the hon. gentleman is throwing me off again. Now, let me go through it again.

DR. COLLINS: Okay.

MR. NEARY: Newfoundland Quick Freeze said, 'Yes, we accept your offer,' and I do not know how much the offer was, 'providing the government will guarantee the amount.' Is that correct?

DR. COLLINS: A certain amount.

MR. NEARY: A certain amount. Well, how much is that amount? That is what I am trying to find out.

DR. COLLINS: \$1,275,000. I have said it at least fourteen times and it is in black and white.

MR. NEARY: That is on capital, okay, that is for the purchase of the plant.

DR. COLLINS: Right.

MR. NEARY: In other words, the private operator so far has paid nothing towards that plant. Is that correct?

DR. COLLINS: That is the amount that we have guaranteed.

MR. NEARY: Well, how much has the operator paid?

DR. COLLINS: That is not of any particular concern to us.

MR. NEARY: Mr. Chairman, has he defaulted from day one?

DR. COLLINS: No.

MR. NEARY: They have paid interest and a part of the principal?

DR. COLLINS: Yes.

MR. NEARY: They have?

DR. COLLINS: I told you that ten minutes ago.

MR. NEARY: Alright. Now, can we find out how much?

DR. COLLINS: It is something between them and the people they bought it from.

MR. NEARY: Yes, okay. So the \$1,275,000 guaranteed by the provincial government was for the purchase of the plant.

DR. COLLINS: Part of it.

MR. NEARY: Part of it. What was the other part for?

DR. COLLINS: Quick Freeze took a mortgage.

MR. TULK: How much was their mortgage?

DR. COLLINS: Well, you know, that is a matter between the purchasers and the sellers.

MR. TULK: What?

DR. COLLINS: This is not a matter that we entered into.

MR. TULK: You guaranteed \$1.25 million on something that -

MR. NEARY: Well, what do we have? Do we have a second mortgage on the plant?

DR. COLLINS: We have all the details and, as I mentioned, will be quite willing to make them available to you if you need them for good purposes.

MR. NEARY: Alright, Mr. Chairman. So the \$1,275,000 was for the purchase of the plant.

MR. NEARY: Now, in addition to that, was Cape Pine Fisheries given any operating money by the provincial government?

DR. COLLINS: No.

MR. NEARY: They were not.

DR. COLLINS: They needed operating funds -

MR. NEARY: Yes.

DR. COLLINS: - and we supplied operating funds.

MR. NEARY: How much?

DR. COLLINS: Working capital.

MR. NEARY: How much?

DR. COLLINS: It is included in the \$1,275,000.

MR. NEARY: But you just told me that was for the purchase of the plant, it was capital.

DR. COLLINS: No, I did not, I said part of that was for the purchase of the plant.

MR. WARREN: What a Finance Minister!

MR. STAGG: Why are you fellows so interested in keeping a fish plant open?

MR. NEARY: We are not worried about a fish plant being kept open, we only want -

MR. TULK: You would not look after your plant workers the other day.

MR. NEARY: You allowed your plant workers to have their pay cut by eighty cents an hour and never said a word about it in this House.

What we are trying to determine here, Mr. Chairman, is if the taxpayer investment, if the commitments made by the Province to these guarantees and loans and operating capital is secure. That is all we are trying to find out.

DR. COLLINS: It is.

MR. NEARY: Well, what do we have on Cape Pine Fisheries, what kind of a mortgage?

DR. COLLINS: A mortgage on their plant and

DR. COLLINS: equipment and that type of thing.

MR. NEARY: A first or a second mortgage?

DR. COLLINS: A first mortgage.

MR. NEARY: We have a first mortgage on the plant?

DR. COLLINS: Yes.

MR. TULK: For how much?

MR. NEARY: For \$1,275,000, I presume.
Is that correct?

MR. TULK: He does not know.

MR. NEARY: He does not want to answer.

DR. COLLINS: Well, look, I have given it to you about fourteen times, boy! I am getting tired of giving it!

MR. CHAIRMAN (Aylward): Order, please!

MR. NEARY: We will be back at it again.
I move the adjournment of the debate.

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

MR. SPEAKER(Russell): Order, please!

The hon. member for Kilbride.

MR. CHAIRMAN(Aylward): Mr. Speaker, the Committee of Supply has considered the matters to them referred and have asked me to report progress and ask leave to sit again.

On motion, report received and adopted, Committee ordered to sit again on tomorrow.

MR. SPEAKER: It being 5:30 we do have two questions for the Late Show. The first is a question asked of the Minister of Energy (Mr. Marshall) by the hon. member for Mount Scio (Mr. Barry).

The hon. member for Mount Scio.

MR. BARRY: Mr. Speaker, this question was raised last Thursday, the day that the Minister responsible for Energy left to go to Montreal. It was before we heard the minister bring back the news of another failed attempt to negotiate a settlement, in this case with Hydro Quebec. And my question had to do with whether the Province, the provincial government was staying on top of the projected energy needs of the Province of Quebec. Because the projected energy needs of Quebec, while not the sole factor in determining a market for Labrador power, is a very relevant factor in that Quebec would be one of the possible customers. And in any event, if there was to be a termination of the Churchill Falls water rights lease and a termination of the flow of electricity to Quebec as a result of that, one should have a clear picture of the extent to which that would impact upon the Province of Quebec. If Quebec had a large surplus in excess of the power being obtained from the Upper Churchill contract, that is one thing. If they were in desperate need and still are in desperate need of all of that energy power, and even if they do not need it

MR. BARRY: right now, if projections would indicate that in two, three, four or five years they will be in desperate need of that electricity, then this is a relevant factor in establishing the proper bargaining position, in determining the extent to which we can push the Province of Quebec and hope to get an agreement, or in establishing at what point will the negotiations break off.

Despite the fact that the Premier and members opposite indicate they are still negotiating with the Province of Quebec, it is a very strange form of negotiation in that the Province of Quebec has made an offer but the Province of Newfoundland has not made any counter offer. The Province of Quebec is saying we have nothing to consider. The minister, or the Premier, on the Minister of Finance (Dr. Collins) and members opposite are saying, Oh, we are negotiating with the Province of Quebec. I would like to know how are they negotiating with the Province of Quebec at the present time? Is it negotiating by telepathy?

MR. TULK: No, they are trying to negotiate psychologically.

MR. BARRY: Psychologically. It is a psychological negotiation. ESP, long distance ESP or telepathy, Mr. Speaker.

MR. TULK: He is like ET.

MR. BARRY: It is the ET of the energy world, my colleague for Fogo says. We have a telepathic communication because there are no written communications, and according to the Minister of Energy (Mr. Marshall) there are no verbal communications, So the Minister responsible for

MR. BARRY:

Energy (Mr. Marshall) is apparently engaging in the first experiment in long-range intraprovincial telepathic negotiations. And, Mr. Speaker, I think the minister should inform this hon. House, and inform the people of this Province whether in addition to it being an intraprovincial telepathic communication, is it also a bilingual intraprovincial telepathic communication, or is it unilingual? In other words, in what language is the minister thinking, in what language is the government thinking? We will not concern ourselves with whether the minister can write French, or speak French, the question now, since it is a telepathic communication, is whether the minister can think French? We know that the minister cannot think Canadian, but we are wondering if the minister can think French?

MR. SPEAKER (Russell):
time has expired.

Order, please! The hon. member's

The hon. the President of the
Council.

MR. MARSHALL:

Mr. Speaker, you know observing the hon. gentleman since his flight to the other side, he really should have taken a course in the opposition, because what a flop the gentleman has been. I mean, the Minister of Fisheries (Mr. Morgan) has creamed the hon. gentleman. Every time the hon. gentleman opens his mouth the Minister of Fisheries manages to swallow him up, and he has completely lost his credibility throughout the Province.

Now, for instance, he was down in Grand Bank the weekend competing with the Premier. It shows his lack of acumen. He goes down and he talks to the Lions Club about base political matters. What did he get? - 50 or 60 people who had to be there as a courtesy because it was

MR. MARSHALL: a citizen of the year banquet, Afterwards I understand, the citizen of the year vamoosed up to hear the Premier.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: The place, Mr. Speaker, was blocked.

MR. TULK: With Tory supporters.

MR. MARSHALL: No , the place was blocked where the Premier was, Then he travelled, Mr. Speaker, up to his old stamping grounds in Marystown on Sunday. So they said, we will have a come-all-ye from all over the Burin Peninsula, and everybody was to hear the justification of the hon. gentleman crossing the House, and what happened?

I think if you had Premier Smallwood here that he might have gotten it up to 50, but he certainly, not even with his exaggerations, could not have gotten it up to more than that.

So the hon. gentleman has been a complete and absolute flop in the Opposition. I will just deal briefly with what he says:

MR. TULK: You are a flop in the eyes of the Liberals too.

MR. MARSHALL: "Another failed attempt", and that is why Grand Bank came to mind, because he was down there talking about another failed attempt, "that negotiations were off," said Mr. Barry.

Well, Mr. Speaker, that is not the way it is. I have in my hand a telex from Mr. Borbeau which gives the position of Hydro Quebec and the Quebec Government following the statement that was released Friday and it says, it is very brief, "Montreal April 2, 1984. The following statements made last Friday by the Prime Minister of Newfoundland, Mr. Brian Peckford"- I know that it grieves the hon. gentleman to hear Mr. Brian Peckford referred

MR. MARSHALL: to as the Prime Minister of Newfoundland, but he is the Prime Minister and the Premier - "Hydro Quebec states that it regrets that its offer to settlement of the Churchill Falls dispute has been rejected without a counter proposal from Newfoundland." Well, that is not so, we had made a proposal. "In view of this response and the decision by the Government of Newfoundland not to request a further postponement from the Supreme Court of Canada, Hydro Quebec awaits the judgement of the Court on the constitution and validity of the Newfoundland Reversion Act which expropriates the hydro electric power, Churchill Falls and its generating station." Nothing, as Mr. Borbeau said, with respect to not negotiating. Negotiations are still going on and will still continue.

MR. MARSHALL: Mr. Speaker, you know, the questions asked by the hon. gentleman, he lapsed into not ridiculed but he lapsed into ridiculousness when he was talking about it. Sure the situation with Quebec is a factor, that is what I educated the hon. gentleman on in Question Period the other day when he gave the distinct impression that Quebec was the only place where you could sell the electricity, and that is what the struggle is all about. It is not just Quebec, it is all over North America where it is technically feasible to transmit power. He has modified it now, he says, 'While that is not the soul, it is very important.' Yes, it is very important, Mr. Speaker. He knows what the position is in the Province of Quebec. They have been exporting power right, left and center over the border, they have been using our cheap power to make profits, they have been doing it for a number of years and they are so rich in power that they have this new generation site in James Bay. And with the willing concurrence of the National Energy Board with its decision that grants export licences with wild abandon, notwithstanding the fact that we are a Canadian province. Or is it, Mr. Speaker, that we are a Canadian colony, as the Supreme Court of Canada have styled us? But notwithstanding, with the willing concurrence of the National Energy Board they are exporting it. In the meantime, I can assure the hon. gentleman - and the hon. gentleman - I have only got a few minutes really should take a course in opposition tactics. He is making the Leader of the Opposition (Mr. Neary) look absolutely marvellous. Maybe that was their secret weapon, that the hon. gentleman would come over and look so bad that the Leader of the Opposition would shine. But he is the only one who can make the Leader of the Opposition shine and he continues to do it every day. The situation is, Mr. Speaker,

MR. MARSHALL: that what we are doing with respect to hydro and all things is we are making a valiant effort, an effort that is unceasing and will never cease, to reclaim resources that were given away either inadvertently during the Confederation negotiations or advertently and stupidly by the party there opposite while they were in government. And I can assure the hon. gentleman that those endeavours by the Peckford administration will never cease and eventually, Mr. Speaker, I have confidence that we will succeed. And the hon. gentleman, then, will be so sad! He has joined the Liberal party over there, he is a member of the Opposition, he was elected on the coattails of the Premier in Mount Scio, and he will be so sad when that day occurs. But in the meantime, he should take a course in opposition tactics because his credibility has gone, gone, gone. It is not going, going, going, Mr. Speaker, it is gone. He has no more credibility in this Province and neither should anyone who goes across the House not on a point of substance but on a point of approach or form.

MR. SPEAKER (Russell): Order, please!

The next duel is between the hon. the member for St. John's North (Mr. Carter) and the Minister of Culture, Recreation and Youth (Mr. Simms).

The hon. the member for St. John's North.

MR. CARTER: Mr. Speaker, I had the good fortune of being a next-door neighbor of Mr. and Mrs. Whiteway. Mr. Whiteway was the son of the one-time Prime Minister of Newfoundland whose picture is there on the wall behind us, and as a next-door neighbor and as a good friend of the family I was welcome in that house at any time

MR. CARTER: and I used to frequent it because it was a very interesting house to visit. Mr. Whiteway had a greenhouse business, and I am interested in those sort of things. Also he had no children, therefore his house was devoted largely to - well, it was like a museum. He had pieces of the original Trans-Atlantic cable, a great number of very interesting photographs, the shovel that turned the first sod for the Newfoundland railway and those duelling pistols that had come into his possession from his father. His father, I think, was probably born around 1840 and had lived in that house for most of his life. So those duelling pistols were in the Whiteway family for, I would think, at least 100 years if not rather more. In fact, they were displayed on a table in their front room, they were very proud of them

MR. CARTER: and manys a time I was allowed to handle them and look at them. And, of course, Mr. Whiteway would tell me the story about how the fatal duel was fought and where it was fought. They were naturally immensely proud of their artifacts and one day Premier Smallwood dropped by. They were delighted to see him and very proud to show him all their pictures and bits and pieces, and he persuaded them to lend those pistols, I think the shovel that turned the sod for the Newfoundland Railway, and a few other documents or books, I am not sure. They were never returned and Mrs. Whiteway was later widowed and expressed the feeling to me that she was disappointed that she had not gotten them back. Now in fairness to Mr. Smallwood, they were given on a relatively long-term loan but there was no suggestion that they were given away to him. Anyway, they were never returned and now they turn up as a donation to the Minister of Culture, Recreation and Youth (Mr. Simms). Now my question to the minister is, is he satisfied that those pistols were property of Mr. Smallwood? Was any document lodged with those pistols to show that he did have ownership? Perhaps he did have ownership, I hope for his sake he did. But if he did not, has the minister made any effort to make sure that he did have ownership, and if he did not, will the minister undertake to return those pistols to the rightful owners, who would be the heirs of the Whiteway family?

So those are the questions and I think they should be very seriously considered. We are dealing with a very serious case here. Those pistols, I would think, at face value must be worth quite a bit of money, and because of their historical value a geat deal more. So I think it is time perhaps to set an old wrong right and perhaps if I quote the appropriate Latin maxim, 'nemo dat quod non habet', in other words, 'you cannot give what

MR. CARTER: you haven't got'.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Russell): The hon. Minister of Culture,
Recreation and Youth.

MR. SIMMS: Mr. Speaker, first of all as the President of the Council (Mr. Marshall) pointed out to me he was not aware that the hon. member for St. John's North (Mr. Carter) was that old to be familiar with a former Prime Minister. But you never know, one's appearance sometimes is misleading.

I am not aware and was not aware of all the background history that the hon. member just went through. But I would correct him, first of all, by saying that these artifacts were not donated to me, they were donated to the people of the Province through the Newfoundland Museum and I happened to accept them because the museum comes under my particular jurisdiction.

I also want to tell the hon. member that these pistols have been on loan to the Newfoundland Museum since 1967 and that they have been on display and had been on display for some thirteen years, public display up in the Military Museum on the 11th floor here in the Confederation Building and, of course, subsequently, the last few years, they have been in storage while the new museum is being prepared. So throughout all that period of time, of course, we have never received any comments or question or suggestion that perhaps they were not owned by the person who loaned them to the Newfoundland Museum. All that has transpired now in recent days is that Mr. Smallwood has donated these artifacts to the museum on a permanent basis.

With respect to our policy, basically what has transpired in all the years gone by is that we do not investigate anybody who contributes or makes

MR. SIMMS: a donation to the Newfoundland Museum. We assume that they are the rightful owners. Obviously, if there were instances where somebody walked in with a sterling silver plate worth \$6,000 or \$7,000 and offered to sell it to us for fifty dollars, then we might be suspicious and cause reason to have some investigation done, or if a child walked in with these pistols, that kind of thing. Obviously we would want to investigate. But we do have a committee, an Acquisitions Committee it is called, and they assess all these items that are offered to the museum, either for sale or for donation, and they determine whether or not the item is of a fair market value in the case of something we might wish to buy, and in the case of any

MR. SIMMS:

artifact, of course, we ascertain whether or not that item might be appropriate for our museum's collection, whether or not it is an item specifically related to our Newfoundland history because that is the mandate of the Newfoundland Museum.

I am advised by officials in the department that to their knowledge at least in the last sixteen years no one has ever questioned the ownership of any artifact that has been donated to the Museum. So I can only say and suggest that individuals who might have information to the contrary or who might suspect otherwise or feel otherwise, then they would have the right and freedom to pursue that matter through the normal and proper courses.

So I have to conclude, Mr. Speaker, that at this point in time we are satisfied that these items were properly owned by the donor. We have no information to the contrary. Maybe the easiest way to settle this whole matter since he was not satisfied with the answer I gave him to a question a couple of days ago, is perhaps I can challenge the hon. member to meet me at 6:00 A.M. tomorrow morning in front of Confederation Building for a duel and if I do not show up then he can feel free to start without me.

Thank you.

MR. SPEAKER (Russell): It being Thursday, a motion to adjourn is deemed to have been made.

MR. MARSHALL: Mr. Speaker.

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

MR. MARSHALL: Mr. Speaker, I would like to advise the House of the Estimates Committee and the hon. gentleman is the only Liberal member here, so, you know, if he wants to get the wrecking committee going he can advise them where they can turn up. This evening at 7:30 the Government Services Committee

MR. MARSHALL: will continue its examination of the estimates of the Department of Finance. The Resource Committee will meet at 9:30 on Monday. Owing to some re-scheduling the Chairman will advise tomorrow which department will be dealt with. And this is all in accordance, Mr. Speaker. I might say with our plan the way we set it out. So there will be only one meeting at a time.

The Social Services Committee will meet at 7:30 on Monday to examine the estimates of the Department of Environment and at 9:00 P.M. to examine the estimates of the Department of Culture, Recreation and Youth. So we will be giving further reminds of that latter one tomorrow.

MR. TULK: Could you repeat that?

MR. MARSHALL: Monday at 7:30, the Social Policy Committee will meet to examine the Department of Environment. And at 9:00 o'clock that evening they will be doing the Department of Culture, Recreation and Youth.

MR. BARRY: Do you have Public Works down for this evening? I thought they were coming in after Finance.

MR. MARSHALL: Well, my notes says the Department of Finance. Finance has a half an hour left and then here will be Public Works, I am sorry it was not in the notes.

On motion that the House do adjourn until tomorrow, Friday, April 6, at 10:00 P.M.