



Province of Newfoundland

FORTIETH GENERAL ASSEMBLY
OF
NEWFOUNDLAND

Volume XL

First Session

No. 37

VERBATIM REPORT
(Hansard)

Speaker: Honourable Patrick McNicholas

Thursday

20 June 1985

The House met at 3:00 p.m.

MR. SPEAKER (McNicholas):
Order, please!

Statements by Ministers

MR. DAWE:
Mr. Speaker.

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

MR. DAWE:
Mr. Speaker, I am very pleased to be able to make this statement today on behalf of my Cabinet colleague, the hon. Minister of Health (Dr. Twomey), the member for Exploits, and myself.

For sometime now, the Leader of the Opposition (Mr. Barry) would mention that no one has a copy of these reports to the House, but today your Health critic has a copy, your Transportation critic has a copy, and the member who is here from Labrador has a copy.

For sometime now, our departments have been most concerned about the medical transportation system for the Grenfell Regional Health Services Board, as it relates to the remote communities of Northern Newfoundland and the the coastal communities of Labrador. The main questions have been: Are we getting maximum utilization for the monies being spent on the service and is there a way of improving the system for all concerned? We feel it is safe to say that there was a general consensus between the government departments and the Grenfell Regional Health Services Board that the entire system of providing air transportation

services had to be reviewed and studied.

A large amount of money has been expended to construct and maintain airstrips in Coastal Labrador and they must receive better utilization. Float and ski-equipped airplanes, with these new air strips in place, are no longer as necessary a component of Northern life as they once were. A most thorough review has been carried out and we have studied all of the options available with a view to selecting the most cost effective and efficient method of supplying air transportation services to Northern Newfoundland and Coastal Labrador.

Mr. Speaker, in 1985-1985, the Department of Transportation was allotted funds to secure consulting advice on the present operation with suggestions for improvements. The management committee of the Coastal Labrador Subsidiary Agreement gave approval for a 50/50 cost-sharing of this project with the Government of Canada. The terms of reference for this study recognized the recommendations of the Royal Commission on Hospital and Nursing Home Costs, relative to the provision of Northern Medical Services, as a reference point in terms of the desired level of transportation services. The Royal Commission's recommendations affirmed that efficient and reliable air transportation services are integral to the provision of universal levels of health care to the residents of Northern Newfoundland and Coastal Labrador. As well, the Commission recommended that air transportation services be made available to Northern residents without cost penalties i.e, user charges no greater than that paid

by users of ground ambulance services elsewhere in the Province.

The consulting study was overseen by a committee of officials representing the main government interest groups and the Grenfell Regional Health Service. They were: Dr. Roberts from the Grenfell Health Services; Mr. Howell, Department of Health; Mr. Alcock, Treasury Board; Mr. Stone, Department of Rural, Agricultural and Northern Development and two representatives from the Department of Transportation, Mr. Oake and Mr. Simmons.

Mr. Speaker, the Grenfell Regional Health Services currently has three dedicated aircraft. One is a Piper Navajo, purchased about ten years ago by the International Grenfell Association, which is owned and operated by the Grenfell Regional Health Service. The other two are turbo Beavers based at St. Anthony and Goose Bay, respectively, the services of which are paid for by the Department of Health through annual contracts with the operators.

The Navajo provides a basic transportation function for the Grenfell Regional Health Service and is used as a back-up aircraft by that organization for the provision of health care. It is important to recognize that the primary role of this aircraft is not in the provision of health services in the area but, rather, is to serve as transportation vehicle for the Grenfell Regional Health Service. It should also be noted that this aircraft can only play a limited role on the Coast of Labrador in that it cannot operate off most of the runways due to length restrictions.

The turbo Beavers are float/ski equipped, single-engine aircraft with VFR, visual flight, capability only. They are totally dedicated to the health care system. These aircraft have served well, however, they are restricted from an operational viewpoint in the sense of not having IFR, instrument flight, capability and not being able to operate off the airstrips year round. It is felt that these single-engine aircraft have performed well, under the circumstances, but they are basically inefficient to provide modern health care under present conditions.

Mr. Speaker, the government has also been paying a subsidy to Labrador Airways Limited for providing service to coastal Labrador on a three-day-a-week basis and this proposition has become very expensive, with the subsidy escalating year by year. Unfortunately, Labrador Airways has not been playing a significant role in the health services of coastal Labrador and it is out feeling that they indeed can and should be.

The alternatives and recommendations have been studied exhaustively and we propose the following changes to the air transportation system of Northern Newfoundland and Coastal Labrador:

1. Purchase of a new Aero Commander, which offers distinct advantages over the Piper Navajo currently in use;
2. A contract arrangement between the Grenfell Regional Health Services and a private operator for the services of a Twin Otter based at

Goose Bay;

3. Purchase of a turbo Beaver to be stationed at St. Anthony at a cost of \$150,000 to the Department of Health;

4. Increase Labrador Airways scheduled service from three to five days per week;

5. A user charge of \$20 would be introduced by the Grenfell Regional Health Services for one-way aircraft trips for medical reasons;

6. The Aero Commander and turbo Beaver to be based at St. Anthony and operated directly by the Grenfell Regional Health Service;

7. The cost of the Grenfell Regional Health Service medical air transportation system to government at present is \$1,267,000. The proposed new system in totality will cost \$1,280,000 annually, an increase of only \$13,000.

The advantages of these initiatives are as follows: The Aero Commander and the Twin Otter would both be twin engine, IFR aircraft capable of operating off all airstrips now in use. These aircrafts are faster than those in use, thus improving response time in emergencies and they would be more available due to runway and IFR capabilities. As well, the Aero Commander is full pressurized and offers distinct medical advantages associated with this feature.

Mr. Speaker, by increasing

Labrador Airways' service to five days a week, all residents of Coastal Labrador should see the benefits of the increased frequency. Government itself should also be able to take advantage of the increase in Labrador Airways' flights to coastal communities, thus reducing its need for charter services.

The cost involved in providing this new air transportation system is not significantly higher than the current cost to government for the present service. The Aero Commander, including its spare parts package, would require a total expenditures of about \$2 million. The International Grenfell Association is willing to provide half the funding for such an acquisition.

Mr. Speaker, as was mentioned we also propose to initiate a user charge for medical travel. This would involve a \$20 cost to anyone for a one-way aircraft trip for medical reasons. Passes would be issued by the Grenfell staff for such medical use and would be acceptable on both Labrador Airways and on Grenfell Regional Health Services aircraft. It is estimated that this move will generate approximately \$100,000 each year for the Grenfell Regional Health Services Board and would be used to offset operating costs of the aircraft.

Mr. Speaker, I wish to take this opportunity on behalf of my colleague, the hon. Minister of Health, to say a special thank you to Dr. Roberts and the Grenfell Regional Health Services Board for their excellent co-operation and assistance in developing this new system. I feel today's announcement clearly demonstrates government's long standing

commitment to providing an adequate air transportation and health care system for all the residents of Northern Newfoundland and Coastal Labrador. We feel that these initiatives will signal a significant improvement in the air transportation and health care system for the communities involved and the effect will be felt by all concerned.

Thank you, Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. member for Eagle River.

MR. HISCOCK:

Thank you, Mr. Speaker. I thank the Minister of Transportation (Mr. Dawe) for giving me a copy, and also my colleague, the critic for Transportation, and my colleague, the critic for Health, for giving me this chance to respond.

This side welcomes any improvement in transportation and medical facilities for our people, and particularly our people of the North. It has been something like six and a half years since I began trying to convince government, and particularly the Grenfell Regional Health Service, to allow Labrador Airways to use its planes as well as going on Grenfell Regional Health Services itself. What was happening in the past was, if there was bad weather and the Grenfell Association could not get in on the plane, people ended up taking the option of going out on Labrador Airways planes but they could not get reimbursed for the travel.

Also areas in my own district, in the Labrador Straits areas, people would sometimes take the ferry and drive over and then go back, and, of course, they were not

reimbursed for the time or their travel there. But there are several things in it and, obviously, this is coming as a result of initiatives taken by the former Liberal government in Ottawa, and the former MP, who placed the thirteen airstrips on the Labrador Coast, breaking the isolation, and now we can see great advances as a result.

I applaud and I welcome the five-days-per-week schedule to Labrador which the Combined Councils of Labrador just passed as a resolution this year.

I would also like to say, and I would bring this to the minister's attention and to the Grenfell Regional Health Services, and that is that we are now going more on wheels instead of floats and skis. That is fine for the communities with airstrips, but I will point out some flaws in it. Williams Harbour, a permanent community has no airstrip.

MR. DAWE:

The turbo Beaver to be stationed in St. Anthony will have floating capacity.

MR. HISCOCK:

Then I again compliment the minister on it. But another part I would point out, and I am sure it will be in next year's budget, that is with regard to Paradise River.

The federal government has paid something like \$3.5 million for an airstrip in that community and there is no road to the airstrip. If you have passengers you need to carry the passengers about a mile on stretcher up to the airstrip and that, obviously, has to be rectified and I am sure, in the next year, it will be.

The other part is with regard to the Summer stations. If we have the floats, then that is fair and fine in itself but, particularly, as I said, what is good is that Labrador Airways is going five days a week, and also combining the two services.

I would also ask the minister, with the new airstrip now in St. Anthony moved farther from the community, if you come on the Grenfell plane or Labrador Airways, it will cost at least \$30 or \$40 to take a taxi out to the hospital and back. We are going to be paying more, in actual fact, than the people on the Island because of taxis. If the Grenfell Regional Health Services has somebody there to meet him, fine, but if they do not and, then, of course, Labrador Airways takes the passengers and they are responsible for finding their own transportation. I would ask the minister if he could take note of that because they have a van at the Curtis Hospital. It is there idle at times and all they have to do is connect with Labrador Airways and with the Grenfell Regional Health Services. Again, I would say to the minister, if it means a certain cost plus, more than \$20, then I am sure the people of Labrador would not mind paying the extra \$5 or \$10 if they are assured of being taken from their community to the hospital instead of having to wait around for one or two hours for a taxi.

I also have to compliment the pilots of the Grenfell Regional Health Service, particularly Mr. Tom Green who has dedicated his life to services of health in the North.

Also, I have to compliment the committee itself that was set up.

As I said, it is good to see that we still have projects ongoing that are a carryover of the former Liberal administration.

I would ask the Minister of Health (Dr. Twomey) and I would ask the Minister of Transportation (Mr. Dawe) now that this Coastal Labrador DREE Agreement is winding down and there is still need for the airstrips in Williams Harbour, still need for roads in Paradise River, still need for other water and sewerage projects, will the Minister of Health and the Minister of Transportation impress upon their friends, as much as I did when Mr. Rompkey was there, to get these agreements so that we can have another agreement back-to-back. That is one thing I think the government has to take into account.

Looking at it, Mr. Speaker, it is amazing what you can do when you take a bit of initiative. It is a great improvement and I have to applaud the government because, as I said, it is something that the Development Associations has been pointing out, it is something that we have been pointing out as members over here and the Member for Torngat when he was here and it is long in coming, but it is only a logical thing, Mr. Speaker, to follow the improvement with the airstrips.

But all of this reorganization is only an additional expense of \$13,000 to the Grenfell Regional Health Services. So what it is is just realigning everything.

The other part, as I said, with regard to the user system, the people on the coast - and I want to point out to this House and to the people of the Province - the contribution that the Labrador

people themselves make to the health services. All of this is about Winter stations and Winter communities. The Summer places, Mr. Speaker, when the nurse got to go out to Georges Cove and go out to Williams Harbour and Henley Harbour and all the other areas that are isolated and scattered, they end up providing, Mr. Speaker, the boat, the motor, the gasoline, and it is done, Mr. Speaker, by local residents, so the local residents themselves put a very high priority on health.

Also, the Royal Commission on Health said that there would be two nurses stationed in each clinic along the Labrador coast. There is no sense, Mr. Speaker, in having transportation improvements if we do not have the down to earth improvements at the medical stations. I have been on the Labrador coast many times and I remember ten days fogged in without any planes coming into Black Tickle and being fogged in in Mary's Harbour and having to take the CN boat to Lewisporte and then to Gander and back to St. John's.

So these are fine, and we compliment them, but in the meantime, we also have to look at the other parts of the recommendation of the Royal Commission, and that is put two nurses in each health station along the Labrador coast. Thank you, Mr. Speaker.

SOME HON. MEMBERS:
Hear, hear!

Oral Questions

MR. SPEAKER (McNicholas):
The hon. the Leader of the

Opposition.

MR. BARRY:

Mr. Speaker, in light of the continuing absence of the Premier from the House, I would like to direct a question to the Minister of Social Services (Mr. Brett).

MR. TOBIN:

That is not fair. The official opening of Cat Arm today is very important.

MR. BARRY:

Yes, and the Premier has been away from this House for over a week now, and that is not good enough. This House is open and the Premier should be here.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please! Order, please!

MR. BARRY:

Mr. Speaker, I would like to direct a question to the Minister of Social Services. In light of the fact that three out of four Premiers in the Atlantic Provinces, the three who have some guts and compassion, have made their positions clear on certain aspects of the federal budget as it impacts upon our elderly, and in the absence of any representation from the Premier of this Province despite the fact that even Mr. Mulroney and Mr. Wilson are indicating grave concerns about the propriety of their measure in the budget as it impacts on senior citizens, and we have the Prime Minister saying you would have to be an idiot to deny the backlash to the budget, and also saying only a very foolish individual would be insensitive to that kind of comment and analysis such as that made by Premier

Buchanan -

MR. J. CARTER:

A point of order, Mr. Speaker.

MR. SPEAKER:

Order, please! Order, please!

A point of order, the hon. the member for St. John's North.

MR. J. CARTER:

Mr. Speaker, it is quite proper for the Opposition to ask questions, but it is not proper for them to read prepared texts. The hon. gentleman is reading his question. Can he not formulate it himself?

MR. SPEAKER:

To that point of order, maybe the hon. the Leader of the Opposition (Mr. Barry) would pose his question.

MR. BARRY:

I would love to, yes, Mr. Speaker, without interruption, if you do not mind.

In light of the fact that even the Prime Minister and Mr. Wilson are expressing reservation, would the Minister of Social Services indicate has he, on behalf of the senior citizens of this Province, lodged any protest about Mr. Wilson's plan to cure the deficit on the backs of the elderly of this Province?

MR. SPEAKER:

The hon. the Minister of Social Services.

MR. BRETT:

Mr. Speaker, it is my understanding that the Premier will be making a statement in this House very shortly on behalf of the Government of the Province.

MR. BARRY:

Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. BARRY:

Mr. Speaker, would the minister undertake, instead of waiting for the Premier's representation which we will get sometime next September, or sometime when the House is conveniently closed, to communicate with the federal Finance Minister, Mr. Wilson, to ask for a specific date as to when they will remove that provision with respect to de-indexing from the federal budget, or is he going to let the elderly in this Province continue to have the torture of suspense as well as the threat of poverty?

MR. SPEAKER (McNicholas):

The hon. the Minister of Social Services.

MR. BRETT:

Mr. Speaker, I give the same answer to that as I did to the first one. The Premier will be making a statement in this House very shortly with respect to the cutback in old age security pensions.

MR. BARRY:

Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. BARRY:

Perhaps the minister, in light of the fact that he does not have the courage, Mr. Speaker, to speak out like every other Conservative government in this nation has already spoken out, will at least give us some indication whether he

supports the notion of de-indexation? Does he agree with it? Is this another clause in the Atlantic Accord? Did the Atlantic Accord come with a muzzle? Is that the reason why members opposite are not speaking out, because they have been told by the Prime Minister of Canada not to speak out? Does the minister agree with this sacred trust of curing the deficit on the backs of the aged, the most disadvantaged in our nation, and does he agree that this is consistent, as my colleagues will point out, with trying to cure the deficit on the back of the most disadvantaged Province, namely, Newfoundland and Labrador? Is this consistent with the minister's philosophy?

MR. SPEAKER (McNicholas):

The hon. the Minister of Social Services.

MR. BRETT:

Mr. Speaker, this minister does not necessarily agree with anything that takes money from people who are less fortunate than others, and I believe that the provincial government can hold up its head with any government in Canada for the way that we have treated both indigent people on social assistance or old age security or whatever in the past, since 1979, or since 1972, for that matter. We are very proud of our accomplishment and I again indicate to the hon. the Leader of the Opposition (Mr. Barry) that our Premier will be making a statement within a few days in the House.

MR. EFFORD:

Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. the member for Port de Grave.

MR. EFFORD:

Mr. Speaker, I again have to go to the Minister of Consumer Affairs concerning problems with the senior citizens and the low-income people.

During the past several weeks in this House, we on this side have continuously presented petitions and complaints about the high cost of electricity and the burden it places on the shoulders of the people of this Province. We find now by listening to the news that consumers in P.E.I. have been supported by their federal minister and their provincial minister in alleviating a \$20 million loan to the electricity department of P.E.I. Also, the federal government is now going to subsidize the electricity rates for P.E.I.

I would like to ask the Minister of Consumer Affairs does he know about what is happening in P.E.I., and what does he do to work with the Minister of Energy and our federal minister in Ottawa to bring some relief to the people of Newfoundland?

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER (McNicholas):

The hon. the Minister of Consumer Affairs and Communications.

MR. RUSSELL:

Mr. Speaker, this government is already subsidizing electrical costs in this Province to the tune of approximately \$45 million.

MR. EFFORD:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Port de Grave.

MR. EFFORD:

That is not an answer to the question I asked. The fact is that the federal government is going to subsidize the electricity rates to the consumers of P.E.I. I did not ask him whether the provincial government were going to do it. I asked him would he work to see that the federal government would do the same thing for Newfoundland that they are doing for P.E.I.?

MR. SPEAKER (McNicholas):

The hon. the Minister of Consumer Affairs and Communications.

SOME HON. MEMBERS:

Hear, hear!

MR. RUSSELL:

Mr. Speaker, I have not made any representation to the federal minister.

SOME HON. MEMBERS:

Shame! Shame!

MR. EFFORD:

Mr. Speaker, a supplementary.

MR. SPEAKER:

A supplementary, the hon. the member for Port de Grave.

MR. EFFORD:

Mr. Speaker, is it possible that all members on that side are told by the Federal Tories to keep quiet and not lodge any complaints against them? We here are paying enormous rates, we have no representation whatsoever to Ottawa, and we now find out that they are willing to do it for P.E.I. Now a minister is willing to stand on his feet and say that he is not going to work and do it for the Newfoundland people. I will ask him now to immediately tell this House exactly what he should do as minister to help the

people of this Province.

MR. BARRY:

Right on!

MR. RUSSELL:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Consumer Affairs and Communications.

MR. RUSSELL:

I did not say I was willing to make some representation to the federal minister. I said I have not made any representation.

MR. EFFORD:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Port de Grave.

MR. EFFORD:

Will the minister will he tell us now that he will make representation to get the federal subsidy to help the people for this coming year with the high electricity rates?

MR. RUSSELL:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Consumer Affairs and Communications.

MR. RUSSELL:

I will take whatever action that is necessary to represent the consumers and whatever I can do to help reduce the electrical costs in this Province I will do.

MR. HISCOCK:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for Eagle River..

MR. HISCOCK:

I am sure the Minister of Consumer Affairs and Communications (Mr. Russell) does not want to mislead this House by saying that the Provincial government subsidy is \$45 million when it is only \$25 million and that is only in rural areas, and not all throughout the Province. So will the minister undertake not only to get a federal government subsidy, but to spread out the subsidy to all senior citizens in this Province, not only to those in rural areas where they are on diesel?

MR. RUSSELL:
Mr. Speaker.

MR. SPEAKER:
The hon. the Minister of Consumer Affairs and Communications.

MR. RUSSELL:
It is my understanding that there is a subsidy of some \$20-odd million for the industrial commercial electrical rates and the balance is for the consumers, for a total of approximately \$45 million.

MR. DINN:
And we would not have to do it, if you did not give it away.

MR. DECKER:
Mr. Speaker.

MR. SPEAKER:
The hon. the member for the Straits of Belle Isle.

MR. DECKER:
Mr. Speaker, my question is for the hon. Minister of Transportation (Mr. Dawe). A few days ago I asked the minister about the job loss on CN. When I posed this question, Mr. Speaker, the minister practically laughed in my face as if I were going on

with some foolishness. But it is now history, Mr. Speaker. Thirty-five people have been laid off and there will be more layoffs. The thirty-five people are trained men. This means that the schedule is going to be cut back, and when the schedule is cut back maintenance people are also going to be laid off.

Now the ultimate cause of this layoff is the Tory government in Ottawa their federal cutbacks. We are talking about cutbacks by the people who made the Newfoundland railway an issue of pride more important to this Province than Hibernia and more important than Churchill Falls. Newfoundland will get its railway back, we were told. It is obvious that the Tories have no intention of returning the railway, it was just a political charade. They want to reduce this deficit on the backs of senior citizens and Newfoundland.

MR. SPEAKER:
Order, please!

Would the hon. member please pose his question?

MR. DECKER:
Thank you, Mr. Speaker.

I want to ask the minister, in view of the fact that Ottawa has closed out the MOT station at Argentia and closed out stretches of track all over Newfoundland, in view of the fact that no federal job is safe in this Province and all the while the minister just shrugs his shoulders and says, 'What is thirty-five jobs?', since we have this state of co-operation between the Tories in Ottawa and the Tories in St. John's, how does the minister explain, how can he explain to this House why he has

been kept in such a state of advanced ignorance concerning CN's intentions, Big Brother's intention to streamline CN in Central Canada at the expense of Newfoundland? Did the minister know about it? If he did know, what did he do and what good did it do? If he did not know, why did he not know?

MR. SPEAKER (McNicholas):

The hon. the Minister of Transportation.

MR. DAWE:

Mr. Speaker, I guess the first couple of weeks that the hon. member for the Strait of Belle Isle (Mr. Decker) was in his seat and went on with his tirades and accusations and innuendoes displaying his lack of knowledge about the subject he spoke about, I guess it was somewhat humorous for those of us on this side and for others watching. However, he will find that when he does these kinds of things without a basis in fact, after a while people are going to stop listening to him like they did with other members of the Opposition.

To begin with, Mr. Speaker, he stood up in the House and asked a question two or three days ago relative to whether I know that there were seventy jobs lost at CN. Mr. Speaker, my answer to that was no. He got very upset, and he is still upset, saying that I did not know about the seventy job losses. Well, Mr. Speaker, the truth is that on the Friday before he asked the question, which is the usual activity, TerraTransport people were in touch with the people in the department, and phoned me on the weekend, indicating that because of an increase in rates that TerraTransport were ordered to

implement some months earlier by a CTC ruling - through an intervention by ACE and through the lobby from my office, from this government and from communities around the Province that large increase was stopped until such time as public hearings took place - TerraTransport were asked, based on some other numbers, to voluntarily increase their rates, before the final ruling, by about one third of what CTC had proposed. They did that with a projection it would perhaps mean about a 15 per cent loss in traffic and this, in fact, is what has happened. They are down somewhere in excess of \$1 million gross on their traffic. An assessment was being done on Wednesday in Montreal and I had telephone calls from Mr. Clarke in Montreal.

AN HON. MEMBER:

What is this all about?

MR. DAWE:

He asked what I had been doing, what representation I had made about twenty-five other questions. I am only going to hit about ten of them, but I am answering the questions that the hon. member asked. He asked what I have done and I am telling you.

So I had telephone conversations with Mr. Clarke and another meeting today to go over the reason for the temporary layoffs in the system associated with the reduction of traffic of about 15 per cent and, hopefully, the traffic will increase again and they will be able to hire those people on in due course. But there are thirty-five temporary layoffs throughout the system associated with a reduction in the amount of traffic that TerraTransport has travelling on

its system and has nothing to do with any of the items that the hon. member referred to. As usual, Mr. Speaker, he went off asking a question and making assumptions on an area that he does not know anything about. As a point of interest, Mr. Speaker, I ask the hon. member if he would check his facts a little better. Indeed, if he would had just come to my department or to me he could have been fully informed as to what the layoffs were about, why they were necessary and what TerraTransport was proposing to do in the future.

MR. DECKER:

A supplementary, Mr. Speaker.

MR. SPEAKER (McNicholas):

A supplementary, the hon. member for the Strait of Belle Isle.

MR. DECKER:

I must confess I am getting more and more confused. When I asked the question the minister told this hon. House that he was not aware of any layoffs. Now he is saying on the Friday previous to that he was aware of it. Now is he going to tell us the facts or not? And the layoffs, Mr. Speaker, are supposedly temporary.

MR. OTTENHEIMER:

A point of order, Mr. Speaker.

MR. SPEAKER:

A point of order, the hon. Minister of Intergovernmental Affairs.

MR. OTTENHEIMER:

Mr. Speaker, I have no doubt the hon. gentleman for the Strait of Belle Isle is anxious to get information and I think Your Honour has ruled frequently that the Question Period is best utilized by short questions, short

answers and that supplementaries do not require preamble. So I would suggest to the hon. gentleman that he perhaps honour Your Honour's ruling.

MR. SPEAKER:

That point of order is well taken. I would ask the hon. member if he would pose his question now.

The hon. member for the Strait of Belle Isle.

MR. DECKER:

Thank you, Mr. Speaker. Obviously it is not just the minister who thinks that the loss of thirty-five jobs is humorous. It is beginning to become clear to me that all members over there think it is humorous to lose thirty-five jobs.

My question, Mr. Speaker, is this: What is the minister going to do now? I obviously had facts when I asked about the jobs. History has shown it was true, the jobs are lost. Is the minister going to tell Ottawa to reinstate them? Never mind this pandering, it is time to demand. It is time for someone to tell Mr. Wilson the facts of life, that Newfoundland was assured the railway would be kept. Are we going to get the same fierce screaming now to save this railway or just another litany of pretence that those members are putting forward? Are we going to get the same fierce attack on Ottawa to reinstate those jobs? I want to know what the minister plans to do about it, Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. Minister of Transportation.

MR. DAWE:

Thank you, Mr. Speaker. I certainly do not think the temporary loss of thirty-five jobs for even a day, Mr. Speaker, is a very funny situation but I do find somewhat humorous the member for the Straits (Mr. Decker) and the way he tries to perform in this House. Perhaps it is entertaining and those of us who have laughed at his performances in the past perhaps will do so again. Mr. Speaker, I wonder where the Opposition was when this administration for the past six years went out and campaigned very actively for retention and improvement of the Newfoundland railway. Where were they, Mr. Speaker, when this particular administration negotiated with Ottawa a deal that saw a containerization programme put in place, an evaluation process put in place for a five year programme, a \$77 million employment adjustment programme put in place for the staff of CN and TerraTransport in this Province? Mr. Speaker, they have been out in left field. The only person in the Opposition over the past five or six years who said a word about the railway in support of it has been the former Leader of the Opposition.

MR. LUSH:
Mr. Speaker.

MR. SPEAKER (McNicholas):
Order, please!

The hon. member for Bonavista North.

MR. LUSH:
Mr. Speaker, I have a question for the Minister of Housing or whoever has responsibility to administer RRRAP in the province, the Rural Rehabilitation Assistance Programme, a programme badly

needed in this Province. Mr. Speaker, in view of the fact that the federal budget was brought down without the slightest concern for what its consequences would be in Newfoundland, and the Ottawa Tories knew that they could do what they liked to this Province and they would not get any reaction, they would only get silence, Mr. Speaker, from this government, my question, Mr. Speaker, is in view of the fact that across Canada there has been, as a result of the federal budget, a 20 per cent cutback in RRRAP, a 20 per cent cutback in the Rural Rehabilitation Assistance Programme, in view of this, can the minister indicate to the House what is the percentage cutback in this Province to that very important programme, a programme that was never sufficiently funded in terms of the need for safe and comfortable housing in rural Newfoundland? What is the percentage cutback?

MR. DINN:
Mr. Speaker.

MR. SPEAKER (McNicholas):
The hon. the Minister of Mines and Energy.

MR. DINN:
I thank the hon. member for his question. Unfortunately, it is about two weeks late. He had an opportunity to come into the Estimates Committee and quiz me a week or so ago, when I indicated to all hon. members that we were spending \$117 million on housing this year in the Province, and I indicated to all hon. members what that money was to be spent for. I will be making a major announcement with respect to Eastern Newfoundland later. The hon. member should know that RRRAP, basically, is a CMHC

programme, they run it for the federal government, and the former administration in Ottawa, rather than run their programmes through the Housing Authorities in the Provinces, what they did was direct funded and disbursed it to all and sundry. We have in this Province agencies like Newfoundland and Labrador Housing Corporation, we have CMHC who direct fund, and we have municipalities, which operate the RRRAP programme.

MR. LUSH:

The cutback is almost 45 per cent cut.

MR. DINN:

It is a 25 per cent cut. The hon. member was wrong. There is a 25 per cent cut federally. We are attempting to find out what approvals have been given to the municipalities and all the other administrators, we will say, of the programme, so that we can determine what the decrease is. I am trying to do that prior to July 1, because I have a meeting in Calgary with the federal Minister of Housing (Mr. McKnight), so that I can express the concerns of the provincial government and the municipalities.

At that meeting we will also be attempting to put together a federal/provincial global agreement whereby all the funding for housing in this Province will be run through the provincial Housing Authority and, as a result, the provincial government will then have total control of what housing funding will be spent in the Province.

MR. LUSH:

A supplementary, Mr. Speaker.

MR. SPEAKER (McNicholas):

A supplementary, the hon. the member for Bonavista North.

MR. LUSH:

Here again we have an indication of a minister trying to defend the indefensible, here we have a member who does not know what is going on. Mr. Speaker, the cutbacks in the RRRAP programme on a general percentage is close to 45 per cent, when the national cutback was 20 per cent. My question, in view of this vicious cutback, in view of this vicious slashing of this most vital programme, has the minister protested this obvious inequity and injustice? If so, can he tell us what was the form of his protest, when he made it, and what results he has received from it?

MR. DINN:

Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. Minister of Mines and Energy.

MR. DINN:

Mr. Speaker, the hon. member is totally incorrect. He started out with a 20 per cent cut in RRRAP funding.

MR. BARRY:

Answer the question.

MR. DINN:

The fact of the matter is the hon. Leader of the Opposition (Mr. Barry) should control himself. There are places for people who lose control of themselves. He should watch himself because he may be committed to that place.

MR. BARRY:

Answer the question.

MR. SPEAKER:

Order, please! Order, please!

MR. DINN:

The hon. Leader of the Opposition should know the rules of the House, he has been here long enough. If he does not know the rules he should learn the rules in this little blue book. All he has to do is read the rules and he will learn the few basic rules of courtesy in the House. And he should not be shouting across when a member is asking a question or giving an answer.

Mr. Speaker, with respect to the hon. member's question, he started out by saying there was a 20 per cent cut. Actually there is a 25 per cent cut nationally, not 40 per cent, or 20 per cent, it is 25 per cent. I indicated to the hon. member that there is more than one administrator of the RRRAP Programme in Newfoundland. I have also found out from the federal minister that the RRRAP funding for Newfoundland is not totally determined. There is always an initial allocation; as has happened every year in this Province the initial allocation is down. We know that the initial allocation this year is down from last year but we do not know what the final allocation will be and I will find out what the final allocation will be when I meet with the minister in Calgary on July 1. At that point in time we will have that information, we will know what the other agencies who deliver RRRAP are getting this year, we will have the final figure, and we will be able to discuss it then with the Federal Minister of Housing. If it is down, Mr. Speaker, I can assure hon. members that I will make the people of Newfoundland aware, I will make the federal minister aware, that we will not be happy unless not only is it not down, but that the figure for

Newfoundland is up because of the needs of the people in rural Newfoundland.

MR. LUSH:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. member for Bonavista North.

MR. LUSH:

Although the RRRAP Programme is federally funded it is my understanding that it is the Province that designates the area. Now, Mr. Speaker, in view of the fact that the Province just increased its area of coverage - it included another designated area I think just last week when it was announced that the Trinity - Bay de Verde area was declared a designated area for RRRAP - and in view of the fact that the federal government is slashing, pulverizing and emaciating the programme in terms of funding it, what is the minister going to do about this? What is he going to do about the fact that his federal counterparts are embarrassing him?

MR. SPEAKER:

The hon. Minister of Mines and Energy.

MR. DINN:

Mr. Speaker, I want to inform the hon. member that the RRRAP areas have been increased this year and in the new global agreement we are requesting that the federal government include all areas of the Province of Newfoundland and Labrador for availability to RRRAP funding.

Now, Mr. Speaker, the fact of the matter is that we have spent millions of dollars on RRRAP. It is an excellent programme. It is one programme that I intend to

make every representation that I possibly can to the federal government to make sure that it not only continues but that the funding increases.

Mr. Speaker, I will be able to inform the hon. member on July 6 or 7 when I return from Calgary from the Federal/Provincial Ministers of Housing Conference. I will be able to inform not only the hon. member but all of Newfoundland and Labrador with respect to RRAP.

I also want to inform the hon. member that the former administration in Ottawa had indicated to Newfoundland as far back -

MR. SPEAKER (McNicholas):
Order, please!

I think the hon. minister is getting away from the question.

MR. DINN:
Okay, Mr. Speaker

MR. LUSH:
Mr. Speaker.

MR. SPEAKER:
A final supplementary, the hon. member for Bonavista North.

MR. LUSH:
Will the minister not agree that the federal budget in what it does to the aged, as we have already pointed out, Mr. Speaker, and in terms of his own department is a disaster for this Province? Will he further agree that if the Premier does not, then it is time for somebody to stand up and fight for the rights of Newfoundlanders. Surely there must be something more, Mr. Speaker, to reducing the federal deficit than bringing the people

of this Province to their knees. Will the minister not agree that it is time for action, Mr. Speaker?

MR. SPEAKER:
The hon. Minister of Mines and Energy.

MR. DINN:
Mr. Speaker, the hon. member indicates that I should indicate it is time for action. This provincial government is taking action. I was out in Central Newfoundland last week and I announced in Central Newfoundland what we were going to be doing in housing. I will be announcing tomorrow a major programme for the St. John's area. I announced a major project for Mount Pearl this year with respect to housing. Included in the St. John's announcement tomorrow will be a major announcement Mr. Speaker, for senior citizens' housing in this programme. This Province is second to none in providing senior citizens' housing to any province in Canada. We have, on a per capita basis, more houses built for senior citizens than any province in Canada. And the hon. Leader of the Opposition (Mr. Barry) who is shaking his head, no, I defy him to get the facts and prove me wrong.

SOME HON. MEMBERS:
Hear, hear!

MR. SPEAKER (McNicholas):
Order, please!

Before recognizing the hon. member for Gander (Mr. Baker), I would like to welcome to the gallery Senator Forsey and Mrs Grace Sparkes.

SOME HON. MEMBERS:
Hear, hear!

MR. SPEAKER:

The hon. member for Gander.

MR. BAKER:

Thank you, Mr. Speaker. I have a question for the Minister of Housing (Mr. Dinn). I would like to point out to him that the federal cut in RRRAP funding is double the national average here in Newfoundland. As a matter of fact, municipalities have had a cut of 70 per cent in their available RRRAP funding and I do not need to go to a conference some months down the road to find this out. What I would like to ask the minister is related to this Mr. Speaker. Will these cutbacks result in the closing of the Central Mortgage and Housing Corporation offices in the Province? And if so, how many and where are they?

MR. SPEAKER:

The hon. Minister of Mines and Energy.

MR. DINN:

Mr. Speaker, Central Mortgage and Housing to my knowledge is not closing in the Province. I think that is another scare tactic that the hon. member is using. The fact of the matter of is, and I think it is wise, the federal government is seriously considering utilizing Newfoundland and Labrador Housing in Newfoundland to deliver programmes to the people of Newfoundland. That way, Mr. Speaker, there will be greater control of what is happening in the Province. So, Mr. Speaker, I caution the hon. member not to be using scare tactics in Newfoundland and threatening the people with loss of jobs through CMHC. What the federal government is doing is directing and focusing its housing programmes in provinces by utilizing agencies that

are already there.

MR. BAKER:

A supplementary, Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. member for Gander.

MR. BAKER:

Central Mortgage and Housing Corporation has announced the close down of sixteen offices in Canada, four of them in Newfoundland, one quarter of the total. They are in Gander, Grand Falls, Marystown and Goose Bay. Now, Mr. Speaker, the Minister responsible for Housing (Mr. Dinn) obviously is not on top of this kind of thing and I wish he were. We have an instance where we are having more serious cutbacks in Newfoundland than in the rest of Canada, that Newfoundland is getting nailed. The one Province that should be receiving help and not be getting slashed and not be getting punishment from the federal government, we are getting nailed. The Minister responsible for Housing I would like to know when he is going to get together with his federal buddies and try to get this situation straightened out to try to ensure that these offices do not close. I would like him to tell the House of the representations he intends to make in the next day or so to make sure that these offices get opened up again.

MR. SPEAKER (McNicholas):

The hon. Minister of Mines and Energy.

MR. DINN:

Mr. Speaker, the problem with the hon. member is that there are too many bakers representing Gander and their cake is becoming dough. What I indicated to the -

MR. BARRY:

Will there be jobs lost?

MR. DINN:

There will be closes. There will be some people -

SOME HON. MEMBERS:

Hear, hear!

MR. BAKER:

A point of order, Mr. Speaker.

MR. SPEAKER:

Order, please! Order, please!

A point of order, the hon. member for Gander.

MR. BAKER:

I asked the minister in the beginning if the cut backs would result in any closures in Newfoundland and he said no and now he is saying that there are. He has misled the House, Mr. Speaker.

MR. SPEAKER:

There is no point of order.

MR. DINN:

Mr. Speaker, to that point of order.

MR. SPEAKER:

There is no point of order.

The hon. Minister of Mines and Energy.

MR. DINN:

Mr. Speaker, to answer the question, then, the fact of the matter is if the Newfoundland and Labrador Housing Corporation is going to handle a lot of the programmes of the federal government, is going to be the housing agency for the federal government, then obviously they will not need all the delivery system they have in place to

duplicate that effort. So what will be happening is that Newfoundland and Labrador Housing, in those areas where they will expand their territory, will be hiring new people. The hon. member might also want to know that we are doing a rationalization of the staff that we have because, Mr. Speaker, we think that there is a need for efficiencies in all areas. We are doing a rationalization now.

MR. BAKER:

Rationalization, what does that mean?

MR. DINN:

That means, for example, that we do not know if we need all the staff in Gander but if we do we will utilize those staff members, if we need more we will get more staff. We are doing a rationalization -

MR. BARRY:

CMHC is closing down in Gander -

MR. SPEAKER (McNicholas):

Order, please!

MR. DINN:

- of the staff throughout the Province, Mr. Speaker.

So, Mr. Speaker, if -

MR. BARRY:

- Grand Falls, Goose Bay and Marystown.

MR. DINN:

The hon. Leader of the Opposition (Mr. Barry) will not listen. The fact of the matter is that if there is a requirement for more people in Stephenville because the programme that we deliver in RRRAP in rural and native housing is expanding out there, then we will put more staff there. And if we are going to deliver those

programmes there then CMHC will not need to deliver the programme if we are going to deliver it.

MR. SPEAKER (McNicholas):

Order, please!

The time for Oral Questions has elapsed.

Order, please!

I said yesterday that I would consult Hansard on a point of order raised by the hon. the Leader of the Opposition (Mr. Barry). I have done so. There were two points, actually. One was in connection with threats across the floor and the other was calling the hon. member a liar. The second one has been dealt with.

On the first one, I could not find any reference that I could in any way feel was a threat. That the only one that I thought of was where the hon. member said, 'I challenge the hon. member now to name the teachers I said I was going to get and come outside of the door and say it.' I do not think that that was a threat, so there is no point of order.

MR. BARRY:

On a point of order, Mr. Speaker.

MR. SPEAKER (McNicholas):

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

MR. BARRY:

Yesterday in the course of question period, the Minister for Public Works (Mr. Young) appears to have misled the House. Now I would like to ask the minister to indicate whether or not it was deliberate or whether it was out of ignorance when he stated that, all across Canada Opposition offices are funded by the parties

rather than by the governments of the provinces?

I checked, Mr. Speaker, just a random selection to make sure. I knew about Nova Scotia because I have been up there. I checked Manitoba, Ontario, and Prince Edward Island. Mr. Speaker, Quebec, I understand, is in the same situation, and British Columbia. These all fund, Mr. Speaker, the Opposition offices, adequately, I might add, unlike here, through government funds, recognizing that the Opposition forms part of the democratic process in the Province. Now will the Minister of Public Works (Mr. Young) clarify that? Or is it a matter of his attempting to deliberately mislead this House? What was the point of his getting up and stating that Opposition offices in other provinces were not funded by the governments of those provinces?

MR. POWER:

Sit down, Premier Barry! Sit down!

MR. OTTENHEIMER:

To that point of order, Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. the Minister of Intergovernmental Affairs.

MR. OTTENHEIMER:

It is quite obvious that there is no point of order. If the hon. gentleman wants information which is in the hon. Minister of Public Works area of knowledge, then obviously he would ask it during Oral Question period or put it on the Order Paper. And if there is a discrepancy in the understanding of the facts between two hon. gentlemen, that does not make a point of order at all.

MR. BARRY:
He misled the House.

MR. OTTENHEIMER:
So, Mr. Speaker, there certainly is absolutely no point of order. The information looked for by the hon. gentleman is best found during Oral Question period or by putting a question on the Order Paper.

MR. SPEAKER:
To that point of order, there is a difference of opinion between two hon. members, but there is no point of order.

Notices of Motion

MR. BLANCHARD:
Mr. Speaker.

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

MR. BLANCHARD:
Mr. Speaker, I would like to table the 1984 annual report of the Worker's Compensation Commission. Further, Mr. Speaker, I would like to table the report of the Minister of Labour on matters transacted under the Labour Relations Act and various other Collective Bargaining Acts, and the report of the Labour Relations Board for the year 1984.

Thank you, Mr. Speaker.

Petitions

MR. BARRY:
Mr. Speaker.

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

MR. BARRY:
Mr. Speaker, I have a petition that I am informed has not been presented by the member for Burin - Placentia West (Mr. Tobin). Now if I am wrong, I apologize to the hon. gentleman if it was presented in my absence. But individuals, Mr. Speaker, from Monkstown have contacted me and indicated that they have not heard anything since they presented a petition some time ago.

Now, Mr. Speaker, this petition -

MR. DAWE:
It was presented and it was responded to.

MR. BARRY:
This petition with respect to the lack of maintenance on the Monkstown highway.

MR. J. CARTER:
On a point of order.

MR. SPEAKER:
Order, please!

MR. BARRY:
Well then, if it has been presented, would the minister deal with it or the member for Burin - Placentia West respond to the people of Monkstown?

MR. SPEAKER:
Order, please!

MR. J. CARTER:
Name him!

MR. SPEAKER:
A point of order has been raised by the hon. member for St. John's North.

MR. J. CARTER:
Mr. Speaker, it was my understanding after a previous petition was presented that in

future petitions would be cleared with the Speaker's Office before they would be presented in this House -

MR. BARRY:

Censor them, you mean.

MR. J. CARTER:

- in order to assure whether or not they have been presented before, whether they were copies, or whether they were properly directed. I wonder, Mr. Speaker, did the Leader of the Opposition (Mr. Barry) bother to clarify this matter? I leave it in your capable hands.

MR. TOBIN:

To that point of order, Mr. Speaker.

MR. SPEAKER (McNicholas):

There is no point of order.

Let me make it clear there has been no direction whatever that petitions should be cleared through the Speaker's Office. The Speaker's Office is available to anybody at any time who wants any advice or suggestions on a petition, but there is no necessity whatever to clear them through my office.

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MR. BARRY:

Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. the Leader of the Opposition.

MR. BARRY:

Mr. Speaker, before we move into Orders of the Day, I wonder if the acting Government House Leader, who is also, conveniently, the

Minister of Intergovernmental Affairs, would be prepared to join with members on this side of the House in putting forth a resolution.

MR. TOBIN:

Mr. Speaker, on a point of order.

The hon. the member for Burin - Placentia West, on a point of order.

MR. TOBIN:

Mr. Speaker, I happened to be outside the Chamber when the Leader of the Opposition (Mr. Barry) got up and made reference to the fact that I have not presented a petition in this House on behalf of the people of Monkstown as it related to the maintenance of their road.

I can assure this hon. House that that petition has been presented. Mr. Speaker, that petition was presented two or three weeks ago in this hon. House, where I spoke in support of it and the Minister of Transportation (Mr. Dawe), accepting the petition, supported it.

MR. BARRY:

Why did you not tell your constituents?

MR. TOBIN:

Mr. Speaker, may I have the protection of the Chair? Would you ask the Leader of the Opposition (M. Barry) to shut up and stop making a show of himself?

MR. SPEAKER (McNicholas):

Order, please! Order, please!

To that point of order, I think the hon. member is taking time to explain a matter, but there is no point of order.

MR. BARRY:

When we get into Orders of the Day, I am sure the acting Government House Leader, with the responsibilities which he has -

MR. OTTENHEIMER:

Mr. Speaker.

MR. SPEAKER:

Order, please!

On a point of order, the hon. the Minister of Intergovernmental Affairs.

MR. OTTENHEIMER:

Mr. Speaker, I have already indicated it is the government's intention to proceed with the regular order of business and that we do not give leave to proceed with any other order of business. That has already been stated so, therefore, we should proceed with Orders of the Day.

MR. BARRY:

To that point of order, Mr. Speaker.

MR. SPEAKER (McNicholas):

To that point of order, the hon. the Leader of the Opposition.

MR. BARRY:

I am very surprised that the acting Government House Leader would have such a lack of courtesy. Normally that gentleman shows a certain degree of courtesy and a certain degree of recognition for the Chamber and the position which he holds, Mr. Speaker. He should at least have had the courtesy to hear out the Leader of the Opposition when I suggested, Mr. Speaker, that we extend congratulations to Mr. David Peterson, who will soon be the new Premier of Ontario, with whom that minister, Mr. Speaker, will have to deal in the interests

of this Province.

MR. OTTENHEIMER:

That matter has been ruled on.

MR. SPEAKER:

Order!

MR. BARRY:

Mr. Speaker, may I have my moment to speak to this point of order?

I wonder if the acting Government House Leader would reconsider and express our appreciation that the nightmare of Tory rule has finally been lifted from the people of Ontario?

MR. SPEAKER (McNicholas):

To the point of order, there is no point of order.

Orders of the Day

MR. OTTENHEIMER:

Motion 6.

Motion, the hon. the Minister of Municipal Affairs to introduce a bill, "An Act To Amend And Consolidate The Law Respecting The Continuation Of The Incorporation And The Municipal Affairs Of The City Of Corner Brook," (Bill No. 33), carried.

On motion, Bill No. 33, read a first time, ordered read a second time on tomorrow.

MR. OTTENHEIMER:

Motion 5.

On motion, that the House resolve itself into a Committee of the Whole to consider Certain Resolutions relating to Advancing or Guaranteeing of Certain Loans made under The Loan And Guarantee Act, Mr. Speaker left the Chair.

Committee of the Whole

MR. CHAIRMAN (Greening):

Order, please!

DR. COLLINS:

Mr. Chairman.

MR. CHAIRMAN:

The hon. the Minister of Finance.

DR. COLLINS:

Mr. Chairman, the hon. the Leader of the Opposition (Mr. Barry), if I recall, asked a number of points, particularly in regard to Easteel, in the debate last day.

If I remember correctly the hon. Leader of the Opposition suggested that the company has changed his way of operating since the government has lent them some assistance - I am not saying cause and effect - but anyway, since some assistance has been given, they have gone into acting as an agent, as opposed to a fabricator.

I have checked into that matter, Mr. Speaker, and the information I have is that that is not so, they have not taken to importing things into this Province, that any pressure tanks or containers or that type of thing they manufacture them themselves. They do do repair work for any company, of course, that needs such repair work done and they may well have done repair work on containers brought in by someone, but they themselves fabricate any containers that they are required to. The information that I have been given is that they have not been acting as an agent and, thereby, taking away work from companies that might be in a position to fabricate these items.

Now if the hon. the Leader of the Opposition has a more specific matter which he wishes me to look into I would be glad to do it, but on the basis of the point he brought up to date, and on the enquiry I have made, that is the situation as I understand it.

MR. BARRY:

Is there no joint venture there with another group to bring in containers? I have seen photographs.

DR. COLLINS:

As I say, if the hon. member has specific information he wants me to check into I will do it but, on the basis of what the hon. Leader of the Opposition has said so far, the word I am getting is, no, that is not the case.

The hon. Leader of the Opposition also asked what is the situation with the company now. I think it is fairly common knowledge that the company has had some difficulties recently but there have been meetings with creditors and other peoples involved. We have been approached about their continuing difficulties and measures are being taken to try to alleviate matters and allow the company to continue and to retain the skilled work force that they have out there. There are difficulties but some measures are being taken to attempt to overcome them.

MR. BARRY:

Mr. Chairman.

MR. CHAIRMAN:

The hon. the Leader of the Opposition.

MR. BARRY:

Mr. Chairman, I wonder if the minister might give us a little

review. Maybe for some of the newer members of the House a little explanation would be useful of just what the purpose of this procedure is and how it becomes necessary for the minister to come before the House now seeking the approval of the Legislature for loans and guarantees which have been already granted, or extended.

I wonder would the minister indicate the percentage of guarantees on which there have been defaults this year, how it compares with previous years, what the amounts of money are for which government may become liable as a result of previous year's activities which came to a head this year?

Would the minister indicate just what the situation is with respect to the procedure, generally, and the actual practice in this past year?

This is a matter which has some sensitivity. It has to do with fund raising, Mr. Chairman, by the party opposite and by members opposite. I wonder if the Minister of Finance (Dr. Collins), or the Minister of Treasury Board (Mr. Windsor), is aware of any letters for fund raising have gone out to individuals for whom government guarantees or government loans are being sought? Would the Minister of Finance and, I think, the Minister responsible for the Treasury Board - I realize the Minister responsible for the Treasury Board liken to deal with this too - is he aware of any requests for political contributions going out to individuals with whom government is doing business, either in terms of awarding contracts or in terms of extending loans or guarantees for loans.

Could either minister, or both ministers, comment on that?

MR. CHAIRMAN (Greening):

The hon. Minister of Finance.

DR. J. CARTER:

Mr. Chairman, the hon. the Leader of the Opposition (Mr. Barry) wants an explanation of what we are about here. I thought I had given that when I stood to introduce the resolution we are debating. But just very briefly, if government gives a loan, or a guarantee to a firm or to an individual, it is required under the Loan and Guarantee Act to report the same to the House.

Now, the way we do that is that we adjust the schedule to the Loan and Guarantee Act. What we are doing by this procedure is passing a resolution that a bill be introduced in the House which would adjust that schedule. So really it is a way of informing hon. members what action the government is taking in giving loans and guarantees since the last bill was brought in adjusting the schedule. So we are bringing things up to date.

The last bill, if I remember correctly, was brought in in the Fall of '83, so the adjustments to the schedule now are guarantees that have been given out since that adjustment was made. As I mentioned, there are some thirty-nine adjustments to be made, meaning that there are thirty-nine separate acts of giving loans, guarantees, or extensions to loans and guarantees.

The hon. the Leader of the Opposition asked what pay out relates to those. There have been two pay outs related to that thirty-nine in that period of

time.

Item 6, Belle Isle Seafoods Limited, was a pay out. As the bill had not been introduced up to that time, it was paid out through a special warrant and of course the special warrant was tabled in this House at the time and the amount of the special warrant was put into the Interim Supply Bill that has already been passed by this House.

Similarly, there was a pay out on item 30, Placentia Bay Seafoods, and exactly the same procedure took place there as there was not a bill introduced up to that time, because we are just doing it now, the pay out had to be in the form of a special warrant which again was tabled in the House and was included in the Interim Supply Bill.

Just on the other point, the hon. the Leader of the Opposition also brought up the point about contributions to parties. I have absolutely no knowledge of that. That is not my responsibility, but I can assure the hon. House, and I hope that this was not the implication of the hon. Leader of the Opposition's question, there is absolutely no suggestion whatever that these guarantees or loans are contingent upon any payment in any way except the repayment of any loans or guarantees that are given, repayments that are due the government. We have no concern about whether firms are approached for funding for some other matter. All I can say is that it has no relationship whatever to the process of investigating and processing and giving approval or otherwise to a request for a loan or guarantee.

MR. TULK:

Mr. Chairman.

MR. CHAIRMAN:

The hon. member for Fogo.

MR. TULK:

Mr. Chairman, I would like to ask the minister a question about some of those loans, and I am sure some of my other colleagues have some questions that they want to ask him about some of the loans as well.

In particular, I want to refer him to item 28, Parsons Pond Seafoods Limited. As I understand the reasons for putting those guaranteed loans in place is, as the bill says, to give fish companies, and other companies in the Province, most of them anyway are fishing companies, a line of credit. That is the whole idea of putting them in place in the beginning. I refer specifically to Parsons Pond Seafood Limited. There is a problem in their plant in Hawkes Bay that was developing on April 26 - and I can give the minister documented proof of this - the Mayor and the Council of Hawkes Bay came to St. John's to meet with the provincial fisheries officials, and to outline the problem that they were having. The problem that they were having was that their fish plant is closed, and, apparently, Parsons Pond Seafoods are not going to reopen it. They also met with their MHA, the member for St. Barbe (Mr. Furey), my colleague, and the member for St. Barbe wrote the Minister of Fisheries outlining the problem as he saw it, and as they see it.

I could read, if I want to, and I could table for the minister, if he so chooses, some telexes and some letters that were sent back

and forth from the member and from the council as well I think, or at least the member, to different officials. In this case I read to him a telex that was sent to one George Payne, of Parsons Pond Seafoods - I suspect one of owners, or at least the person who runs that - and I would like to tell the minister I understand he also was the Tory campaign manager for the member who ran against the fellow who got elected back here, Mr. Furey. George Payne was a Tory campaign manager.

I think there is a problem that has developed there, and I will get into it, if I do not get into it in the first ten minutes I will certainly get into it in the next ten if the minister chooses to answer my question.

It says, "Please be advised that I have met today with a delegation consisting" - this is a telegram from the member for St. Barbe to one George Payne - "a delegation consisting of council members and the Mayor of Hawkes Bay regarding the operation of the fish plant there for this coming season. I would request from you and from Mr. Keough and Mr. Amos Payne a decision on the part of your company regarding your intentions for the opening of this plant for the coming season. It is imperative that both council and the people of Hawkes Bay know your company's intentions by early next week. I do not have to tell you how much the jobs in this fish plant mean to our people in Hawkes Bay."

I say to the minister that the whole purpose and the whole reason that this bill is there today, is that the government had to keep certain companies going in this Province in order to keep certain

jobs, and to keep certain industries alive.

The member then wrote the hon. Tom Rideout, the Minister of Fisheries, pointing out that he had met with the Mayor of Hawkes Bay, Mr. Sam Hoddinott - I also met with him, by the way. I had the pleasure of meeting the gentleman and discussing this issue with him - and asked the Minister of Fisheries to address the issue immediately because they were talking about sixty jobs in Hawkes Bay that unless this fish plant opened, were not going to be there.

Of course, the answer he got back from the Minister of Fisheries was totally inadequate. This is what he says, and this is the very real question I want to put to the Minister of Finance (Dr. Collins): 'I must point out that Parson's Pond Seafood Limited' - owned, as I said, by the Tory campaign manager in St. Barbe, he campaigned for the former member, Mr. Osmond - 'has a valid five-year lease on this department-owned facility' - The Hawkes Bay fish plant is owned by the provincial Fisheries Department - 'with lease fees paid in full for the first year, ending June 30, 1985. The operation of the particular facility in the immediate future is therefore a decision' - listen to this! I would ask the minister to listen to this very closely in view of the fact we are putting out government money -

DR. COLLINS:

I cannot understand what point you are getting at, but carry on.

MR. TULK:

You will see eventually. I want the minister to clearly understand

what is happening here. In view of the fact that we are putting out government funds, that we are guaranteeing up until December 31 of this year, Parson's Pond Seafoods Limited, we are issuing a guarantee for them from this Legislature, let me as the Minister of Finance how it is that this reply by the provincial Fisheries Minister can be valid? 'The operation of the particular facility in the immediate future is, therefore, a decision to be made by the existing leasee, that is Parson's Pond Seafoods Limited.' The plant is closed down and they say they are not going to open it, not going to touch it at all this year.

I understand that there are two companies, one American and one Swedish, who are willing to go into Hawkes Bay and open that plant, yet, for some reason or other, and I would like the minister to tell us why that is, if he can, if he cannot I will try to dig it out for myself, but I would like for him to tell us why it is that, on the one hand, we are putting public funds into a fish company to operate fish plants in this Province and, yet, the provincial Minister of Fisheries (Mr. Rideout) comes back to the member for St. Barbe (Mr. Furey) and tells him that that fish plant cannot be reopened unless leasee says so.

It would seem to me that if we are going to put public funds into the fish company, we should have some control as to whether that person is allowed to let that plant lie idle. Perhaps the Minister of Finance (Dr. Collins) would to answer the question, why is that the case?

DR. COLLINS:

Mr. Chairman.

MR. CHAIRMAN (Greening):

The hon. the Minister of Finance.

DR. COLLINS:

Mr. Chairman, first let me point out that in this particular case, Parson's Pond Seafoods, we gave a guarantee of \$40,000 in order to allow the company to obtain a line of credit. So there has, in actual fact, been no passing out of government funds.

MR. TULK:

That is not what you are always saying, but you are right.

DR. COLLINS:

What happens is that a fishing company, in this case Parson's Pond Seafoods, would go to their bank and say, 'We need a certain amount of money to be able to carry on the operations of the company in this coming fishing season.' The bank would then investigate the request and, in a case like this, they would come back and say, 'We are not prepared to lend you that money on the basis of your own assets, or on the basis of whatever security you can give us, you will need something additional for us, the bank, to lend you money.'

Then they come to us and they ask us to stand behind their credit at the bank. We investigate, and if we find that, firstly, it is a viable operation and, secondly, that indications are the management is adequate and they know how to conduct the business and, thirdly, that we can get some security for our exposure - and that might be taking a lien on the equipment, or on the plant. They have to own the plant. In this case they lease the plant, so that is not there - or on inventory, or

on stock, that type of thing. In most instances we ask for security so that our position is fully protected if the venture fails.

I do admit that occasionally, where a plant operation is very important for the community involved and they cannot come up with full security, that we will assess the social need there and we might well extend the guarantee even though the security is not there.

Finally, we get an assessment done by the Department of Fisheries, who tell us whether there are enough fish to be caught in the area, or whether the company can acquire throughput for the plant, and whether there is a likelihood that they have a market in place for the product.

If all those things come up okay, we then give them an assurance, we enter into a formal legal agreement with them, which is first vetted by the Department of Justice before it is finalized, a full legal agreement that they will abide by those particular undertakings, that is to operate the plant in such-and-such a way, and to give the security and so on and so forth.

Sometimes, having done that, circumstances may change, the bank may change its mind, the operator who came in for the loan guarantee may decide, himself, not to proceed and, of course, in that case the guarantee is not put in place. Now, in this particular case here, if the hon. member has knowledge that I can check on, recent knowledge that I do not have at the moment, but if he says that, despite having gone through this, given his guarantee, the operation has not started, I can

assume one of three things.

Either the bank decided against giving the loan, despite our guarantee and, of course, then the guarantee lapses. Or secondly, the owner himself decided, having taken a second look at things, that he does not want to go ahead. In that case, of course, the guarantee will lapse. Or the third thing will be some unforeseen event occurred which prevented the guarantee from being fully finalized. But, there has been no passing out of funds. There will only be passing out of public funds if the venture gets underway and it fails. In this case we will try to realize on all the security that is available to us which was put in place when the guarantee was entered into.

MR. TULK:

Mr. Chairman.

MR. CHAIRMAN (Greening):

The hon. member for Fogo.

MR. TULK:

Mr. Chairman, let me try to be very, very clear to the Minister of Finance (Dr. Collins).

DR. COLLINS:

That would be a change.

MR. TULK:

It would be a change if you could get it through the minister's head, if you could get something through the minister's head.

We know full well what a guarantee means. Unlike the government, when it comes in here - and I do not want to get into this political realm because this is a very serious problem - but the government will come in here and tell us about all the money that they pass out in guarantees when

in actual fact what the Minister of Finance has just said is the truth, that they do not pass out money, they only issue guarantees in case somebody defaults on a loan. But let me make this as clear to him as I can.

In the case of Hawkes Bay we have a government that is guaranteeing funds to a Tory buddy of theirs, a Tory campaign manager of theirs, who owns Parsons Pond Seafood Ltd. Now we are guaranteeing the funds, not much if he operated the plant. This particular person, this particular company, Parsons Pond Seafood Ltd., are saying that they cannot operate the plant in Hawkes Bay. Is the minister aware that what they are really saying is that until the provincial government gives us \$26,000 more, unless they buy out our lease, that plant is going to sit there idle? Is the minister aware of that? Let me ask him that question. Is he aware that Parsons Pond Seafood Ltd. are demanding \$26,000 before they will break the lease and allow another company to come in?

Would the minister also answer this: How is it that we guarantee certain companies in this Province money, that we guarantee funds, that we go to the banks and we say to them, 'Yes, back this person up', would the minister tell us how it is that in the leases that the department puts out, the Department of Fisheries, I suspect, through Treasury Board and through the Department of Finance as well are involved, how is it that all that plant owner has to do is to walk in and say, 'This plant is not economically viable. I cannot run this plant economically', and all he has to do is keep his lease paid up to the provincial government and that

plant sits there idle while sixty people are out of work and while there are two other companies, in this case, one Swedish and one American that are saying, 'We will come in and open that plant and provide sixty jobs'?

Indeed, I understand that the American company in this case may very well be getting into salt fish which I suppose the minister, he claims to come from one of the greatest fish ridings in Newfoundland, I suppose the minister will understand that the curing of salt fish is very labour intensive and indeed there may very well be more than sixty jobs.

Would the minister stand in his place and tell us how it is that we guarantee funds - in this case we are guaranteeing Parsons Pond Seafood Ltd. \$40,000 and they are demanding \$26,000 in order to break a lease and, in the meantime, a building that, by the way, the minister should know and he probably does not know, that when Bowaters closed down number 7 machine in Hawkes Bay, I think it was a plainer mill or something like that, a plainer mill in Hawkes Bay closed down and the people of that community went to the provincial and the federal governments, in particular the federal government. The federal Liberal Government of the day put in \$300,000 to convert that plainer mill into a fish plant. Now the fish plant sits there idle.

Parsons Pond Seafood Ltd., the people that we are guaranteeing \$40,000 to, the Legislature, the government of this Province are guaranteeing \$40,000 to have a lease that, apparently, can only be broken if the provincial government agrees to pay them

\$26,000. Yet the people of Hawkes Bay are staying there. And we talk about creating jobs in this Province. I can tell the minister that there are other people around here who can tell him about other plants operating under the same kind of lease where all they have to do is walk in and say that it is not economically viable, pay up his lease and the plant sits there idle.

Now would the minister get up and explain how he arrived at that contortion that we now see in some of the fish plants around this Province and, at the same time, get up and tell us how money that he is guaranteeing, as he so fondly says now when he wants to sneak out from under - it is not money that he is putting out but money that he is guaranteeing - is supposed to be put there to create jobs in the Province. On the one hand he is giving that fish plant - and I will repeat it for him because he is not too bright - he is putting out \$40,000 worth of money and on the other hand the company is saying to him, you pay us \$26,000 in order to break a lease on a building that belongs to the Province, that was built out of federal Liberal funds, to the tune of \$300,000, that was renovated. Now how is that allowed to occur in this Province? Would the minister stand up and try to explain that?

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

DR. COLLINS:
Mr. Chairman, from what I can gather out of the hon. member's meandering remarks, there are two things involved here.

Firstly, someone has a lease on the plant out there, the plant is

not owned. Now, if the plant is owned by the Province that is something that is set up between that person and the Department of Fisheries.

I am quite sure that when the Department of Fisheries enters into a lease arrangement over a plant they go through much the same bill we go through when we put in place a loan guarantee. It is investigated in some detail and then, finally, it is put into a legal document in which there are as many safeguards as possible for the person who owns the plant, i.e. the government in this case.

That is not something that I am personally concerned with. That is something that the Department of Fisheries and the Minister of Fisheries (Mr. Rideout) is concerned with. But I am quite sure that they entered into a lease in good faith and on good advice.

Now, if that plant is not operated but nevertheless the person who leased the plant is still keeping up his payments the lease is not in default. Everything is legally okay.

MR. TULK:
There are no jobs being created though.

DR. COLLINS:
Now, the loan guarantee to give working capital is an entirely separate issue from the lease arrangement. The hon. member seems to be terribly confused about all this, he thinks that the loan guarantee for working capital is the same as a lease arrangement.

MR. TULK:
No, not quite.

DR. COLLINS:

I do have to point out to him that the two things are entirely, utterly, separate, different, and not the same. If I could think of a few more adjectives to try and drive that home to him I would bring them out.

In terms of the loan guarantee, our exposure is secured by the security we take. We are at no risk as long as the company operates and is successful. We are at some risk if the company operates and fails but then we will reduce our risk to the minimum by taking over the security that we put in place, legally, through a legally processed document in the first place. I do not know how I can explain it any more so.

There may be particular things out in Parsons Pond that the hon. member is alluding to in a sort of roundabout way but if he has some particular things, I think he should put them out clearly. He has mentioned a number of times that the individual out there supports a certain party but I cannot quite see what that has to do with it. I presume it is permissible, in this Province, to support a party of your choice. You do not have to support a certain party to be able to approach a government in a legitimate way for assistance. Any person in this Province can come to the government and ask for assistance. That is not to say they are all going to get it, but there is no law that says that certain parties, because they support a political group, are, therefore, forbidden from coming and asking for assistance, but if they do they have to go through exactly the same drill, be subject to the same scrutiny, and have to

abide by the same legal documents as someone who supported any other party or indeed supported no party. So I hope that clarifies things for the hon. member.

MR. CHAIRMAN (Greening):

Shall the resolution carry?

MR. HISCOCK:

No.

MR. LUSH:

Mr. Chairman.

MR. CHAIRMAN:

The hon. member for Bonavista North.

MR. LUSH:

Mr. Speaker, I am intrigued by at least one word in this particular bill, "An Act To Amend The Loan And Guarantee Act." I am intrigued by, 'guarantee.'

I did not think this government could guarantee anything, Mr. Speaker, other than unemployment and increasing the public debt. These are about the only two things I thought this government could guarantee. In terms of a financial sense I would have thought that there signature was not worth the paper it was written on.

But, Mr. Speaker, not more seriously, but more apropos and more to the point, the minister in introducing the bill, made some allusion to the fact that it was going to create employment or that the government was engaging in this activity of guaranteeing loans to insure employment.

Now, I wonder if the minister is in a position to tell how much employment that these loans are indeed guaranteeing? Are they increasing employment opportunity,

are they simply maintaining the status quo, or are they indeed doing anything contributing towards reducing the level of high unemployment in this Province, or, put the other way, increasing the level of employment, or are we just talking about a situation where the government is simply maintaining the status quo?

Another point that I would like for the minister to address, Mr. Chairman - and I never heard it, granted I was out for a few moments - but I wonder if the minister would describe to hon. members the conditions under which these loans are guaranteed, if he would outline the criteria that is put in place in administering these loans? What kind of businesses qualify? Has it got to be a particular type business?

The minister in introducing the bill took great pride in pointing out the proportion of fisheries-related businesses that was included here. Mr. Chairman, that is a noble thing, it is our lifeblood, it is our number one industry and, certainly, everything has to be done to support that industry, but, Mr. Chairman, one wonders in many cases whether this is not a matter of throwing good money after bad. I am wondering in the guaranteeing of these loans - this is why I so concerned about the kind of criteria that is established - I am wondering what is the state of financial health or what kind of assets a company must have when the government will guarantee loans to them?

These are important questions, Mr. Chairman. What companies, what is the financial shape, the financial health, the financial viability of a company before the government

will take this measure of guaranteeing loans? I wonder what has been the success of this procedure in the past? What has been its success or what has been its failure rate? How many, for example, are already failures here now in the present bill that we have? Are there any failures here now, because I notice that some of them do not come up to 1985? We have some listed that the guarantee was in 1984 so I wonder why they are listed now, whether the period has been extended?

So, Mr. Chairman, when the minister stands in his place could he comment on the success rate, the failure rate, whichever way the minister decides to attack this question and let hon. members know whether this is indeed a worthwhile practice that the government is in, guaranteeing loans to these companies?

Again, I come back to the fact that the minister alluded to all of the fish companies, which I say is certainly a noble thing in view of the fact that it is our number one industry. It amazes me that I find no more forest-related industries here. I think there is just one, and I wonder what the reason for that might be, whether this is not considered to be as important as fisheries, whether the criteria makes it more difficult for forest-related industries to get guarantee loans because I am sure there must be forest businesses in this Province that could benefit from this system of the government guaranteeing their loans? I wonder if the minister can comment on that? Why we do not see more forest-related businesses included in this list that we have today? I may be wrong, one could be wrong by the business name but as I look

down through I believe I only saw one that one could associate with the forestry.

So, Mr. Chairman, that is a rather important matter. As a matter of fact, why are there not more industries, why it is not more diversified? We have a large proportion of businesses related to the fisheries, just one forest-related business in the whole list. Mr. Chairman, if there were no businesses that contacted the ministry you would almost think he would be going out looking for them when the forestry is so important to this Province. I am just wondering why there seems to be that lack of participation or the lack of guarantee loans to forestry related industries. That is very, very important.

I doubt if there is one there at all with respect to agriculture, and, again, why this lack of proportion or why this excessive ratio with respect to the fisheries as compared to other important industries, the forestry and agriculture?

Is it that these businesses do not know about this system or is it by the very nature of the business that they do not fit the established criteria that the government are using in the determination of whether companies qualify for assistance under this system?

So, Mr. Chairman, these are certainly questions that I would like for the minister to address when he stands in his place to respond before we give passage to this Act To Amend The Loan And Guarantee Act.

MR. CHAIRMAN (Greening):

The hon. the Minister of Finance.

DR. COLLINS:

Mr. Chairman, there is actually a fairly simple answer to - I think the main question the hon. member asked - that is why there are so many fish companies here? Out of the thirty-nine items, twenty-five were fish companies. That is a high percentage.

The reason for that is simple in that a guaranteed programme was put in place primarily for the fishing industry. The fishing industry did get into a great deal of difficulty as the recession struck this Province. We were getting approaches, cries of distress from the fishing industry, especially, the smaller producers, the producers that deal with the inshore fishery and, therefore, producers in communities where likely they were the only form of employment. It was a real crisis for these communities and these companies and the fishermen and the plant workers involved.

So this programme was put in place primarily for that, and for a while it was more or less confined to the fishing industry of that nature, not the large companies, not your Fishery Products and Lakes and so on and so forth, but the smaller companies. It was more or less confined to that. But, as the recession continued other industries got into some difficulty and we expanded the scope of the guarantee programme we have in place to include other industries.

However, in agriculture, for instance, they have available to them also grants and loans through the Department of Rural, Agricultural and Northern

Development, which is not included in this particular bill here. This particular bill does not relate to that. So they have another source to go to and that is part of the reason why there are no agricultural concerns in here.

In terms of the success rate. I am sure hon. members realize that we, in this arrangement, are the last resort for these companies. I mean, they use their own resources, if they have them. If they cannot, they go through the normal banking arrangements and that takes care things. It is only when they are down to their last chance, shall we say, that -

AN HON. MEMBER:
Guarantor.

DR. COLLINS:
Yes, the guarantor of last resort, shall we say, that they come to us. As a matter of fact, if they come to us and we feel that there is another avenue they should pursue we will insist that they investigate that other avenue and try to have that other avenue resolve their difficulties before we put public guarantee behind their credit.

When you are dealing with that situation, I mean, clearly you are going to be faced with certain failures. I mean, by the nature of the beast. If you are the guarantor of last resort, you are going to have a lesser success rate, if you want to put it in those terms, then perhaps somewhere higher up the ladder where there is not as much risk involved. These are risky ventures or they would not have come to us in the first place.

As I mentioned in answer to the

Leader of the Opposition's (Mr. Barry) question there, in this list of thirty-nine there are two where we had to pay out on our guarantee, where the bank asked us to honour our guarantee because the firm itself was not able to meet its commitments. So there are two out of that thirty-nine. That gives some indication of the success of failure rate. It varies. Many of these companies have got through a very difficult recessionary period and are now no longer in need of guarantees. Our guarantee elapses. They do not ask for it to be reinstated or extended. They have gotten through that period of difficulty. But will always be a certain number of failures here and we accept that because the overall good far outweighs the percentage failures.

MR. LUSH:
So there are enough success stories to carry on.

MR. W. CARTER:
Mr. Chairman.

MR. CHAIRMAN (Greening):
The hon. member for Twillingate.

MR. W. CARTER:
Mr. Speaker, I just want to have a few words on this bill:

I am not at all against the principle of government guaranteeing loans to enable our resource-based industries to become viable operations. I wonder would the minister, Mr. Chairman, tell the Committee - he a moment ago outlined the mechanics of applying for and getting a guarantee. I noticed in his comments he did not make any reference whatever to personal guarantees on the part of the plant owner.

For example, anybody today who is unfortunate enough, maybe, to have to go to the bank to borrow money whether it is for a small business or otherwise, well naturally, if it is a personal loan, you would personally guarantee the loan, but certainly in the case of the small business operator, I do not think you can get a loan today from any chartered bank without the principals of that company being prepared to personally guarantee the loan themselves. I suppose it can very well be said that if a person does not have enough faith in the operation for which they are borrowing money, to put up their own money, or, at least, their own guarantee, then why should they expect the people to put up a guarantee?

It seems to me that in many cases, certainly where there is a limited liability company, as most of these companies are, I do not see too much wrong with expecting the owners of the plants to put up a personal guarantee.

For example, I think the minister mentioned that when a guarantee is given that there is a first mortgage, I presume, given the bank, I presume that the lending institution will take a first mortgage on the property itself. Is he saying that the government will have to take a second mortgage for example, to protect the guarantee? If that is the case, I do not think any of us would put much stock in a second mortgage on a defunct fish plant. That is one question I would like for the minister to answer. If, in fact, thought is being given to that.

I might add, Mr. Chairman, that in cases where fishermen are borrowing money to buy or build

boats, I believe they are required to give a personal guarantee. Certainly, with the new policy of the government, where fishermen are forced to go to the lending institutions where monies sought are in excess of \$50,000, that fisherman I understand, whether he is a limited liability company or not, would be required to give a personal guarantee to that \$50,000 or more loan.

If that is the case then, is it unreasonable to expect the operator of a small fish plant to give a similar personal guarantee? I know that most private entrepreneurs would shy away from doing that sort of thing, but if they are going to expect the people to guarantee loans, well, is it asking too much to expect them to do likewise?

Mr. Chairman, I notice in the schedule here, there are a number of companies that I believe are now defunct, or certainly some plants owned and operated by some of these companies have since closed. I wonder can the minister tell the Committee what rate of success we are having in terms of recovering in cases where we are called upon to honour the guarantee given by government? What are we doing in terms of trying to collect those funds from the plant owners?

The point raised by my colleague from Fogo (Mr. Tulk) I think is a good one. The minister said that there is no relationship between a lease on a government-owned facility and a government guarantee with which gives that company funds to operate.

I think there should be a relationship because in many cases, in fact I had two calls

last night from the district represented in the House by the Minister of Education (Mr. Hearn), the member for St. Mary's-The Capes, I had two calls last night from his constituency, from people there asking me what is going to be happening to the plant in that community? For example, in the community of Branch there is a small fish plant built by government funds that is now lying dormant. I believe the company that has got a lease on that plant is one of the companies that is shown in this list here, a company that is now getting a loan guarantee.

Island Seafoods for example, Mr. Chairman, \$500,000. They own and operate the plant in my district, Herring Neck. I am hearing rumours that there are going to have to be some extensive improvements made to that plant, both in terms of the physical structure of the building, and the equipment, if it is going to continue to operate. I would certainly like to see the government make that a condition of the guarantee that the moment that plant ceases to be of any use to them, well maybe once they get a plant that at least appears to be more viable, then they would probably close up the Herring Neck plant and leave in its wake a trail of human misery, unemployment.

I believe the government would be well within its rights to expect these companies who get these guarantees to give some kind of an undertaking that the plants for which the guarantees are being given will continue to operate, all things being equal.

We do not expect the private entrepreneur to continue to

operate a company that is losing its shirt, but I am inclined to think, Mr. Chairman, these loans, especially when they are not personally guaranteed, that sometimes it is the line of least resistance, if they find that by getting out from under they can save themselves money in the future, or the trouble of trying to rehabilitate a plant that is going down for the third time, then I suspect that human nature being what it is they will take the line of least resistance and maybe skin out from under as it were and in many cases leave the government holding the bag.

I do not think any company, Mr. Chairman, should be allowed to lease a premises from the government and to be able to sit on that property, as it were, almost indefinitely, because they can turn it into a viable operation. That is what is happening.

I know of several plants in this Province that today are lying dormant, not employing a single person. The owners are still hanging on to those plants under the terms of their contract. Maybe they are meeting the monthly rent but I think the minister will have to agree that in most cases paying the monthly rent on a government facility is no great hardship because the rents are scaled down. It is only a token payment, in most cases. So I believe that in cases where properties are now dormant, lying idle, the government should have the authority under the terms of their lease to move in and find out what is going on. And if in fact the company is trying to pull a fast one at the expense of the people in the community, and the government, then they should be

able to take the appropriate action.

It is interesting, Mr. Chairman, to see some of these small plants that have gotten guarantees, but I would also, before I take my seat, remind the government that maybe some of these plants would stand a much better chance of becoming viable operations if the government were to give some thought to deregulating small business. I know, and I have said it before, that it is virtually impossible today for a small businessman in this Province, whether it is a small fish plant operator, a corner store operator, a service station operator, or the owner of a tourist home, to survive. He is being harassed almost constantly by government bureaucrats, by regulations that are being imposed by the municipal, provincial and federal levels of government, left right and centre. He is being driven into the ground by governments. We hear ministers, especially during election periods, talk about the importance of small business to the economy of the country. In fact, I believe there is a statistic now that says 65 per cent of all those employed are employed by small business, businesses employing so many people and under.

I would suggest to you, Mr. Chairman, that government, and again I say all levels of government, are killing the goose that is laying the golden egg. We are killing the goose that is laying the golden egg, certainly as far as employment goes. Almost on a daily basis, if one were to drive around St. John's, and, I suppose, a similar situation prevails all over the Province, you can see where small businesses

are closing up. Stores that were one time providing a livelihood for the owner and probably his son and daughter, and maybe a couple or three other people in the community were deriving a livelihood, maybe not a big living but certainly a living, from that small business, are now being denied that opportunity. They have just had enough, people can be pushed just so far and eventually it comes to the point where they throw their arms up and say, What is the use? Why am I struggling to stay afloat? And I think most small businessmen will agree. You know, you do not have to be in business very long before you get the impression, rightly or wrongly, that government is not interested, and when I say government, all levels, in promoting small business or in doing anything of a constructive nature to ensure that that small businessman is given a fighting chance.

I would strongly urge the government opposite, Mr. Chairman, to give some serious thought to looking at all regulations concerning small business. Maybe the time has come to take a look at all government regulations. I recall during the government headed up by the former Premier, Mr. Moores, that in that period serious thought was being given it, and, I believe, some action was taken to look at all government regulations to see just how many of them were unnecessary, how many were defunct, or repetitious. In fact, I had the impression that something would be done about them, but obviously it was not.

The municipal council, for example, is a creature of the government. Why would this

government not lay down the law to their creatures, to their children, as it were, that they too must start looking at regulations and finding ways and means of lessening the burden, making life a little easier for people in small business. I can tell you now, Mr. Chairman, that we have a serious unemployment problem in this Province, we all know that, and a large part of the blame for it rests, I would think, with government red tape, government red tape at all levels.

A member of my family, my son, had a small business downtown in which I had some interest. He had to deal with eleven different levels of bureaucracy in order to exist, eleven different departments of government, municipal, provincial and federal. In fact, he was being harassed to such an extent that he decided to throw it in, sell it, and I fear a lot of people today are doing the same thing. In fact, I can name dozens if I wanted to.

AN HON. MEMBER:

How is the business, anyway?

MR. W. CARTER:

Well, thanks to government regulations the business is no longer in the Carter family. Because you can just take so much, especially a young man. He does not have to sit there and see some bureaucrat moving in from some government department with his little red or green book laying down the law, reading out the regulations, reading the riot act, telling him what to do in a fashion that was almost reminiscent of Gestapo days, laying down the law - everything but the jackboots - do this or else, you have so many hours, so many days to comply, otherwise, we

will close you up or we will drag you into court, we will do all sorts of weird and wonderful things. People today are not going to take that kind of nonsense. I would strongly urge that something be done about it, Mr. Chairman, because it is a very serious problem. Again the minister, I would expect, should at least inform the House exactly what is required of a person seeking a government guarantee. Is a personal guarantee required? If not, why not, when it is sought in almost every other area of business today? If any member of this House went to the bank as a director or as the owner of a small company and wanted to get a loan, I am sure the bank would not entertain an application without the promise of a personal guarantee. Why are fish plant operators any different? I think my time has expired. Thank you very much, Mr. Chairman.

MR. CHAIRMAN (Greening):

I wish to inform the hon. House there are two questions for the Late Show. One to the hon. the Minister of Intergovernmental Affairs (Mr. Ottenheimer), and one to the hon. the Minister of Environment (Mr. Butt).

MR. OTTENHEIMER:

What are the topics related to? I do not think I have been asked a question this week. I was out of the Province Monday, Tuesday and Wednesday.

MR. CALLAN:

This question was asked on Friday.

MR. OTTENHEIMER:

Oh, yes. It goes from Friday to Friday, does it not.

MR. CHAIRMAN:

It is on behalf of the President

of the Council.

MR. OTTENHEIMER:

Yes. Well, what are the topics?

MR. CHAIRMAN:

A senior citizens home in Bay d'Espoir.

MR. OTTENHEIMER:

That is to whom?

MR. CHAIRMAN:

That is to the hon. President of the Council. The member was dissatisfied with the answer given.

MR. OTTENHEIMER:

A senior citizens home in Bay d'Espoir?

MR. CHAIRMAN:

Yes.

MR. OTTENHEIMER:

And what is the other one?

MR. CHAIRMAN:

The other one was to the hon. Minister of Environment by the hon. member for Gander. He was dissatisfied with the answer given to a question.

MR. OTTENHEIMER:

We have to know what the subject matters are.

MR. CHAIRMAN:

PCBs.

MR. OTTENHEIMER:

How do you spell that?

MR. CHAIRMAN:

P-C-B.

The hon. the Minister of Finance.

DR. COLLINS:

Mr. Chairman, I think when the hon. member started and, indeed,

when he finished also, he commented that government may be being too lax in terms of the private entrepreneur in the use of public guarantees and possibly public monies. Then in the middle he sort of said that governments may be too hard on the private businessman in terms of regulations and requirements and so on. I am not saying he is wrong in either of those, but I am saying that that points out the difficulty in running this sort of programme. Every approach is a judgement call: Do they really need it? Is it really required that the public credit be put into this thing? Is there enough, shall we say, importance to the public welfare to justify putting the public credit into it?

On the other hand, is one being too harsh, is one taking too stringent a view of the business when possibly the person coming to get help has spent years building up the business? Perhaps his family members are reliant on it. Often members of the community are reliant on it and suppliers are reliant on it, and so on, and so forth. So you have to try and weigh, on the one hand, the need for public involvement, and, on the other hand, you have to weigh the anguish, the difficulties, and the hardship if you do not step in and do something to help out.

We try to do the best we can on this. On the personal guarantees, when I spoke of our taking whatever security is available, that involves if we can get any personal guarantees. If they are available, we will go after them. Quite often, especially when the small entrepreneur is involved, he has already used up any resources, including his own personal credit lines, to the maximum extent and

there is no personal guarantee available. So, therefore, we are then down to getting our security in terms of fixed assets or inventory or equipment and that type of thing. But if there are personal guarantees available, yes, we roll that into the security that we demand. We always ask for personal guarantees. Indeed, we sometimes ask, although I am sure hon. members will realize there are difficulties to this, we often ask for a mortgage on the individual's personal property, in the form of his house, for instance. But, as you know, that is a difficult one, because who is going to throw a family out into the street if the venture fails? So you have to weigh the value of obtaining that type of thing. But if personal guarantees are available, we get them.

In terms of mortgages, sometimes we will take a second mortgage if that is all the security that is available and we decide to go ahead with giving the guarantee. We try to get a better form of security if it is available. If there is a first mortgage available, obviously we will get that rather than a second, and other forms of security that I mentioned.

The hon. member also wondered about the success rate. I think I did refer to that when I answered a previous question, and I did point out that we can expect in this type of programme to have a certain number of failures, because we are the guarantor of last resort, but our success rate perhaps can be measured by the fact that there are thirty-nine items here and, so far, we have had to pay out on just two of them. I am not saying that that

is always the case. Sometimes there is a greater number of losses in a year than in other years, it is a variable thing.

Mr. Chairman, in terms of monitoring, what we do is we request firstly that they agree to give us regular financial statements, and we ask them to give it in a certain form; because some of these small companies, when they come in for guarantees and we look at the way they handle their business, we find it is done in a less than ideal manner. So we say we must have this type of information coming in on a regular basis, and if you do not have the set-up currently to do that, well, if you want the guarantee, you will have to practice good business methods in such a way that we can get the information we require.

We have in place officials from the three departments, Development, Fisheries and Finance, who meet regularly to assess this information that is coming in, and there are quarterly reports to Cabinet on the basis of these officials' work. Sometimes we will ask that we put someone on the board of directors, if there is such a thing in place in these companies, to carry out monitoring and surveillance for us, especially if the guarantee is of a large amount.

I believe, Mr. Chairman, those are most of the concerns that were raised. I think it is a very good programme. It is a programme that was absolutely necessary in the circumstances, and I think it will continue into the future although, obviously, the programme will be less active during good times than during hard times. I believe that the success rate certainly

justifies our getting into it and continuing with it, and if we did not do it, there would be many more failures and much higher unemployment in this Province than if we did not have the programme in place.

MR. CHAIRMAN (Greening):
Shall the resolution carry?

MR. DECKER:
Mr. Chairman.

MR. CHAIRMAN:
The hon. the member for the Strait of Belle Isle.

MR. DECKER:
The whole notion of the government getting involved into the free economy is a troublesome one for me, as I am sure it is also troublesome for the hon. the Minister of Finance (Dr. Collins). The question always is, you know, should government get involved in free enterprise, or should the government not get involved in free enterprise?

MR. TULK:
To be or not to be.

MR. DECKER:
To be or not to be is a good question. There are dangers. Every time the government gets involved, Mr. Chairman, there are bound to be dangers.

For example, the Minister of Finance made a statement that out of thirty-nine guaranteed loans, the government only had to pay on two, only two defaulted. Now, that suggests to me, Mr. Chairman, that thirty-seven of those companies were not what you could consider high-risk. So the next question that would logically come to mind is, Why did the banks not finance those companies? If you

have thirty-seven companies out of thirty-nine who prove that they pay off their loans and they are successful, that tells me something about the banks when they would not get involved in financing those companies.

I would suggest to the Minister of Finance that the banks know full well that if some company which happens to have a little bit of political clout can put up a good enough argument, then the government is going to come in there and take away all risk from the banks. So we have an elephant trampling its way into free enterprise, taking all elements of risk away from the banks. In my view, Mr. Chairman, it is not the place of this government to get into the free marketplace and do the work that banks and finance companies should be doing. I wonder how the Minister of Finance (Dr. Collins) feels about that? Does he think that the government should get involved where banks should be doing the work?

The other thing that bothers me and that I would like to address: A company which becomes sick, unable to carry its weight, the logical thing to happen to that company is for it to die. Now, it seems to me that when the government begins getting involved in free enterprise, the government is treating a company almost as if it were a person. So what if a company dies? What is the big deal? 'Ah,' you are going to say, 'now, you want to do away with jobs.' Well, let us look a little closer. I look into this list of guaranteed loans. There is Hawke Industries, a company up in Hawkes Bay, the owners of which are definitely not Liberal, I can assure this hon. House. One of their major contracts is to truck

the ore from the zinc mine in Daniel's Harbour to the point of shipping, in Hawkes Bay. Now, I would suggest, Mr. Chairman, that it is the responsibility of that company, a major company which owns that zinc mine, to truck the zinc from Daniel's Harbour to Hawkes Bay to be shipped by vessel. That is their responsibility and it does not matter the least little bit to me or to any other taxpayer in this Province whether Hawke Industries happens to be the company which is trucking that ore, or whether the Moffatt group happens to be the company which is trucking that ore, or whether Day and Ross is trucking that ore. It does not matter who trucks it. It is none of this government's business whether Hawke Industries is going to live or sink or swim, that should not concern the government. What should concern the government, I would suggest, Mr. Chairman, is whether or not the truck drivers' jobs are saved. That is our interest. Surely, you are not going to tell me that because Wally Maynard happens to be a Tory we are going to try to keep his company alive? Of course not! That would be belittling, and the Minister of Finance (Dr. Collins) is much too honourable a man to even suggest that that would have been a factor. I should be ashamed, Mr. Chairman, to even mention such silliness. Can that be stricken from the record? It is foolishness. That is not a factor? The factor is, whether or not Hawke Industries survived, some trucking firm would have had to bring the zinc from Daniel's Harbour to Hawkes Bay. Now, that is a fact. The zinc mine is not so bad off that it cannot truck its own zinc, or that it cannot enter into a contract with a dozen

other truckers in this Province.

So that particular company, Mr. Chairman, I am suggesting to this hon. House, did not create any jobs that would not have existed upon the death of that company. So I am asking the hon. minister, if Hawke Industries found itself in the position whereby it could not survive without a government guarantee, what would have been the big loss if we had allowed it to go under? I am suggesting - and I want to hear what the Minister of Finance (Dr. Collins) has to say - that we would not have lost one single job; what we would have done is we would have just allowed one sick, weak company to die, which it should have done. After all, Mr. Chairman, companies are not people, when a person is sick and on the point of dying we, as people -

AN HON. MEMBER:

Make away with them?.

MR. DECKER:

Mr. Chairman, do you want to make away with people when they are sick?

AN HON. MEMBER:

That is what you are suggesting..

MR. DECKER:

Are you suggesting that we kill people when they are sick?

MR. J. CARTER:

No.

AN HON. MEMBER:

Are you suggesting we make away with them?.

MR. DECKER:

This is the point I am making. The Tory members are looking at companies as if they were people.

A company, Mr. Chairman, is an artificial person. That is the definition of a company.

MR. J. CARTER:

Are you suggesting that companies are people?

MR. DECKER:

I am suggesting, Mr. Chairman, that if a company is sick and on the point of dying that the company be allowed to die. Do away with the company. If a person is sick we are obligated, and it is my intention, it is all our intention, to do what we can to save that person. But when you start bailing out -

SOME HON. MEMBERS:

Oh, oh!

MR. DECKER:

Is that clear?

AN HON. MEMBER:

No. boy!

MR. DECKER:

It is not clear. Well, I will try again, Mr. Chairman. I am saying, Mr. Chairman, that a company is a servant, a company is an artificial person, a company is a creation of man put together for tax breaks and what have you. If a company is sick unto death, let it die unless the result of its dying is great, but a person dying we try to save. This government is treating companies as if they were people. Or, I should say, this government is treating some companies as if they were people, because in the case of one company in Hawkes Bay, had that company died another company was waiting to take its place.

MR. YOUNG:

How about a company in Roddickton?

MR. DECKER:

If a company in Roddickton were to die, for example, the lumber company in Roddickton, if that company were allowed to die, then another company could take its place if the market is there, if you can justify having this kind of company. What I cannot understand, Mr. Chairman, is what a Tory government - there seems to me to be an absolute confusion in philosophy - is doing getting involved in the marketplace in the first place. Now, the point was made the other day that obviously the Premier is not aware that the Republican Party in the United States are really Tories, it is another form of Conservative government, and, of course, as soon as the Premier becomes aware of this he is going to change the tone he is using in talking to the Americans about putting the duty on our fish. This could come any day, as soon as the Premier realizes that he is dealing with another Tory Government. So I would like for the Minister of Finance (Dr. Collins) to explain to me and to this hon. House, is he comfortable with government getting involved in free enterprise and does he see the danger, does he see the abuse that could come in there, you know, the political patronage thing? I know it is not happening but the possibility of this happening, does this concern the minister? I think, if I were a Minister of Finance, it would bother my conscience just a little bit and I would have to look very closely when companies came in looking for money. So I am wondering does this bother the hon. minister?

The other point I would like to ask the minister's opinion on is if all else fails, and we are convinced that without government

intervention a company is going to die, does the minister think it is good enough just to give them a guarantee or should not the government be taking shares in that company?

When you pay the piper, we should call the tune. It seems to me it is all very well just to stick a guarantee in there with the hope of coming along with a few jobs but I wonder, Mr. Chairman, if the Finance Minister could enlighten me on this particular thing. If the government is going to pay the piper, if the government is going to take the risk that the banks should be taking, should not the government take shares in that company and help to decide what the tune is going to be, and have some input, to have some direction into what the company is going to do?

MR. CHAIRMAN (Greening):
Order, please!

The hon. member's time has elapsed.

MR. DECKER:
Thank you, Mr. Chairman.

MR. CHAIRMAN:
The hon. member for LaPoile.

MR. MITCHELL:
Mr. Speaker, I think it is about time that I spoke in this House.

SOME HON. MEMBERS:
Hear, hear!

MR. MITCHELL:
I could not see myself sitting here any longer and listening to the type of garbage that is coming from the other side.

We just had the member for the Strait of Belle Isle getting up and giving us good Tory

philosophy. You know, what we should do. We should not turn around and finance companies, we should not bail them out, we should not give them any money.

We had the other hon. member for Twillingate (Mr. W. Carter) just prior to the hon. member who just spoke talking about the same type of situation and I could not help think about the situation that went on in the Liberal Party back in 1983, for instance. In 1983 the Liberal Party of Canada automatically woke up and realized that 55 per cent of all the jobs in Eastern Canada were created through small business. Then all of the sudden they realized that we were witnessing 10,000 bankruptcies a year in small business in Atlantic Canada. And what did they do?

They went to work and put in a Minister of Small Business. It was about time they opened their eyes. It was about time they did something about it. That is why I wanted to get up and to get into this debate and to be able to say that it is the policy of the Mulroney Government, it is the policy of the Tory Government, to help small business because this country was created on small business. It was not created on big business. It was small business that built this country. If we are going to survive as a Province and as a Nation we are going to have to encourage private enterprise and small business.

You know the hypocrisy that comes from that side sometimes it is unbelievable. It is absolutely unbelievable. You know we saw just a few years ago Canadair and de Havilland, for instance, with 2,000 jobs. The federal government spent \$1 billion of the

taxpayers dollars to subsidize those industries when 10,000 of our small industries in Atlantic Canada were going bankrupt and we were doing nothing about it. I would like to say that if we had to live over the situation -

MR. TULK:

Which road are you on?

MR. MITCHELL:

I am on the road to create a better society for us to live in because it is through this type of initiative that we are going to build this Province. We cannot turn around and ignore all the situations. If we were to take the advise of the hon. member for the Strait of Belle Isle (Mr. Decker) back a year ago when Fishery Products and when all of our fish companies in this Province were in trouble and say, 'Look, we are not going to do anything for them. We are not going to put in any money', what kind of a condition would we be in today in this Province?

MR. DECKER:

(Inaudible).

MR. MITCHELL:

You were not in favour of it. I am glad that the hon. member is on record today saying that his party stand is, any business that gets in trouble or any business that gets sick in this Province, we throw them out, we bury them, we cut them off, close them up, and because we close them up we are going to create more unemployment. What garbage.

MR. TULK:

A point of order, Mr. Speaker.

MR. CHAIRMAN (Greening):

The hon. member for Fogo.

MR. TULK:

I cannot allow the new member for LaPoile (Mr. Mitchell), and I know he is a very sincere fellow, and, as a matter of fact, if he puts in an application we will even consider him crossing the House, but I will tell you something, we can not allow that member to be tainted with the kind of misleading of this House that goes on. It is misleading out of ignorance on the part of most of the other people to say that this side was not in favour of having fish plants open in this Province. We ask the hon. gentleman to be his usual statesmanlike self and to state the truth. I am not saying he is a liar, but just out of ignorance he is saying the wrong thing and I know he would not want to do that.

MR. CHAIRMAN (Greening):

To that point of order, there is no point of order.

MR. MITCHELL:

Mr. Speaker.

MR. CHAIRMAN:

The hon. member for LaPoile.

MR. MITCHELL:

Mr. Chairman, I think the record will bear itself out that this party has supported an all-plants-open policy and they have fought for that. They have fought good and hard to get that for this Province. We have heard it here today, if a company gets sick, let it die, and that is backing up the argument that was prevalent back a couple of years ago, if they are sick let them die.

But, we have had a government that had a conscience and a government that said, no, we will not let them die. If there is going to be

funding put into the fishery we want to have an all-plants-open policy in this Province. And one of the things that I am very proud of, when you asked me to come on that side of the House, I would like to tell you, I have had the best of both worlds before I decided to get into politics. I have seen both sides and I made a choice. I was not forced into it, so it is my choice to be on this side of the House and it is the choice of the people of LaPoile that I be on this side of the House, and I think, they are proud that I am on this side of the House, very, very, proud. I must say it is not accomplishing things in this House. for your district to get up and sound brass and be an empty symbol, it is what you do for your district.

I am very proud to represent the district of LaPoile and I am sure that if we have situations in LaPoile where we have some sick industries, and there is hope for them, and there is a medicine for them, and if that medicine is government help, I hope that we have a government with a conscience that will turn around and administer the proper medication to bring that company, or to bring that industry, back into a healthy situation again.

Thank you, Mr. Chairman.

SOME HON. MEMBERS:
Hear, hear!

MR. CHAIRMAN (Greening):
Shall the resolution carry?

MR. CALLAN:
Mr. Chairman.

MR. CHAIRMAN:
The hon. member for Bellevue.

MR. CALLAN:

Mr. Chairman, the member for Carbonear (Mr. Peach) was impeached from the Cabinet so he should be stay quite. Mr. Chairman, the member for LaPoile who just took his seat was talking about the important role that small business plays, should play, and has played in this Province and in this country. Nobody on this side disagrees with that.

But, Mr. Chairman, instead of telling us what this present government and what the new federal government in Ottawa are doing to encourage small business to hire additional people and to reduce the unemployment roles in so doing, instead of doing that, Mr. Chairman, the member for LaPoile (Mr. Mitchell) just dwelt on the past and talked about some sick industries in his own district. Why are they sick?

MR. MITCHELL:

A point of order, Mr. Speaker.

MR. CHAIRMAN (Greening):

The hon. member for LaPoile.

MR. MITCHELL:

I said if we have industries in the district of LaPoile that are sick, I hope we have a government with a conscience that will administer the proper medication.

MR. CHAIRMAN:

To that point of order, there is no point of order.

The hon. member for Bellevue.

MR. OTTENHEIMER:

It is now just about 5:30 and, obviously, we look forward to hearing the hon. gentleman's contribution later on.

MR. CALLAN:

I adjourn the debate, Mr. Chairman.

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

MR. SPEAKER (McNicholas):

The hon. member for Terra Nova.

MR. GREENING:

Mr. Speaker, the Committee of the Whole has considered the matters to them referred and have directed me to report some progress and ask leave to sit again.

On motion, report received and adopted, committee ordered to sit again presently.

MR. SPEAKER:

There are two questions for the Late Show. One is from the hon. member for Burgeo - Bay d'Espoir (Mr. Gilbert). He was not satisfied with the answer given to him by the President of the Council (Mr. Marshall), concerning a senior citizens home in Bay d'Espoir.

The hon. the member for Burgeo - Bay d'Espoir.

MR. GILBERT:

Mr. Speaker, on Friday, June 6, I asked the President of the Council (Mr. Marshall) a question concerning a senior citizens home for the district of Burgeo - Bay d'Espoir. Previously, I had asked the Minister of Health (Dr. Twomey) but I was not satisfied with the answer given by the hon. Minister of Health who said he was not aware of any promise by the previous member for Burgeo - Bay d'Espoir concerning a senior citizens home to serve this area of the South Coast.

I was informed by one member of

that Committee that he had been here and had had a meeting with the hon. minister, so I am sure that he was aware that there was a promise made concerning a senior citizens home on that part of the Coast. There is not a senior citizens homes from Grand Bank to Port aux Basques, and the study that was made proved and left no doubt there was a need and it was recognized by members opposite and a Cabinet Minister who was serving there.

I was not satisfied with the answer I received from the President of the Council. He advised that government would carry out all legitimate commitments. He then advised that the previous members was receiving calls from his district. And I would not wonder, Mr. Speaker, with the number of unfulfilled promises that he has left down there, like clinics in Ramea, a senior citizens home in Bay d'Espoir,-

MR. TULK:

He probably -

MR. GILBERT:

I would say he is, he should be afraid to ever go back there.

MR. TULK:

They will probably have his name on a wanted poster.

MR. GILBERT:

Mr. Speaker, today I have received a phone call from the President of the Senior Citizens Committee, a noted Tory worker, telling me to keep out of the senior citizens home problem.

He advised me that he was working on it quietly with his friends in government, and if I raised the matter in the House it will cause

Bay d'Espoir to lose their chance to get a senior citizens home. He said that if it was raised thirty-six members opposite would want a senior citizens home.

Mr. Speaker, we in Bay d'Espoir do not want a senior citizens home just for the sake of having one. We want one because there was an established need, and this is the reason that we want a senior citizens home. There is not a senior citizens home on the South Coast of Newfoundland.

And then this noted Tory worker went on to tell me that if he was successful in getting the senior citizens home established in Bay d'Espoir it would be in the building stage before he would even tell me about it.

Now, Mr. Speaker, I would like to ask members opposite if this is the policy of the government, that they are now getting party workers to phone MHAs, asking them to take the heat off government for legitimate promises made during the last election campaign.

I would like to advise the Premier that, in a conversation with the federal member, Mr. Price, he advised that money was there for the facility, all that was needed was the go ahead and an approval from the provincial government.

Mr. Speaker, is this a legitimate commitment? I would like to table in this hon. House a statement made and delivered to all the people of Bay d'Espoir by the previous member for Bay d'Espoir so that it will be on record in Newfoundland that there was a commitment made and I ask for this copy to be tabled.

MR. SPEAKER:

Order, please! Order, please!

MR. GILBERT:

Will this government honour the commitment and immediately call tenders for the construction of the \$4 million senior citizens home for Burgeo - Bay d'Espoir?

DR. TWOMEY:

Mr. Speaker.

MR. SPEAKER:

The hon. Minister of Health.

SOME HON. MEMBERS:

Hear, hear!

DR. TWOMEY:

Mr. Speaker, when I replied to the hon. member for Burgeo - Bay d'Espoir the other day what I said was sincere and honest. I did not have any knowledge of a commitment made by your opponent, Mr. Hal Andrews. That is honest and sincere. I am definitely aware that a promise or a commitment was not made by government, that is also honest.

MR. GILBERT:

He was a cabinet minister in your cabinet.

DR. TWOMEY:

Well, I cannot answer but what I said is honest, true and sincere.

Yes I have read the report that was written supporting the senior citizens home in Bay d'Espoir, written by the community council, an excellent report that covered the Southwest Coast in detail.

They told of the priorities of the citizens and the convenience of that particular home sited in Bay d'Espoir as being an excellent place to collate the services for that particular part of the coast. I could go in to all their

findings.

MR. GILBERT:

Is consideration being given to it now that there is a committee working behind the scenes?

DR. TWOMEY:

I will come to that. Yes, I did meet with an interested group of citizens from Bay d'Espoir who very clearly and in a very definitive way gave their reasons why a senior citizen's home should be built in Bay d'Espoir. Unfortunately, at that time, and now, I cannot give that commitment that they and you wish me to give. I will give you the reasons: Yes, there is a need for approximately 700 senior citizens' beds in this Province at this time, principally to take care of patients or guests who need Level 2 and Level 3 nursing care. That is factual.

The Royal Commission also advised that we had an excess of acute beds in this Province, roughly about 350. They did not define where these beds should be removed from, neither did they indicate where senior citizen's complexes should be built. The Department of Health has commissioned a study by an independent group to do a survey of the bed requirements in this Province, bed requirements for acute care and the bed requirements for chronic care. It is hoped that this report will be in the Department of Health possibly towards the end of this year or early next Spring. I cannot give you a commitment other than that. Then that report will define the needs, the priorities, the citing, and the location of these chronic care institutions.

Furthermore, I think that this House is aware that Canadian

Mortgage and Housing has not decided to fund chronic care units this year. They put, I think, all their investments in social housing. The funding that they gave was terribly important to this Province, very important, because without it we would have to start a new programme which would cost an infinite amount of money.

Finally, I have great respect for what you have said. What I have said has been just as sincere and just as honest. I cannot give you that commitment now because it has to be decided by this Commission on Acute and Chronic Care Beds.

Thank you, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER (McNicholas):

There is a question by the hon. member for Gander (Mr. Baker) who is not satisfied with the answer given by the Minister of Environment (Mr. Butt) on fenitrothion.

MR. BAKER:

Thank you, Mr. Speaker.

Mr. Speaker, as an aside, if you think that is bad, the correct name for fenitrothion is 0,0 - dimethyl - 0 - (3 - methyl - 4 - mitrophenol) phosphorothioate, so that is even worse.

Mr. Speaker, I was dissatisfied with an answer to a question involving the chemical fenitrothion, or, in other words, the chemical I just named out.

MR. J. CARTER:

Speak up, I cannot hear you.

MR. BAKER:

Well, if the hon. member would

care to come over and borrow my hearing aid, I am sure we could then get down to my five minutes in peace.

Now, then, I am kind of dissatisfied, Mr. Speaker, with this question for a number of reasons, and it has to do with a kind of general attitude that prevails with the Minister of Environment (Mr. Butt).

MR. BAKER:

I have been questioning the Minister of Environment on very specific points. I have been questioning him on, in this case, fenitrothion and, in other cases, other chemicals, and I have been asking very, very specific questions about chemical use.

In response, Mr. Speaker, what I get here are general, vague comments, like the hon. member does not know what he is talking about, comments like, 'Well, the member from Gander was a biology teacher and so on.' Now, Mr. Speaker, I would like to deal with those generalities. First of all, when I ask a specific question about some kind of a decision the Minister of the Environment (Mr. Butt) is about to make, I do not expect, first of all, a personal attack on me or an attack on the profession that I was once part of. I know that it is general practice opposite there, Mr. Speaker, to use the word 'teacher' in a very derogatory sense. I know what goes through their minds, they have been very clear about that. However, I would like to point out to the Minister of the Environment that there are a lot of very well qualified and expert teachers in this Province, and very well educated teachers. In my particular case, Mr. Speaker, I have spent the

equivalent of nine full years at university. I have spent more than four years doing courses specifically related to science and environment, environmental study, and environmental research. I have taken part in environmental experiments and ecological experiments. As a matter of fact, at one point I was in charge of a fisheries project that was unique in the world. So I do not really like it when the Minister of the Environment says, 'He does not know what he is talking about.' I wonder what the ministers qualifications are to be Minister of the Environment, and I would like to match my qualifications with his?

Secondly, I really do not get answers to questions. Now, in this particular case what I was concerned about was this, I was concerned about the minister of the Environment reconsidering his statement - and the minister narrowed it down eventually in the question - concerning fenitrothion and the fact that it kills birds. So I said to the minister, 'Mr. Minister, would you reconsider your statement?' And the minister comes back with some kind of a tirade, the fact that, no, he does not know about this. So, I took the liberty, Mr. Speaker, just a couple of days ago, of reading in this House from some scientific documents coming from the Government of the Province of New Brunswick and done by scientists that were doing research for the Government in New Brunswick, and I read some documents that pointed out that under spray conditions this particular chemical does in fact kill birds, and they mentioned in terms of if there happens to be an accidental overswathing, then you will get 55 per cent adult mortality, and the

ones that are surviving a day after the spray probably will not survive very long. So I read these things out to the Minister of the Environment. Now, I realize that up to that point the Minister of the Environment was not aware, maybe, of a lot of things, but specifically not aware that the chemical that he is going to spray will kill birds. But surely he is now aware, and surely he has, since I made this point two days ago, had some of his people scurrying around and getting reports and maybe trying to get the report from the Government of New Brunswick.

MR. DECKER:

If he were doing his job he did.

MR. BAKER:

If he were doing his job he would, yes.

So, I would like, Mr. Speaker, to once again put the same question to him, has he now reconsidered his original position? Will he, in fact, look at the evidence that has been presented to him? I am sure he can find if somebody goes off and looks for it, and this might shed some new light on one of the duties of his department. I have other suggestions with regard to that that I am sure I do not have time to get into right now.

MR. TULK:

But you will gradually educate him.

MR. BAKER:

Yes, over a period of time I intend to educate him. I will now give him his five minutes to answer. Thank you, Mr. Speaker.

MR. BUTT:

Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. the Minister of the Environment.

MR. BUTT:

Thank you, Mr. Speaker.

I will repeat again for the hon. member for Gander (Mr. Baker), and we work in very close co-operation, I might add, with other provinces which have developed spray programmes over the years, we have no scientific evidence that the chemical insecticide fenithrothion kills birds.

MR. BAKER:

That is terrible.

MR. BUTT:

Now, Mr. Speaker, I have said that before, I stand by it, and I will say it again. Just let me elaborate now for the hon. member. And I did not interrupt him when he was posing his question in a roundabout way. The fact of the matter is, when we spray fenithrothion, and the main reason for spraying it, of course, is to kill the hemlock looper, in doing that we kill other bugs and insects. It is just not landing on Eastern loopers, it is landing on other bugs and things. In doing that, you cut down on the food supply of birds in that area. In that area where the spray takes place, you cut down on the food supply. Now, in cutting down the food supply, the scientific evidence that we have available shows that it slows down reproduction. But we have no evidence to date, none whatsoever, which shows there is a direct kill of a bird when we spray fenithrothion. I want to assure the hon. member that I have checked it out very, very carefully.

The hon. member has passed me a paper. I do not know who is standing behind that. I have to go by what Forestry officials -

MR. BAKER:

On a point of order, Mr. Speaker.

MR. BUTT:

Now, Mr. Speaker, the hon. member is interrupting again. I am trying to answer the hon. member's question. He does not want to hear the truth, Mr. Speaker.

MR. SPEAKER (McNicholas):

Order, please!

A point of order, the hon. the member for Gander.

MR. BAKER:

(Inaudible) The Canadian Wildlife Service, Environment Canada, Fredericton, New Brunswick.

MR. SPEAKER (McNicholas):

Order, please! Order, please!

That is not a point of order.

The hon. the Minister of the Environment.

MR. BAKER:

Mr. Speaker, to continue to answer the hon. member's question, the fact of the matter is, when take away the food supply of any animal, the bird included, you cut down on its reproduction rate. And that is exactly what has happened. We have conclusive evidence to that. The fact of the matter is, Mr. Speaker, that in itself is not devastating, because that only happens in one small area where the spray is taking place. The spray programme only amounts to a very minute part of the overall area of the Province, so after the spray is completed you get an infiltration of birds

and other insects into that area again and there has been no devastating effect. And I want to say that quite clearly to the hon. member, because he is creating false impressions with the public out there. The hon. gentleman, and I must tell him again, is acting somewhat irresponsible for a biology teacher who should know the difference.

Now, we are approaching this spray programme with sensitivity. Everything is being done according to a very fine-tuned plan, unlike what the hon. members said, that it was going to be sloppy. He stood in this hon. House, Mr. Speaker, and told the House that there were people who would not have anything to do with it because it was going to be handled sloppily. That is not true, Mr. Speaker, it is totally false. I have visions of the hon. member for Gander (Mr. Baker) standing in loopers up to his knees, with a devastated forest all around him, saying, 'Where have all the flowers gone?'

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER (McNicholas):

Order, please!

Before putting the motion to adjourn, if the motion is carried we adjourn until tomorrow morning at 10:00 a.m., but if the motion is defeated we will return at 8:00 p.m. this evening.

On motion, the House adjourned until 8:00 p.m. Thursday, June 20.

The House resumed at 8:00 p.m.

MR. SPEAKER (McNicholas):
Order, please!

MR. MARSHALL:
Committee of the Whole.

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

Committee of the Whole

MR. CHAIRMAN (Greening):
Order, please!

MR. CALLAN:
Mr. Chairman.

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

AN HON. MEMBER:
What are you going to read now?

MR. CALLAN:
Mr. Chairman, actually I am not going to read anything at all.

MR. MARSHALL:
No resignation?

MR. CALLAN:
It could be a resignation but that would be contingent on a couple of matters.

Mr. Chairman, when I finished off at 5:30 p.m. this afternoon before the Late Show, I think I had about nine minutes?

MR. CHAIRMAN:
Eight minutes.

MR. CALLAN:
Eight minutes.

We were talking, Mr. Chairman, about An Act To Amend The Loan And

Guarantee Act. We were talking about thirty-nine Orders in Council, in other words Cabinet decisions, most of them to help finance fish companies that were in trouble and the Cabinet decided to grant them various and sundry amounts of money. The largest amount, obviously, was to Fishery Products International Limited, \$7,375,000 to carry them over the interim until -

MR. LUSH:
To tide them over a couple of days.

MR. CALLAN:
Well, a couple of months or whatever.

But, Mr. Chairman, we are on a money bill and obviously the debate is wide ranging. Earlier this afternoon we heard various speakers from both sides talking about PC policy, Liberal policy and so on. We also heard several points of order raised. The member for LaPoile (Mr. Mitchell) talked about PC party policy and he talked about his own district and helping fish plants, and the member for Bonavista North (Mr. Lush), who spoke before him, talked about such matters as well. Mr. Chairman, what I would like to do for the next five minutes or so is talk about a company in this Province that has never asked for any handouts from government. They have gone along on their own. The property they have in this Province is owned outright by this particular company, but in addition, Mr. Chairman, to talking about the company, I want to talk about the employees, although right now they are former employees. In a week or so, Mr. Chairman, some of these employees will be going to government, not to the Cabinet, they will be going to their local

social assistance worker looking for welfare. We see here thirty-nine companies around this Province looking for handouts and, of course, the Cabinet, in their wisdom, decided to give them, as I said, various and sundry amounts to keep them going.

Mr. Chairman, on March 19, this was at least two weeks before the people in this Province were asked to go to the polls on April 2 in another general election, representatives of twenty-five employees, former employees now, of the Carino plant in South Dildo - the only seal pelt processing plant in this Province - met in here in St. John's with the Deputy Minister of Fisheries. Captain Morrissey Johnson was there with them. He met with them as well. Myself and the member for Trinity - Bay de Verde (Mr. Reid) were not there, we were on the campaign trail. We were not at that meeting. As I said that was on March 19th.

Mr. Chairman, on March 21, two or three days after that meeting, that same delegation that came to St. John's and met with the Deputy Minister of Fisheries, because the Minister of Fisheries was in Labrador unsuccessfully campaigning, as it turned out. He was in Labrador campaigning and myself and the member for Trinity - Bay de Verde were campaigning as well, using different styles, obviously. The member for Trinity-Bay de Verde, as I understand it, was using the style of talking about the \$13 million that he brought to the district most of it federal money brought by Dave Rooney.

SOME HON. MEMBERS:
Oh, oh!

MR. CALLAN:

Mr. Chairman, no amount of heckling from the other side or catcalling will get me off the track. I will make the point that I set out to make at five twenty-eight this afternoon.

MR. HODDER:

I wish you would make a more interesting speech. It is some boring speech.

MR. CALLAN:

The member for Port au Port (Mr. Hodder) wants to get me off the track and he knows, Mr. Chairman, that if he wants to heckle me that I can spend several hours responding to any comments that he may make. He knows that.

MR. HODDER:

Tell us what Jamieson did.

MR. CALLAN:

Are you talking about Bas or Don? You will have to be specific.

AN HON. MEMBER:

Don is home to stay.

MR. CALLAN:

Yes, Don is back to stay. As a matter of fact he is writing two books down in Swift Current and that is not Saskatchewan, that is in Placentia Bay. But I will not be taken off the track by the former Minister of Justice or anybody else, Mr. Chairman.

On March 19, Mr. Chairman, I wrote a letter to the hon. Flora MacDonald, the Minister of Immigration and Employment, telling the minister about the plight of the twenty-five former employees of Carino.

I ended off, Mr. Chairman, by saying the purpose of this letter is to support Captain Morrissey

Johnson in his efforts to try and help these gentlemen. They were all gentlemen as it happened, my apologies to the Minister of Justice (Ms Verge). They were all gentlemen.

Mr. Chairman, I received a response.

AN HON. MEMBER:

Do you have a copy of that?

MR. CALLAN:

Sure copies of everything. The Minister of Finance (Dr. Collins) has copies already, the Minister of Fisheries (Mr. Rideout) has copies.

MR. CHAIRMAN (Greening):

Order, please!

The hon. member's time is elapsed.

MR. CALLAN:

Mr. Chairman, -

SOME HON. MEMBERS:

By leave! By leave!

MR. CHAIRMAN:

By leave!

MR. CALLAN:

So, Mr. Chairman, I received an answer to this letter, to the hon. Flora MacDonald, copy to Captain Morrissey Johnson -

AN HON. MEMBER:

When?

MR. CALLAN:

March 21. I received a response several days ago, less than a week ago I can assure all hon. members, I have a copy here if anybody wants to see it. Mr. Chairman, that is almost three months ago. It proves several points to me.

It proves how unconcerned and

callous, these are two words that comes to mind. There are many expressions that come to mind, Mr. Chairman. Almost three months later I received a response and I sent a copy to the Minister of Finance (Dr. Collins) and to the Minister of Fisheries (Mr. Rideout), and since I know the Minister of Fisheries, I have known him long before he went to the other side of the House, after he had a chance to read it a couple of days ago I looked over at him and I said to him, 'Tom, it took three paragraphs for the Minister, Flora MacDonald to say, in other words, there nothing we can do for you'. And she talked about the long-term plans that Mr. Mulroney and the PC Government in Ottawa have for this Province and this country and so on. You know, completing side-stepping the issue.

Now, Mr. Chairman, I was tempted on several occasions in the last couple of months to call for the resignation of Captain Morrissey Johnson, the member for Bonavista - Trinity - Conception.

SOME HON. MEMBERS:

Oh, oh!

MR. CALLAN:

I have been tempted to call for his resignation, on what grounds I am not sure, Mr. Chairman. It could be incompetence, it could be his uncaring negligence. There are several expressions that come to mind to describe why Captain Morrissey Johnson should hand in his resignation.

MR. TULK:

Some of them you are not allowed to use.

MR. CALLAN:

Those of us who saw CBC Here And Now profile Captain Morrissey

Johnson MP, those of us who saw that, saw his incompetence. I mean, the five or ten minute story was taken up more with showing how strong George Baker was in Ottawa and how he could get money out of the little kitty that every minister has. And it also showed Captain Morrissey Johnson, who was more concerned with whether he dropped his "h's" or put on his "t's", put on an extra "t" as in butt, or datt, or something else.

SOME HON. MEMBERS:

Oh, oh!

MR. CALLAN:

Mr. Chairman, I am talking about the programme that most hon. members saw. That is what he was talking about. He said, "If I have to change my ways," he said, you know in other words, "I do not want to be here any longer".

MR. CHAIRMAN (Greening):

The hon. member's time has elapsed.

AN HON. MEMBER:

By leave.

MR. CHAIRMAN:

Leave has been withdrawn.

MR. CALLAN:

Mr. Chairman, I do not know what kind of a clock there is on yonder wall but I think we have ten minutes. Is that correct? We have ten minutes.

SOME HON. MEMBERS:

No. No.

MR. CALLAN:

I had eight minutes when I started and then another ten on top of that, to me adds up to eighteen. Now it is showing thirteen and a half.

MR. CHAIRMAN:

By leave does not necessarily mean ten extra minutes.

AN HON. MEMBER:

You have 60 seconds to wrap up.

MR. CALLAN:

Mr. Chairman, there was nobody on that side who had anything worth saying and therefore nobody stood up. My colleague for Eagle River (Mr. Hiscock) stood up.

Mr. Chairman, today it is June 20, they met on March 13, it will be three months tomorrow that I wrote this letter and still absolutely nothing has been done for these former employees of Carino.

When I was getting on the elevator this morning, Mr. Chairman, I met Captain Johnson coming off who had just held a meeting with the brown noser from Carbonear. I met the hon. Captain Johnson and we exchanged greetings and I asked the man for about the fifth time, because I had been on the phone to him in his Ottawa office for ten or fifteen minutes, and the member was full of apologies for not being able to get a measley \$50,000, or \$75,000, or \$100,000, to make a make work project available to these former employees.

Do you know what the Federal Member for Bonavista - Trinity - Conception (Mr. Johnson) told me down in the main foyer this morning after he got off the elevator, Mr. Chairman, he told me that he has the hon. Flora MacDonald's staff on the phone and from all across Canada, not just in Bonavista - Trinity - Conception, or Newfoundland or Labrador, but from all across Canada the hon. Flora MacDonald -

DR. J. COLLINS:

Including St. John's?

MR. CALLAN:

Yes, St. John's is in Canada even though the member for St. John's South would like to see it 200 miles out somewhere, but Mr. Chairman, right across Canada the hon. Flora MacDonald managed to scrape up \$15,000 that was left over from Canada Works Projects and so on.

At that rate, Mr. Chairman, it will take another couple of years before she gets enough money to put these gentlemen to work on a make work project, which is all they are asking for. Why are they just asking for that right now? Because Mr. Nygaard and Mr. Webber

AN HON. MEMBER:

Who are they?

MR. CALLAN:

Mr. Nygaard owns the Carino Plant, the only seal pelt processing plant in all of Newfoundland and Labrador.

DR. COLLINS:

Who is Mr. Nygaard?

MR. CALLAN:

I just explained it.

MR. TULK:

The gentleman from St. John's South (Dr. Collins) is awful dense, would you explain it again?

MR. CALLAN:

Even though he, Mr. Chairman, in meetings in South Dildo and in New Harbour, with the member for Trinity - Bay de Verde (Mr. Reid) present, said that if a make work programme could be found this year, he would put money in himself, his company would put money in to help the project along

the way, to buy materials or whatever. He said it is only a one year thing anyway because, hopefully, next year the Carino plant in South Dildo will be back on a sound footing either processing seal pelt skins or processing any number of things.

AN HON. MEMBER:

(Inaudible).

MR. CALLAN:

The hon. the member for Bonavista South (Mr. Morgan) knows what I am talking about, he is a good friend but I would not expect the member for Harbour Grace (Mr. Young) to know what I am talking about.

Mr. Chairman, if I had an hour I could talk about the dedication of members opposite and I could talk about what they are concerned about, they are more concerned with petty nonsense than they are making employment available to the people in this Province, young, middle-aged and older.

We saw here this afternoon, Mr. Chairman, I saw it, a half a dozen backbenchers - and some of them were backbenchers, the member for Grand Bank (Mr. Matthews) was there and the member for Harbour Grace (Mr. Young) was there - they spent two hours carrying on a big laugh about something or somebody, they were not concerned about the unemployed in this Province, I can guarantee you that, Mr. Chairman.

MR. MATTHEWS:

You must be seeing things.

MR. CALLAN:

No, I saw you my friend. You were over there where the member for St. John's North (Mr. J. Carter) is and then because you could not control your laughter you wandered out into the corridors and the

laughter came from the corridors and where you went after that I do not know but I have a good guess. I have a good guess because I have been told before where hon. members wander when they get tired of sitting in this House and it is not at their desk looking and wondering how can we find employment for the unemployed in this Province. The member for Gander Bank, who is chewing his gum much too fastly - he does it when he is nervous, if he is on his feet he spends most of his time making sure that his pants are up around his waste - he is chewing his gum much too fast because he started yesterday what he thought might turn into an innuendo campaign and he lost, Mr. Chairman.

MR. PEACH:

Would you like a stick or what?

MR. CALLAN:

I thank the member for Carbonear, who is also chewing gum. A former school teacher should not do it and they are both former school teachers.

Mr. Chairman, I wanted to ask this question in Question Period but in caucus the decision was made to ask other questions and that is fine, but I ask the Minister of Finance (Dr. Collins), in the absence of the Minister of Fisheries (Mr. Rideout) and in the absence -

SOME HON. MEMBERS:

Oh, oh!

MR. CALLAN:

There it is again, Mr. Chairman, the dedication and the concern of this government.

Since the hon. Flora MacDonald, after three months of doing

nothing, and, since the member for Bonavista - Trinity - Conception, Captain Morrissey Johnson, after three months of doing nothing, the message is loud and clear from these former employees -

AN HON. MEMBER:

He is the best MP ever out in that area.

MR. CALLAN:

No, no. We will see.

AN HON. MEMBER:

What about the make work programs in your district?

MR. CALLAN:

It does not matter. I could not care less about the make work programmes in Bellevue district. I can tell a story about the Captain Morrissey Johnson and the householders that he sent out where he took credit for stuff that was approved long before September 4, last Fall, when he was elected, but there is a time and a place for that, Mr. Chairman, and Captain Morrissey Johnson may be perhaps a little bit surprised when the time and place comes to debate that.

Mr. Chairman, it will not be too much longer, I would say, give some hon. members opposite an hour and they will be over here like they were the last time we had a night sitting.

SOME HON. MEMBERS:

Oh, oh!

MR. CALLAN:

Mr. Chairman, before my time runs out again, there is no question in my mind that Captain Morrissey Johnson should resign after not being able to gather a few measly dollars together for these twenty-five employees. There is

no question about that.

I want to ask the Minister of Finance (Dr. Collins), since we have to abandon any thought of any help from Ottawa, will the Minister of Finance in this Province do something?

The hon. Tom Rideout, Minister of Fisheries, wrote Captain Morrissey Johnson on June 4, and he talks about a meeting that myself and he and the Minister of Finance (Dr. Collins) held with these very same people on May 27, in the Collective Bargaining Room.

AN HON. MEMBER:

The member for Bay de Verde is not there.

MR. CALLAN:

Oh, yes, well, he is not there. I do not know where he is. He is probably out phoning Captain Morrissey Johnson. He was there a couple of minutes ago. But, I mean, there were dozens of people present. Captain Morrissey Johnson was there, the Minister of Fisheries was there and, of course, the Minister of Finance.

Anyway, after that meeting, the hon. Tom Rideout wrote a letter to Captain Morrissey Johnson in which he talks about the plight of these former employees of Carino. And I understand that there is a letter coming back. But I would say, Mr. Chairman, that the response the Minister of Fisheries gets from Captain Morrissey Johnson will be the same sort of response that I got from the hon. Flora MacDonald, in other words, 'Wait and see; we will have jobs for you in two or three years time.' That is what it amounts to.

MR. CHAIRMAN (Greening):

Order, please!

The hon. member's time has elapsed.

MR. CALLAN:

I am asking the Minister of Finance (Dr. Collins) will he make some money available to them?

MR. HISCOCK:

Mr. Chairman.

MR. CHAIRMAN:

The hon. the member for Eagle River.

MR. HISCOCK:

Mr. Chairman, in debate on Bill 23, "An Act To Amend The Loan And Guarantee Act", there are a couple of questions I would like to ask the Minister of Finance. How many of these Guaranteed loans are now extended? From a look at them here they were supposed to be terminated March 31, 1985. Do any of these loans that we are approving now have an extension beyond that date? Would the Minister of Finance check on that?

The other question I would like to have checked out - and it is a pity the Premier is not here - in our industries, where there are fishing companies or any companies at all coming to government for financial guarantees, in many ways the government is over a barrel and has no other choice but to give them the guarantees. If it does not give them the guarantees, then, of course, what happens is what happened with Carino, they are out of work. So it is a Catch 22 situation.

But what I want to ask is what mechanism do we have in place to make sure that this money given out in guaranteed loans is actually used for the intended purpose? And if they are not used for the intended purpose but instead to build up the collateral

of other companies these companies own, that is, loans secured for one company being used on others, what mechanism do we employ to ensure that such guaranteed loans are used for the intended purpose? I think that maybe the question is that we may not necessarily have enough control over why we guarantee these loans. The other one that I want to ask the Minister of Finance (Dr. Collins): Newfoundland and Labrador Credit Union Limited, \$120,000. Could the Minister of Finance at some date state why this money was used, for what purpose? I want to zero in on two that are in my district. One is Belle Isle Seafoods. Belle Isle Seafoods asked for a loan of \$400,000. The person who operates Belle Isle Seafoods is a very good friend of the Premier (Mr. Peckford), is on the Economic Council of Newfoundland and Labrador as an advisor, yet when the fishermen in that community go fishing they do not get paid, they do not get any money until after the fishing season is closed and all the fish is sold. Then they get the money. It is worse than the barter system because at least in the barter system you would get credit for nets and for fuel and that. Belle Isle Seafoods depends on the people to basically go and catch the fish for them, salt it and then, after the season is over, after they move back to their communities in Corner Brook, Mary's Harbour, Red Bay, Forteau, Lodge Bay, Norris Point, etc., then they get their cheques.

So I am a little bit surprised that a company would want \$400,000 in a guaranteed loan when the fishermen take it upon themselves to go fishing, then use the company as a marketing agent - and that is all it is, a marketing

agent - and I am wondering to what extent or what control does the minister have over this?

The other one is the Labrador Fishermen's Union Shrimp Company Limited, \$150,000. I am pleased that we brought this matter up when Fishery Products International pulled out of Eastern Labrador and left a void there. Of course the Minister of Fisheries, the member for Bonavista South (Mr. Morgan), that the fishermen were given help by the Labrador Shrimp Company. But, again, that \$150,000 was intended for fuel and its delivery, but a lot of the fishermen ended up having to use three or four gallons of fuel and a half a day's fishing time to pick up the fuel and to get back to where they were fishing. Yet this guaranteed loan was given from that specific point of view of providing fuel and supplies to inshore fishermen in Southern and Eastern Labrador.

So my question is, as I said, the government is in a Catch 22 situation. If it does not give the money to the company, then the company says, 'Well, we cannot operate the plants'. If they give the money to the companies I am wondering to what extent do some companies which have subsidiary companies use that money as collateral in the other companies to keep them going? I am wondering is there an abuse of the guaranteed loans made by this Province?

I would also like to point out, as did the member for Bellevue (Mr. Callan), there was a storm in Eastern Labrador in January of this year. It did not affect lobster fishermen, but inshore fishermen of Eastern Labrador, in particular from Henley Harbour to

Cartwright. A sudden storm came in, a mini tidal wave or whatever, and took all the ice out of the harbour, took the wharves, took stages, took boats, took motors, supplies, gill nets and traps. One person lost \$25,000. And when we went to the provincial government to ask for emergency aid the answer was, 'We do not have any. If you want to repair your wharf, go and get a Canada Works project. If you want to get a new boat, well, you should have had it insured in the first place. Your gill nets, your traps, your motors should have been insured. I believe very, very strongly that would not happen in a district represented by a government member. I give the example of Torngat Mountains, where people, because of de-indexing, had problems with the Tory administration in Ottawa and government stepped in and said, we will cut 10 per cent off groceries for senior citizens in Torngat Mountains. But the people in Eastern Labrador did not want any handouts. They told government they made mistakes by not having insurance on their motors and gill nets, and that they should have had it. But in the meantime, one person, as I said, lost \$25,000 and a lot of them now cannot fish as much as they want this year. What they said was under the Fisheries Loan Board, why does government not give a loan to these fishermen at a reasonable market rate so they could replace their gear, go back fishing again, and then pay it back in good time?

But the Minister of Fisheries (Mr. Rideout) said, no, we cannot do that because the Fisheries Loan Board is only for boats and X number of other things, and for larger boats you have to go to the bank. So if you want a loan go to

the bank. Of course, you know what happens in that case to an inshore fisherman in Black Tickle or Cartwright or Mary's Harbour. First, the banks want to see them. Second, the banks want collateral. But these people are not into the banking system, they only get enough to survive on, so they do not have enough income to go banking.

I think this again shows the cold and callous attitude of the government. These fishermen are not asking for handouts. All they asked was, 'Let us get some equipment so we can go back fishing again.' I made that representation to the Minister of Fisheries, Mr. Goudie, I made representation to Mr. Rideout, I wrote to the Premier and the Chairman of the Loan Board. I think it is a reasonable request. Not only a reasonable request, but a request that should be granted. Maybe, like the Minister of Culture, Recreation and Youth (Mr. Matthews), finds there is no programme available. Well, if all these bills were passed by Orders in Council, and the Cabinet has the right to pass Orders in Council, then I would think an Order in Council could provide additional money to the Fisheries Loan Board earmarked for that purpose. That is why I wanted to speak fairly early hoping that the Premier would be here, because he worked as a social worker, called that area the Twilight Zone, knows the plight of the people there, and I think the Premier should have some affinity, some compassion, some identification with that area.

Mr. Chairman, we saw some improvements announced today with transportation along the Labrador, and I commend the government.

Again, of course, it was made possible by 50/50 cost sharing with the former Liberal government. But the end result, Mr. Chairman, is good. I hope that the President of the Council (Mr. Marshall) will take note of a couple of things that I said. One is making sure that these guaranteed loans are given not just to their friends. I think if you did some more investigation on some of these you would find out that they are given to their friends, and the money is not used for the intended purpose, it is used on other companies.

MR. CHAIRMAN (Greening):
Order, please!

The hon. member's time has elapsed.

MR. HISCOCK:
By leave?

SOME HON. MEMBERS:
By leave.

MR. HISCOCK:
I will only be a few seconds. In conclusion, I hope, since the Minister of Fisheries (Mr. Rideout) is not here, the President of the Council (Mr. Marshall) and the Premier will see fit to help these residents of Eastern Labrador and provide them with some type of a loan where by they can get this equipment.

I also see the government's point where they say 'We cannot give everybody money to build individual wharves, but we will allow them to apply for a Canada Works grant and give them some material! I was a little bit surprised that the Minister of Fisheries (Mr. Rideout) referred everything to the federal government. It is a reasonable plea to government to help those

citizens of our Province who have fallen on hard times because of nature and because of a storm. When the lobster fishermen had a disaster visited on them, government cut the price of lobster pots from \$7 down to \$3, showing compassion and reasonableness. When the ice came in and the fishermen on the Northeast Coast and Labrador could not fish, because of a precedent set by the former Liberal administration, again the government showed compassion and extended the UIC. I think this is a matter where the government can again show compassion and assist thirty or forty fishermen in Labrador who have lost a lot of equipment and gear. All they are asking for basically is some type of financial arrangement so they can outfit themselves again and go fishing. Maybe I am not so cynical after all, because I think after this the President of the Council (Mr. Marshall), the Premier, and the Minister of Fisheries (Mr. Rideout) will come in with some positive announcements within the next few days.

Thank you, Mr. Chairman.

MR. CHAIRMAN (Greening):
The hon. member for Bonavista South.

MR. MORGAN:
I would like to say a few words on this Bill 23, "An Act To Amend The Loan and Guarantee Act." First of all, I think the loan guarantee programme that was put in place to help the independent operators in the fishing business and the processing sector was a good programme, and it has worked quite well over the last number of years.

I want to comment with regards to

the loan guarantee to Fishery Products International and I want to address my comments to that company tonight. I am very concerned, as a member from a fishing area, about the present status of that company with regards to its operations. I am very concerned over the possible adverse affect that Fishery Products International is going to have on independent operations. That concern was expressed to me as a minister when restructuring took place. We held extensive meetings at the time with the independent operators. We could not see, at the time, Fishery Products as a company, taking any kind of action that would adversely affect any independent companies. However, I am now of a different opinion because I am seeing Fishery Products as a large conglomerate showing little or no concern for the inshore fishery. I see it in my own riding, in the plants owned by Fishery Products International at Bonavista and Charleston. I am at a loss to understand why the management of that company, the middle and lower management, is not being changed. I would venture to say the company this year alone will lose in the range of \$35 to \$40 million.

MR. TULK:
That much?

MR. MORGAN:
Yes, that much in my estimation. I do not think I will be too far out at the end of the season, a \$35 million to \$40 million loss for FPI. Maybe the problem is with all of the funding not being put in place with the company, but I am not sure that is the problem. I have expressed my concern to senior vice-presidents of the company, in fact no longer than this morning, that there is

something wrong, that management is not filtering down below top management of the company here in St. John's, it is not getting down to the middle management, it is not getting down to the plant management. I now see a manager brought back to manage a plant in my own district, in Charleston, who was removed - I have no hesitation in saying the information was supplied to me at the time by Nickersons - years ago for not being able to manage properly that same plant, and now FPI has brought that manager back.

AN HON. MEMBER:
Was he incompetent?

MR. MORGAN:
Well, I would use the term incompetent, yes, and that was the term used then by the Nickersons. He is now managing the plant again and the operations this year are going in a very unsatisfactory way. Now we find that inshore fish being caught by inshore fishermen in the area of Charleston is being trucked over and processed in the deep-sea plant at Port Union. That is not going to make Charleston economically viable, since the plant is not going to have the inshore catch which it solely depends on. Mr. Chairman is quite aware of what I am talking about because many of his constituents work in that plant. There is little or no work to date in the plant, which is somewhat attributable to the fact that there are very poor catches, but the catches taken in the area are not even being processed in the Charleston plant. I am convinced that it has something to do with the local management. I look forward to Fishery Products' very competent senior management, because in my view they have now

in place some very competent management at the senior level, trickle down to the level of plant managers and make some changes where required to ensure that some of what I would call problem plants have a chance. Because Charleston would be a problem plant. It has been a loser for other companies and indeed for FPI, and without competent management put in place it could be a loser again this year and could contribute to the major loss which I see FPI having again this year.

I am concerned as well about the marketing of FPI. I always thought that when we had restructuring, and I think the Premier (Mr. Peckford) can also attest to that because he, as leader of the government, took a strong position on trying to get improvements in the marketplace for our products and we thought FPI, at least I know I did, could be the vehicle to improve the marketing. Well, I find now from talking to the contacts I have in the USA that there is more chaos now than before because Fishery Products International is marketing under three brands. They still have the Caribou brand out there, they have their Fishery Products brand, and another brand now coming into the marketplace this year, there is not a consolidation of the marketing effort which we thought would take place, and that is the key. I also find that Fishery Products International on a couple of occasions has made a very successful attempt, in one marketing area of the USA, to undercut the prices being offered by independent fish companies. And that is no way to help the fishing industry, to help the independent fish companies, by

going into the US marketplace and undercutting fish processed by private sector independent companies and, in this case, companies without any government assistance. That is going on. I have brought this to the attention of the senior vice-presidents of the companies on a number of occasions. It seems that my concern as an individual member of this House is falling on deaf ears. They are not listening. No action has been taken to correct it.

So I am very concerned over that because if Fishery Products International is going to undercut prices in the USA with the kind of government dollars now in that company, there is no question in my mind it will attract the strong possibility of the USA looking at putting penalty tariffs on our fresh fish products. If that happens, gentlemen of this House and members of this House, it is going to be disastrous for our fishing industry. There is no question about that. We see what is happening on the salt fish sector. And the US International Trade Commission has made a decision because of the fact that the price of our salt fish in Puerto Rico was undercutting other companies going into the US marketplace. And that warning was given to the Saltfish Corporation as far back as 1982. I was in Puerto Rico then with Mr. Jim Laws, one of the best experts in the salt fish industry in this Province, he was then associated with the Fishing Industry Advisory Board, and the then Deputy Minister of Fisheries, Mr. Gordon Slade, and we came back and made a report. And we said, how can salt fish be sold in the Puerto Rican market at a price to the consumer, a cost to the consumer, less than

the price you would pay for it in the grocery stores in St. John's? That was happening in 1982. You could buy salt fish produced in Newfoundland in Puerto Rican stores at the level of the consumer at a cost to the consumer less than you could buy the same fish processed in Newfoundland in the Dominion Stores and Sobeys Stores and others in St. John's. We knew then that something was wrong with their pricing in making these kinds of products available in the US marketplace and we came back and made a report, in fact, Mr. Laws and Mr. Slade and myself. We told the then President of the Saltfish Corporation that if they did not work out a marketing strategy and change what I called dumping fish into the Puerto Rican market, there was going to be some retaliatory action taken. And sure enough here it is. In 1985 here it is, we have a penalty tariff placed on the salt fish products.

If Fishery Products International is not going to get their act together in the marketplace in 1985, I would venture to say - it is a sad thing to say in June in the beginning of the fishing season of this year - that by the end of the calendar year, 1985, we are going to see penalty tariffs placed on fresh fish products going into the USA. If that happens we are going to kill most of our independent fish companies across our Province which are marketing now in the USA because, I would say, 82 to 85 per cent of our seafood products, especially cod fish produced in Newfoundland, is marketed in the USA. I would say that if that happens Fishery Products International will be looking for a far greater amount of money next year than what they

are this year because they will be hurt just as badly because their main market is also in the USA. They are doing some marketing over in the European Economic Community but, of course, because of the currency exchange rates, etc., there is a very limited market over there.

So, on that part of FPI, I want to express that concern. It is a very sincere concern. That kind of trend I see now taking place in that company has got to be brought to a halt. I am hoping the Premier and this government, in conjunction with Mr. Sinclair Stevens and others in Ottawa, will make sure that the company does not get off track in that way. It has to put in place a better marketing strategy than I now see in the USA and has to make sure it is not going to do anything in this Province that is going to adversely affect the independent private sector companies.

Now, as I said earlier, the loan guarantee programme we were talking about for the various individual fish companies and smaller businesses is a good programme. I note with interest that some of the loan programmes, a few of them, have not been successful. I guess it is impossible to ask for 100 per cent success when you are guaranteeing loans to fish companies or other small companies. I think the record is pretty good so far but, there are a few failures. I note Belle Isle Seafoods was a failure and that was unfortunate. I note recently Petty Harbour Fisheries has gone into receivership and the plant for sale, I note there was a problem in Placentia Bay Seafoods and the equipment down there has been for sale. I understand Blue Ocean Products is also, if not in

receivership, in bankruptcy. I understand at least they have had some problems with regards to the loan and guarantee programme not being able to work for them.

MR. CHAIRMAN (Greening):
Order, please!

The hon. the member's time has elapsed.

SOME HON. MEMBERS:
By leave.

MR. CHAIRMAN:
Does the hon. member have leave to continue?

SOME HON. MEMBERS:
By leave.

MR. CHAIRMAN:
The hon. the member for Bonavista South has leave to continue.

MR. MORGAN:
Mr. Chairman, thank you for being able to clue up what I am saying here.

I think the government in putting in place this loan and guarantee programme made the right step but I know when I was minister there was a monitoring process put in place. I think it is important to ensure the monitoring process is even more strict in the future because some companies tend to take advantage of government dollars.

MR. TULK:
Mr. Chairman, I have a question for the member.

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

MR. TULK:
Mr. Chairman, I was outside the House and I did not hear him name

those companies. I wonder can the member for Bonavista South (Mr. Morgan) name those companies that he considers perhaps to be delinquent?

MR. CHAIRMAN:
The hon. the member for Bonavista South.

MR. MORGAN:
I understand, and I think it is pretty common knowledge, that Belle Isle Seafoods, for example, had to told out their operations and went into receivership. Petty Harbour Fisheries recently closed their doors. I understand it was bankruptcy, there tenders are being called for the plant.

MR. HISCOCK:
Does the government have to pay that loan then?

MR. TULK:
Of course.

MR. MORGAN:
As to what happens to our exposure, that will be answered by the Minister of Finance (Dr. Collins). But out of the group I think there are approximately eighteen or nineteen companies that we assisted the last couple of years. I guess it is not a bad record when you have only two or three failures. You cannot expect to have 100 per cent companies make a go of it under difficult times. The fishing industry has gone through difficult times in the past number of years and is still going through difficult times and that is obvious to all members of the House, I am pretty sure.

So, Mr. Chairman, in concluding, again I want to reiterate the main reason I stood to speak on this loan and guarantee act is to

express my concern with regards to Fishery Products International and to ensure that whatever actions are being taken by the Premier and the government here in conjunction with Ottawa, are to ensure two things I mentioned earlier: Number one, that whatever Fishery Products is doing at the local level in processing and in buying from fishermen and in providing prices to fishermen, providing fuel to fishermen - for example, I found out a couple of days ago that, in Bonavista, Fishery Products International is offering fuel to fishermen at twenty cents a gallon less than what the local supplier can do. Now, I cannot complain about that because it is good for the fishermen who get their fuel twenty cents a gallon less on the condition, of course, that they sell all their fish to that company - but the complaint from the other private sector companies is that these companies are operating without government dollars and they see a large company, with substantial government dollars, being able to undercut their fuel prices. In talking with the Vice-President of finance for the company, as I told him, I cannot complain about the fishermen getting fuel twenty cents a gallon less, but I can understand the frustration of the private sector, independent company without government dollars not being able to do that, to supply the fuel at this kind of low costs to the fishermen because they have not got the financial means to do it.

As for the paying of prices to fishermen, it is important that FPI does not get carried away in areas of the Province and use again taxpayers' dollars to enable them to pay better prices to fishermen because they have the

necessary financial means to do it than some other independent companies, which would not be able to do it because they have not got financial assistance.

MR. TULK:

Mr. Chairman, may I ask a question?

MR. CHAIRMAN (Greening):

The hon. the member for Fogo.

MR. TULK:

In your opinion, does that not give unfair competition to the independents with FPI doing those kinds of things?

MR. CHAIRMAN:

The hon. the member for Bonavista South.

MR. MORGAN:

What I am saying is this is the complaint from some of the independent companies. They are saying that what they are seeing now is that this large company, with financial assistance from both governments available to it, puts them in an unfair position in competition in the purchasing field, in the supply of fuel and other items to fishermen, in that aspect of it, in buying from the harvesting sector and, secondly, their concern is, as I mentioned earlier, in the marketplace. I had a fish company in my office - I still have quite a few friends in the fishing industry, they come to me quite frequently, in fact - from the Western part of the Province, no longer than two weeks ago, sat in my office and told me they were totally frustrated because of the fact that Fishery Products moved into New York in their market and offered the same kind of fresh fish filets at a price less than he was selling it for. I just could not believe what he was telling me, so I

checked it out and, sure enough, it was true. He lost part of his market because Fishery Products moved in and was able to sell the fish at lower prices than he could afford to, and that enabled Fishery Products to gain that market and that is quite unfair competition, in my view, as well.

So, these are the kinds of things that I am hoping that this government will address through being a shareholder of Fishery Products International. To ensure, in completion of my comments, three things: Number one, that better management be put in place in that conglomerate at the middle management and lower management level, even down to local plant management in some cases; number two, that the company not be able to provide any kind of unfair competition in the local harvesting and processing level; and, number three, and maybe most important of all, not do anything that will adversely affect the independent fish companies in regards to marketing in the USA.

Thank you, Mr. Chairman.

MR. BAKER:

Mr. Chairman.

MR. CHAIRMAN (Greening)

The hon. the member for Gander.

MR. BAKER:

Thank you, Mr. Chairman.

First of all, I would like to say I am glad to see the Premier back home. I am glad to see he did not get electrocuted when he threw the switch or anything. I am glad to see the Minister of Finance (Dr. Collins) now is awake, and we can then go back and forth.

DR. COLLINS:

I shall probably go back to sleep with you speaking.

MR. BAKER:

Well, all right, but not until I have some questions for you.

I understand that this particular bill deals with a number of companies, I believe, thirty-five companies that really at some point in time came to the end of their financial rope. I do not really understand financial matters too well, that is why I hope the Minister of Finance stays awake because I am sure he can teach me an awful lot. To listen to some of the members in the House, and some of the comments that I have heard, I wonder, but he should be able to teach me a few things about finances. I might be able to teach the Minister of Environment (Mr. Butt) a few things about biology, but I cannot teach anybody anything about finances.

I understand these companies were at some point in time at the end of their rope financially. That they had gotten into trouble for one reason or another, either circumstances or over extending or management problems or whatever. They could not get money on credit from the banks or any other institutions, FEDB or whatever and, therefore, they came to the government to either get money or to have loans guaranteed. I assume this is the kind of company we are talking about here, where the government, by and large, guarantees loans for these companies.

And the loans are guaranteed for a particular length of time. The guarantees are given through Order in Council and then this comes to

the House and this is verified or whatever. There is some process that I am not quite sure I understand that well.

I understand that if it is necessary to keep these companies in business, and one of my colleagues this afternoon gave a little dissertation on cases where it may or may not be necessary to keep them in business. If it is necessary to keep them in business, then I suppose the restrictions that are imposed on them cannot be too rigid, except, of course, the responsibility, the condition of the repayment of the loan.

In looking through the list, I noticed, as other members have, and I have noted the point that there are a lot of fishing companies, I was pleased to see, at least, one there, I think, that had to do with the fish farming process, something that I think we have to nurture a bit more in this Province. But, by and large, an awful lot of them are fishing companies.

Now to continue on from what the former Minister of Fisheries was saying. It is my understanding that guarantees, government intervention with these companies, is part of the reason why some of our export partners have kind of become upset, the fact that we are providing something, subsidizing our fishing industry to such an extent that they feel they have to put tariffs on our exports, some kind of exports. Now I am open for -

AN HON. MEMBER:

They are not subsidies, they are loan guarantees.

MR. BAKER:

Yes, what I am saying is that our export partners look upon this as a subsidy. I agree with you, it is not. It has recently come to my attention where in one particular case a chill freeze unit, which a company is trying to put at Gander Airport is halted simply because they are afraid the United States will say this would be an example of subsidization of the fishery, which, in actual fact, it will not. I understand the member for Mount Pearl (Mr. Windsor) is saying that really this is not a subsidization, except that it is looked upon in some quarters as being a subsidization.

Looking at all of the long list of fishing companies, maybe this is a problem that we should address to try to straighten out some of our trading partners and to point out that these are really not subsidization of fishery, but simply loan guarantees. But, like I say, I am not a financial person and I really do not understand the ins or outs of all of this. However, I diverted a little bit here.

These companies were at the end of their financial rope in one way or another. It was deemed necessary to keep them in business. Obviously, they must have wanted to keep in business and, obviously, the only reason they wanted to stay in business was that sometime in the future they could see the chance of making a profit and becoming a viable business, no longer needing loan guarantees.

We have thirty-nine items. I wonder as I look down through whether there are any other conditions put on these companies over and above the natural

condition of repayment of the loan so then the loan guarantee can be lifted and the Province will no longer have that obligation.

I mention this simply because of another item, which I brought up earlier in this session, which had to do with Eastern Provincial Airways. Here is a company, that for one reason or another was at the end of its financial rope, obviously. It could not raise money. The shareholders could not raise the money through the banks, they could not come up with the cash at all, and they came to the Newfoundland government and got a whole series - the Premier gave me a list of them and it is quite impressive - a whole series of financial transactions relating to Eastern Provincial Airways. This was spread over a number of governments, in fact, most of it was the responsibility of governments other than this province, but it was the Government of Newfoundland that did it. This company was nurtured, helped along, through hard times and through quite a period of growth. Some of the loan guarantees were used to expand the companies into quite a successful operation.

The thing that crosses my mind at this point, and has crossed the minds of an awful lot of people, is that if in fact this company was gone, finished, out of business, if the government had not stepped in, than the government has a right - some kind of moral right, it seems to me - to say to that company 'look, if you repay the loan and become a viable company, we would like you to give us a guarantee in return that you will continue to operate out of Newfoundland.'

I know that some people might look upon this as an intrusion on private enterprise and you cannot intrude on private enterprise. But here was an example of a private enterprise that was gone, dead, finished and over with, and the Government of Newfoundland put in a lot of guarantees and money. It seem to me that, somewhere along the line, governments should have said to them, 'when you become viable, you have to guarantee us that you will operate in the best interests of the province, after all we have saved you and we have been operating in your best interests and we need something in return.' This is not a financial restriction, a restriction that would cause any hardship, this is something, I think, that is quite sensible and quite logical.

So, I think there should have been these kind of conditions attached to ensure that that particular Newfoundland company remaind a Newfoundland company. As we all know, they left Newfoundland and left a big void in Gander where 350 jobs were lost. Not only that, the company, in a sense, the company is being taken apart piece by piece. The men that work with them, in essence, are no longer guaranteed jobs. A lot of them are now scattered all over Canada. A lot of them chose not to go because of the uncertainty and created a real mess.

MR. CHAIRMAN (Greening):
Order, please!

The hon. member's time has elapsed.

MR. BAKER:
If I could have about 30 seconds to finish.

SOME HON. MEMBERS:

By leave. By leave.

MR. BAKER:

What I would like from the Minister of Finance (Dr. Collins) then, I am finally getting to my point, is some indication as to what other conditions, if any - there may not be any - but if in fact there other conditions attached to the loan, other than their repayment. I wonder if the Minister of Finance could, if he does not wish to do so now, provide me at some time with a list of any other commitments that these companies have made, other than the repayment of these loans.

I think it is an area that we have to start looking at if we are going to use the taxpayers money in this way.

MR CHAIRMAN:

The hon. Minister of Finance.

DR. COLLINS:

Mr. Chairman, just to answer a number of points that came up, the hon. member for Eagle River (Mr. Hiscock), I think, wondered what control we had over guarantees that were given to prevent companies from using them for purposes other than what is intended.

I think hon. members will understand that there is another partner in here, in addition to the company and the government. The other partner is the bank. It is actually the bank's money that is lent and the bank has in place a monitoring program, in all instances. Any sensible banker would do that, and, in actual fact, they do. So there is that part of it.

The other part is that we ourselves, as I mentioned earlier

this afternoon, have a monitoring program in place. We require as part of the conditions before giving the guarantee that they give us information up front and that they give us information on a continuing basis. We have in place a group of officials whose particular responsibility it is to keep on top of this. They report to Cabinet and so on. So nothing is perfect, obviously, and I am sure that if someone wanted to they could find a case where a guarantee was given, the money was obtained on the basis of that and it was used for some purpose that was not precisely what was said it would be used for. I am sure that that has happened. However, I do not think it is a frequent occurrence. We have in place measures to keep it down to an absolute minimum and I do not think it is a big problem.

Now the hon. member also wondered about extensions to guarantees. I think hon. members will really understand that once government decides to give a guarantee you are pretty well on the hook with that company until, either the company fails, or the company succeeds. As long as the company is in difficulties, it is very likely that they will request extensions and it is very likely that government will end up giving them extensions because obviously, if you do not give them extensions and they are still in difficulty, the bank will call in the loan and then we have to pay out.

Of course, when an extension is asked for, we reassess the situation and if it still seems that there is some chance of viability here, the likelihood is that we will extend. We do find though that a company comes out of its difficulties we can often

diminish the amount of the guarantee that is given and, of course, there are incidences where we have been able to take off the guarantee.

The hon. member for Bonavista South (Mr. Morgan) spoke at some -

MR. HISCOCK:

I understand that we have many of these extended now.

DR. COLLINS:

Oh yes, we have a large number of those extended now. I could tell the hon. member the ones if he wishes. I do not know if he wants the whole lot but I could indicate to him that Island Seafoods has been extended and there has been an extension given in regard to Petty Harbour Fisheries, S. T. Jones, Smith Seafoods, Easter Ocean Products, George Dawe and Son. But that is only to say that usually if we decide in the first instance to give a guarantee we usually have to stay there until either the company is not going to make it or it gets out of its difficulties and then we can get out.

MR. HISCOCK:

Did you say Belle Isle Seafood was extended?

DR. COLLINS:

No, I did not say Belle Isle Seafood. If I did I should not have. Belle Isle Seafood is not extended.

MR. TULK:

Petty Harbour Fisheries is.

DR. COLLINS:

Petty Harbour Fisheries.

AN HON. MEMBER:

Did Belle Isle Seafood go bankrupt?

DR. COLLINS:

Yes, Belle Isle Seafood, the loan was called in there by the bank and we had to honour our guarantee there.

Now the hon. member for Bonavista South spoke at some length about FPI and its difficulties and I am sure that hon. members in this House will understand that the FPI will have difficulties for some time to come. It is not an easy problem. Probably the remedy is a bit slower coming along than anyone hoped. Nevertheless, it is a very large problem. There are two governments involved in it. Work is being done on it. I think the outlook - it will not come very quickly - is good.

It is hard to respond to specific points brought up in this regard because - it is only natural I suppose but it frequently happens in this House - someone will bring in a bit of information and it is difficult to know whether the information is factual, firstly; secondly, if the information extends over a very broad area or is just a very narrow point; and thirdly, whether the difficulty has already been understood by the company and they are doing something about it.

I must say, if I can use an example, I get many requests or comments from members about retail sales tax problems and I am often given one horrendous story and it sounds as though officials down in our department are out gouging the businessmen and, you know, selling the family into slavery and in some sort of a vicious way taking the food out of babies' mouths and all the rest of it. Of course when I look into it I find exactly the opposite has happened, you know, that we are trying to bring

some rogues to task and get the money that the taxpayer owns and is owed.

When we are given the story it does not necessarily mean that that is the full factual aspect of the situation. So I cannot respond to all the points that were brought up in regard to Fishery Products, even if I had the intimate knowledge to do so.

Now the hon. member for Gander (Mr. Baker) wondered about whether in actual fact we lay obligations on companies that we give guarantees to. We do where we think it is appropriate. For instance, I might mention, because this is one of the points the hon. member brought up, that a particular company - I do not think there is any point in going into the details on it - wanted some help. We said to them, 'Right, we will consider it provided the headquarters stays in the Province,; provided management to the extent that is available from within the Province is put into the company and not outside management; provided that you will supply assistance where it is practical for you to give it to your suppliers, the fishermen supplying your companies.

So we do lay where we think is practical obligations on the various companies that we give guarantees to. But, of course, you can only go so far with that type of thing. Also, there has to be a certain amount of good faith on each side because, even though we enter into legal agreements with these companies, in actual fact, they are the ones who deliver their undertakings on the ground. We can only monitor them and, perhaps, pick up information months later by which time,

perhaps, a condition that was entered into has not been fully honoured and recognized.

I think I can say that we have had a relatively small portion of instances where companies who got guarantees did not perform to the best of their ability, but there has been varying abilities. Some companies are fairly sophisticated. They have good management techniques, they got good personnel and so on. Other companies are a bit more, shall we say, working, you know, out of the proverbial kitchen and they just do not have the ability to supply us with the things that we wish them to supply. But, by and large, I think, the performance of companies has been quite satisfactory. We have to keep after them to keep up the scratch in many cases, but within the limits of resources that is available to us, I think we are able to do that.

Again, I must emphasize that this guarantee programme was not in place, the inshore fishing industry in this Province over the last few years would have been in a case of almost total collapse.

I am not saying that this is the only thing that propped up the inshore fishery, but it certainly was a very important element in allowing the inshore fishery to perform as well as it did in the last numbers of years.

MR. LUSH:

Mr. Chairman.

MR. CHAIRMAN (Greening):

The hon. the member for Bonavista North.

MR. LUSH:

Mr. Chairman, when the minister

was talking about how members on this side very often, I guess what he is saying, exaggerate the circumstances of our people when we are giving evidence about the sales tax and this kind of thing, I was reminded of the story about the donkey. I do not know whether the hon. member knows the story or not, but it goes something like this: An animal lover observed this gentleman hitting the donkey over the head with a piece of two by four. Of course, he went up to the gentleman very upset and said, 'How come you are abusing that animal like that? How come you are hitting that donkey like that?' And the gentleman said, 'I am trying to train the donkey.' 'Well', he said, 'that seems to be a poor way of training it.' 'Well', the gentleman said, 'I got to get its attention first.'

Mr. Chairman, the hon. gentleman is so insensitive and so callous to the needs of the people of Newfoundland we have to do something like that. We have to be dramatic in order to get the hon. gentleman's attention.

AN HON. MEMBER:

You have to hit him with two pieces.

MR. LUSH:

Yes. So, Mr. Chairman, it is the story of the donkey all over.

AN HON. MEMBER:

The first piece wakes him up, and the second piece drives it home.

MR. LUSH:

Now, Mr. Chairman, today we talked about philosophy. This item that we are dealing with now 'An Act To Amend The Loan And Guarantee Act', certainly demonstrates an integral part of the philosophy of this

government, namely, to help the private sector.

Mr. Chairman, I said the other day in a statement the problem with the government is that their definition of the private sector is too narrow, it is too restrictive. The definition of the private sector on this part of the House is much more comprehensive and it includes senior citizens, it includes the youth, and it includes the fishermen, and the individual fisherman.

Mr. Chairman, I would only hope that members opposite would show the same concern for the 300 fishermen in Bonavista North who are in a terrible financial plight, Mr. Chairman. I only wish that this government would only show the same kind of concern for these fishermen that they would come up with money for them to help them -

SOME HON. MEMBERS:

Hear, hear!

MR. LUSH:

- in their fight against the federal bureaucracy, Mr. Chairman, who is imposing a terrible financial burden on these 300 fishermen and their families. Mr. Chairman, I would hope that members opposite would certainly do something like contact their federal counterparts. If this were a year ago they would be all screaming, Mr. Chairman, about this terrible injustice to 300 fishermen-

MR. CALLAN:

The wires would be hot with telegrams.

MR. LUSH:

- in the district of Bonavista

North. Fishermen who have to pay horrendous bills at great sacrifice.

They will never live, Mr. Chairman, to get over it, if gentlemen opposite do not develop some kind of sincerity, if they do not develop some sort of sensitivity, if they do not, Mr. Chairman, demonstrate their concern and contact the federal government and ask the federal government to wipe out the monies that they are trying to collect from fishermen because they have been ruled by the UIC Commission to have received these monies in contravention of the Act.

Mr. Chairman, when one understands the circumstances by which this came about one can readily appreciate that the fisherman is the innocent victim.

Now then, Mr. Chairman, why is it that we do not hear from hon. gentleman speaking out on this issue to show the fishermen of this Province that they are concerned over the unfortunate plight which fishermen find themselves in? Let us get some action to remove the anxiety and the frustration that fishermen and their families are presently experiencing.

I mentioned, Mr. Chairman, a couple of days ago that this issue surfaced during the election. During that time there was a flurry of Telexes and telegrams to the federal government. Since then, not a word.

Mr. Chairman, let us show that we are more concerned, that we will not only act during an election time. I only wish that the Minister of Fisheries (Mr. Rideout) were in his seat this

evening to let us know what action he is taking. Maybe he is in Ottawa working on the problem. If he is, then that is to his credit. It is a simple matter to deal with, Mr. Chairman. The federal minister has the authority to resolve this problem to the satisfaction of all. They have the authority.

There is an act, Mr. Chairman, within the UIC regulations which gives the minister the flexibility to deal with a problem of this nature, a problem that is imposing untold financial hardship, anxiety and frustration of the families of 300 fishermen in the district of Bonavista North.

Mr. Chairman, I hope that the Minister of Finance (Dr. Collins) is showing his concern. I hope that he has taken action and will continue to fight until the fishermen, Mr. Chairman, have removed this horrendous bill that the federal government is trying to impose upon them. The fishermen were completely innocent. They are the innocent victims of this callous ruling by the federal government and I think it has dragged on for far too long now.

SOME HON. MEMBERS:

Oh, oh!

MR. LUSH:

Now, Mr. Chairman, I notice my colleagues are here laughing and giggling. I find it rather distracting at the moment.

MR. CHAIRMAN (Greening):

Order, please!

MR. CALLAN:

What I was saying is the Minister of Finance got hit with two pieces of two by four, one to wake him up

and the other to get his attention.

MR. LUSH:

Mr. Chairman, there was a time when I got adjusted to these little off on the side developments but I got back into the classroom for two years where I was the boss and where I did not allow anybody to talk or to actually blink when I was talking. Most of the time I did not have to demand order, most of the time I was so interesting that they sat and listened to me. I did not have to ask for order at all.

MR. WINDSOR:

We are going to fall asleep.

MR. LUSH:

Well, if the hon. gentlemen fall asleep when I am talking about the unfortunate financial plight of 300 fishermen in my district I say it is a sorry night for the member for of Mount Pearl (Mr. Windsor). Mr. Chairman, let the fishermen hear the Minister of Treasury Board (Mr. Windsor) found it boring. Mr. Chairman, they do not find it boring, they find it awfully frustrating.

Mr. Chairman, my hope is that the Minister of Finance (Dr. Collins), when he rises in his place, will demonstrate his same concern for the individual fishermen in Bonavista North as he has for these fish companies. I am not objecting to that but I want to see the hon. member's interest become more diversified, I want his interest become more comprehensive to include all of the people of this Province, not just a narrow specified group. I want to see it including all of the people and I want to see it including the 300 fishermen in Bonavista North who have been

treated, Mr. Chairman, in an abominable manner by the federal government in this matter relating to UIC.

MR. CHAIRMAN (Greening):
Order, please!

The hon. member's time has elapsed.

SOME HON. MEMBERS:
By leave.

MR. LUSH:

Whenever hon. members say 'By leave' I take it that it is time to sit down.

MR. CHAIRMAN:

Shall the resolution carry?

DR. COLLINS:

Mr. Chairman.

MR. CHAIRMAN:

The hon. the Minister of Finance.

DR. COLLINS:

Mr. Chairman, I hesitate to rise because the hon. member made such a tremendous speech that there should be no further words said. However, I do rise upon my feet because the member seems to be on animal stories these days. He seems to be bit of an animal lover. He had the story about the horse and the sparrow in regard to the budget and then he just had the one about the mule and the two by four so we cannot let him get away with all these animal stories.

It reminds me of the story of the international group that went to Australia and when they got there they got in a conversation with an Australian and they began to boast about their countries. The American said in the United States we have these huge big bison that roam the plains and -

MR. CALLAN:

This better be funny.

DR. COLLINS:

- and the Australian just listened. Then the German was there and he talked about the huge stags they have in the Black Forest, the big antlers and so on, so the Australian listened to that for a little while. Then the Russian talked about the marvellous big bears they have on the plains of Russia and still the Australian just listened quietly. Just then a kangaroo bounded past the open door and they said, 'My heavens, what is that?' And the Australian said, 'I did not notice anything but we do have a lot of mice around here.' So the hon. member's remarks remind me of the kangaroo, they are a bit overblown. They are a bit exaggerated. However, I am sure his heart is in the right place if he could only find where that place is.

In regard to those fishermen who have trouble with the UIC, it would seem to me that the biggest difficulty there is there must have a very poor MHA who does not keep them straight on the UIC regulations. We might send up some members from this side of the House to the hon. member's district to carry on the work amongst his constituents that he should be doing. We do not seem to have these difficulties in other parts of the Province, even in the great district of St. John's South which has a very high proportion of fishermen. They seem to manage their affairs quite well because they get the information that they should have and some of that information comes through their local representative.

Whereas, in Bonavista North, there seems to be a tremendous deficiency in the sort of information flow that they should be getting from their member there. Now, we will try to help out where we can.

The hon. member made a number of other profound although inane remarks about this bill that I just cannot recall to mind at the present time. I think I will take my seat now and if the hon. member wishes to get up again he is quite welcome to do so. However, possibly, there is nothing left to be said and the resolution may pass.

MR. SIMMONS:

Mr. Speaker.

MR. CHAIRMAN (McNicholas):

The hon. member for Fortune - Hermitage.

MR. SIMMONS:

Mr. Chairman, it is not quite ready to pass yet without first reiterating some of the points that my colleagues have made.

The gentleman for St. John's North (Mr. J. Carter) should understand there is no need to identify himself unless he is standing to speak.

One of the most obvious truths, as you look at this bill, is that it has to be one of the most nefarious, most scandalous pieces of legislation ever to come -

DR. COLLINS:

This is another kangaroo -

MR. SIMMONS:

The minister tells us about kangaroos. He wanted to go around the world to Australia but he was afraid he would fall off the edge.

Mr. Chairman, this bill is a terrible, nefarious piece of legislation. The legislation of 1957, which this amends, was of itself a good bill and the idea of having the government come in from time to time in the interest of accountability to the elected legislature is a good idea.

The idea is being abused, being abused by the very man, although the bill does not stand in his name, and I am thinking of the Government House Leader (Mr. Marshall), abused by the very man who waxed eloquent and long, nauseatingly long, in 1972 and 1974 about how he was going to introduce single-handedly, on his broad shoulders, more accountability to the House of Assembly. Well, Mr. Chairman, how is this for accountability?

Look at the schedule. Item 1, \$90,000 approved as a loan guarantee in June 1983. Order in Council gave approval two years ago tomorrow, two years ago, and they are coming in here now saying, 'Would you rubber stamp?' This is not a Loan and Guarantee Act this is a rubber stamp bill. Two years after they have the face to come in here and say we would like to go through the legalistic nicety of getting this into the schedule of the Loan and Guarantee Act.

As you know, Mr. Chairman, the Act itself, the original Act of 1957 provides for the mechanism of the Order in Council. The Order In Council itself, without any reference to this legislature, is fully adequate to stand up in law in terms of the legitimacy of the guarantee, so there is no reason in terms of legitimizing the guarantee why these amendments to the schedule have to be brought

forward at this time or at any time. That is not the reason for it. A scrutiny of the bill will very quickly demonstrate that the Order In Council is quite adequate.

The Minister of Finance (Dr. Collins) has the power, through the Order In Council, to provide these guarantees through to their expiry date. So, why then, Mr. Chairman, did the framers of the original Act back in 1957 provide by implication that the schedule would be amended from time to time? Surely, the only reason, Mr. Chairman, was in terms of accountability to the House so that the Lieutenant Governor in Council, and the Cabinet from time to time, not every two or three years mind you, but as soon after the Orders-in-Council had been executed as possible, to come into this House and account for its actions.

The very first item on this schedule, the very first loan guarantee, was given effective June 1983, two years ago, and here they are now, the people who are going to bring a full accountability to this Chamber, full accountability for government actions, is in here perpetrating this mockery on the House two years after the fact. And I could take you through others.

Mr. Chairman, in all but a very few of the thirty-nine items proposed as amendments to the schedule, all but a handful, the guarantees have actually run out, the guarantees have expired. So why the charade? Why this business of being here tonight when we could be elsewhere or doing something more pragmatic and sensible and productive, why are we here going through this

charade? Why? What is the point of it all? The point was accountability in 1957. They have abused that.

There is no question of accountability here. There is a question of considerable arrogance. There is a question of an abysmal amount of arrogance to even come in. What they ought to do is, if they are going to proceed on this path of ignoring the House, they should carry it the whole way I tell them, and they should not even bring in the amendment. It would in no way upset the guarantees provided through Orders in Council, and perhaps it would give us one less opportunity to point up the abysmal arrogance of this government, the way they have flaunted this House of Assembly, the way they have ignored it almost completely, not quite completely, they want to rub it in by bringing in this bill after the fact. They want to ask us would we add to the schedule a loan guarantee that was triggered two years ago. Well bully for them.

Suppose we do not give them approval, what does it mean? Just suppose for a minute that a majority of the members of this House voted down this bill, what would it do? Absolutely nothing. Because the guarantees were not only given in 1983 or 1984, in most cases they expired, one expired on May 31, 1985, another is going to expire ten days from now. Is anybody suggesting that the bank is out there holding its breath for this bill to pass the House? It does not matter a hoot if this bill ever passes the House in terms of the effectiveness of the guarantees. It did matter, and I say past tense, it did matter in terms of accountability,

but it does not matter any more because they have clearly demonstrated that they do not intend to be accountable to this House.

MR. CHAIRMAN (Greening):
Order, please!

The hon. member's time has elapsed.

Shall the resolution carry?

MR. SIMMONS:
No, Mr. Chairman, not yet.

SOME HON. MEMBERS:
Carried.

MR. GILBERT:
I was on my feet, Mr. Chairman.

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

MR. GILBERT:
Mr. Chairman, as a new member, I would like to ask a few questions concerning Bill 23, "An Act To Amend The Loan And Guarantee Act, 1957".

We heard the Minister of Finance (Dr. Collins) this afternoon say that it was really not concerning loans but one of guarantees and we know what sort of guarantees we get from members opposite, 1,600 people are unemployment from Morrisville to St. Alban's in Bay d'Espoir. We heard the Minister of Health (Dr. Twomey) say that he could not guarantee a senior citizens home to this area of the Province even though there is not a senior citizens home between Grand Bank and Port aux Basques.

In this Act here there are thirty-nine loans, as my colleague just talked about, that had been made at various time down through

the last two years we are asked to rubber stamp right now because, really, that is about all we are doing. We see under those thirty-nine bills that are there twenty-four of them are on the fishery.

I know this shows that the fishing industry in Newfoundland is in a very sorry state and we wonder if it is because of the mismanagement of the members opposite or the government that they have to run around, helter skelter, making loans to keep plants open. I realize that when the minister introduced this bill yesterday he said that it will provide jobs for Newfoundlanders. You know, there is an interesting question here. I wonder how many jobs he really did make, or was it a case of putting out fires to keep plants going when we really do not know, as another one of my colleagues alluded to this afternoon, if they were viable.

We heard the previous Minister of Fisheries (Mr. Morgan) tonight talk about the Salfish Corporation and the situation that they find themselves in now in Puerto Rico, where our fish has been barred because of the marketing policy that was adopted. We heard the Minister of Fisheries (Mr. Rideout) say how he came back and reported to his colleagues that there was a serious problem and nobody listened to him. This, to me, seems to be the reason why twenty-four out of the thirty-nine loans that we have to approve right now, or you are asking us to approve are there, because of mismanagement in the fisheries.

We also heard the previous Minister of Fisheries tonight get up and talk about FPI, their

marketing policies. He questioned the management of that great company that was put in place to restructure the fishery and be the saviour of the Newfoundland fishery. I hear, as I go around this Province, concerns expressed by ordinary people about the management of FPI. They have some doubts, too. The people who live in Ramea have some doubts about the management of FPI when they see that their plant is closed right now while the one in Burgeo, ten miles away, which is operated by a different company, is operating. I think there is concern and a real need to have a look at the fisheries situation in Newfoundland. We have put money into colossal giant, FPI, which was going to be the salvation of the fisheries, was going to keep the plants open. Well, all right, we are keeping the plants open but if we are keeping the plants open to the detriment of the independent fish companies in Newfoundland, I wonder, is this really the purpose behind FPI? If they can go to New York, as we just heard the previous Minister of Fisheries say, right now and they can undercut the independents from Newfoundland by twenty cents a pound, I do not think we are really doing too much for the Newfoundland fishery. There is something wrong and I think it is time that we have a look.

We have heard people talk about paying lip service to private enterprise and to small business, yet we have created a monster in FPI. We have heard one of your own tell us some of the problems that have developed.

AN HON. MEMBER:
Close them up.

MR. GILBERT:

You possibly will if you keep on the way you are going, and you will close down everybody else in Newfoundland. We see what you are doing right now. Right now in this famous Act you are talking about, Bill 23, twenty-four of the loans are to fishing companies. In my district right now there is one plant that is operating under FPI, the rest of them are not. In the bottom part of the bay we do not have a fish plant, we have a forestry industry which I am going to get to later on. But right now we have a situation, a very serious situation in the fishery. FPI was supposed to come up with a financial operation, you know, to tell us how they were going to operate, what their plan was, was it going to be geared to having more money put in by government, more and more. I would like to hear the Minister of Finance (Dr. Collins) tell me at what time down the line FPI is going to become a viable company.

We heard the previous Minister of Fisheries tonight say that he figured they were going to lose \$45 million to \$50 million this year. I think he was being overly kind.

MR. MORGAN:
Or a bit more.

MR. GILBERT:
I still think you are being overly kind. When this is done I think you will find that we will possibly be looking at a much bigger deficit, and then they will come with their hand out again. Now, is this the sort of private enterprise that we want in Newfoundland? We have the fish plants that are operating around the Coast of Newfoundland and have operated successfully. We have success stories in the fish plants

in Newfoundland. But in a situation like we have here it is pretty hard to compete when you know that a company can go out and lose \$40 million to \$50 million to \$60 million and know that all they have to do is come back to government and they are going to be bailed out again. You know, the previous Minister of Fisheries had a real serious concern and he expressed it here tonight. I am glad to see that he did, because this is a situation that we have not talked about too much, but it is a situation that is a serious problem to Newfoundland, where we have a company that can lose this kind of money knowing that all they have to do is come to government and say, 'We are going to have to close the plants again' - and then we have a panic situation.

Now, if you believe in that thing called private enterprise that we hear so much about, I think it is time that we have a look. Because I am sure the previous Minister of Fisheries was really concerned when he talked about the management of FPI. He is a concerned Newfoundlander. He has some doubt about the management of that company. And I agree with him. The management of that company is of concern to all Newfoundlanders, and those of us who go out there and listen, we hear this concern expressed to us on a daily basis, but nobody has done too much about it. I think, Mr. Chairman, it is one of the things that we are going to have to take a very, very serious look at.

You asked us to pass Bill 23 which guarantees loans to twenty-four fishing companies that are in trouble. Now, I wonder why those companies are in trouble?

Obviously, if government has to guarantee a loan for them, they must be in some type of trouble.

Now, I have operated a business in Newfoundland for the last fifteen years and I have not had to have any government guarantees, I have always been able to raise money in a conventional way when I had to. So, if a business is in trouble and has to obtain government guarantees, there must be some reason for it. After we go to the banking system in this Province or in Canada, we have in Newfoundland the Newfoundland and Labrador Development Corporation, which was set up to provide funding of last resort. When the banks have turned them down, all right, fine, they can go to this organization and they will look at the situation.

MR. CHAIRMAN (Greening):
Order, please!

The hon. member's time has elapsed.

MR. LUSH:
Mr. Chairman.

MR. CHAIRMAN:
The hon. the member for Bonavista North.

MR. LUSH:
Mr. Chairman, now that I have the attention of the Minister of Finance (Dr. Collins), I want to further elucidate on the problem that I was talking about, particularly since the Premier is in his seat, because I am sure that the Premier would not agree with the frivolous and heartless manner in which the Minister of Finance responded to this very special concern of mine related to the fishermen of Bonavista North. And I am sure that the member for Bonavista South (Mr. Morgan) would

not react that way. Neither would the member for LaPoile (Mr. Mitchell), who has a similar problem.

Now, Mr. Chairman, I want to clarify this point in these few moments that I have remaining, to point out the situation that these fishermen are in. As I said, I am sure that the Premier would not agree with the frivolous and heartless manner in which the Minister of Finance (Dr. Collins) responded to this particular problem. Because, one can say what one wishes about the Premier, but nobody can accuse him of not having a heart.

SOME HON. MEMBERS:
Hear, hear!

MR. LUSH:
I do not believe anybody, as long as I have sat in this House of Assembly, ever accused the Premier of not having a heart. We may have accused him for wrong approaches, Mr. Speaker, but we have never accused him of not showing sincerity to people with problems. And, in this particular problem, the Premier, during election, followed up on this. My understanding is that he and a couple of other ministers sent a telegram to the federal government asking them to wipe out this payment of UIC. I am taking my time on it, Mr. Speaker. I am hesitating with respect to the words I use, because I have been using the word overpayment, and it is not an overpayment in the strict sense of the word. This was the point of order I tried to raise yesterday with respect to The Evening Telegram, when they referred to it as an overpayment. Now, I was to blame because I was the person who used the word 'overpayment'. That is the word,

it seems, that people are using in talking about it. It is not an overpayment, Mr. Chairman, in the sense that somebody gets a UIC cheque today and finds out that it is \$50 more than it was last month or \$100 more, or somebody getting a Social Services cheque and finds out that it is \$25 more this month and \$25 next month, and they could possibly pick up the phone and call. It did not happen that way. It had to do with insurable weeks, a mistake made by the company in setting up a computer system, and the computer system was geared to a bi-weekly system of pay.

For example, if a fisherman shipped two shipments of fish this week, the computer showed it as two insurable weeks when it was only one. Now, Mr. Chairman, hon. members can say, well, if a fisherman got forty weeks, he obviously knew that something was going wrong, but it did not happen that way. This was only probably two or three times during the fishing season. For the most part, he shipped his shipments in the two-week period, but for two or three, it was only the one, occasional, very sporadic.

MR. BARRY:

It was occasional, through the bit and piece of the season.

MR. LUSH:

Exactly. And when the fisherman got his separation papers or severance papers, whatever you call it, and he saw fourteen weeks on it, the fisherman did not question this. He applied for his UIC, went on collecting and after about eight months, he gets a letter from the UIC people, or Revenue Canada, saying that he had received UIC in contravention of the act, he did not meet the

number of weeks. And, Mr. Chairman, by now the fishermen had built up a horrendous bill in collecting UIC for six months, seven months, whatever the case might have been, and the Minister of Finance (Dr. Collins) has the nerve to say it was the fault of the member, thinking that it happened in my time. I am left with the problem to try and solve it, Mr. Chairman. This problem happened a year ago. How silly! What rhetoric!

MR. TULK:

Who was the member then?

MR. LUSH:

The member was Mr. Cross. I am not going to get into that trash. It was not Mr. Cross' fault. How silly!

MR. BARRY:

How did they deal with the Torngat Co-op problem that arose earlier?

MR. LUSH:

The Co-op problem in Labrador?

MR. BARRY:

Yes.

MR. LUSH:

That question was addressed. I heard hon. members stand in their place and speak to that, and Mr. Chairman, they condemned the federal government at the time for their callousness. But we do not hear that going on today. Now as I said, Mr. Chairman, the Premier, as far as I can understand, took action back during the election, as did of his ministers.

MR. BARRY:

Was that not corrected? What that not a similar situation?

MR. LUSH:

The Torngat situation was

corrected.

MR. BARRY:

And the fishermen were excused from payment.

MR. LUSH:

They were excused.

PREMIER PECKFORD:

There is a provision under the UIC which allows it to happen in this particular instance, and it was on that basis that we protested.

MR. LUSH:

Mr. Chairman, through you, Sir, to the Premier, that is what I have been asking the government to do.

PREMIER PECKFORD:

That is what I have been saying to the hon member, because I am familiar with the case myself.

MR. BARRY:

This has been going on for three days in the House. Nobody understand what is going on, nobody responds from the other side.

PREMIER PECKFORD:

Well, I am giving you a response. I was aware of it, I had the fishermen in my office.

MR. BARRY:

Did the Minister of Finance know about it?

PREMIER PECKFORD:

No, he did not know about it. I handled it myself because it was such a serious matter. The fishermen called me directly, a whole lot of the fishermen called me directly and I answered their calls and told them to come in the next day.

MR. LUSH:

Well, maybe after I am finished

the Premier can stand up and tell us what he has done. I do know the Premier. I do know that he took action, as did a couple of other ministers I believe, sent telegrams asking the federal government to resolve this, as they can under a particular clause, something related to causing financial hardship. And, Mr. Speaker, this will cause financial hardship, fishermen owing \$4,000, \$5,000, \$6,000, and I have heard that it goes up to as much as \$8,000. How are fishermen ever going to pay that back? It was a mistake made by a computer, by the employer.

Now, I understand that it is has been taken care of, that this will not happen again, but, Mr. Chairman, we cannot allow this to go on, the anxiety and the frustration that has been experienced by fishermen and their families day in and day out wondering what is going to happen to them.

MR. TULK:

How do you explain the Minister of Finance in this spot?

MR. LUSH:

Well, the Minister of Finance (Dr. Collins) did not take the problem very seriously, as he has a tendency to do. He just dealt with the matter in a frivolous way, in a heartless manner. But I knew that the Premier would not respond in that manner, because I knew that the Premier had taken action. But what I have been trying to find out, Mr. Chairman, for the past couple of days, is what is the response?

MR. TULK:

The Minister of Fisheries did not respond to it either.

MR. LUSH:

The Minister of Fisheries (Mr. Rideout) was not familiar with the situation a couple of days ago, but I will not talk about that since he is not in his seat. I will wait until the hon. member returns. I know that he called me later to say that he was going to look into it, but the hon. member was not familiar with the situation. He indicated that he was looking into it, but called me the next day to say that he misunderstood the situation, that it was another similar problem that he was looking into. But he gave me his commitment that he was going to check into it, that he agreed with me, that this thing should be cancelled, wiped out, and let us start from square one.

I do not know whether the Premier has had any reply to his representations. Maybe he can tell us, so that we can allay the fears of the fishermen and their families in Bonavista North. We are talking about, Mr. Chairman, 1,000 people who are affected by this directly and indirectly. There are close to 300 fishermen, multiply that by 3, and we are talking about close to 1,000 people affected, directly and indirectly, by this very insensitive and callous move by the federal bureaucracy. And they react something like the Minister of Finance, showing no sensitivity and being frivolous.

DR. COLLINS:

(Inaudible) member out there.

MR. LUSH:

Mr. Chairman, I dealt with that about the member. This member was not around in Bonavista North when this was done. I am trying to salvage the situation, I am trying to help. I do not want to make

politics out of this, Mr. Chairman, I am fighting in a sincere way for the fishermen and their families of Bonavista North. I could have made politics out of this, the people on this side know that, I could have made politics out of this had I wanted to, but it is too serious a problem. I want it to be solved and I hope, Mr. Chairman, that I do not have to raise it any more. I hope that ministers on the other side will deal with their friends in Ottawa, their buddies, people that they can get along well with, and let us see if we cannot solve this problem once and for all, and let us see if we cannot do it quickly. If the Premier has no word back yet, no results from his representations, maybe he can make a commitment that he will ensure that before this House closes he will have some action on this, he will be able to report back to this House and to the fishermen of Bonavista North that their problems have been addressed and taken care of.

Thank you, Mr. Chairman.

PREMIER PECKFORD:

Mr. Chairman.

MR. CHAIRMAN (Greening):

The hon. the Premier.

PREMIER PECKFORD:

Mr. Chairman, first of all, I listened to some of the hon. members in the debate on the bill. My first reason for getting up was the hon. gentleman for Grand Falls who really disappointed me in his approach - no, he is from Grand Falls, but he represents Burgeo - Bay d'Espoir (Mr. Gilbert). He is the member for a rural riding, where there is a lot of fishing going on. I do not know if all hon. members were

listening, but his comments should not go unnoticed, and I do not mean that in a partisan sense. Perhaps, the member sitting next to the member for Burgeo - Bay d'Espoir, the member for Twillingate (Mr. W. Carter), can enlighten the hon. member for Burgeo - Bay d'Espoir on a little bit to do with the fishery. Because if hon. members of this House, especially hon. members opposite, or any hon. member of this House is going to view the inshore fishery or the fishery in general the way the member for Burgeo - Bay d'Espoir wants to view it, then we better go down and close down everything in Burgeo - Bay d'Espoir tomorrow morning. We just might as well do it, if we are going to approach it the way that that hon. member was addressing it. Ramea would not be open today, that is for sure, nor would Burgeo, nor would a lot of other places in Newfoundland because of the nature of it.

Just look around Newfoundland today. If you look anywhere in Newfoundland today, with the cold water, and the dirty water there is not a fish to catch. You cannot get a fish to eat in most bays in Newfoundland today. You just cannot get it. That is a lot different than cars. You know, when Ford Motor Company sets up their plant and starts to produce cars, the hon. member for Burgeo - Bay d'Espoir (Mr. Gilbert) knows when he is going to get his cars. And there is going to be no wind or dirty water or cold water that is going to prevent that. Unless there is some kind of a catastrophe on the way down on the train or on a boat, nothing is going to prevent the hon. member from getting his cars. That is not the same thing as the fishing industry in Newfoundland, inshore,

or offshore for that matter.

But I view with a great deal of concern some of the comments made by the hon. member for Burgeo - Bay d'Espoir who represents a rural riding which depends to a large degree upon the fishing industry of Newfoundland, both offshore and inshore.

As it relates to the hon. member for Bonavista North's (Mr. Lush) comments on the problem that he raised, I was not in the House and I was not aware that he had raised it. But I will check on it the first thing tomorrow morning to see where it is now. It is a very, very serious problem. The hon. member is dead right, there is no reason under the sun why the federal government cannot exercise the clause in the legislation governing this kind of situation - it is a hardship situation.

It was very serious at the time - I think it was before the election - it came to my attention. I called a number of the fishermen, and I had some of them come in to see me on it. I think there was a union representative there, too. So it is a very, very serious situation and it was not their fault. It is completely not their fault. We made representation to the federal government at the time and indicated in no uncertain terms where we stood on the matter and that the whole thing should be wiped out; it was their mistake, it was not the fishermen's mistake, that regardless of whose mistake it was, it was a hardship and it was covered in the legislation.

MR. LUSH:

That is why it is there.

PREMIER PECKFORD:

Exactly! Precisely! That is why it is there, for circumstances like that.

I will not keep the Committee very long, Mr. Chairman, but on the larger question of the bill just let me say that the items listed here in this act when you look over the various companies and so on, I mean, if these guarantees had not been put in place, there would have been hundreds if not thousands more Newfoundlanders out of work today than there are right now. If you look at the situation in Burgeo, I think very few people in the Province, and, perhaps, very few people in this House, except the ministers who have been involved and some of the people who have been a member for that area, realize that the plant in Burgeo has not made any money over the last while that has been under a subsidy situation. And there have been problems in Ramea over the last number of years.

Out of all the guarantees that were issued, if you look at bank loans, even the Bank of Nova Scotia or any commercial bank in Newfoundland, the failure rate here is not very high. A couple of years ago the President of Treasury Board (Mr. Windsor) was heavily involved, so was the former Minister of Fisheries, so was the Minister of Finance (Dr. Collins), in putting a committee together representing those three departments, and everytime an application comes in now - I heard some hon. members asking what kind of a system do we have to look at this - it goes through a very, very difficult system before it even comes to Cabinet. It goes to the committee of people who report to those three ministers, then to a committee of Cabinet, then to Treasury Board, then to the full

Cabinet. It is assessed and scrutinized from markets to the amount of money, to whether there are any mortgages on all the property, and what we get in return as a mortgage against our guarantee. These kinds of things are all done. Additionally, if it is approved there is a monitoring system in place with a set of guidelines and regulations where each company has to report to government in writing - I think it is monthly and then quarterly - on the status of their operations - it has to be done by their accountant - and sometimes we even insist on having somebody on the Board of Directors of that company, depending upon the nature of the company and the problems that it has.

So the whole question of this loan guarantee programme that we brought in a number of years ago was, in the first instance, to help the fishing industry, especially the inshore fishery at that time, and it was brought on and precipitated by the situation in the Southern Shore and Cape Shore areas when Quick Freeze left, if the hon. gentleman can remember Newfoundland Quick Freeze. It was precipitated by that, among other fish companies around the Province. That is why it was brought in and it was expanded to include not only the fishing industry but also other resource industries and other industries generally, where it could be demonstrated that this seemed like a wise investment for the government to make and that we would retain the jobs that were there and, perhaps, have an opportunity to expand.

I think the other thing that should be said, and some hon. members have addressed it from

time to time here sort of parenthetically in their remarks, and that is - and one of the things that we have noticed and, I guess, a lot of hon. members have noticed - that there are some very, very efficient small operators around this Province who are doing a really, really good job in the fishing industry.

In the last round of discussions that we had it came to our attention, and I do not know if they are in this particular bill or not, they might be in the next bill, that there were three of four particular companies, and I look with interest on Trinity Brick Products, because it was not only by this guaranteed loan, but by the fact that we made it a condition of the tender for the extension of this building that the brick from Newfoundland be used that kept that company in business. So we did it two ways and not just one. But there are a number of small companies, one in the hon. member for Bellevue's (Mr. Callan) district, and I can remember where we had provided them with a guaranteed loan a year or two ago. There are two in the hon. member's district, as a matter of fact, one on the Placentia Bay side and one on the Trinity Bay side, if I am not mistaken. Both of those small companies got small guaranteed loans, not large ones, and went about their business. Now, as hon. members know, we amended the fishing regulations to allow for if not more capacity to be built, at least more freezing and modernization of the equipment. These two companies did it and their financial statement shows for the last twelve months, up to a couple of months ago, what they have been able to do marketing down in the United States through

the independent group there, the label that they have now, and they did an absolutely first-class job. I mean, just a first-class job. And it shows what can be done in rural parts of our Province with small industry. There is a lot of talk about Fishery Products International and rightly so. One of our biggest problems over the years has been on the management side of things, there is no question, for a whole range of reasons. A lot of it is not our fault. But there is a great body of evidence out there right now to give us a lot of hope that the rural, small, fish processing facility is going to be very much a part of the economic well-being of rural Newfoundland for a long period to come.

Up until now we have had all kinds of problems, but a sort of quantum leap, almost, happened over the last twelve to eighteen months with a lot of these small, individual operators. They have really taken the bull by the horns, a lot more than they had in the past, and are doing things right, are doing a lot better on quality, a lot better on marketing, they are into freezing and modernization of their equipment, which makes them a lot better.

MR. CHAIRMAN (Greening):
Order, please!

The hon. Premier's time has elapsed.

PREMIER PECKFORD:
Yes, only one other point. The hon. member for Eagle River (Mr. Hiscock) came over to me and mentioned something about storm damage on the Labrador coast, and of course, you still have the problem in some of the bays on the

Island as well. I was in White Bay today and lot of the ice was still in there. So I will take a look at that problem for the hon. member and I will get back to him within the next couple of days on that particular one, because there has been a survey done, as I understand from the hon. member, and I will see.

My only point, Mr. Chairman, in getting up is, one, I was disappointed in what the hon. member for Burgeo-Bay d'Espoir (Mr. Gilbert) had to say as it related to the fishing industry of the Province, given the kind of support that this government, through this House, is trying to provide to a lot of people who are trying to create jobs. Number two, there is a monitoring and screening programme in place, that we are trying to ensure that the money is spent wisely. A lot more could be done no doubt, and all the rest of it. And, thirdly, in our preoccupation in talking about the fishery with Fishery Products International, I think we should balance that of and be very careful in our discussions, because there is a very, very appropriate place in Newfoundland, in rural Newfoundland particularly, for the small and medium sized operator. They are going to be very, very instrumental in how well we do in the fishery, and economically, in many rural parts of the Province. I think we are now on the right road. There is still a long ways to go, but I think we are on the right tracks now in the sense of quality, marketing, good management, modernization and this kind of thing. If we have to do this for a few years yet, well, I think it is a darn good investment as long as we scrutinize it, as long as we monitor it. Out of

this is going to come permanent jobs and viable industries overall. And we will not have a failure rate any greater than we have in Fisheries Loan Board, or the Rural Development Authority, or the banks if we do it right, and I think we are starting to do that, Mr. Chairman.

SOME HON. MEMBERS:

Hear, hear!

MR. BARRY:

Mr. Speaker.

MR. CHAIRMAN:

The hon. the Leader of the Opposition.

MR. BARRY:

Mr. Chairman, I did not catch all of the member for Burgeo - Bay d'Espoir's (Mr. Gilbert) remarks, but what I did catch, and I think these are the remarks to which the Premier refers, dealt with the necessity when spending taxpayers' dollars whether it be on worthwhile - I wish the Premier would not go for a moment because I would like to ask him, either he or the Minister of Fisheries (Mr. Rideout, to explain one particular company. There are a couple of others as well, that we will perhaps get to, which tend to support the point that the member for Burgeo - Bay d'Espoir (Mr. Gilbert) was making, and that point is that we have to watch very carefully where the taxpayers' money is going, we have to make sure that the management of companies receiving these large guarantees or loans from government have a reasonable degree of competence, and we have to make sure, Mr. Chairman, that we do not just throw good money after bad in trying to keep alive operations where you could sink the entire provincial treasury,

and the way in which business is being operated will never see the business turn a profit. Now, I think that is what the member for Burgeo - Bay d'Espoir was saying, and that is a position that we on this side of the House support. That is not to say we do not recognize the need on an interim basis, and I stress 'on an interim basis', for ensuring that companies that find themselves in difficulty would have a reasonable prospect of getting themselves out of difficulty, receive support from government in the interim, and it may very well be, Mr. Chairman, for social reasons.

Well, let us separate that completely from a business analysis, from a balance sheet analysis. For social reasons it may be that government decides that it will subsidize, it will put a certain amount of money in in order to keep a community going, but that should be done as is clearly set out in the FPI agreement, as there is provision for as far as that company is concerned, where you have your larger plants. If on a business basis a decision is made that a plant cannot be kept operational, then, after scrutinizing that business analysis and making sure it is correct, that does not mean that the plant then closes down, it may be that government for social reasons makes a decision that instead of paying social assistance a lesser amount of money will go into keeping a fish plant operating. It should be clearly done without fudging and confusing the balance sheet of the company, it should be clearly done and clearly noted that this is so. Now, I would like to ask the Premier and/or the Minister of Finance (Dr. Collins), or somebody over there, on the Premier's

second point, and it may relate somewhat to the first point, if we have this monitoring situation going on, could somebody tell us what has happened with respect to Belle Isle Seafoods Limited. Belle Isle Seafoods Limited, as we understand it, I think the Minister of Finance indicated it went bankrupt? I do not want to state anything that is incorrect.

MR. W. CARTER:

The member for Bonavista South (Mr. Morgan) indicated that.

MR. BARRY:

The member for Bonavista South (Mr. Morgan) indicated this.

Does this mean that the Province has lost the \$400,000 that has gone out as a loan guarantee to that company? Was there a mortgage securing that loan guarantee? These are questions the Premier has raised. That is exactly what we are trying to do here today, get some answers with respect to Belle Isle Seafoods Limited. Petty Harbour Fisheries Limited is another one. There we have \$321,000. What has happened to that company? What has happened to the government's money? Has government had to pay up on that guarantee? Is there security held by government with respect to that? Is the monitoring situation ensuring that there is no money lost in these operations? Let us get some answers.

With respect to Fishery Products International, over \$7 million advanced apart from the \$70-odd million that went in earlier, which was almost totally federal money, but there is another \$7,375,000 from the Province in the form of loan guarantee for that company. Have we yet seen a

business plan from Fishery Products International? We are almost into the second year of restructuring. As of this Fall it will be two years. My understanding is that, at least as of a couple of weeks ago, the company was still fooling around with a draft business plan and I understand it was brought to the shareholders only in the last week. Do we now have a final business plan from Fishery Products International? For heaven's sake, how is it that it took close to two years for this government to ensure that that company came forward with a business plan? Make no wonder there has got to be another \$7,375,000 risk accepted by this Province with respect to Fishery Products International if the Province, who is a shareholder in that company, has not been competent enough, Mr. Chairman, to ensure that that company came in with a business plan which, I understand, under the Fisheries Products International agreement, was contemplated was to come in the space of several months.

MR. TOBIN:

Do you still represent one of the shareholders?

MR. BARRY:

Mr. Chairman, I represent the people of this Province and nobody else. But for the member's information, since May 1 I have not had any association with my law firm. As a matter of fact, I have been full-time Opposition Leader since last October, apart from several files unrelated to that particular client. I think there is still one file, unrelated to this, I have to clear up. Apart from that I have no association with the practice of law other than my name is still on

the firm and I am down there as counsel which means I am not active. So I am not speaking here on behalf of anybody other than the people of this Province. The people of this Province have not been served well. I would like to ask the Minister of Finance (Dr. Collins), or the Premier, to explain why is it that it has taken so long to get a business plan out of Fishery Products International? Do we now finally have one? I would also, Mr. Chairman, as for a response to a matter which I believe was raised by the member for Fogo (Mr. Tulk) earlier today, and that is why is it that government will issue leases to companies such as Parsons Pond Seafoods Limited without a condition in the lease that the company maintain a continuous operation, or at least without a condition that the lease will be forfeited and void should the company cease operations in a particular plant for longer than an established period of time, whatever is fair? It might be three months, it might be six months, it might be a year. But it seems to me, Mr. Chairman, there is something wrong when a company can have a lease from government -

DR. COLLINS:

As a lawyer, do you ask that?

MR. BARRY:

Yes, as a lawyer, as a politician, as a person with, I hope, a small degree of common sense. I would say, Mr. Chairman, that just as in the case of mining companies where we have now established by law that if a mine is not kept in operation, if it closes down for a certain period of time, the mineral rights will revert back to the Crown. In the same way, Mr. Chairman, I would suggest to the

Minister of Finance (Dr. Collins) there should be a lease condition that after a certain period of time the lease comes back to the Crown. Because what we have now is a situation where there are plants - I mentioned the Parsons Pond Seafood one at Hawkes Bay because that is one that is of current interest, there has been media coverage on that - around the Province where companies want to go in and start operation and put people to work in fish plants and they cannot because the lease is held by a company that says, no, it is not profitable for us to go in and operate that plant. Now, with the 60,000 unemployed in this Province, Mr. Chairman, it is not asking to much, is it, for government to ensure that where we do have a plant it is made available to companies that are prepared to invest money and prepared to put people to work?

Mr. Chairman, I have a few other points that I will raise shortly, but I would like to get some answers before I do. It is not much point in our going on with these questions unless the Minister of Finance (Dr. Collins) or somebody over there is prepared to give us a few answers. But we will keep putting them and I would hope that there is somebody making note with respect to the questions that are put.

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

DR. COLLINS:
We have been debating the bill now for some considerable period of time. A number of members opposite have commented and I can honestly say that the first couple of members who spoke on the opposite side asked all the questions that have been asked

since then. There have been repetitious questions asked. For instance, early on someone asked, 'What is the idea of this whole thing?' and I explained that. And, lo and behold, a little while ago someone else got up and said, 'What are we doing here? What is all this about?' so I explained that, again. And then halfway through someone said, 'I am not familiar with all this, I do not know much about finances and all this sort of thing, Wwill someone tell me what is going on! So you can give answers time and time again and the same old questions come back. The hon. member asked, I think, when I was out in the corridor there, about Belle Isle Seafoods. I answered that at least twice during this debate. Now the hon. Leader of the Opposition (Mr. Barry) was not in the House very often during the time and I am not saying that he heard the answers, but at least he should consult with his members over there and if he has a question ask some of his members, 'Have you asked this question? Has this answer been given?' without coming in and doing over the whole thing again.

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

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

MR. BARRY:
I have taken the trouble to ask members because we discussed earlier what questions should be raised. I have taken the trouble to discuss with the member for Fogo (Mr. Tulk), and other members who have touched upon these points, to check if we did get answers to questions. Now is the minister saying that he has given an answer with respect to whether

or not the Province has lost how much money, or how much money we are going to lose because of the bankruptcy of Belle Isle Seafoods Limited? Is the minister saying that he has answered that question? If he has the answer is going to find him out.

DR. COLLINS:

Is this a point of order?

MR. BARRY:

There is a lot of business before this House, and there is a lot of business in this bill that will be dealt with a lot more quickly if we start getting a few answers. We are not getting any answers. Now, if the Minister of Finance (Dr. Collins) would give us some answers we might be able to expedite the business and the operation of the House and the passage of this bill. Will he give us some answers?

MR. CHAIRMAN (Greening):

The hon. Minister of Finance.

DR. COLLINS:

Mr. Chairman, to that point of nonsense I have no comment.

MR. CHAIRMAN (Greening):

To that point of order, the hon. the Minister of Finance.

DR. COLLINS:

Has the point of order been ruled on?

MR. BARRY:

No, it has not.

MR. CHAIRMAN:

To that point of order, there is no point of order.

The hon. the Minister of Finance.

DR. COLLINS:

Well, Mr. Chairman, to conclude my

few remarks, what the hon. the Leader of the Opposition (Mr. Barry) brought up on a spurious point of order was exactly the point I am trying to make. He asked in his point of order was certain information given. Of course it was given. That is what I said.

MR. BARRY:

It was not!

DR. COLLINS:

If the hon. member would only get his act together over there and, instead of carrying on with speeches, and words and phrases and so on, understand what he is saying and understand the information that is given! I was asked at least twice, what is the record of the loan and guarantee programme, and I have answered that at least twice, if not three times, but the hon. member still comes back and says, 'We are not getting any answers. We ask how this programme is going and no one will tell us.' He has to sort of bring some level of intelligence to his handling of the leadership of the party opposite. If he cannot do that, which is not for me to say but, we do not have to put up with this sort of harassment and barracking.

MR. BAKER:

On a point of order, Mr. Chairman.

MR. CHAIRMAN (Greening):

On a point of order, the hon. the member for Gander.

MR. BAKER:

The Minister of Finance (Dr. Collins) is giving a false impression in what he is saying. There were things asked that he assumes, I suppose, he gave answers to. I asked a question about, for instance, any other

guarantees or conditions attached to any of these items and the fact that I would like to find out what they are and would he please tell me or promise to give it to me in some way. The Minister of Finance has not indicated he would do that, he made a general comment about it. He is simply trying to give a false impression now, for whatever reason I do not know.

MR. MARSHALL:

Mr. Chairman, on a point of order.

MR. CHAIRMAN (Greening):

On a point of order, the hon. the President of the Council.

MR. MARSHALL:

If the gentleman does not like what the Minister of Finance is saying, he has the opportunity to reply in debate, but I suggest that it is not proper for the hon. gentleman to get up and inject himself into the debate purely and simply because he does not agree with what the minister is saying.

MR. CHAIRMAN:

To the point of order, there is no point of order.

The hon. the Minister of Finance.

DR. COLLINS:

The last point of order brought up by the member for Gander again points out what I was saying. What are the conditions? On at least two or three occasions I laid out the sort of conditions that we put in here, the process we go through in assessing applications for guarantees, how we handle them, how they end up being processed, the fact that we go through a legal process with the Department of Justice, that was all said before. You know, it is words in the wind. The members opposite do not understand, they

have no concept of what is going on. They only want to make noises. They just do not want to learn anything. So, Mr. Speaker, it is hard to know how to handle things now. If I can get a specific question, if the hon. member wants to know was there a pay-out over Belle Isle Seafoods for the fourth time, yes, there was a pay-out over Belle Isle Seafoods. The pay-out is in there, how much the guarantee was. You do not pay out less than the guarantee.

MR. BARRY:

What about Petty Harbour Fisheries?

DR. COLLINS:

So, whatever was the pay-out under Belle Isle Seafoods.

So if the hon. member has another question at another time, let him pose it in a proper way and then I will answer to the best of my abilities.

Now, Mr. Chairman, I am trying to think of any other matters the hon. member brought up.

MR. BARRY:

What about Parson's Pond Seafoods?

DR. COLLINS:

Parson's Pond Seafoods, we went over that in considerable detail earlier in the day.

The hon. the Leader of the Opposition (Mr. Barry) went on at some length about another point. I am trying to think of it.

MR. BARRY:

The business plan for Fishery Products.

DR. COLLINS:

Yes, the business plan for Fishery Products. The hon. member may

well be aware that there is a restructuring agreement in place that was put in place with the former federal administration and it was signed by both levels of government. From our point of view, we have adhered to the restructuring agreement and we expect the federal government to do so. There was delay for a number of reasons, partly due to the slowness of the previous federal administration in carrying out certain obligations that they were supposed to carry out. There was a certain delay because of that in putting in place the management structure. After a considerable period of delay, a considerable period of confusion, a considerable period of interim management, finally a good management situation was achieved. That management situation has been working hard now on bringing forward a business plan. They have come forward with certain interim measures because it is an ongoing operation, many people are relying on FPI, and we will expect to have the final business plan through in a short period of time, and at that point, the two levels of government will be able to see what further measures are needed to carry on with the operation of the company. So, I mean, Mr. Chairman, that is perhaps a legitimate question. Clearly, the hon. the Leader of the Opposition (Mr. Barry) cannot expect to get in this House the details of a corporate plan from a company who are in a competitive market. The Leader of the Opposition has a very naive view of things, I know, but he must know that business corporations do have to operate in a competitive environment. They cannot let everything hang out so that their competitors can take advantage of the strategies they

have in place, and so on. If the hon. the Leader of the Opposition (Mr. Barry) has that view of the world, thank God they are going to be in the Opposition for a considerable period of time! I feel that if we wanted to conclude this bill, the hon. members opposite should ask for precise information and will give them precise answers.

MR. BARRY:

Mr. Chairman.

MR. CHAIRMAN (Greening):

The hon. the Leader of the Opposition.

MR. BARRY:

Mr. Chairman, we just had an amazing statement from the Minister of Finance (Dr. Collins). Can you picture it? We go down and we walk into a bank and we say, 'I am representing Company X and I want approval for \$7,375,000.' Now that is just a start. What he is saying is that when they finally establish a business plan and they find that there has got to be another \$100 million put into Fishery Products International, the minister is getting us ready, he is going to walk in and say, 'Now, I want your approval, you who have been elected as the stewards of the people's tax dollars, I want your approval for another \$100 million.' Right now, tonight, he is only warming us up with \$7,375,000. 'But I am not going to show you whether there is any hope in hell or hades of ever getting a cent of that money back for the people of the Province. We are not going to give you the business plan. We are going to come in and ask for the money and expect to get it.' Can you imagine going down to a bank and saying that? Maybe I am missing

something. Maybe there are financial institutions out there that are prepared to have me go in and ask for \$7,375,000 for my company. Not even Jed Clampett's bank would perform like that, dish me out \$7,375,000 without telling me what the plans are for spending that money. Now, the minister wants a precise question. How many of these thirty-nine items are cases of where there have had to be pay-outs by government? Would the minister inform the House how many of these there are?

DR. COLLINS:

I have already informed you.

MR. BARRY:

Mr. Chairman, I hope he did a better job than he did in explaining the Fishery Products business plan. We will just keep asking. We would like to know, Mr. Chairman, has there been a pay-out for Aqua Fisheries Limited? Has there been a pay-out for Bay Bulls Sea Products Limited? Has there been a pay-out for Creative Printers and Publishers? Has there been a pay-out for E.F. Barnes? Has there been a pay-out for Easteel Industries (1984) Limited? Has there been a pay-out for Eastern Ocean Products Limited? Has there been a pay-out for Equipment Enterprises Limited? Has there been a pay-out for Eric King Fisheries Limited? Has there been a pay-out for Fogo Island Cooperative Society Limited? Has there been a pay-out for George Dawe and Son Limited? Has there been a pay-out for Glenwood Forest Products Limited? Has there been a pay-out for Great Harbour Deep Sea Foods Limited? Has there been a pay-out for Hawke Industries Limited? Has there been a pay-out for Island Seafoods Limited? Has there been a pay-out for Labrador

Fishermen's Union Shrimp Company Limited? Has there been a pay-out for New Ferolle Fisheries Limited? Has there been a pay-out for Newfoundland and Labrador Credit Union Limited? Has there been a pay-out for Notre Dame Bay Fisheries Limited? Has there been a pay-out - I do not think there has but I will ask - for Ocean Harvesters Limited? Has there been a pay-out for Parson's Pond Seafoods Limited? Has there been a pay-out for Placentia Bay Seafoods Limited, for Port Enterprises Limited, for S.T. Jones and Son Limited, for the Canadian Red Cross Society, for Torngat Fish Producers Co-op Society Limited, for Trinity Brick Products (1972) Limited, for Trouty Seafoods Limited, for Upper Trinity South Regional Development Association, for White's Fisheries Limited? Specifically, which ones of these have there been pay-outs for to date?

MR. CHAIRMAN. (Greening):

The hon. the Minister of Finance.

DR. COLLINS:

Mr. Chairman, I will perhaps purchase Hansard and send it to the hon. Leader of the Opposition (Mr. Barry) for him to get the answers that he just requested, because these questions were asked early on. All of these items that were here, what pay-outs were related to them, I told them what were pay-outs -

MR. BARRY:

The minister must have been mumbling because nobody heard him.

DR. COLLINS:

- I told them the form, whether they were by special warrants or whether they were not by special warrants. It has all been done, it is all by special warrant. It

has all been done. It is all there. It is all written down. The information has been given. Perhaps no one opposite remembers. Perhaps no one is interested. We could go on and repeat and repeat and repeat and go over and go over and go over but why do all that? We are supposed to move from point to point in this House. This is an expensive operation, running the House of Assembly. We are not supposed to be spinning our wheels in the sand here doing the same thing over and over again. We are supposed to be carrying out the business of the public. Once something is done you go on to the next thing. You do not go and redo it all over again because someone has been inattentive or absent or disinterested or just wanting to pass the time, just wanted to say words. That is not what we are here for. We are supposed to conclude a piece of business, go on to the next one and not waste time, not prevaricate, not procrastinate but get on with things. So, Mr. Chairman, I will buy the hon. Leader of the Opposition (Mr. Barry) a Hansard, if I need to buy one.

MR. BARRY:
Mr. Speaker.

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

MR. BARRY:
We will have lots of time to see Hansard when it comes out tomorrow afternoon, Mr. Chairman, because we will still be on this bill and we will have lots of opportunity to examine it and determine whether in fact what the minister says is correct. So we will just move ahead and we will set out a few more questions with respect to

this bill and we will wait for Hansard to come out before this bill is passed.

Now I would like to ask the Minister of Finance (Dr. Collins) - and I asked this today and he did not give an answer, he gave a general nonsensical reply - can the Minister of Finance assure this House that companies on this list, which obtained loan guarantees, did not receive solicitation for political contributions from individuals representing members opposite or from members opposite themselves? Can the minister give us that assurance?

MR. CHAIRMAN:
The hon. Minister of Finance.

DR. COLLINS:
Mr. Chairman, not only are we asked to go over things time and time again, wasting public money in that respect, but we then have to put up with clear and unadulterated innuendo. Now, Mr. Chairman, the import of that question is is there something improper in giving loan guarantees? He is accusing me, as a minister, of acting improperly in giving out these guarantees. He is accusing the President of Treasury Board (Mr. Windsor), who at the time was Minister of Development who was involved, of doing something improper in giving out these guarantees. He is accusing the Minister of Fisheries (Mr. Rideout) including the former Minister of Fisheries (Mr. Morgan) of doing something improper in doing this. He is also accusing the ADM in finance responsible for Debt Management who is my representative on the Committee of Officials dealing with this, he is accusing one of the ADMs down in Development of doing something

improper. He is accusing an ADM in the Department of Fisheries of doing something improper. He is clearly implying by the nature of his question that these guarantees are related in some way to fund raising for a party, and I presume he means the PC Party. He is accusing the ministers involved and the officials involved in being part of a conspiracy.

Now, Mr. Chairman, that is the type of rubbish and utter garbage that has no place in this House. It is something that I am not going to respond to. It is something that I was not elected to respond to. It is something that the people who elected me do not expect me to respond to. It is something that the people in the gallery are disgusted with, I am sure. It is a pile of nonsense. If the hon. Leader of the Opposition (Mr. Barry) cannot come up with something more substantial than this in dealing with the statutes before this Legislature, I suggest he pass the job over to some other of his colleagues there. But I am not going to get down into the gutter and respond and try to, in some way associate myself with conspiracy to do something improper with the public money under this sort of questioning. I just refuse to do it and I do not expect anyone in this House will in any way object to it.

SOME HON. MEMBERS:

Hear, hear!

MR. CHAIRMAN (Greening):

The hon. Leader of the Opposition.

MR. BARRY:

Mr. Chairman, in the nine or ten years that I have been in this Chamber I find that periodically members tend to explode, as did

the Minister of Finance just then, over what I thought was a fairly reasonable question. The more they bluster, Mr. Chairman, as a rule of thumb, generally, the more you find that you are getting close to the mark, getting close to the nerve, and the more you find, Mr. Chairman, that there is an attempt to divert you. Now let us have the record straight, I am not accusing the minister of impropriety, I am not accusing the deputy minister, the assistant deputy minister, the director of administration, the Clerk Is or anybody else in his department. What I am asking is for a certain assurance from the minister because, Mr. Chairman, we have an unfortunate situation in this Province. We have a Premier who has broken his word on a couple of things. Latterly, in the last couple of months, it is becoming more casual for him, when he stands up and gives a commitment, not to seem to feel the same need to follow through as he once did. But there were certain commitments given by this Premier, one of which, Mr. Chairman, was to bring in an elections act, Mr. Chairman, that was going to take out of the democratic process, the political process of this Province, any possibility of members opposite utilizing their power, their ability to award loans or guarantees, take away the possibility of that being done on the basis of wink - wink, nudge - nudge. We have an election coming up wink - wink, nudge - nudge.

Mr. Chairman, we know there was an election. And, Mr. Chairman, the party of which I am leader solicited from the private sector, it had no alternative. The Premier did not live up to his commitment, did not follow through with the word that he had given,

with the promise that he had given to the people of this Province. He has attempted to escape that, probably at the urging of the member for St. John's East (Mr. Marshall), by the sham of tabling the bill. How many times have we had it on the Order Paper now?

MR. TULK:

It was tabled before the 1982 election, and it has been tabled every year since.

MR. BARRY:

In 1982 and every year since 1982. So we have had it probably four times on the Order Paper.

MR. TULK:

The covers are worn off the draft.

MR. BARRY:

Now that Elections Act, as we all know, has never seen the light of day in this House in terms of going to a vote.

MR. TOBIN:

How you have changed!

MR. BARRY:

Now, Mr. Chairman, we went out and solicited donations from the private sector. Mr. Chairman, we know that individuals representing the party of which members opposite are a part went out and solicited from that same private sector. They selected from individuals and they selected from corporations. And if the Minister of Finance (Dr. Collins) is not aware of that having being done, then the Minister of Finance should make some enquiries of the Premier and of his colleagues. And let us not have this high and mighty attempt, this sanctimonious attempt, this hypocritical attempt of the Minister of Finance to appear to be above it all.

MR. TULK:

He will not get down in the mud.

MR. TULK:

It is more like he has passed it all, Mr. Chairman. And let us have the minister give that assurance, because, Mr. Chairman, it does not have to be a matter of any impropriety on the minister's part or on any official's part. But, if at the same time an application was in for a loan or a guarantee or an extension of a guarantee, if at the same time there was a letter out from a member opposite or somebody representing a member opposite, or somebody representing the party of which members opposite form a part, if at the same time there were corporations receiving such a letter, such a request for a solicitation and they had applications in, wink - wink, nudge - nudge, what would those individuals think?

MR. TOBIN:

(Inaudible) urge.

MR. BARRY:

We will provide barf bags for the general membership of the House when the member for Burin - Placentia West (Mr. Tobin) stands up, Mr. Chairman. But in the meantime if he would keep quite.

MR. TOBIN:

My, you have changed. Tell us about the shipyard that the member for Grand Bank (Mr. Matthews) told you about yesterday.

MR. BARRY:

Yes, I would welcome the member for Burin - Placentia West showing that he has more honour than the member for Grand Bank (Mr. Matthews), who did the same thing as the Minister of Public Works (Mr. Young) in an attempt to get

the heat off, resort to slimey, sly accusation and innuendo without having the courage to come out and say something.

MR. TOBIN:

You knew what he was talking about.

MR. BARRY:

I do not have a clue what he or what the member opposite is talking about. I do not have a clue. And I suspect that neither does the member for Burin - Placentia West (Mr. Tobin) and I welcome him, to say it here in the House, say it outside the House, say what he has to say wherever he wants to say it, but be a man and say it. Do not be something as, you know, you see in the flash of a sick looking belly when you turn over a rock, Mr. Chairman. That is the level which the member for Burin - Placentia West is now participating in this debate. That is the level, the sly innuendo.

You go into an old building you know and you know root around with a piece of decaying wood and you see the thing slither away from it and dart back into a hidden recess, a dark, soggy, slimey recess.

AN HON. MEMBER:

That is the height you have got.

MR. BARRY:

Yes, that is the height of debate for the member for Burin - Placentia West.

Mr. Chairman, let me say again, we are asking the Minister of Finance (Dr. Collins) for nothing other than his assurance that there were not solicitations going out from the individuals I mentioned in my previous list, at the same time that we had these companies

applying for a loan guarantee, or an extension of a loan guarantee and so forth.

In light of the fact, Mr. Chairman, that the Premier has already admitted there is a problem that has to be dealt with - he has already told the people of this Province that the business of obtaining political contributions is something that has to be cleaned up in this Province - he has not followed through, he has broken his word, now, let the Minister of Finance (Dr. Collins) deal with that point I just raised and let him deal with it fairly and squarely instead of trying to slither away from it.

Thank you, Mr. Chairman.

MR. CHAIRMAN:

Shall the resolution carry?

The hon. Minister of Finance.

DR. COLLINS:

Mr. Speaker, I will ignore words like "slithering", and "white belly" and all this sort of stuff, I will totally ignore that. I will say this that these guarantees were vetted on their merits by the officials in the three departments. The cases came up and were assessed by the ministers on their merits, recommendations were made to Cabinet and Cabinet assessed the applications on their merits and made a decision one way or the other. That is as far as I am going to say anything on that matter except to add that during that process the political affiliation of the principles, or their intended political affiliation, or whether they gave a donation or whether they did not give a donation, or whether they

intended to give a donation, that did not come into the matter either at the official level, either at the ministerial level, and, to my knowledge, at the Cabinet level.

MR. CHAIRMAN:

The hon. member for Twillingate.

MR. W. CARTER:

Mr. Speaker, I have a couple of questions I want to put to the Minister of Finance. One has got to do with Bay Bulls Sea Products, a \$250,000 loan guarantee.

Mr. Chairman, I seem to recall a couple of years ago, it might have been 1983 when I think it was Bay Bulls Sea Products had a fire and the plant was totally destroyed, now I know they attempted to rebuild that plant but I seem to recall some trouble in the interim and the plant never did get reopened. Can the minister tell the Committee, Mr. Chairman, was that \$250,000 made to the original company before the fire, or was it made to maybe a new company that might have been incorporated after the fire? That is one question.

The second question, Mr. Speaker, concerns Ocean Harvesters. In this bill we see over \$2 million guaranteed to Ocean Harvesters. I am not against that guarantee, I think at the time the government had very little choice but to come forth with a guarantee to keep that company operating. But I do believe the Committee is entitled to a short statement on the part of the minister as to what is happening to the company? Has it been rescued? Will it continue to operate?

MR. TULK:

We are guaranteeing public money.

MR. W. CARTER:

That is right, we are guaranteeing over \$2 million, I think we are entitled to know what is happening, a progress report on the company, if, in fact, they will continue to operate. How secure will our guarantee be?

The third matter, Mr. Chairman, concerns Petty Harbour Fisheries Limited. I do know that the original owners of that company about five years ago, I think, declared bankruptcy. I do know that subsequently a company headed by a chap named Mahan, who was at one time connected with Bonavista Cold Storage, he and a couple of others took over what was left of that company. I understand that they have since gone bankrupt or in receivership.

Could the minister tell the Committee, Mr. Chairman, does the \$321,000 being guaranteed in this bill have to do with the original owners of the company or was it a guarantee for money advanced to the subsequent owners because in both cases, I understand, both companies went bankrupt.

Mr. Chairman, another matter I think which bears repeating - I know it has been brought up before but the Premier touched on a number of matters tonight concerning the inshore fishery - there is another equation I think that must be plugged in when you talk about the inshore fishery and that is the matter of the longliner fleet.

I have here an article in The Evening Telegram of May 25 wherein the Fishermen's Union expressed some concern with respect to the ageing, and I am quoting the President of that union, the ageing inshore

longliner fleet. It goes on to say that unless something is done soon to replace the Province's rapidly declining inshore longliner fleet that there could be serious trouble in the inshore fishery. We all know that, certainly people in my district have brought my attention to the fact, under the new arrangement where fishermen are compelled under the new regulations recently imposed by the loan board to go to the banks when they want to obtain loans in excess of \$50,000, we know that there is trouble brewing in that department, that the fishermen are living in dread especially this year where you have a lot of detriments, ice conditions, dirty water, cold water -

AN HON. MEMBER:

It is getting worse every year.

MR. W. CARTER:

That is right, the scarcity of fish around the coast. Fishermen are living in dread that come October they are not going to be able to meet their bank payments. They know that the banks will have very little compassion. If they skip a payment, then their troubles start, whereas when they are dealing with the Fisheries Loan Board, at least they can expect some consideration. Certainly, that consideration is not forthcoming when you are dealing with a chartered bank. With them it is a matter of dollars and cents. It does not matter that a fisherman is ruined or that he and his crew are left high and dry onshore without a job and families probably forced to go on welfare. I think the minister tonight, or at least before this bill passes, and in light of the fact that the vast majority of guarantees in the bill concern the

fishing industry, then I believe that we are entitled to a statement from the minister as to just what their plans are with respect to that problem and if they will revert back to the old policy, that of funding longliners and repairs to longliners, new and old, through the Fisheries Loan Board, as opposed to the present system of going through the chartered banks.

So, Mr. Chairman, these are three or four questions that I think the minister would want to answer. Thank you.

MR. CHAIRMAN (Greening):

The hon. Minister of Finance.

DR. COLLINS:

Mr. Chairman, in regard to the first matter, the Bay Bulls Sea Products Limited, the guarantee was given to the company prior to the plant burning down. If my memory serves me correctly, we had to honour the guarantee, but there is an insurance claim outstanding and the information we have, and it is good information I believe, is that when the insurance claim is processed and very shortly now we will be able to recoup any public monies that were involved there in the previous guarantee. Whether the company will be put back into operation again by rebuilding the plant is a matter that I do not believe has been settled yet. It certainly has not been settled from our point of view. I do not know if the principles involved in their own minds have determined that is where they want to go. I suspect that if they do they will come to us to give them some assistance in doing so. But that has not yet transpired. So the insurance claim will take care of our obligation there.

MR. W. CARTER:

Do you have a personal guarantee on the loan?

DR. COLLINS:

Yes, we have a claim.

MR. W. CARTER:

Do you have a lien on the property?

DR. COLLINS:

Yes, part of our legal agreement will allow us to access the funds that will come from the insurance claim.

In regard to Ocean Harvesters, that \$2 million guarantee relates to their purchase of a trawler, which they purchased a number of years ago. It had a trawler's licence for quite a number of years. It was more or less in abeyance. They decided that the future of the company would be more assured if they purchased a vessel so that that licence could be activated. They came to us and asked us to back them with a bank, I think, it was Chemical Bank - if I remember correctly - asked them to back their credit with Chemical Banks so that they could actually purchase a trawler. And after considerable assessment, we decided we would go that route.

Now, regrettably, the plans of the company using that trawler did not plan out as happily as was thought in the beginning. There was some damage to the vessel during an ice accident at one stage and there were considerable repairs needed there. There were some problems with the the captaincy of the vessel, so that the harvesting per trip for an early period was not up to scratch and that type of thing.

In any case they feel behind in their payments to Chemical Bank.

Chemical Bank came after us to honour our guarantee. Rather than honour our guarantee we made arrangements with them to make interim payments to keep up the payments on the loan to the bank, and we are still in those circumstances.

Now those amounts will be and have been put against the company, in other words, these are now payments that are made on behalf of the company. They are now on the company's books. We will get those repaid to us at some point in the future, or should the company be dissolved, we will get our security. We took security on the vessel itself. The vessel is still being operated. The company is having some financial difficulties. It is being operated with the assistance of a receiver. And we feel that there is a good chance that the company will survive its present difficulties and that we will not have any public monies at risk.

In regard to Petty Harbour Fisheries, that company was incorporated in 1984 when they took over the facilities of the bankrupt Newfoundland Fish Processors Limited. At that time they also took over some obligations that the bankrupt company had to this government. In other words, they assumed the obligations of the previous bankrupt company. In putting the operation together the shareholders put in some of their own monies. They got some financial assistance from the Newfoundland Development Association, as well as, our guarantee. The company has been getting its operations going. The guarantee is in place and there was an extension given to the guarantee up to April of 1986. So

that is an ongoing situation there.

Mr. Chairman, as it is getting near the hour when adjournment has to take place, I move that the Committee rise and report progress.

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

MR. SPEAKER (McNicholas):
Order, please!

The hon. the member for Terra Nova.

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

MR. SPEAKER:
The Chairman of Committees reports the Committee has considered the matters to it referred, reports progress and asks leave to sit again.

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

MR. MARSHALL:
Mr. Speaker.

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

MR. MARSHALL:
I move that the House at its rising do adjourn until tomorrow, Friday at 10:00 A.M. and that this House do now adjourn.

On motion, the House at its rising adjourned until tomorrow Friday at 10:00 a.m.