



Province of Newfoundland

FORTIETH GENERAL ASSEMBLY
OF
NEWFOUNDLAND

Volume XL

Third Session

Number 38

VERBATIM REPORT
(Hansard)

Speaker: Honourable Patrick McNicholas

Friday

8 May 1987

The House met at 10:00 a.m.

MR. SPEAKER (McNicholas):
Order, please!

Statements by Ministers

MR. SPEAKER:

The hon. the Government House Leader.

SOME HON. MEMBERS:

Hear, hear!

MR. OTTENHEIMER:

Mr. Speaker, I am making this statement on behalf of the Premier, who is at Hotel Newfoundland and will shortly after be making a similar statement there, with respect to an important new development in Newfoundland.

I am very pleased today to announce an agreement in principle has been entered into that contemplates a multimillion dollar joint venture arrangement between the Government of Newfoundland and Labrador and the Sprung Group of Companies of Calgary, Alberta, for the construction and operation of a revolutionary greenhouse system for growing agricultural products.

SOME HON. MEMBERS:

Oh, oh!

MR. OTTENHEIMER:

This is quite big stuff. I would not just dismiss this with a laugh.

This system will enable the people of our Province to enjoy fresh locally grown produce year round, thereby reducing Newfoundland's dependency on products that now have to be imported. The facility will be located in the St. John's Metropolitan Board region, and on

agricultural property presently owned by the Newfoundland and Labrador Housing Corporation near the provincial Agriculture Building on Brookfield Road.

This highly innovative growing technology was developed and is owned by the Sprung Group of Companies, of Calgary, whose principal is Mr. Philip Sprung. This company has invested upwards of \$35 million in extensive research and development activities over a ten year period to produce this unique growing system. The proposed Newfoundland facility will be one of a kind, and would be the most technologically advanced greenhouse system in the world. Because the facility is on the leading edge of a new and highly innovative technology it will be the center of international attention among the agricultural community.

While I do not want to go into the technical details of the growing system, as this matter is best left to people well informed on the technicalities of it, I would like to point out that the facility is highly computerized in terms of monitoring and controlling different ingredients that are essential to plant growth, and that it does not use soil. Instead, plants are placed in water containing essential growing nutrients that are continuously recirculated, giving each plant a precise and constant supply of food. This process, known as hydroponics, provides the best attributes of mother nature and results in exceptionally top quality crops without the use of pesticides or herbicides and will produce approximately 7 million pounds of saleable product annually.

The Sprung Group of Companies, who own this process, has been in existence for almost one hundred years in the Calgary area. It is a highly successful private company, whose other business interests extend into sport clothing manufacturing, pre-fabricated building structures which are marketed throughout the world.

To help establish this \$18,400,000 facility in the Province, government is announcing the contribution by the government to this process. Firstly, the Province will provide an equity contribution of \$3.5 million. This contribution consists of providing to the joint venture company thirty acres of serviced land, valued at approximately \$1 million. The balance of the Province's equity contribution of \$2.5 million will be in the form of a cash advance to the joint venture company. The Strung Group of companies will also contribute \$3.5 million to the project in the form of cash. In return for these equity contributions both the Province and the Sprung Group will hold equal amounts of voting shares in the joint venture company. Consistent with government's desire only to assist and enhance the private sector in this Province, provision is included to permit government's preference shares to be brought back at an amount equal to the issue price of the shares plus a cumulative annual premium of prime rate plus one percent once the operation is well established.

The second element of provincial assistance is a \$7 million government loan guarantee to assist with the capital construction cost of the facility. The Sprung Group of

Companies will provide a \$500,000 guarantee to the joint venture for the same purpose.

Thirdly, the government will provide a retail sales tax exemption, in the estimated amount of \$900,000, that would otherwise be payable by the joint venture company in the initial constructing and equipping of the facility. For this contribution the government will receive non-voting shares in the company equal to the amount of the retail sales tax exemption.

The Strung Group, on behalf of the joint venture company are arranging a lease/purchase agreement for the installation of \$3 million of growing lights in the facility to ensure maximum production levels are achieved.

In summary, this brings the total cost to \$18,400,000 of which the government is committed to provide a \$3.5 million equity contribution, a \$7 million loan guarantee and a retail sales tax exemption which would amount to \$900,000 for non voting shares. The Sprung Group will contribute \$3.5 million in equity and provide \$500,000 loan guarantee. The joint venture will fund the \$3 million cost associated with the lease/purchase arrangement for the lights.

With reference to the management of this multimillion dollar facility, I am pleased to report that the Sprung Group will assume direct responsibility. The Sprung Group will provide the Newfoundland facility with highly specialized and competent senior people who will relocate from Calgary. These personnel have extensive experience in development of this new technology

and the day to day operation of the facility. The government sees this arrangement as being an important ingredient toward the success and ongoing viability of the project. In addition, the government will have direct control over certain types of business decisions of importance to the Province, and for this purpose will be represented on the company's board of directors.

Like a previous arrangement with Newfoundland Energy Limited, the Province has entered into a "heads of agreement" with the Sprung Group which is an agreement in principal. This agreement requires that over the next few weeks certain conditions must be met related to project financing, site costs, etc.. Once these conditions precedent are achieved, a formal legal agreement will be entered into and construction of the new facility will commence immediately when land preparation is completed. Construction of the facility will take approximately six months, during which time up to 330 local people will be employed for a total of 200,000 person-hours. Once the facility is operational, it will provide approximately 150 long-term jobs.

Today's society is becoming increasingly complex and competitive and demands that new technology be developed to ensure movement to the forefront in the international marketplace. For the Province to ensure its competitiveness in the marketplace and diversify its economy it must take advantage of opportunities to develop and transfer new technologies. This announcement today will place Newfoundland and Labrador front and centre as a world leader in a new and innovative technology. As a

government, this is consistent with our existing policy of developing "centres of excellence" similar to those initiatives which we have already pursued in our marine and offshore sectors. Today we are embarking on a new field of technology for the people of this Province, and the government is confident that this will provide the same measure of success as the previous initiatives.

SOME HON. MEMBERS:

Hear, hear!

MR. SIMMONS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. MATTHEWS:

He is amazed. Not a word.

MR. SIMMONS:

He is awake, Mr. Speaker.

Mr. Speaker, first of all we thank the minister for giving us a copy of his statement. We are a little surprised, first of all, at the method that is being used to peddle this statement - I think that is the right phrase, 'peddle this statement.' The sooner the Premier realizes that the House contains all the elected people throughout the Province and there is nobody directly that he has to answer to but the people in this House, the better, and he ought to be here. The argument given by the government a minute ago was that the people involved cannot be here. Big galleries, Mr. Speaker, largely empty since this government continues to slide down hill. The place to make those statements is here in this particular House.

MR. OTTENHEIMER:

That is what I did. I just made the statement.

MR. FLIGHT:

By the Premier.

MR. SIMMONS:

Mr. Speaker, we understand that the minister just did that. He just discovered, by the look in his eyes, that he just did it. He just realized that he did it. We understand he did it. We are saying that if the leader of the government thinks it is more important to be outside this Chamber, that is a comment itself on what he thinks about this House.

MR. TULK:

Right on!

MR. SIMMONS:

Now, Mr. Speaker, the announcement itself is an announcement we welcome in principle; it is an announcement that says we are going to have some focus on applying high technologies, new technologies here in the Province. And that would be almost an exception, because the general pattern is that if it is high technology it belongs in Central Canada and very few companies look at us here.

I wondered, when I heard the first part of the statement about this Sprung Group of Companies from the West, as to why they were coming here. It was only when I got well into the statement I realized why they are coming here: They are coming here because they have a gotten a very, very sweet deal - a very sweet deal.

Mr. Speaker, we have just seen the statement for the first time, and we will want to scrutinize it in some more detail, but my initial

reaction is two-fold: First of all, the idea of a new technology, particularly in this area, an area where consumer items can be produced for consumption within this Province, is a marvellous idea and needs to be encouraged.

The second point is that if this is a deal as sweet and as skewed in the direction of the company as it appears to me on first glance, then it is one that does require a lot more scrutiny not only by us but by the government itself. Because, Mr. Speaker, it is the taxpayer who is most exposed here, it is the taxpayer who is considerably more at risk than the investors. The statement spells out that in terms of equity contributions you are talking \$3.5 million. The taxpayer has an exposure, also, in terms of exempted retail sales tax and in terms of loan guarantees as well, so that the exposure, the risk of the taxpayer in Newfoundland here is considerable. The risk of the entrepreneurs who are coming in, and we welcome into the Province and, if they are going to generate some job opportunities we welcome that all the more, but we believe, Mr. Speaker, very strongly that these people, whether from Calgary or Newfoundland, ought not to be getting a deal that is overly sweet and that puts the taxpayer at undue risk.

One of the soundest principles, Mr. Speaker -

SOME HON. MEMBERS:

Oh, oh!

MR. SIMMONS:

Mr. Speaker, this is serious. We listened with interest to the minister, and I would hope he would ask his colleagues to do me the same courtesy. They know the

game they are playing. In a minute, the Speaker will get up and tell me my time is up. What he does not bother to say every day is that half my time is up because he allowed people on the other side to kill my time.

Mr. Speaker, I want to have a word or two on this. It is a serious matter. It has serious economic implications for the Province, and it has some financial implications, particularly if the deal is as sweet as it appears to be.

Mr. Speaker, a key phrase on page 4, the minister says, "Like a previous agreement with Newfoundland Energy Limited." My Lord, help us! If it is like that agreement, we have much reason to be concerned. I would ask him a couple of questions: If, like that agreement, this one is going to boggle labour relations further, it is going to further mess up things in terms of labour relations. Is that going to happen? Has this agreement copper-fastened what the government failed to copper-fasten in the Newfoundland Energy Agreement?

SOME HON. MEMBERS:
Oh, oh!

MR. SPEAKER:
Order, please!

I would ask hon. members to my left to please give this speaker the courtesy of silence. He has some extra time to continue, because he has been continuously interrupted.

MR. TULK:
Good ruling, Mr. Speaker.

MR. SIMMONS:

Thank you, Mr. Speaker.

Mr. Speaker, secondly, if, as the minister says, and we take him at his word, it is like the Newfoundland Energy Agreement, does that mean that there is going to be hidden ownership here, that the real owners are going to be tucked away in Bermuda somewhere? Is that the pattern for economic development in this Province, labour strife stirred up by an insensitive government, and hidden ownership aided and abetted by an uncaring government, by a sneaky government?

Mr. Speaker, labour statistics released yesterday indicate that St. John's is the worst city in Canada to get a job. I can take you to some towns in Newfoundland which are even worse off than St. John's, but this outfit is coming into St. John's. It is a good thing it is coming here and not elsewhere in Canada. But that, itself, is a comment on the performance of this government, that after fifteen years living off the public fat, living high on the hog, their legacy is that they have to draw in with massive tax incentives, massive exposure to the taxpayer, somebody from Western Canada - and we are glad to have them - to help them bail out, to help alleviate the worst employment situation of any city in all of Canada, Mr. Speaker, a government that has devastated the lives of youth because of the inability to get a job out there, a government that has generally savaged the economy.

MR. SPEAKER:
Order, please!

The hon. member's time has elapsed.

SOME HON. MEMBERS:

Hear, hear!

MR. FENWICK:
Mr. Speaker,

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

MR. FENWICK:
Thank you, Mr. Speaker. Thank you for a copy of the statement.

I was just doing a little bit of mathematics here while the babbling was going on from the other side. We are committing \$3.5 million in equity to this, which will allow them to buy back if the company is successful.

We have \$7 million loan guarantee. If I add that to the \$3.5 million, that gives us a little over \$10 million, plus \$900,000 we are giving them in a direct grant by sales tax giveaway. That, by my math, works out to \$11.4 million for what looks like, according to the statistics, 150 permanent jobs, that is permanent jobs at the end of the line.

I should indicate, Mr. Speaker, that that should not be 150 jobs in an absolute term because, of course, we have some greenhouse operators in the Province now who may suffer as a result of this competition, in which case, there will probably be some layoffs in their operations and it may mean only 100 jobs or 75 jobs or whatever it is. Mr. Speaker, that means that we are putting up about \$70,000 per job or more.

SOME HON. MEMBERS:
Oh, oh!

MR. SPEAKER:
Order, please!

MR. FENWICK:
That was the division I was doing there, which, I would suggest to you, if you look at the other projects in terms of rural development, is extremely expensive in comparison to what we have been doing with the Minister of Rural, Agricultural and Northern Development's project.

But, Mr. Speaker, the greatest folly with this programme is the concept that we can bring this high tech hydroponic system in here and that somehow, by putting it in here on a proprietorial basis, which is what we will do, we can then expand the technology into the rest of the Province, which is the implication of what the minister is saying and which, of course, is not true. This company owns completely the technology, and certainly it would be extremely upset if anybody were to try to do the same thing elsewhere. In other words, Mr. Speaker, the major problem with this project is the lack of technology transfer to other operators in this Province, which may have made it a good deal, but which is not provided for in this agreement and which, therefore, makes it a very questionable one.

The second concern I have, Mr. Speaker, is it does compete with present operators, operators who do not get that kind of \$11.4 million and, as a result, may have a difficult time in competing with it. And it goes completely, Mr. Speaker, against the concepts of the House Royal Commission that said we should concentrate on rural development, small enterprise production and so on.

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

MR. SPEAKER:
Order, please!

On a point of order, the hon. the member for Port de Grave.

MR. EFFORD:
Mr. Speaker, we, on this side of the House gave our attention to the minister when he was making his statement because of the importance of the statement to every Newfoundlander. We listened to the statement, and the leader of the N.D.P. did the same. The member for Carbonear (Mr. Peach) has not shut up one second, Mr. Speaker, since he came in, nor has the member for Burin - Placentia West (Mr. Tobin) or the Minister of Culture, Recreation and Youth (Mr. Matthews). I mean, this is an important matter. We, on this side of the House should be and want to be heard, and we want the opportunity to hear the views of everybody concerning what is important to every Newfoundlander.

SOME HON. MEMBERS:
Hear, hear!

MR. SPEAKER:
Order, please!

There is no point of order.

The hon. the member for Menihek.

MR. FENWICK:
Finally, Mr. Speaker, we are talking about a company, the Sprung Group, from Calgary.

Calgary, as everybody knows, is a high altitude area with very dry air, a very sunny place. It is a long way from St. John's, where we have a much more humid climate. We have much more cloud cover, much lower levels of sunlight.

Mr. Speaker, the transfer of the

technology may work but, as we see, \$11.4 million of the \$18 million is our risk on it. So I would like people to know that when we are going forward on this, this is really our initiative; we are giving them an opportunity to bring their technology in here and do it. They have, it appears, about a \$3.5 million exposure, the rest on a rent/purchase agreement. So, from that point of view, we should realize that we are the ones putting up the money, we are taking the risks to produce these 150 jobs which may compete with other operators, and we are getting no technological transfer. Mr. Speaker, on those grounds, I do not think it is such a great deal.

MR. MATTHEWS:
Oh, oh! Against jobs again.

MR. SPEAKER:
Order, please!

Oral Questions

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

MR. SIMMONS:
Mr. Speaker, I would like to put a question to the Minister of Energy (Mr. Ottenheimer). It relates, first of all, to the recent announcement, indeed an announcement this week, of some additional investment by a private entrepreneur in the Beaufort Sea as far as oil development is concerned. And I wonder if, assuming the minister is aware of that development, as I am sure he would be in his capacity as minister, would he indicate to the House whether he has any concerns that that projected development in

the Beaufort has any possibility of adverse effect on a start up date for the Hibernia development?

MR. SPEAKER:

The hon. the Government House Leader.

MR. OTTENHEIMER:

Mr. Speaker, the government certainly views the two as quite separate. While, obviously, recently there have been announcements of renewed interest and investment and that with respect to the Beaufort Sea, as hon. members are aware, the Beaufort area and the frontier energy area there of course have been known and quite active on the Canadian scene for a number of years, almost paralleling, I suppose in terms of time, the Hibernia one. We do not view with dismay any announcements of interest there. I suppose our focus as a government obviously has to be within the area of our own immediate interests and our own competence and, as hon. members know, about five or six weeks ago there was a meeting of federal and provincial officials with Mobil and company officials where a position was put. It was a common federal/provincial position and there have been some contacts back and forth since and we are expecting a more or less definitive reply from the companies within the quite near future.

So, no, I would not make a linkage there. Obviously everybody knows there is only a certain amount of money to go around for investments and this and that, but I think what we have to do is pursue everything reasonable with respect to our own offshore, and obviously people who have interests in other areas of energy are going to do

the same thing. And really all we can do is pursue in a reasonable way our own concerns.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. SIMMONS:

Mr. Speaker, the minister may not see a linkage but he will be aware, or let me make him aware, that an oil analyst in the last few hours has made that very linkage and has postulated that the start up of the new development in the Beaufort would impact very seriously and adversely in terms of a projected start up date for Hibernia.

Mr. Speaker, the minister made reference to an aspect of my follow-up question having to do with the Mobil proposal. Could he indicate, in as specific terms as possible what the time frame is now? He will be aware that the much-touted Atlantic Accord was signed more than two years ago, and it was going to solve all of our problems the next morning, and that is now twenty-six or twenty-seven months ago. He will be aware that the earlier projected start up date for Hibernia is already a year behind schedule. Will he indicate now, in as specific terms as possible, what the projected time frames are now? When can he expect a resolution of the matters involving the federal/provincial government and Mobil? And when can he expect the actual start up of the first one or two phases of the Hibernia development?

MR. OTTENHEIMER:

Mr. Speaker.

MR. SPEAKER:

The hon. the Government House

Leader.

MR. OTTENHEIMER:

Mr. Speaker, I can answer the first part, which is when I would expect that we will have a definite work back from the oil company. There I will have to give a bit of time leeway, but I would say we shall almost certainly have that definite word back from the oil companies by late June. I would rather go ahead a bit and, you know, contract the time, so by late June.

Now the second part, of course, depends on the first part. The second part of the hon. gentleman's question is could I give an indication or an estimate when the start up date for the development would be. I cannot truthfully do that because that very much is going to depend on what is the reply of the companies to the offer put forward. I mean the reply could be this is a regime that we can live with, but we are going to have to negotiate different details, and this and that. I suppose in theory, certainly in theory, the reply can be 'This is out of the ball game completely'. And there can be intermediaries.

So for me to give even an estimate of the start up time of the project would be purely speculative because it is going to depend really upon the content of the company's reply.

MR. SIMMONS:

Mr. Speaker, I have a supplementary, if I may?

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. SIMMONS:

The minister brings me very nicely to the third point I wanted to raise with him, and that is: Where in real terms are these negotiations? I realize the negotiations by their nature are private, and my question is not that they be made public. My question is different: Are we at the cosmetic stage now or are we at the finishing touches stage? Or, as I surmise from the minister's most recent answer, are we possibly at the stage where this thing could yet come unstuck? Are there serious differences between the government, on the one hand, and the private sector, Mobil, on the other? Is the effective rumour true - and let me put it down as a rumour that I do not invent right now but just peddle in this House for the first time - that we are now getting the classic conflict that had been expected from the beginning, that the government, on the one hand, has been saying we will not give away the shop in the interest of developing Hibernia, and that Mobil is, in effect, asking for the shop in terms of tax concessions? Has it come down to that classic conflict or is it rather a matter of just putting the finishing touches on an already agreed to set of accords and principles?

MR. OTTENHEIMER:

Mr. Speaker.

MR. SPEAKER:

The hon. the Government House Leader.

MR. OTTENHEIMER:

Mr. Speaker, at the present time I would say it is really neither of those. The matter which has gone forward to the companies is a substantial and quite specific proposal with respect to the

fiscal arrangements. It is quite specific. It is not sort of a general, vague, philosophic thing, nor is it something with every 't' crossed and 'i' dotted, but a very specific proposal.

Really we do not yet have back the companies' reply to that. So it has not gotten into that stage that the hon. gentleman refers to, which obviously is a possible stage of that kind of a situation, in a negotiating position where obviously governments are maintaining, as quite properly they have to, and maximizing the public benefit, the benefit to the Province, and where companies obviously are seeking what they can for their corporate interests. Right now it is not a vague, philosophic document, but a quite substantial and specific proposal, with respect to the fiscal regime, that has gone forward and we have not heard back yet whether that is generally acceptable or not.

So it is at that stage. It is quite specific but, I suppose, preliminary to the other kinds of considerations which the hon. gentleman referred to.

MR. SIMMONS:

A final supplementary, if I may, Mr. Speaker.

MR. SPEAKER:

A final supplementary, the hon. the Leader of the Opposition.

MR. SIMMONS:

The minister in that latest answer, I suggest, implied that even under the best of circumstances the most favourable responses from the company would need to be further refined. Unless they come back and say an all-out yes to everything you

asked for, there is going to be need for further negotiations. So my point is there is an extra time delay introduced in terms of where we are now.

Can the minister, in those terms, project the earliest possible start up date? Have we lost everything for this year, have we lost everything for next year in terms of physical activity? What is the best scenario, given that Mobil comes back with a generally positive response but one which has to be refined and further discussed, in terms of the earliest start up date for Hibernia in that context?

MR. SPEAKER:

The hon. the Government House Leader.

MR. OTTENHEIMER:

Mr. Speaker, I have to think, perhaps on my feet, to the extent that I should reply to the question. I do not mean that as any discourtesy. But one thing I do not wish to do is to be accused - you do not mind being accused, I suppose - or give the public reasonable grounds to think that one is giving false expectations. So that is the kind of dilemma that I am in.

I think I could say this without venturing into that, that obviously we are in an area now without sufficient knowledge because we are waiting to hear back from the companies. So, essentially, until we hear back from the companies, we are not in a position to say when the development is likely to start. But if, in a hypothetical sense - this was, I suppose, in a sense implied in the question everything went positively in terms of these negotiations, if everything went

positively - if - then obviously there could be some activity this year. I am not forecasting that is going to happen because I do not know. We really are not going to know until a reply back from the companies, which government would expect to have by no later than late June.

MR. LUSH:
Mr. Speaker.

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

MR. LUSH:
Mr. Speaker, I have a question as well for the hon. the Government House Leader. It is related to Mr. Wilson's proposed and long-awaited tax reform.

In view of the fact, Mr. Speaker, that it has been reported that the provinces have given their tacit agreement to the overall thrust of the tax reform, I want to ask the minister whether the Province has decided its position with respect specifically to the national sales tax scheme. For example, under the proposals of the federal government national tax scheme, provinces may decide to hold on to their own sales tax scheme or they may decide to have its sales tax scheme replaced by the federal sales tax scheme. I am wondering whether the Province has made that decision. What is its position? Does it intend to hold on to its own present sales tax scheme or does it agree with having it replaced by the national sales tax scheme?

MR. OTTENHEIMER:
Mr. Speaker.

MR. SPEAKER:
The hon. the Government House

Leader.

MR. OTTENHEIMER:
Mr. Speaker, I am sure the hon. member will agree his question, to a certain extent, is hypothetical. All we really know now is the federal Minister of Finance (Mr. Wilson) is going to bring forward a White Paper, available June 18, with respect to tax reform. Certain statements that this may be explored and that may be explored. It is not a piece of legislation and it is not a statement of specific policy.

I think as the Minister of Finance (Dr. Collins) indicated yesterday, when we know precisely what is in the White Paper, rather than replying to speculation, then the government of Newfoundland will make its own analysis of the various provisions and will make know to the people of the Province and the Government of Canada what our position is. Now we are really in an area of surmising and hypotheses.

A White Paper is not a piece of legislation or a statement saying, 'This is going to be done.' What it is is an invitation, I suppose, for comment, debate and discussion. When we know specifically what is there, then we will do our analysis as a Province and, under the capable direction of my colleague, the Minister of Finance, hon. members can be sure that it will be done in an assiduous manner. Then we will tell the federal government, indeed the people of the Province, what our position is. But we have specific information in front of us rather than hypotheses.

MR. LUSH:
Mr. Speaker.

MR. SPEAKER:

The hon. the member for Bonavista North.

MR. LUSH:

Mr. Speaker, I want to tell the minister there is nothing hypothetical about this situation. This tax reform now has escalated into national concern, and because there is going to be a white paper does not preclude discussing it now to make sure that the government is aware of the concerns of Newfoundland. Mr. Speaker, certainly the Province has decided now which way it is going to go. Should it decide to maintain its own sales tax system, the federal government will then put in its scheme. Should the provincial government decide to maintain its own tax system, the federal government would have two options, the business transfer tax or the federal added value tax. Has the Province decided which option it will be supporting, whether it is the business transfer tax, which has no exemption, and includes everything, or whether they will go with the value added tax?

Certainly they must have a position on this. This is important, Mr. Speaker.

MR. CALLAN:

It is very important.

MR. SPEAKER:

The hon. the Government House Leader.

MR. OTTENHEIMER:

Mr. Speaker, the government has to date decided not to make statements with respect to hypothetical positions or various options in terms of tax reform. The government's intention is to see the entire package and the

inter-relationships. As the hon. gentleman is aware, these are extremely complex matters. I suppose everything in a tax sense is inter-related probably much more than in most other areas, and you really need to see what the inter-relationships are to see what specifically is proposed if you are going to say anything anyway intelligent or reasonable.

So we want to see what the specific proposals are - all of them, not just some of them - how they are inter-related, and then I think the government's reply will obviously be much more informed and, I would hope and think, much more influential and much more weighty. So really I can see no benefit in the government making a statement now based on hypotheses or based on various options - and these are options for a white paper, options for discussion - until it is there specifically and one sees the inter-relationships. Because without seeing the inter-relationships you really are talking very airy-fairy.

MR. LUSH:

A supplementary, Mr. Speaker.

MR. SPEAKER:

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

MR. LUSH:

Mr. Speaker, that is precisely our concern. We are afraid that the people of Canada are not going to see a full package, that this is going to be introduced in a piecemeal form.

Now then, Mr. Speaker, my final supplementary to the minister is: Will the minister, will his government ensure that as a result of these tax reforms that the people of Newfoundland and

Labrador, the consumers and small businesses, will be better off and not worse off? And will he assure this House, since the consumers of this Province already have the highest cost of living, that food will not be taxed in this Province?

MR. SPEAKER:

The hon. the Government House Leader.

MR. OTTENHEIMER:

Mr. Speaker, unless I were to seek a nomination in the by-election and were to be elected and, even then, were to become Minister of Finance, all of which are extremely unlikely, I could give no assurance of what the contents of the tax measures of the Government of Canada are going to be. I can give an assurance that the Government of the Province, when we know specifically what is in the White Paper, will do everything possible to protect the interests of Newfoundland in terms of our representations to the Government of Ottawa. There is no doubt about that.

SOME HON. MEMBERS:

Hear, hear!

MR. OTTENHEIMER:

But unless the hon. gentleman is going to lead a 'Draft Ottenheimer for St. John's East Federal Campaign'—

SOME HON. MEMBERS:

Hear, hear!

MR. OTTENHEIMER:

— and unless I am then elected after the nominating convention and then get to Ottawa and then become Minister of Finance, I could not give an assurance of what the financial policy of the Government of Canada is going to

be.

MR. SIMMONS:

What a shame!

MR. OTTENHEIMER:

Well, it is.

MR. SIMMONS:

Could I be the first to contribute to your campaign?

MR. EFFORD:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Port de Grave.

MR. EFFORD:

Thank you, Mr. Speaker.

Mr. Speaker, we had intended to put some more questions to the Minister of Finance concerning this White Paper, we think it is very important, but he is not here, Mr. Speaker, so I want to direct my question to the Minister of Social Services (Mr. Brett).

Mr. Speaker, for some years now the minister and his department have been advocating and promoting the Mental Development Association in Newfoundland, and rightly so because they are doing an excellent job. We have a provincial association which is working voluntarily and working very hard towards the development of mentally handicapped people.

I would like to ask the minister, in the number of years that these people have been involved, could he tell us how much his department contributes towards their operational expenses, and if there has been any increase over the past number of years?

MR. SPEAKER:

The hon. the Minister of Social Services.

MR. BRETT:

I do not have the figures right at my fingertips, Mr. Speaker, but I think there are two or three grants. One goes to a group in Labrador, and there is another grant to the Newfoundland Association here in St. John's. I do not have the exact figures, but they have been getting grants - the hon. member is right - over the years and we are doing the same thing again this year. There was no increase in that particular grant, but they did get the same amount that they have gotten for a number of years.

MR. EFFORD:

A supplementary, Mr. Speaker.

MR. SPEAKER:

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

MR. EFFORD:

Mr. Speaker, I asked that for a very important reason. I have been talking to some people who have told me that they have made application to his department for an increase of funds. The original amount of the grant, I will tell the minister, was \$30,000. That is the only money they have to operate on and the cost of operating that association is in the vicinity of \$100,000.

Now, I would like to ask the minister why, after representation had been made by this association, they have been turned down for more funding when they say that they do not have the funding? They came up with \$200,000 to fund their former political buddy, Mr. Hickey.

MR. SPEAKER:

The hon. the Minister of Social Services.

MR. BRETT:

Mr. Speaker, we are funding several organizations in the Province - the Canadian Paraplegic Association, the Newfoundland Association for the Hard of Hearing - and there are several dozen organizations and groups in the Province which receive funding from us. Several million dollars are paid out yearly to these different groups. I guess it is a matter of dollars and cents, Mr. Speaker. This year we will be spending in this department \$192 million. That is a fair sum.

Over the last three or four years, when we have seen many things in government frozen, including staffing, and, I would suggest, in other departments cuts in programmes and funding, this is the one department of government that has not received cuts. As a matter of fact, there have been increases in almost every single programme for the last three or four years and I am quite proud of that.

I realize the problem, Mr. Speaker, as well as the hon. member. You know, he does not have a monopoly on caring for the people of the Province, those who are less fortunate, the indigent people, but there is only so much that we can spend. The three main social departments, Education, Health and Social Services, will spend in excess of 52 per cent of our total budget. I would suggest, Mr. Speaker, that we have to ask ourselves just how far we can go? There is nothing I would like more, Mr. Speaker, than to be able to give the Canadian Association for the Mentally Retarded, the Newfoundland Branch,

more money, and all the other people who are coming to me for more money. But there is only so much, Mr. Speaker, and you have to spread it around and try to make it go as far as you can. And all the organizations that receive money from us are worthy organizations, they are all doing good work. But again you have to spread the dollars to make them go as far as you can.

MR. EFFORD:

A final supplementary, Mr. Speaker.

MR. SPEAKER:

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

MR. EFFORD:

Mr. Speaker, what the minister is saying very clearly is that this voluntary association had to operate on \$30,000 annually over seven years with no increase while his department sees fit to pay a salary of \$65,000 to a former buddy of his. How can the minister justify that they had to operate on the same budget of \$30,000 annually seven years in a row when he gave an increase to one of his own buddies for whom the original estimate was \$57,000, but in a matter of weeks they jacked it up to \$65,000? He admitted that the other day in the Estimates Committee? These people need more money. They should get more money because it is a voluntary organization and they are doing an excellent job.

SOME HON. MEMBERS:

Hear, hear!

MR. EFFORD:

Will the minister explain that and will he not come clean and give those people more money, which they need?

MR. BRETT:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Social Services.

MR. BRETT:

Mr. Speaker, I do not know if the hon. member is suggesting that I should rob Peter to pay Paul, but I am not going to. I have no intentions of taking any services away from the juvenile sector, the misguided youth of this Province. And I make no apologies for the Review Board which the hon. member is referring to. This government is in the process of final planning, which is just about completed, for a new building. We will be selecting a site now very shortly for a new Correctional Centre for the East Coast of the Province. This is going to cost the Province anywhere from \$8 million to \$11 million, and that service is required. You know, it is easy to single out any service in the Province and say they are not getting enough money, and maybe that is true. I wish that our standard of living was equal to that of Ontario or Quebec or Alberta. But the sad part about it is that after all those years in Confederation, Mr. Speaker, we still have the lowest standard of living in Canada, we still have the highest rate of unemployment.

MR. FLIGHT:

Mr. Speaker.

MR. SPEAKER:

Order, please! The hon. the member for Windsor - Buchans.

MR. FLIGHT:

Thank you, Mr. Speaker.

Mr. Speaker, I have a question for the Minister of Consumer Affairs

(Mr. Russell). As the minister will be aware and remember that the government told us back in when the airlines were talking about deregulation, that the result of deregulation in Newfoundland would mean increased services and improved fares. Is the minister satisfied what has happened in Newfoundland in air travel under deregulation has indeed increased the service and provided better fares for the travelling public of Newfoundland?

MR. RUSSELL:
Mr. Speaker.

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

MR. RUSSELL:
Mr. Speaker, I suppose everything is relative when you are talking about increases in services and increases or decreases in fares. I seem to think that there have certainly been more airlines providing more and better services and better connecting schedules in this Province since deregulation took place than there were before.

MR. FLIGHT:
A supplementary, Mr. Speaker.

MR. SPEAKER:
A supplementary, the hon. the member for Windsor - Buchans.

MR. FLIGHT:
The minister will know that with deregulation the argument was made to replace jet service in Newfoundland with commuter service, Air Atlantic and Air Nova. The biggest argument for that was for the economics of it, that the people could expect cheaper fares.

Could the minister explain to the

House why it is that the new commuter services that have replaced the jet service are charging exactly the same prices, with an increase every month or so, as the jet service charged? Why is it the two companies operating Dash 8's have to charge the same fares as the jet service charged?

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

MR. RUSSELL:
Mr. Speaker, on the fare rates and so on, the member will know, of course, I have no jurisdiction over the fare rates being charged by the airlines. I am assuming they are in a competitive business.

MR. TULK:
How come you were going to investigate Air Canada? Did you get a special deal?

MR. SPEAKER:
Order, please!

MR. RUSSELL:
No, Mr. Speaker, I did not get any special deal or anything like that, unlike the member, who is now eating food in the House of Assembly and should not be permitted to do so.

AN HON. MEMBER:
It is a beverage, boy.

MR. RUSSELL:
Yes. I hope there is only milk and sugar in it.

Mr. Speaker, the hon. member will realize that these new airlines that have come into effect since deregulation are in a very competitive business. I would like nothing more, of course, as all members in this House would,

than to see the fare schedules and the fares reduced in this Province.

MR. FLIGHT:

A final supplementary, Mr. Speaker.

MR. SPEAKER:

A final supplementary, the hon. the member for Windor - Buchans.

MR. FLIGHT:

Mr. Speaker, my concern was to see if the minister was interested in taking advantage of getting the Newfoundland people the advantage of deregulation. Now, is he aware that CP, on the one flight out of Gander and out of St. John's within the past few days, have doubled their rates from \$53 to \$105, the same fare being charged by Air Atlantic and Air Nova? Newfoundlanders are paying exorbitant rates to those commuter companies, Mr. Speaker, and they are not getting the benefit that the minister told us we would get.

Why is it that CP have suddenly doubled the rates on that Gander - St. John's run? Will the minister confirm that the reason is that it is to force off the few people who are travelling on it anyway, so they can wipe out the jet service in Newfoundland altogether? Is that the reason we are seeing those increases in the fares?

MR. SPEAKER:

The hon. the Minister of Consumer Affairs.

MR. RUSSELL:

Mr. Speaker, the hon. member is well aware, of course, that my department has no jurisdiction over the setting of fares.

MR. FLIGHT:

Make representation.

MR. SPEAKER:

Order, please!

MR. RUSSELL:

Mr. Speaker, if the crackie from Windsor - Buchans will be quiet, I will try to give him an answer.

MR. SIMMONS:

Well he is a consumer.

MR. RUSSELL:

Mr. Speaker, he is a consumer. He consumes a lot of words.

Mr. Speaker, certainly if the fares have increased, as the hon. member has indicated, over the past number of days, I will certainly be prepared to have somebody take a look at it.

MR. FENWICK:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Menihek.

MR. FENWICK:

Thank you very much, Mr. Speaker.

My question is to the Minister responsible for Energy. It is a follow-up to the Ministerial Statement he made earlier this week with regard to the small hydro development at Mary's Harbour. My question to the minister is this: Could you indicate to us how much the electricity rate in Mary's Harbour will decrease for the consumers in Mary's Harbour?

MR. SPEAKER:

The hon. the Government House Leader.

MR. OTTENHEIMER:

Mr. Speaker, as a result of the small hydro development in Mary's Harbour there will be neither an increase nor a decrease in the cost to the consumer. What

happens here is that as you get more and more of these small energy projects, then you lessen your dependence upon the diesel in the PDD districts. And with a number of them, then naturally as you lessen your dependence you bring down your subsidy, because there is now about \$22 million annually in subsidy in these PDD districts, and that obviously will allow the government to continue to do as it did earlier this year, and that is help the consumers of electricity in the PDD districts by raising the life line or the amount which they get at a lesser change than what is in excess.

So one project will neither increase nor decrease the cost of electricity in Mary's Harbour, but what it is is part of a process of diversification and of lessening dependence on diesel, and with a number of them then obviously that permits government to help the consumer of electricity in the PDD areas by other mechanisms because their subsidy goes down on the PDD, and the most obvious one is increasing the life line. There could be others as well.

MR. FENWICK:

A supplementary, Mr. Speaker.

MR. SPEAKER:

The hon. the member for Menihek.

MR. FENWICK:

My supplementary is: Would the minister please give us some indication of the amount of money that will be saved by Newfoundland Hydro through its PDD utility, and then would he please let us know why some of that cannot at least be given in terms of reducing the rates to the individuals themselves in Mary's Harbour.

MR. SPEAKER:

The hon. the Government House Leader.

MR. OTTENHEIMER:

With respect to the amount of money, I would prefer to take that as notice and get it as a specific estimate which I would not want to make up.

But the second part of the gentleman's question is why, if there is a saving is that not applied to the residents of Mary's Harbour? Number one, the electricity generated from this small project will meet approximately half of the needs of Mary's Harbour, not all of the needs. You would not want to increase further discrepancies within the system. I mean, you have all of the PDD areas now; some like Mary's Harbour are fortunate enough to be the locale of possible alternative development, whether it is a small hydro, whether it is biomass, which is being investigated in certain areas, whether it is wave power, which is being investigated in certain areas. But in certain areas, because of geography or whatever, you would be introducing further discrepancies. I mean, there are discrepancies now for the consumer of electricity in terms of costs throughout the Province, but you do not wish to further introduce a regime of discrepancies.

So I do not think that that would be an appropriate course of action. I think it is much better, with a number of these then to be able to do something for all of the PDD consumers such as further increasing the life line of electricity.

MR. SPEAKER:

The time for Oral Questions has

now elapsed.

Notices of Motion

MR. OTTENHEIMER:

Mr. Speaker,

MR. SPEAKER:

The hon. the Government House Leader.

MR. OTTENHEIMER:

On behalf of the Minister of Finance, I give notice that I will on tomorrow move that the House resolve itself into a Committee of the Whole on Supply to consider certain resolutions for the granting of Supplementary Supply to Her Majesty. That is last year's budget.

I also give notice that I will on tomorrow ask leave to introduce a bill entitled, 'An Act To Amend The Financial Administration Act, 1973.'

Orders of the Day

MR. OTTENHEIMER:

Order 22.

Continued debate on second reading of a bill, "An Act Respecting The Return Of The Business Of Fishery Products International Limited To Private Investors." (Bill No. 34)

MR. SPEAKER:

The hon. the Minister of Fisheries.

MR. RIDEOUT:

Mr. Speaker, members will recall that I briefly introduced Bill No. 34 yesterday, just before adjournment.

MR. WARREN:

Would the hon. minister mind a point of order?

MR. RIDEOUT:

Stand up and say it, so I will not lose my place.

MR. WARREN:

A point of order, Mr. Speaker.

MR. SPEAKER:

A point of order, the hon. the member for Torngat Mountains.

MR. WARREN:

Mr. Speaker, a few days ago one of the -

MR. FLIGHT:

No respect for the hon. gentleman.

MR. WARREN:

I asked the hon. minister.

A few days ago, Mr. Speaker, one of the reporters in the House of Assembly, Maudie Whelan, won the Canadian Institute of Mining Journalism award. I thought I would ask the House to unanimously send her a congratulatory letter on the magnificent work she has been doing in the House of Assembly, and also on what she did on two articles: One article on Labradorite, the precious stone in Labrador, and the other on slate on Random Island. I think she should be congratulated by the hon. House.

SOME HON. MEMBERS:

Hear, hear!

MR. TULK:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Fogo.

MR. TULK:

Mr. Speaker, while the hon. gentleman should have had to have

leave at the time to do what he did, we did not object because Maudie Whelan is perhaps one of the better reporters and a very tireless worker. I have observed her around the Legislature, as I know a lot of other people have. She is one of the most tireless workers in the news media. And while she may at times bug the life out of us politicians, she does so with a view, I think, to getting at the truth of the matter rather than, as some people in the media are wont to do, to just make a sensational story.

So, on this side of the Legislature, in spite of the fact, as I said, the hon. gentleman rose at the wrong time in the Legislature to do it, we would, of course, give leave and we would concur with a motion of congratulations or a letter of congratulations to Maudie Whelan on her winning of the award mentioned by the hon. gentleman and we would hope that the example of Maudie Whelan as a press reporter in this Province will be looked at by some of the other press people.

SOME HON. MEMBERS:

Hear, hear!

MR. FENWICK:

Mr. Speaker.

MR. SPEAKER:

I will recognize the hon. member for Menihek, and then I would want to make an observation about the point of order.

The hon. the member for Menihek.

MR. FENWICK:

Mr. Speaker, just to echo the sentiments of the two previous speakers, I think the other thing that should be noted about Maudie

Whelan is that she has an abiding interest in Labrador. She has probably produced more stories about Labrador than any reporter in the Province on an ongoing basis. On that basis, I know the members from Labrador all appreciate the excellent work she has done and we would wish that the other media would be able to cover Labrador as well as her work has done. I echo the same sentiments the previous members put forward.

MR. SPEAKER:

Order, please!

To that point of order, there is no point of order. I think it would have been more appropriate if the hon. member had asked leave of the House before bringing that matter up.

The hon. the Minister of Fisheries.

MR. RIDEOUT:

Thank you, Mr. Speaker.

In the few minutes I had in introducing Bill 34 yesterday, I reviewed for hon. members what I referred to as the privatization process, number one, of FPI and how successful that had been in the company divesting itself of fourteen of their fifteen inshore plants.

I also reviewed, for the benefit of members, Mr. Speaker, the events leading to privatization, as contained in the Fisheries Restructuring Agreement of 1983. I reviewed the position of the Province, based on the fiscal advice of consultants that we had retained, as to why the time was right for privatization now, and I also reviewed the participation in the company by the employees of this company which is, in many

respects, Mr. Speaker, a unique labour management experience in Newfoundland and Labrador.

I briefly gave an overview of those situations yesterday in the few minutes that I had available to me, and what I would propose this morning, Mr. Speaker, is to take hon. members through the bill clause by clause so that I can try to point out to the House, to the Legislature, exactly what this piece of legislation is about to accomplish and what it is doing in terms of the restructuring agreement of 1983 which, of course, is an act of this Legislature and which this particular Bill 34 is amending in a number of clauses.

Mr. Speaker, the principle embodied in Bill 34, which we are debating here today, is that in order to facilitate the privatization proposal which led to the privatization of FPI formally on April 14, 1987, the Province has deemed it appropriate that we would enact legislation that would place certain legal obligations on the company. There are certain things incorporated in this act that will become the law of the land that could just as easily have been incorporated in a privatization agreement between the two major shareholders - well, all three shareholders really - the owners of FPI, that we wanted, for the protection and the benefit of the people of Newfoundland and Labrador, to enshrine in legislation.

This legislation that we are debating here today will restrict the transfer, the ownership and the voting of shares in FPI, and it will also affect the composition of the Board of Directors of FPI. Moreover, Mr.

Speaker, specific amendments to the Fisheries Restructuring Act, which are outlined in Schedule A of the bill, are also deemed appropriate to the privatization of FPI. All legislative requirements and amendments that we are introducing in Bill 34 here today have been agreed upon with the company and with the Government of Canada. So these are not unilateral. There were other signatories to the restructuring agreement, 1983, which were enshrined in legislation in this House, Mr. Speaker, and those specific legislative amendments that we are introducing here today have been agreed to with the other parties.

Once this legislation is approved by the House it will be deemed to have come into effect on April 15 past, because it was on April 15 past that the company was formally returned to the private sector. So there can be no misunderstanding as to the intent and to the legality of this piece of legislation, since the company was privatized just two or three weeks ago.

Mr. Speaker, the principal components of this bill are, of course, outlined in the short title. I will pick them up in Section 3 in the bill. Section 3 in this bill refers to the amendments to the Fisheries Restructuring Act. Members will appreciate and remember that when the Government of Canada and the Government of Newfoundland introduced or agreed to the Fisheries Restructuring Act, 1983, we, at that time or shortly thereafter, passed a piece of legislation in this House called the Fisheries Restructuring Act, 1983. So Section 3 of this bill deals with amendments to the

Fisheries Restructuring Act. The agreement referred to in the section, and which is attached to the bill as Schedule A, as I indicated a few moments ago, provides that specified clauses of the 1983 Fisheries Restructuring Agreement between the Government of Canada, the Government of Newfoundland and the Bank of Nova Scotia be amended. As a result, the 1983 agreement remains in place.

As a result, the 1983 agreement, the Fisheries Restructuring agreement remains in place except in those areas which are outlined in Schedule A in this bill, and those areas are specifically clauses 2, 3, 4, 5, 7, 8, 9 and 11. Those clauses that were in the Fisheries Restructuring agreement, 2, 3, 4, 5, 7, 8, 9 and 11, are the clauses that are being amended in this particular piece of legislation. All the rest of the Fisheries Restructuring Act, 1983, remains in effect.

Now, Mr. Speaker, I would like to refer to each of those clauses so that hon. members, hopefully, will have an appreciation of what clauses we are amending and what the effects of those amendments are on the Fisheries Restructuring agreement. The first clause that we will be amending in this Bill No. 34 is clause 2 of the original restructuring agreement. Now, clause 2 had to do with corporate structure and the shareholdings of the company first. So this clause addressed the manner in which the shares in FPI, restructured, were held by the federal government, the Province and the bank. This share structure disappeared upon privatization.

Clause 2 (a) addressed the amount of shareholdings by the Government

of Canada, the 60-odd per cent that the Government of Canada held, the 30-odd per cent that the Government of Newfoundland held, and the 12 per cent that the Bank of Nova Scotia held.

Obviously, upon privatization that shareholding disappears, because the governments and the bank no longer hold any shares in the privatized FPI - the bank has some under the put option, but that put option enables those to be bought to be brought out by 1994.

Clause 2 (b) has to do with the redemption of the Bank of Nova Scotia's shares. This matter has no further legal implications for the Province or for FPI. All that was was that there was a number of shares guaranteed by the federal government under the Restructuring Agreement of 1983 through what we called a put option. The privatization agreement has funded that put option so that the federal government is no longer on the hook for funding the put when it expires in 1994. The Province was not on the hook anyway, so there was no financial implication for the Province. But because the privatized FPI have made arrangements in its privatization proposal as contained in its prospectus to fund the put option, therefore, clause 2 (b) will disappear because it no longer has any relevance.

MR. EFFORD:

A point of order, Mr. Speaker.

MR. SPEAKER:

Order, please!

A point of order, the hon. the member for Port de Grave.

MR. EFFORD:

I do not want to interrupt the

hon. member's speech, but, Mr. Speaker, it is a job to hear, and this is a very, very important bill. There is a conversation going on in the corridors, we have a conversation going on, and the minister is trying to clarify the points put forward in the privatization of FPI. We, as members on this side, take it with great interest, because it is important to fishermen all over the Province.

MR. SPEAKER:

To that point of order, there is no point of order. I would ask the people on my left to please be quiet while the minister is speaking.

The hon. the Minister of Fisheries.

MR. RIDEOUT:

Mr. Speaker, to continue on, clause 2 (c) of the original Restructuring Act had to deal with Newfoundland guarantees. Obviously, there are no Newfoundland guarantees in place now, they were, of course, removed when the last equity round was put in place. There are no outstanding obligations by the Government of Newfoundland under guarantee to FPI, so clause 2 (c) is being eliminated from the restructuring agreement.

Clause 2 (d) has to do with the composition of the Board of Directors. We were entitled under the restructuring agreement to name a number of people as representatives of the Government of Newfoundland and Labrador on the Board of Directors of FPI. As a result of privatization, governments will no longer have a direct role on the Board of FPI. We are not naming any government representatives to the Board, because we no longer have any

ownership in the company. Therefore, Clause 2 (d), which took care of that provision in the restructuring agreement, is being repealed.

Clause 2 (e) had to do with significant corporate decisions that could have a negative social impact. Under the restructuring agreement, 1983, significant operating decisions like plant closures and mechanization, resulting in permanent employee changes, required the approval of both governments. Under the privatization agreement, FPI is required to give governments ninety days notice of any planned shut-down of any plant that they own, and FPI would provide a mandatory option to both governments to cover the cost associated with keeping any plant that they might want to close down, in operation.

Now, Mr. Speaker, this is under Clause 3 in the act, which repeals Clause 2(e) in the old act.

This shut-down option is basically, word for word, the shut-down option that was contained in the restructuring agreement, 1983. In other words, I want to make it abundantly clear, so that members of the House and the public of Newfoundland understand, FPI, by law a privatized corporation, has the same obligations to the Government of Canada and to the Government of Newfoundland today as they had in the restructuring agreement of 1983; they must give us ninety days notice of any planned shut-down of any plant that they own. If both governments disagree with that shut-down option, then both governments must share 50/50 the cost of keeping that plant in

operation. If one government objects, then the objecting government bears the cost of subsidizing the operation of the plant, and that is word for word, basically, as I said, the agreement that was in place in the old restructuring agreement of 1983. So the shut-down provision, the shut-down protection, is still law and is still binding on the privatized FPI, just as it was under the restructuring agreement and the Restructuring Act of 1983.

Clause 3, Mr. Speaker, has to do with relations between the government shareholders and the company, covering the areas of the business plan, consultation, authorized issued capital, no material change, dividends, by-laws and wind-up. Now, this clause has been repealed because these matters reflected the ownership of FPI prior to privatization by both governments and the Bank of Nova Scotia. As shareholders, those parties could direct the affairs of the company, which is no longer the case upon privatization. Obviously, we have no right now, since we are not owners of the company anymore, to say how much your dividend issue is going to be, to say you have to file your business plan with us on an annual basis, things of that nature that were covered in clause 3 of the restructuring agreement, 1983.

Clause 4, which is being repealed, has to do with the divestiture of shares or assets. This clause, in the original agreement, reflected government's commitment to return FPI to the private sector. Obviously, that is what we are doing. The initial phase, as I indicated yesterday, envisioned the return of fifteen plants, and privatization, phase two, is being

accomplished by this act today. So clause 4, in the old agreement was, in effect, what we are doing here today, legalizing the privatization of FPI.

Clause 5, which is being repealed, had to do with corporate organization. The Fisheries Restructuring Agreement, Mr. Speaker, envisioned a specific organizational structure for FPI. However, governments, even prior to privatization, agreed that this matter should be best left to the company management. Even though it was in the restructuring agreement, both governments agreed that once a competent board of directors and a competent management team were put in place, it was not the right thing for governments and the bank to tell the company on a daily basis that they should divide themselves into a marketing division or a new products division or a procurement division or a purchasing division. Those kinds of corporate structure decisions were best left to the management of the company, and they were. And obviously, of course, flowing out of privatization, we have no right to tell the company how to organize their corporate structure, so that clause is being repealed.

Clause 6 had to do with the fishing industry structural study. This clause addressed the specific proposal which was not pursued during the period that FPI was owned by governments.

Once it was decided that the corporate structure should be left to the FPI management, and it has no further application to FPI, therefore, it is being taken out of or being repealed from the 1983 Act.

MR. TULK:

A point of order, Mr. Speaker.

MR. SPEAKER:

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

MR. TULK:

If you look at the bill, Mr. Minister, Clause 6 is not taken out. So whether that is a mistake by the draftsman that you wish to correct at the Committee stage, it is something you should take a look at.

MR. RIDEOUT:

Yes, that is right. Clause 6 is not in my notes, either. I am sorry. Clause 6 is just in on this briefing note. That has not been taken out. The ones that are being taken out are 2, 3, 4, 5, 7, 8, 9, and 11. Clause 6 is still in there. That was a mistake on my part.

MR. SPEAKER:

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

The hon. the Minister of Fisheries.

MR. RIDEOUT:

Clause 7 is being repealed, Mr. Speaker. That had to do with marketing, marketing for the independents, first of all, and the establishment of a Newfoundland Market Planning Co-ordination Council by FPI.

Now, immediately, Mr. Speaker, prior to restructuring, there were considerable marketing problems being experienced by many of the small and medium-sized fish processing companies in the Province. Consequently, during the restructuring process, a need was identified for FPI to play a major facilitating role in this area. Once the restructured FPI

was established, FPI did, in fact, enter into marketing arrangements with a number of small plant operations. Furthermore, a number of marketing consortiums were established and expanded involving small and medium-sized firms: We had the Bay Shore group, for example, we had Seafood Exporters Association, we had a whole bunch of seafood marketing companies, that were put together within the last two or three years, where independent processors came together and formed associations for marketing purposes.

Nevertheless, in the spirit of this clause of the restructuring agreement, FPI did enter into a number of arrangements with independent firms in the Province to take care of their marketing. However, after some of those other arrangements were formed, the need for FPI or, in fact, the desire, the request for FPI to do marketing on behalf of some of the smaller operators disappeared and that diminished, in the view of governments, the need for a formal marketing council. But FPI have indicated, and have indicated to all and sundry, that they are prepared to continue to market products if they are requested and if the desire is there on behalf of other smaller independent processors in the Province. Obviously, as a private company, FPI is free to pursue any of those arrangements that might be mutually acceptable to them and to any of the smaller independents who might want to have FPI do their marketing for them.

As I have said, Mr. Speaker, and as members of the House are aware, there have been a number of smaller marketing organizations put together over the last two or three years that have negated the

necessity for some of the smaller companies to want somebody bigger to market for them. In fact, National Sea does do marketing for some small, private fish processors in the Province as well. So that is nothing new and that can continue under the privatized arrangement.

Clause 8, Mr. Speaker, had to do with the procurement of fish for the resource-short plants. Under this clause, FPI was required to co-operate. It was not said that you have to do it or whatever, but FPI was required to co-operate with the resource-short plant programme participants in harvesting of the resource-short plant programme allocations. At the time of restructuring, of course, there was considerable difficulty in obtaining vessels, especially Canadian bottoms, to harvest resource-short plant allocations. Since then, since the restructuring in other words, FPI has, in fact, co-operated with resource-short plant participants and from time to time FPI have, in fact, harvested fish under this programme for the resource short-plants.

The resource-short plant programme group, however, as members may or may not know, have, I believe since August or September of last year, now formalized their own operations, and the participating plants in that group have formed themselves into their own operation called Newfound Resources Ltd.. Newfound Resources Ltd. have gone and done a business deal with Harbour Grace Fishing Company, and the Harbour Grace Fishing Company is now landing the fish for the resource-short plant program and Newfound Resources Ltd., owned by the resource-short plant

operators, is distributing the fish from Harbour Grace to their plants in various parts of the Province.

However, Mr. Speaker, FPI will still co-operate if necessary, and if requested by Newfound Resources and any other operator who is part of the resource-short plant program, in the harvesting, if they can and when they can, of resource-short plant fish.

MR. TULK:

Can the government require them to do that?

MR. RIDEOUT:

We could not require them under the old act, that said they had to co-operate.

AN HON. MEMBER:

Will it continue now?

MR. RIDEOUT:

They have given the commitment that that commitment would continue under the privatization scenario.

Clause 9, Mr. Speaker, in the restructuring agreement, had to do with the social compact between the restructured company and their employees. Members will recall that FPI did not enter into a formal social compact with the Fishermens' Union, the overall spirit of the social compact has been reflected, I believe it is fair to say, in the company/union agreements.

The union, which is their own prerogative, chose at the time for whatever reason, again their own prerogative, not to enter into -

AN HON. MEMBER:

Will the minister be tabling his notes?

MR. RIDEOUT:

Mr. Speaker, these are my speaking notes and I have no difficulty in tabling them, but I would remind the hon. member I am not bound by the rules to do so as a minister speaking from documents. They are just my speaking notes. This is technical information. I might have a half decent head, but I cannot remember all of those technical details.

The Fishermens' Union, for whatever reason in the restructuring agreement, and this is their own business, were offered a social compact in the restructured FPI and a seat on the board of directors, but the union chose not to accept that arrangement. Therefore, the social compact, in the legal sense, was not put in place, but, in fact, there was a social compact between the company and the union, in that long-term agreements were put in place between the employer and the employees. The company now, of course, as I already indicated to the House yesterday, has offered a free stock share plan to its employees: Seven million dollars worth of shares in the company have been given free to the unionized employees, a subsidized stock option plan is available for the employees to buy further stocks through payroll deduction, and, of course, there is a profit-sharing arrangement in place between the employees and the company. As has been said and is now public knowledge, the union have accepted a position on the board of directors, and I believe Father Des McGrath has been appointed to the board of Directors as the union's representative.

Therefore, Mr. Speaker, the only

socialists I know of who have any difficulty with the restructuring agreement is the NDP. I have not heard anything negative from the union. In fact, the union has accepted its position on the board of directors. I have not heard anything from the President of the Federation of Labour, who is an employee of the Fishermens' Union. The proof of the pudding is in the eating, and the union have accepted their position on the board of the directors, they have accepted the stock option plan, they have accepted the beneficial granting of shares. So there is a lot in this, I think, for the employees.

So, Mr. Speaker, the social compact, even though it did not go in place under the original agreement, certainly has gone in place under the privatization agreement.

Clause 11, which is the other remaining clause that will be deleted, had to do, Mr. Speaker, with plant utilization. The company has indicated in its prospectus, publicly filed at the stock exchanges across the country, that the company is committed to the ongoing operation of Harbour Breton, Gaultois, Ramea and St. Anthony.

The company, upon privatization of course, as I indicated earlier, must give governments notice of any plant shut-down and provide a mandatory option for governments to cover losses associated with any threatened plant.

Now, Mr. Speaker, we are naming those plants because these were the so-called social plants that members will remember. These were the so-called social plants in the restructuring agreement that had

to be kept open, if I remember the agreement correctly, until 1988, and then there was to be some doubt - you know, there had to be negotiations - what would be the future of those plants.

Well, Mr. Speaker, the privatized FPI is saying to the world, the privatized FPI is saying to the Canadians and Europeans and Americans who purchased shares in this company, that Harbour Breton, Gaultois, Ramea, and St. Anthony are part of the corporate family of FPI as long as there is an FPI. Harbour Breton, Gaultois, Ramea and St. Anthony, which were the so-called social plants, now have the same status in the corporate family of FPI as does Marystown, as does Fortune, as does Burin, as does Grand Bank, as does Bonavista. Those plants are the corporate family of FPI. If there should be, for whatever reason, some change in any plant, not those any more than any others, not those any less than any others, but if there should be some reason why the corporate entity known as FPI would want to close down a particular plant, then the closedown mechanism and protection that I outlined earlier is applicable.

So, first of all, under clause 11 (a) the future of all the plants owned by FPI is the same. There is no discrimination between a Gaultois and a Bonavista, between a Harbour Breton and a Marystown, they are all equal and they are all part of the corporate family of FPI and will be operated by FPI.

Clause (b) -

MR. TULK:

How long are you going to go on?

MR. RIDEOUT:

You would not mind, I suppose, if I went a little bit over time?

MR. TULK:

Summarize that Section, Number 11.

MR. RIDEOUT:

Section 11 has a number of provisions in it. The first provision was, remember, in sub-clause (a) of the original clause 11 of the 1983 Restructuring Act, Harbour Breton, Gaultois, Ramea and St. Anthony were identified as social plants and nobody knew what their future was after 1988 - right? - but FPI had to operate them up until 1988, and then we would see what happened after that.

The privatization agreement, and this is, as I said, in the prospectus, it is on this basis that the company have gone to the public of Canada and North America and Europe, to some degree, saying that those plants are part of the FPI family with no discrimination. As long as there is an FPI, FPI will be in a Gaultois or in a Harbour Breton or in a St. Anthony. They now have the same status; no social plant stigma; FPI have turned them around. They are making money for the company. The company is pleased with the productivity and the changes that have occurred in those operations and FPI is saying clearly to the investment community and to the people of those communities, that your plant in Gaultois has the same status in this corporate family as does the plant in Marystown, or Harbour Breton has the same status as does the plant in Bonavista, or Ramea has the same status as does the plant in Burin.

So, Mr. Speaker, that is what is happening here and, of course, all

of them put together, every plant they own put together, is covered by the close-down option that I referred to earlier, which remains part of the law of the land. They have to give ninety day notice, governments can intervene, governments can subsidize, all that that was in the original agreement, on top of this, is still in this agreement.

Secondly, Mr. Speaker, part (b) of clause 11, Burin's role as a secondary processing plant and trawler refit centre, has been fulfilled. That was what clause 11 (b) said in the original agreement, that Burin would be, and, of course, that is exactly what has happened at Burin.

Clause (c) said that Grand Bank would continue to remain open as a primary processing facility, and, of course, it has. Clause (d) referred to the St. Lawrence plant. Of course, that has been sold by FPI and it is operating successfully now. Clause (e) dealt with Fermeuse. That has been sold by FPI and it is operating successfully. Clause (f) dealt with Hermitage and Belleoram. These plants are operating successfully under new owner operators. Clause (g) dealt with the Triton plant and, of course, the outstanding shares of the Triton plant were purchased by FPI some months ago, and that continues to be operated by FPI as one of its offshore landing plants and will continue to be so.

MR. TULK:
Who owned that?

MR. RIDEOUT:
It was a joint venture between Dorman Roberts Limited, a local person in Triton, and the Nickersons. It was one of those

50/50 arrangements.

MR. TULK:
Have Nickersons sold that plant?

MR. RIDEOUT:
Yes.

MR. TULK:
How is that?

MR. RIDEOUT:
Well, in the sense that the Royal Bank held their shares because of the defaults before restructuring. FPI had to deal with Dorm Roberts Limited and the Royal Bank.

MR. TULK:
So it was really the Royal Bank and Dorm Roberts.

MR. RIDEOUT:
Exactly. Not Nickersons, they were out of it at that point in time.

So, Mr. Speaker, these are the clauses in the original Restructuring Act that will be deleted as a result of the privatization agreement and as a result of Bill 34. All of the rest of the clauses of the Restructuring Act remain in place and have the same effect in law as they had before this bill was brought in. The only changes are to clauses 2, 3, 4, 5, 7, 8, 9 and 11 that I have gone through in some detail here this morning.

Now, Mr. Speaker, I would also like to, as briefly as I can, take members through the particular sections of Bill 34. This took care of Section 3 which deals with the amendments to the Restructuring Bill, 1983. The rest of the Bill: I would like to briefly take members through the various clauses and briefly

explain them. I have been told I have five minutes left, but I am sure members would not mind if I went a little bit beyond.

AN HON. MEMBER:

You can have lots of leave!

MR. RIDEOUT:

Lots of leave? Okay.

As I said, I have dealt with Section 3 which was the changes to the clauses in the original Restructuring Act. The next Section, Section 4, has to do with the holding company restricted ownership. Remember now, there are two companies here, there is FPI Limited, which is the holding company, which owns the shares in FPI International, FPIL, which is the operating company. We wanted to make sure that they could not get around this share restriction by doing some fancy legal work, so Section 4 puts the ownership restriction on FPI Limited which is the holding company.

This Section, Mr. Speaker, gives the force of law to the 15 per cent restriction for FPI Limited. The text of the share restriction is attached in this bill, word by word as Schedule B, so members can go through, if they wish, the restriction and pursue it. But it is there in its detail in Section B.

This section requires the companies to include the share restriction that is set out in Schedule B here in their constating instruments. In other words, their instruments of association. This is just a new, fancy legal term for their instruments or articles of association. The companies will then be not entitled to amend or delete their restriction without

first having the legislation amended. Section 4 makes this applicable to the holding company, which owns the operating company, so that the 15 per cent share restriction is part of the articles of association of this company and cannot be changed without the consent of this Legislature.

Now, if some government, for whatever reason tomorrow or the next day or twenty-five years down the road, wants to do that, obviously, you can amend legislation at any time. But until such time as that is done, the company cannot violate the 15 per cent share restriction.

MR. TULK:

Which is what? That no shareholder can own any more than the 15 per cent?

MR. RIDEOUT:

That is right. Or they cannot get together and vote any more than 15 per cent by three or four ganging up. All that is outlined in Section B here.

MR. TULK:

Could I ask the minister a very serious question? And you can go on, because it is an important issue. Could three or four people agree to vote on certain decisions of the company with, say, four of them holding 60 per cent of the company? Is that possible?

MR. RIDEOUT:

I suppose, Mr. Speaker, anything is theoretical.

MR. TULK:

Yes, get together in a back room.

MR. RIDEOUT:

It is possible to get together in a back room, but there are laws

governing what owners, shareholders, and boards of directors of a company can do.

MR. TULK:

Oh, I appreciate what you are trying to do.

MR. RIDEOUT:

There was a guy flicked off the New York Stock Exchange just recently for some pretty serious stuff. So the law is there and the law, I suppose, is as good as the people who are following it. But if some people became devious and ganged up in a back room, there are probably numerous things that could happen. But I am sure the law would find a way of taking its course.

MR. TULK:

You never know. Fourteen members of the Liberal caucus could hold 60 per cent of the company.

MR. SPEAKER:

Order, please!

The hon. minister's time is up.

SOME HON. MEMBERS:

By leave.

MR. SPEAKER:

Leave has been granted.

MR. RIDEOUT:

Okay. Government support for a 15 per cent share restriction, Mr. Speaker, reflects the government's view, reflects our view, and this is why we agreed to it. This is not something new, by the way. Members might recall, when the Alberta government privatized Pacific Western, which has since taken over CP, that there was a share restriction built into that legislation, basically the same kind of share restriction that is built in here, and it worked very

well. But it was done because it was our view that a share restriction would enhance the overall corporate impact of FPI on the Province, that you would not be able to have this company, which employs 8,000 Newfoundlanders, which operates in so many nooks and crannies of this Province, subject to the corporate dictates of one large conglomerate. That was the reason behind it: By spreading out, by diversifying, by diffusing the ownership of the company, you lessened that kind of danger.

In the absence of such a share restriction, Mr. Speaker, as members would appreciate, a single shareholder would have a great degree of flexibility to adjust the operations of the company to meet the various corporate objectives. For example, in the prospectus that went to the public to buy this company, they were told what the dividend limitations would be. You would never be able to do that if you did not have a share restriction, because if Swifts or Canada Packers or Nordsee were the majority shareholders, they would be able to say what the corporate direction of this company is going to be without any reference to how the board of directors feel or anything else.

Section 5 of the act puts the ownership restriction on FPI International, the operating company. Section 4 made the ownership restriction applicable to the holding company because the holding company conceivably, if we did not do that, could have purchased all of the shares in the operating company and then they would be free of the restrictions. So the restriction applies to the holding company in

Section 4 and to the operating company in Section 5. This section applies the same share restriction to FPI Limited, but includes an exception in sub-section 2 to permit FPI to own all of the shares of the holding company. So the operating company could own all of the shares of the holding company, but the holding company is restricted by the share restriction on the operating company.

Section 6, Mr. Speaker, deals with the restrictions on changes in jurisdiction. This section is important because it eliminates a loophole which could be used to defeat the share restriction by changing the jurisdiction of the company's corporate registration from Newfoundland to another jurisdiction which prohibits share restrictions such as the one created in the bill. Now, our law does not prohibit, Mr. Speaker, share restrictions. But unless we put in Section 6, which does not permit the company to change its jurisdiction, they could have gotten around this by changing their corporate jurisdiction from Newfoundland, say, to Ontario, for example, by moving their head offices. It could even be on paper. But Section 6 does not permit that. They cannot move from this Province to another jurisdiction which prohibits share restrictions. This section specifically prohibits both companies from applying for such a continuance, which means a move or a change in corporate registration.

MR. TULK:

In the side notes to the bill, the words 'foreign continuancy prohibited', does that mean outside the country or just outside the Province?

MR. RIDEOUT:

It means either, because it is a jurisdiction -

MR. TULK:

Foreign to the Province?

MR. RIDEOUT:

Foreign to the Province, yes.

Section 7, Mr. Speaker, deals with the restriction on the sale of the business of both companies.

Members will notice in Section 7 that this section eliminates -

MR. FENWICK:

Would you entertain a question on Section 6 before you go on?

MR. RIDEOUT:

Sure.

MR. FENWICK:

No microphone.

MR. RIDEOUT:

This is incorporated in the Companies Act in some jurisdictions now, so it is not new. Our legal advice is that this is within the competence of this Legislature to do so.

MR. TULK:

Do what? The courts?

MR. RIDEOUT:

God bless them! I do not know, but that is our legal advice.

Section 7, Mr. Speaker, as I said, puts the restriction on the sale of business of both companies, the operating company and the holding company. This section eliminates another loophole in the share restriction, whereby the property and the assets of the two companies could be transferred to a third company which is not subject to share restriction.

This section prohibits the sale of all, or substantially all of the property and the assets of either company relating to the following, and this is the key part of the section: the harvesting, processing and marketing of seafood. The companies are permitted to transfer property not relating to its fish business without subject to this section. Example: FPI's Board of Directors might decide they have good capital assets built up to invest in - I do not know - MacDonald's hamburgers and chips. We will have no right to say they could not transfer or sell their interests into hamburgers and chips. But any assets associated with the harvesting, the processing and the marketing of seafood cannot be transferred from FPI to some third company to allow them to get around the share restriction.

MR. FENWICK:

There is nothing here to show (inaudible).

MR. RIDEOUT:

That is right.

MR. FENWICK:

So they have to keep the American plant?

MR. RIDEOUT:

That is right. Denvers is part of the structure here.

MR. FENWICK:

Even if we wanted to set up secondary processing plants in the Province and get rid of those?

MR. TULK:

Well, what would be required there would be a change of legislation in the Province.

MR. RIDEOUT:

Yes, there would have to be a change of legislation. I do not think that is in the cards. They have a secondary processing operation in the Province now.

MR. TULK:

I do not imagine it would take very long to get it done, either.

MR. FENWICK:

No, the point I was making was, 'all or substantially all', I would take that to mean a big chunk of the company and the two plants in the States may not be defined as all or substantially all.

MR. RIDEOUT:

Would not be defined as all or substantially all. That could very well be. I could have that checked, if the hon. member would want.

MR. FENWICK:

Okay.

MR. RIDEOUT:

Now, Section 2, Mr. Speaker, of clause 7 makes it clear that the companies can mortgage their property for purposes of corporate financing without the restriction in this section having any effect. In other words, to build up an operating line at the bank or whatever, they can go out and mortgage their trawlers and their plants and so on against their operating line. This section does not have any effect on their ability to finance the company, but what it does is prohibit the company from transferring all or substantially all, as the act says, of their harvesting, processing and marketing into a third company that is not bound by the share restriction.

MR. TULK:

Government would have no control there, would it?

MR. RIDEOUT:
No.

MR. TULK:
We, as a Legislature, or the government itself would have no control over them doing this?

MR. RIDEOUT:
Under subsection (2) the gentleman means?

MR. TULK:
Yes.

MR. RIDEOUT:
We could do it, but, I mean, look what we would be doing.

MR. TULK:
But not under this agreement.

MR. RIDEOUT:
No.

We could say you can only mortgage 15 per cent of your assets, but look what you would be doing in terms of limiting their ability to have a \$100 million working capital line, for example.

MR. TULK:
I understand that.

MR. RIDEOUT:
Section 8, Mr. Speaker, deals with the restriction on the merger of both companies. This section deals with another loophole in the share restriction whereby the two companies could be merged with a third company so that the resulting new corporate entity would not be required to maintain the share restriction.

This section prohibits such mergers or amalgamations. So, obviously what we have been trying

to do in making this share restriction as loophole free as possible is covering every possibility that could perhaps be devised to get around the share restriction.

Section 9 in the bill, Mr. Speaker, has to do with the residency requirement on the board of directors. This section requires both companies, the holding company and the operating company, to maintain boards of directors, the majority of whom are to be residents of Newfoundland.

MR. TULK:
That was not the case under the old restructuring agreement, was it?

MR. RIDEOUT:
No, it was not. The federal government and the bank had more members on the board, obviously, because they held more shares than we did. As it turned out, I should say to the hon. member, there were a majority of Newfoundlanders, at least on the revitalized board, after the last round of equity.

MR. FENWICK:
Mr. Speaker, there are a few points on that that I would like to have clarified. As the board members are put on, are they designated as Newfoundland resident board members or is it just a general pool?

Secondly, if I was Harry Steele and I was sitting on a board as a resident of Gander and I wanted to move to Halifax and decided to heck with you, I am going to fight you in the courts, do you have a legal opinion on whether or not he would be able to get away with it?

MR. SIMMONS:

What is it he wants, to be Harry Steele or to move to Halifax?

MR. FENWICK:

The ancillary part of it: How is a Newfoundland resident defined? How long have you got to live here?

MR. RIDEOUT:

A Newfoundland resident, I believe, is defined as somebody who is a resident of the Province for a month, or something like that. Whatever entitles you to vote, I would think, and I believe that is a resident of the Province for one month.

MR. FENWICK:

Is that the criterion? It is not like the offshore oil regulations, where it is a different criterion?

MR. TULK:

I would imagine it is the Newfoundland residency requirement.

MR. RIDEOUT:

Yes, the normal Newfoundland residency requirement.

Now, I missed the first part of the hon. gentleman's question.

MR. FENWICK:

When you are put on the board, are you called the Newfoundland board member versus the other one?

MR. RIDEOUT:

No, when you are put on the board of this privatized company, you are a member of the Board of Directors of FPI. There is a caveat which says that you cannot serve on that board, as part of this legislation, part of this agreement, unless you are a resident of Newfoundland.

I remember now the second part of the hon. gentleman's question,

whether that is legally enforceable or not if it should happen to be challenged and go through the courts. I can tell the hon. gentleman that there are differences of opinion, honestly. I mean, I obviously cannot misinform the Legislature. There are differences of opinion as to what the result would be if that were challenged. That is being blatantly honest with you.

MR. FENWICK:

We sort of suspected so.

MR. RIDEOUT:

Nevertheless, what is wrong with having a requirement saying that the majority of the board of directors of that great company ought to be Newfoundlanders, since it is a company that means so much to Newfoundland?

MR. FENWICK:

Nothing, if it will work.

MR. RIDEOUT:

Section 10, Mr. Speaker, of the bill deals with the management restriction on the board of directors. This section prohibits more than one member of the management of either company from sitting on the board of directors of either company. It is the Province's view that the board of directors of both companies should be autonomous from the company management and, consequently, the Province made this a condition of the privatization agreement.

In effect, what this says is that only one member of the management team can also be a member of the board of directors. At the present time, of course, the Chief Executive Officer, Mr. Young, is a member of the Board of Directors. Mr. Norris cannot be. Mr. Wells cannot be. There can only be one

member of the management team at any one point in time a member of the board of directors because, in our opinion, that will mean that the diversified view of the company, because of the share restriction, will have more of an impact and be better able to carry the day than if you had two, three, four, five, or any number of management, who are managing the company on a day to day basis, also on the board of Directors.

Section 11, Mr. Speaker, has to do with -

MR. TULK:

You do not need to go through that.

MR. RIDEOUT:

- conflicts of other acts. As members can see, this bill makes this act paramount over any other act that there might be conflicts with, like the Companies Act, the Corporations Act, or any other particular piece of legislation that might be in conflict with this act. This will take precedence.

MR. FENWICK:

I have a question on that. Is there a direct involvement with the Companies Act we passed last year? Would it have restricted some of these things?

MR. RIDEOUT:

The share restriction clause could be a problem with the Companies Act that we passed last year.

MR. FENWICK:

How about the board of directors?

MR. RIDEOUT:

Not that I am aware of. I would not want to be definitive on that, but that was not flagged with me as a problem.

Mr. Speaker, there it is. Not to bore the House in the leave that they gave me, but just briefly to summarize: We think that we have built into a privatized FPI the legitimate protection that the people of Newfoundland and Labrador deserve from the operations of this company.

We also believe, as a result of this privatization, that a new and dynamic company has been created out of the ashes where nobody thought there would have been any success three or four years ago. Granted, the taxpayers of Newfoundland will leave behind an investment of about \$20 million in the privatized FPI. Our total exposure as a result of the restructuring was around \$66 million, and we got back in cash \$48.7 million, I believe. Our total investment in the restructured FPI, Mr. Speaker, was nowhere close to all being in cash equity into the company. We had some guarantees on some of the older companies that were restructured, we had some guarantees, first mortgages on trawlers that were assumed into the new restructured company. When you put all our assets together, as a Province our total equity and cash amounted to around \$60-odd million.

MR. TULK:

Sixty-four million, was it not?

MR. RIDEOUT:

Sixty-four million. But, as I said, that was not all cash on the barrel head. We have gotten back out of that \$47.8 million, we have gotten back a company.

MR. TULK:

A rose is a rose is a rose, though.

MR. RIDEOUT:

Right. Where we did not expect to get back a cent, we have gotten back a company that is dynamic, a company that is on the move, Mr. Speaker, a company that is the best of its kind, which can go shoulder to shoulder in the market place with any other seafood producing company in the world.

So I think that the restructuring that was done has certainly been successful. I believe that the management and the employees of the company are to be credited with doing a fantastic job. Obviously, there were other factors external to the company, like favourable discount and interest rates, lower fuel prices, the market taking off in the U.S., which probably nobody would have predicted two or three years ago. National Sea is in great shape, but as the CEO of National Sea was telling me the night before last, FPI is even in greater shape, because National Sea is still carrying a significant percentage of its restructured life in debt. But this company is carrying a debt-free bottom line, Mr. Speaker. This company, we think, is now in a position to be able to go with the ebb and the flow of the fishing industry. There are going to be bad times again.

MR. FENWICK:

They have some debts, do they not, about \$15 million or so?

MR. RIDEOUT:

Not as related to capital take-over. They may in terms of capital acquisitions, like a new trawler or something like that. They would finance that.

MR. FENWICK:

It does have a bit of debt, just a small ratio.

MR. RIDEOUT:

Yes, very, very small, almost insignificant.

This company, Mr. Speaker, as I was saying, is now in a position that we are confident that no matter how the ebb and flow of the industry goes over the next number of years - and there will be good times and bad times, that is typical of the fishing industry - that it can sustain and grow with the good times and that it can sustain and hang in there in the bad times. That was the intent of restructuring, Mr. Speaker, and I believe that that intent has been realized. It is therefore with a great deal of pride and pleasure today that I move second reading of this bill.

MR. TULK:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Fogo.

MR. TULK:

Mr. Speaker, our fisheries spokesman, I think, is in his district on business. Yesterday when the hon. gentleman started his speech, the Leader of the Opposition was absent.

I want to start off by saying to the Minister of Fisheries that he is talking about one of the most important issues that has arisen in the fisheries in this Province in a number of years.

I want to congratulate him on his presentation this morning and yesterday. He has done a great job of that. I want to also say to him that I believe, as privatization processes go, he has done a good job of privatizing Fishery Products International.

If I have a quarrel with the minister, it is not with his ability to do what he has done, but rather, perhaps, it is found in the last few words the minister gave us, which are, 'the ebb and flow of the fisheries in the Province.'

I want to say to the minister in starting my remarks, to use his own words, that we have been able to sell Fishery Products International and gain a good price for it in the stock market. I understand the stocks that we put on the stock market at \$12.50 are now selling for somewhere around \$17.50 to \$18.00, in that vicinity, which is -

MR. RIDEOUT:

They have been up to \$18.25.

MR. TULK:

I want to say to him that yes, he has done a good job of privatizing FPI. There is no quarrel.

But I do have to say to him, Mr. Speaker, that the real problem, as I see it with what we have done here, and the real concern that I have about the privatization of FPI is found in the history of the fisheries in the Province and perhaps in the history of Newfoundland. The minister started off by saying Fishery Products International was able to gain for us in the marketplace and in the stock market a good price for shares and it had a tremendously successful year last year. I think there was a profit of something over \$40 million. I say to him I wonder if FPI, the corporate structure or the supposed, and I use the word carefully, the supposed bright young people who sit on that Board of Directors, I am not so sure that they have proven to us in any

of the categories that they have been in, and I say this without any maliciousness towards the chief executive officer, I am not so sure that he has proven to us in this Province that he has been able to take - what I am talking about in particular is the man that we tout around this Province as being the godsend of FPI, and I do not want to name him. I do not want to be specific with the names.

For example, if we look at the CEO, if we look at him, if you look at him very carefully, I understand the hon. gentleman was a former advisor to a former Premier of this Province, which did not take a lot of effort. I understand also that he was, at one point, the Chairman of Newfoundland Hydro which, in my opinion, is the same thing as having your own printing press to print money. If you go in the whole with Newfoundland Hydro, if you make a mistake with Newfoundland Hydro, then all you have to do is up the rates, and there are very little controls on whether you are allowed to up the rates or whether you are not.

We then transferred the hon. gentleman, that bright young gentleman to Fishery Products International, and I have to say to you in all fairness, if you give my thirteen year old daughter \$3 million of capital in the form of equity or cash, then I think she too, under the circumstances that FPI has found itself in the last couple of years in the marketplace, would probably make a profit of \$40 million last year for FPI. I say that without any personal or political maliciousness toward the hon. gentleman. I think it is a factor we have to consider.

The fact of the matter is last year FPI, as the Minister of Fisheries (Mr. Rideout) has just said, made a profit because of an upturn in the marketplace for fish. Fish has come to be considered a health food and has replaced meat in many instances. I think last year there was a decrease of 8 per cent in the consumption of meat and there was a corresponding rise in the consumption of fish of 8 per cent as well. Now, 8 per cent seems like a small figure. But if you look at the huge United States market for either fish or meat, then 8 per cent means millions of pounds, and, of course, what it does is create demand for a product in this case namely, fish. So the marketplace improved tremendously as a result of some of the change and eating habits of people in the United States. Of course, there has also been a lowering of the interest rates, which has helped the Canadian fishery substantially. There has also been a change in the value of the Canadian dollar on the US market which again has helped FPI International last year. There has also been a change in fuel prices. There has been a downward trend in the cost of oil and that again contributed to the success of FPI. As I said that company in 1983 was it, the old restructuring agreement, in 1983 that company was granted \$300 million public funds.

It is the same thing as if you took Abitibi-Price today, bought it out and gave it to anybody in this House to make a profit with, and then you would have to compare them to somebody who bought out Air Canada or let us say the Air Atlantic portion of Air Canada, they had to buy that out on a private basis and - no, let us

take two corresponding places. Let us take Stephenville and Grand Falls. You gave one person the plant in Grand Falls and you said, "No, run it. Make a profit with it." On the other hand you required the other gentleman to buy it and you said, "Now you run it and make a profit with that business." Of course, the two could never meet.

So I say to the Minister of Fisheries (Mr. Rideout) that while I believe he has done a good job in the detail of privatizing FPI, I have some very serious concerns, and this party has some very serious concerns, about whether we should have privatized FPI or not. I am not against private business and neither is this party against private business. We are not, as the hon. gentlemen to my right would be -

MR. FENWICK:

I am too your right as well as to your left.

MR. TULK:

That is my left, is it? No, you are to my right, you are to my left philosophically perhaps.

MR. SIMMONS:

To your physical right and all over the map politically.

MR. TULK:

All over the map politically, yes, that is true.

Mr. Speaker, the point of the matter is that we had a company. We were saying FPI was making \$40 million worth of profit and that that was expected to rise in the next five years, those were the predictions that were coming from the government and from Mr. Young and from the rest of the Board of Directors of Fishery Products.

If that were the case, why then would we, as a people, sell that company? We owned 25 per cent of it, so if it were \$40 million worth of profits, that turned into the treasury of this Province \$10 million. Why sell a company that is making money?

The second and perhaps the most important reason of all that I can see for us not selling a company is this: No, let me come back to the \$10 million first. We also heard last year a great cry that the inshore fishery needed to be restructured and in order for the Provincial Minister of Fisheries to sign the new restructuring agreement to privatize FPI, he wanted an inshore restructuring agreement signed. Why did not the minister recognize that in his own hands, his own company, Fishery Products International, he had \$10 million that he could have immediately taken as profits from that company and turned into the inshore fishery itself? Why did he need to sell that company to get the money? The absolute truth is he did not.

But perhaps, Mr. Speaker, the more important thing that one has to consider, and the member for Fortune-Hermitage (Mr. Simmons) will remember this as well as anybody because it was a political factor in his time in Ottawa, the like of which this Province has never seen, the restructuring of FPI. Hon. members opposite will remember it as well, and we on this side remember.

Fishery Products International today is a very prosperous company. I would suggest to you that fifteen years ago Fisheries Products, the old Newfoundland Fishery Products and many of the other deep-sea companies that

existed along the South Coast of this Province were very successful companies as well. Our history is that we have had a deep-sea fishery at certain times that has been very successful and at other times has not been. There are not guarantees, in spite of what the minister has done and in spite of his attention to detail. The minister or no one else cannot guarantee this Legislature that in five years time we will not have the same situation that we had in 1981-82, and 1983 where we saw fish plants being closed because they could not survive in the marketplace or because of mismanagement by the people that owed them.

You would normally say, Mr. Speaker, if it were a Kentucky Fried Chicken place that we were talking about, you would let it close. The real truth of the matter is that the fishery in this Province is so important that if we find ourselves in three years time, having already passed out \$300 million, \$20 million, I think, which the Province will never recover, and even more from the federal government which they will never recover, having already passed that out in 1983, in 1988-89, 90 or even 95, we could find ourselves in the same position that we found ourselves in in 1981-82. By that I mean, the Provincial deep-sea fishery is bottom up again.

Mr. Speaker, I ask you, where then are those people going to come to look for funds? That fishery is a vital part not only of our economic life but of our social life in this Province, a fishery without which Newfoundland would not survive. Where are they then going to come to look for the cash to bail them out? Mr. Speaker may

not be here, I may not be here and none of the members of this Legislature may not be here. I would not bet on that. I would not hold any bets against you being here at all.

Mr. Speaker, we may not be here but the truth of the matter is they will return to this Legislature. That is part of the history of Newfoundland.

DR. COLLINS:

Would the hon. member permit a question?

MR. TULK:

Of course.

MR. SPEAKER:

The hon. the Minister of Finance.

DR. COLLINS:

Would the hon. member not agree though that the restructuring was really more than a bail out, the restructuring put things in place that even if this company got into financial difficulties, those good things that were put in place are still there. We are dealing with a very, very different deep sea company now than what was there when the Lakes and the Munros and the Pennys were there, which was a very run down sort of operation. I am not blaming those people but it was a very run down operation. Now the operation that is there is in a very good situation. Even if it got into financial difficulties, you cannot get away from the fact that the plants are good, the trawlers are good, it has a good management structure in place, it has a lot of marketing work done and all that type of thing. Would the hon. member not agree that we have a better thing on our hands now than we ever had before?

MR. SPEAKER:

The hon. the member for Fogo.

MR. TULK:

I will not disagree with the minister at all, Mr. Speaker. What the minister fails to see is that does not destroy the argument that I am putting forward, not at all. Fishery Products International today is a very modernized company. Whether they keep re-investing to see that that company is kept modernized is another question, that is another question in five years time. This is where my real fear as an outport Newfoundlander comes from.

The history of the fishery in this Province has been that those people who have managed it have, in many cases, taken the profits when they are there and stuffed them in their own pockets at the expense of the people of this Province and, in bad times, come back again to the people of this Province to bail them out. That is the history of the fishery of this Province and that is the history of private investors in this Province. The reason that Fishery Products went under, the old Newfoundland Fishery Products, is that they failed to keep pace with modern technology because they knew bloody well that when they went under, because of the social pressures that are put upon the government, regardless of who is in power, they would again be bailed out.

We saw H.B. Nickerson come into this Province and buy up anything they could laid their hands on. They did not look and see whether they had the modern technology, whether they had the modern management plans in place that were required to keep that company

going, all they wanted was a niche in the Newfoundland fishery knowing full well that when they came to where there are social pressures for the government, we would buy them out.

So there is no guarantee. In spite of what the hon. gentleman says, and I appreciate what he says, today Fishery Products International is a very modernized company but there are no guarantees built into this programme that we are now looking at, to the privatization of FPI, that guarantees us that we will not see the same group of people, the private investors, the so-called private investors - and if they were I would say God bless them but they are not because we have subsidized them to the tune of \$300 million. That is not private investment. That is not private enterprise.

If the Speaker wants to get engaged in a company, which should be perfectly legal for him to do and is, if he is to call himself a private investor with private funds, then he puts up the cash, and he takes the risk. I say to the Minister of Finance that that has not happened in this particular case. I say to him that there is no guarantee in three years that the plant in South Dildo will be open, there is no guarantee that the plant in Ramea will be open, there is no guarantee that the plant in Gaultois will be open, there is no guarantee that the plant in Harbour Breton will be open, unless we are prepared for the day when FPI, and I mean we, as a government, we, as legislators, comes back to put up the cash that is necessary.

So for the Minister of Fisheries

to stand in his place and say that because we have done this and done another thing - he has done a good job within the bounds that he could - but for him to say that we are now guaranteeing the future of the deep-sea fishery in this Province is either misleading or comes about of his not knowing what he is talking about. So, Mr. Speaker, on that one basis, I am not sure at this point that there was any point in privatizing FPI.

Let us look at what the Minister of Fisheries says in the agreement. Let us look at what the Minister of Fisheries has replaced out of the old restructuring agreement, Mr. Speaker. I am concerned about the social components of the old restructuring agreement, because that was the one reason why it was brought in. It was not for the good of private investors in the Province, but to see that communities like Gaultois, Harbour Breton and so on, survive.

The Minister of Fisheries tells us that before Fishery Products International can close down certain plants in this Province, the so-called social plants, they have to give the government ninety days notice. Now, Mr. Speaker, big whoop-de-do! They are having their cake and they are eating it too! If the directors of FPI today see that Harbour Breton again - I will use Harbour Breton as an example - is losing money, all they have to do is to come back to the Government of Newfoundland and/or the Government of Canada - in this particular case the Government of Newfoundland, and I would suggest it will not be very long before you will see the Government of Canada involved as they were in the last restructuring agreement

that we put in place - and give us ninety days notice. Then we can either allow them to close the plant or we can pay for the cost of keeping it open.

So does the Minister of Finance now see, given the history of private investors in the fishery in this Province, where indeed we have perhaps not protected the Newfoundland fishery at all?

Mr. Speaker, the history of Newfoundland is full of attempts by people to take the fishery of this Province out from under the yoke of what is more commonly called, by my parents and my grandparents, the Water Street merchant. I would suggest to you that we have a new breed. Perhaps what we are looking at in the fishery, and I hope not, because I hope this fishery succeeds, but we might very well be looking at a new breed of Water Street merchant. I do not need to elaborate on that for either the Speaker or some other members of this House.

Mr. Speaker, looking at the whole thing I say to the Minister of Fisheries (Mr. Rideout), I fail to see at this point where we could make a case for privatizing FPI. Now I realize that the sale of FPI to going to help the Minister of Finance (Dr. Collins) keep his budget deficits down somewhat. It is \$172 million as it is, and I believe he realized from the sale of FPI \$40 million. So in actual fact -

DR. COLLINS:
\$48 million. Now that goes into the capital accounts.

MR. TULK:
The hon. gentleman tells me he raised \$48 million. That goes

into capital account so we do not see it in the deficit on current account, we see it in the deficit on capital account that the hon. gentleman tells us about in his budget was \$226 million, was it? Add \$48 million to it, so it would have been \$274 million. In any case, the deficit and the debt of this Province would have been extremely higher without the sale of that company. I trust the hon. gentleman enough to believe that that was not the primary motive in his selling FPI.

Mr. Speaker, I want if I can to look at perhaps the effect of what the selling of FPI might have on another important part of the Newfoundland fishery and, that is, the inshore fishery itself. The inshore fishery in this Province, I would suggest to you, Mr. Speaker, is the lifeblood of Newfoundland. It is the lifeblood of the part of the world where I come from certainly. While the deepsea fishery is very important to districts like the member for Fortune - Hermitage (Mr. Simmons), and other members in this House, the member for Burin - Placentia West (Mr. Tobin) and so on, along my coast and along the Northeast Coast of this Province, and I would suggest, perhaps, the greatest part of the coastline of the Province, the inshore fishery is the most important part.

I want, if I can, to talk about the Minister of Fisheries saying that they divested certain of the plants that FPI had under its control in the beginning. I think it was fifteen that were originally put and fourteen of them are gone. He talks about, for example, the great success that Beothuck Fisheries owned by Mr. Boyd Way in Valleyfield, and Mr. Tommy Halett, the great

success that Beothuck Fisheries has made of Twillingate. Mr. Speaker, if there is a group of people in this Province that have shown that they can manage the fishery and manage their businesses it has always been the Boyd Ways of Newfoundland, the Beothuck Fisheries of Newfoundland. They, even in the worst of times when the deepsea fishery was going under, in the worst of times managed to survive largely on their own.

So there is nothing new in telling us that Boyd Way is going to make a success of Twillingate. He knows the fish business. It is a family business and I would suggest the hon. gentleman that that is perhaps one of the reasons why he makes such a success of it, because it is a family business and a source of pride to him, rather than somebody investing in a gold mine or silver mine. It is a family business and therefore he has got a great deal of pride in it. So there is nothing new in that.

But one has to consider that we are in good times in the fishery and therefore the markets for fish products is good. There is no problem. If you pull it out of the water, even if it is a rock, you can almost sell it as a fish product. If it is a certain colour rock you can almost sell it and probably get fifty or sixty cents a pound anywhere for rocks that come out of the ocean. Kilip, what we used to call kilip. I am surprised that we have not found a market and I would not be surprised if we had found a market in the last little while for sculpins. It would surprise me if we have not.

The point is that today the

marketplace is in good shape. Fishery Products International in the restructuring agreement, one of its prime objectives was to see that in bad times, the bad times of 1981, 1982 and 1983 that markets were found for the smaller independents. Now mind you those smaller independents were second class still to that large company called FPI. The second priority of FPI was to find marketplaces for them. The first priority was to find marketplaces for them, the first priority being their own.

Today we have a new group that has put together in the inshore, but they are still very splintered and Fishery Products International is a large corporation on the marketplace that when times get bad will be concerned with marketing only their own product. So we could find ourselves in a situation where we replace our smaller independent group of people in a very, very precarious position indeed where the marketplace is bad.

Mr. Speaker, what has happened with the privatization scheme? The minister listed off a number of articles in the whole restructuring agreement that has been done away with, section 2, section 3, section 4, section 5, section 7, section 8, section 9 and section 11.

We have already seen the federal government introduce FFTs so that did away with section 12 under the restructuring agreement, where FFTs, factory freezer trawlers were not supposed be introduced into our fishery.

What essentially has happened by privatizing FPI is that the restructuring agreement that was put in place in 1983 is no longer

around. It is no longer around. Some people would perhaps go as far as to say the whole deal that was put together in 1983 to protect the Newfoundland fishery and to create Fishery Products and protect our deep-sea fishery has been gutted, to use a good Newfoundland phrase when talking about fish.

We have now seen the minister, as I said, cut out number 2, number 3, number 4, number 5, number 7, 8, 9 and 11. Factory freezer trawlers under Article number 12 has already been gutted by the Federal Minister of Fisheries which said of course that that - Section 12 said that factory trawlers will not be permitted to harvest Northern cod. That is now being permitted. Plant construction and the existing processing licences freeze will be continued. That was in place before this ever went in place. The Northern Fisheries Development Corporation, section 15, never ever came into effect. The Burin Peninsula Development fund is in place. Fish allocations are still a priority with the federal government and so on. So, Mr. Speaker, the whole restructuring agreement that was put in place in 1983 is no longer around.

Now, Mr. Speaker, I am not going to take that much time in going on about this because, as I said, I think the minister has done a good job in what he has done. I am not arguing with him about that. The detail of what he has done is good. My concern with what he has done is founded, as I said, in the history of the Newfoundland fishery and that indeed what we may have done is sold a company at a period in time that overall, in the long term scheme of the fishery, may end up right back in

our lap again. We may have lost money today and not gained any money tomorrow.

I am concerned about the effect of that large fish company, that large corporate giant called Fishery Products International on just what will happen and the effect it will have on the inshore fishermen in this Province and the inshore plants in this Province, whether in hard times, and that is my warning to the government and that is my warning to - even outside my philosophical difference about whether they should sell this company or not, because I believe that if a company is making profit, we might as well keep it because it is going to come back to us. If it is making a profit, why sell a profit-making thing?

There are lots of things that the government could sell if they could get rid of them that are not as such an advantage to them to keep. But given the social nature of the Newfoundland fishery, then I believe that the government made an original mistake in privatizing FPI anyway. I would submit to this House and to Your Honour that indeed the day it may come back to haunt us that what we have done here is a mistake that all we did, again that all we did, and I will classify them as the new Water Street merchants, that all we did was just passed over a few more bucks in the purchase of shares, in the selling of shares. We sold the shares for \$12.50, that is what they went on the market for. There were people who bought and sold them and that is a legitimate thing to do, but not at the expense of the people of this Province, sold them at \$16.50 and I understand they sold them, as the minister, at over \$18.

What we may have done was created a few bucks to put in people's pockets and that very company that we have now privatized could, in another downturn in the marketplace for fish, downturn in the stock, the going up of interest rates, fuel prices and so on, and a lack of modernization, because those people know, make no mistake about it, the people today who are buying the shares of FPI know full well that, given the social nature of the Newfoundland fishery, once, Mr. Speaker, there is a downturn in the fishery, the government of the day, regardless of whether it is Liberal, NDP, P.C., or otherwise -

AN HON. MEMBER:

You will not be there.

MR. TULK:

The hon. gentleman might like to think so, but he should open his mind a little bit more than he has in recent months. Regardless of the government of the day, they will be forced to bail out any company that puts a fishing company in this Province with the scope of FPI. We will have no choice only to go through an exercise that we went through in 1981, 1982, and 1983, and draw up another new restructuring agreement. My point being, Mr. Speaker, that we have now destroyed one fisheries restructuring agreement, which the Premier of this Province hailed at the time as the greatest agreement since the signing of Confederation. That is gone. That agreement is gone. It has been wiped out by this bill.

I say to the government that indeed we may find ourselves in five or six years having to come back to protect our people. We may find ourselves in the same

situation that we found ourselves in in 1981/82, having to buy out a company that today there is no need of us selling in the first place. The company was making a profit. It could have turned us in money that could have gone to the inshore fishery. It could have turned money into the public treasury of the Province, turning us back some of the dollars that we have invested in the fishery and perhaps creating a fund for both inshore and offshore fishermen for the bad times, rather than having to go bail out the very companies that have a spotty record when it comes to the running of the fishery of Newfoundland and Labrador.

Thank you, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. SIMMS:

Question.

MR. SIMMONS:

On a point of order, if I may, Mr. Speaker.

MR. SPEAKER:

A point of order, the hon. the member for Fortune - Hermitage.

MR. SIMMONS:

Mr. Speaker, I rise on a point of order because the bill before us is an important one. I understand fully the normal procedures that when no member rises, then we can call the vote on that process at that stage of the bill. I would hope that the Government House Leader or the deputy acting in his absence would be aware that: One, this is an important piece of legislation; two, there are a number of members who indicated to me they want to speak. They include, just for example, the

gentleman from Twillingate (Mr. W. Carter), who is unavoidably absent and was not aware when he made his plans to be out of town that the bill would be called today, and secondly, the gentleman from Menihek. I say to the gentleman from Grand Falls (Mr. Simms), the gentleman from Menihek has also indicated to us today that he had to absent himself from the Chamber and asked me to intercede that the bill might be left over.

I also have some things I want to say, and I was fully expecting that there would be a respondent speaker from the other side. So, could I suggest, and I thank you, Mr. Speaker, for your indulgence - I rose on what is probably a point of order but otherwise a request to the government House Leadership - that it would consider either suspending debate on the bill now or putting up a speaker to allow it to forward until one o'clock. But, in any event, in terms of the importance of the bill, would they seek to accommodate, particularly our fisheries spokesman, the gentleman from Twillingate, and the gentleman from Menihek, who had mentioned to me a moment ago that he would like to be here to participate.

MR. SIMMS:
Mr. Speaker, to that point of order.

MR. SPEAKER:
To that point of order, the hon. the Minister of Forest Resources and Lands.

MR. SIMMS:
Mr. Speaker, we understand what the Leader of the Opposition is saying. It was simply a matter of fact that what transpired after the member for Fogo finished speaking was there were no other

speakers so, obviously, I called to put the question. But we are quite prepared to co-operate in view of the importance of the legislation and I am not quite sure how we can accomplish just now because-

AN HON. MEMBER:
(Inaudible).

MR. SIMMS:
Well, I do not plan to speak on the legislation. Perhaps by agreement we can assume that the debate has been adjourned by the member for Fogo (Mr. Tulk), the last speaker, and the government now wants to proceed to another order. Perhaps we could just simply do it that way.

The member for Fogo had a few minutes left, maybe he could just adjourn the debate and then the next day somebody else can speak, if that is acceptable?

MR. TULK:
Mr. Speaker.

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

MR. TULK:
Mr. Speaker, are we saying it is one o'clock? Will we adjourn the debate?

MR. SIMMS:
Mr. Speaker.

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

MR. SIMMS:
Mr. Speaker, in consideration of what has just been agreed to it is understood the member for Fogo has adjourned the debate, although he has spoken on it, but we have let him adjourn the debate to formally

do it, and then the next day, Monday or whenever we call the bill again, there will be another speaker from whatever side.

So if that is the case then, Mr. Speaker, the hon. members understand that and we are prepared to co-operate, can we move on then to Order 14, which is Bill No. 15? The Minister of Social Services has an amendment.

Motion, second reading of a bill, "An Act To Amend The Rehabilitation Act". (Bill No. 15)

MR. SPEAKER:

The hon. the Minister of Social Services.

MR. BRETT:

Mr. Speaker, this is a little bit more than housekeeping I suppose. The Explanatory Note says, "This bill would amend the appeals process under The Rehabilitation Act. The new appeals procedure would be similar to that established under The Social Assistance Act, 1977."

At the present time, Mr. Speaker, if a person applies for assistance under the Social Assistance Programme and, for whatever reason, is denied assistance, then there is an appeals procedure. The client is notified of that procedure and can, of course, have legal counsel. The case is appealed by the Appeal Board, a board consisting of four or five people that have no connections with the department or with government and the decision of that Appeal Board then of course is final.

So it is our intention now, under this piece of legislation, to set up the same type of appeal system as is under the Rehabilitation

Act. Right now, if somebody is refused assistance under the Rehabilitation Act, then there is no appeals system. They can go to a review board but the review board is - well, it is the same thing I suppose that we had in Worker's Compensation. You are going back, basically to the same people who made the decision in the first place. So that really does not give the client very much of a chance.

So under this new piece of legislation people who are refused help, for whatever reason, will be able to go to an Appeal Board. There is no point in going into detail because it is exactly the same as the Social Assistance Appeal Board. That is basically what this does is to enable the government to set up an independent appeal system for people who receive assistance under the Rehabilitation Act.

MR. EFFORD:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Port de Grave.

MR. EFFORD:

Mr. Speaker, I agree with what the Minister of Social Services is saying here because certainly under the Rehabilitation Act you need this sort of a procedure put in place to give those people a chance to have their problems heard. Right now under the system they are certainly not heard.

There are a couple of questions arising out of this. I have not had time to look at this. I cannot blame that on anybody but myself but there are a couple of questions. You are setting up this new Appeal Board. Now, as

Far as Province-wide, is the Appeal Board just going to be in one area? Will you have to come to St. John's for the Appeal Board or is it going to be on a district level?

MR. BRETT:

It will be on the district level.

MR. EFFORD:

The minister is saying it is going to be on a district level, so it will be no problem for the people in rural Newfoundland to be heard. The board will be all over the Province, in other words.

Right now, for argument's sake, in my area if anybody needs an appeal on the unemployment, federally, they have to come from Trinity Bay into St. John's. Now, that is find for a lot of people but a lot of people, especially on social assistance or in the social sector, do not have the finances to travel and they do not have the means of transportation, many of them. So if they have to come a great distance from where they live, this is going to present a major problem.

I do not see anything I can criticize. It is the job of the Opposition to find flaws in it, but certainly I have no argument with what the minister has set out to do here. It is just an added service for the people who are placed in this predicament in the social sector. Anything that the minister can do to improve the services for these types of people, the less advantaged people, then we, on this side, will certainly agree with it. We do not see any point in prolonging the debate and going any further. Thank you.

MR. SPEAKER:

If the minister speaks now, he closes the debate.

MR. BRETT:

I am happy to tell my friend on the other side that this is Province-wide, I suppose, to an extent. I do not think that they would in every single community now in Newfoundland, but I know that the Social Assistance Appeals Board travel, certainly, throughout the regions. I would suspect that it would probably depend on the number of cases. If there were a number of cases pending, they would probably go to the Harbour Grace area. I am not sure of that. But I do know that the Social Assistance Appeals Board, and this would be the same, travel all over the Province. They travel to the West Coast, they travel to Labrador, and all around the East Coast. So I would assume that this would be the same thing. It is not a St. John's thing. It is a provincial thing and they will be travelling.

So, Mr. Speaker, I move second reading.

On motion, a bill, "An Act To Amend The Rehabilitation Act," read a second time, ordered referred to a Committee of the Whole House on tomorrow. (Bill No. 15)

Motion, second reading of a bill, "An Act To Amend The Day Care And Homemaker Service Act, 1975." (Bill No. 17)

MR. SPEAKER:

The hon. the Minister of Social Services.

MR. BRETT:

This is more of a housekeeping thing, Mr. Speaker. It is a piece of legislation to enable us to

broaden the day care regulations so that we will be able to regulate all types of day care centers, those which provide day care for a half day, those which provide day care for preschool children, and those which provide day care for children who are of more than school age.

I will just read out the explanatory notes: "Clauses 1 and 3: These amendments are intended to widen the regulatory scope of The Day Care And Homemaker Services Act, 1975 by providing a less restrictive definition of 'day care' and by providing the Minister of Social Services with the ability to differentiate, by regulation, types of day care service operations," which is what I just said.

Then, "Clause...2 would provide for the remuneration to members of the Day Care and Homemaker Services Board for attendance at meetings and for travel expenses."

We are not able to do that at this point in time. It was felt that because of the nature of the board, which decides on who gets a license and who does not, that they would be reimbursed for their attendance and for their travel.

As I said, Mr. Speaker, it is basically housekeeping. There is nothing changed. It just broadens the scope of regulations so we can regulate different types of day care centers. That is basically what it is.

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

MR. SIMMONS:
Mr. Speaker, we on this side would like to say a few words on the

bill. The subject is an important one. The scope of the changes may well be housekeeping in terms of their ramifications, but I would like to speak to the larger issue of day care and the larger issue of the degree to which the minister, and I mean this minister, exercises his mandate in other areas that have been assigned to him, entrusted to him as a member of the administration.

Now, Mr. Speaker, first things first, the issue of day care. I get the feeling that the government is not at all up to speed on this whole question of day care or to use the term that I believe is more appropriate child care. The responsibility of ensuring that children -

MR. PEACH:
There is a difference.

MR. SIMMONS:
Well, Mr. Speaker, I say to the member for Carbonear (Mr. Peach) bulley for him for knowing that, because that is one of the few things he demonstrates he knows by the clownish way he behaves in this House. And now if he will do me the favour of just shutting up and crawling back into his hole, I would get on with a subject that is much dearer to my heart than he.

MR. PEACH:
I have forgotten more than you know.

MR. CALLAN:
What a joke!

MR. SPEAKER:
Order, please!

MR. SIMMONS:
Mr. Speaker, I have no difficulty with self-delusion, particularly when I am not the one engaging in

it.

Now I want to say something about an important issue, the issue of child care, the issue of caring for children. And as the member from Carbonear says, yes, there is a difference in the two terms. I like the term 'child care' because it puts the emphasis where it belongs. It puts the emphasis on those people for whom the programme ought to be designed. It is just a semantic point, I suppose, but 'day care' does not do that nearly as well. But that is all beside the point. Surely we understand what the minister means here when he says in his explanatory notes to Clauses 1 and 3, that the amendments are intended to widen the regular scope of The Day Care and Homemaker Services Act, 1975. I realize as I read it he is also restricted by the fact that the nomenclature of the act incorporates the word 'day' as opposed to 'child'.

So, Mr. Speaker, to the substantive point at hand, I do not believe this government has a very good grasp on how widespread the need for adequate child care services is. And I hear a fair amount of lip service from this administration and from the federal administration. I take you back now, Mr. Speaker, to those head days leading up to September 1984, and I refer, of course, to the date of that rather sweeping mandate of Mr. Mulroney of September 1984. If you go back to the debates, if you go back to the period of July and August - the election was called July 10 - one of the few social/economic issues, because this has job implications obviously, implications for the ability of parents, in most cases mothers, to

hold jobs, so it is not only a social issue but it is an economic issue; if you go back to those head days prior to September 1984, you will remember that some of the rhetoric in the social area had to do with the provision of child care services. To put a finer point on it, the present Prime Minister, like he did on so many other subjects, promised absolute Utopia the next morning. Well, we have not got complete Utopia in terms of job creation despite his creed of jobs, jobs, jobs. We do not have exactly Utopia in terms of the curing of regional disparities, despite his promise to inflict some prosperity on this Province. We do not have an offshore going full speed ahead out there, despite the promise of that Prime Minister, in collusion, with the Premier of this Province - 'collusion' is the word; collusion with the Premier of this Province. We do not have ourselves falling over barrels of oil. Remember the concern of the Premier? He did not want to overheat the economy. Remember that, Mr. Speaker? They did not want to overheat the economy. Are you not getting hot with all the heat from the economy these days? You are lucky if you have not frozen to death.

Now, Mr. Speaker, what has that got to do with child care? Just this; that if the government's record in Ottawa and here is less than spectacular on child care we should not be surprised. We also should not be very forgiving but we should not be surprised, because their record on child care is about as good as their record on offshore, on job creation generally, on curing regional disparity in this Province, on improving the flow of transfer payments until we get our fair

share as Canadians here in this Province, on improved health care, rather than shutting down the whole system like the Minister of Health (Dr. Twomey) insists on doing. There are beds out there locked up because we do not have the funds to operate them. We have a situation where people are waiting in line many, many months to get fairly urgent operations because of the stinginess of this government - stinginess is not the term, a skewed priority is the problem. They have lots of money for out-of-Province companies who want to come and make a fast buck, as we found today, but they do not have very much for the citizens of this Province who desperately need an operation.

They do not have very much for the citizens of this Province who need some water and sewer, in places like Terrenceville, which has applied twelve years in a row, six of those years under a Tory member, which tends to put the lie to the old argument about, "If you are Tory you are okay, and if you are Liberal you are out in the cold." Of course, as I say to my friend, the Minister of Municipal Affairs (Mr. Doyle), that does not contradict the argument, it just puts a refinement on it; that it is not enough to be a Tory in this Province, you have to be the right kind of Tory. You have to be sitting at a Cabinet table, you have to have the right kind of clout, and then you can get things. A nice fellow like my hon. predecessor, Donnie Stewart, did not have an awful lot of clout in his caucus, he found out, because in six years as the member he never put a single dollar into Terrenceville.

But, Mr. Speaker, I digress.

The issue here today is child care and this government's record on child care is every bit as abysmal, every bit as shameful as it is in the other areas that I have mentioned. I could mention the inshore fishery. Is there anywhere where this government's record is more abysmal, more shameful, than in the area of the inshore fishery? Remember the great hope that was raised by the Minister of Fisheries that the fishermen out there who had a tough year last year were going to have payments on their loans delayed? Did you hear the latest wrinkle on that one? Have you read the fine print? The fine print, which he did not bother to mention in his statement, is they are going to help them in terms of the principal but not the interest. Now those who know anything about financing will know, that depending on how long a period the payment is spread over, the principle in the up-front years can be much less than the interest, much less than the interest. And so payment of the principal, which is often the minority part of that first payment, is being delayed. We understand that is good, but the interest has to be paid every month.

And so I say to you, I say to the Minister of Fisheries, you know, if the guy down in Terrenceville in my district, or in the district of Port de Grave, Butlerville -

MR. EFFORD:
Port de Grave itself.

MR. SIMMONS:
Port de Grave itself is a good example - if he has not got money and says to the Loan Board, "Now, I have no money for principle and I have no money for interest," it

matters little if the board says to him, "Well, we are going to call it by this particular name," the label on it matters not a hoot if he has not got the money anyway.

Mr. Speaker, I believe in the late 1980s when the composition of the work force is so different than it was even ten years ago, when the government is putting out this very week from its Women's Policy Office a statement telling the public about increased participation by women in the work force, we ought to have more than token amendments to child care legislation. We ought to have some substantive measures which will say, in 1987, we, this administration, want to identify with a whole range of changed circumstances, and so here is what we have done. Of course, we cannot have that because they have done sweet zero, they have done nothing.

DR. COLLINS:

Is that the usual expression, sweet zero?

MR. SIMMONS:

Yes. The expression is legitimately sweet zero. The minister, in his moments of going astray, which are few, may have other terms like full zero, total zero, and kinds of things like that, I understand, but for me it is a sweet zero, an absolute, big egg, a nothing, an absolute nothing. I hope the minister was not expecting anything else in such an exalted atmosphere.

DR. COLLINS:

I was told by my associate to stop interrupting.

MR. SIMMONS:

Your associate advises you well, as usual.

Mr. Speaker, child care could be almost a catalyst. It could be a catalyst, yes, but it could be something else as well. It could be the signal from this government, from this Chamber, that we, the elected representatives of the people of this Province, care about the particular dilemma which parents, usually mothers, find themselves in, in that they have an opportunity to latch on to a job, maybe not a high paying job, sometimes it is, but a job. That opportunity, Mr. Speaker, connotes a couple of things. It connotes economic freedom for that family which is trying to depend on one inadequate salary. Then they get an opportunity come by their door to go out and work part time or full time, for the second spouse to work outside the home, and they cannot take advantage of that opportunity because they have another overriding concern, the day to day welfare and security and safety of their offspring. That is a rough choice but it is an easy choice. Any mother, any father, placed in that kind of choice, knows what he or she will do. If it is a choice between the well being, the security, of your child or earning some extra bucks, you always choose the child. Of course you do. But the family loses. The family loses economically because we do not have in place adequate child care provisions, and the family loses in another way.

Mr. Speaker, there are across this Province many thousands of spouses who, before they became married, had careers of their own, as teachers, for example, in many communities across this Province. I am thinking in terms of the circumstances, but the overriding number of those are mothers as

opposed to father, although there are some, increasing in number, of the latter who are homemakers. But it is still almost, in relative terms, the exception in Newfoundland. So in my succeeding comments in referring to mothers I do not at all mean to exclude the totality of the picture or in the process to become chauvinist, even unwittingly. The fact of the matter is that we are talking, for the most part, about mothers.

Those mothers have had careers of their own. They are well-educated people, well trained for their particular careers as nurses, as teachers, as X-ray technicians, bus drivers and so on. Then they elected to stay home and to raise a family during those early crucial years. Then the opportunity arises, when that youngster is in school or that youngster is five or six or a little later on, for that mother to return to her career in the classroom, driving the bus, fishing in the fishing boats, as some are doing. The opportunity returns in theory in that one day she realizes there is a job opening in the paper for a teacher or a substitute teacher or a teacher pro tem or there is a job down in the fish plant cutting or packing. In theory the job is there. For her, sad to say, it is often completely out of reach. Because she knows that even if she has the best qualifications for the job being advertised, even if she could assume she would be accepted for that position should she apply, she knows in many cases it is academic for her to even think about it because in her community there is no child care provision. And so she has to make a choice of passing up an opportunity, which is not only an economic opportunity, a way of

bringing more money into that household, but it is something else I submit to you: It is a way for that woman to broaden her horizons once again, to get plugged back into her career, to have a set of objectives and a set of preoccupations outside being a homemaker, as important as that is. And she has to forfeit all that. She has to be robbed of that opportunity to broaden her horizons once again. Why? Because we as legislators, and the people across this aisle, as the administrators of the government of this Province, have failed to take the initiative to put in place a child care programme that is worthy of the name.

I come, Mr. Speaker, to the second item of which I gave notice when I began my few remarks. I said the first would have to do with child care, and the second would have to do with the manner in which this minister pursues his mandate as Minister of Social Services.

Mr. Speaker, our job on this side of the House is to oppose. In the process to discharge that responsibility we say some things which are critical of individuals, not critical of them as individuals but critical of the way they perform their responsibilities. We are not the cheerleaders for the government, nor would we want to be. If we were we would find precious little to cheer about anyway, but the law of averages says, Mr. Speaker, that this government must be doing something right and that government does a sufficiently over-blown job of tooting its own horn anyway, so there is no need for anybody else to do it. So there are some things that are being done right in the Department of Social Services. The minister

was before Committee the other night and I took a little of his time, and the Committee's time, to tell him about a particular incident that gave me some satisfaction and was a credit to him and to his people, his civil servants in that department. Of course, when you have dedicated public servants in various departments of government, there are things which are done right. We have no argument with that.

What I want to focus on this morning, just for a moment or two, is some of the things that are done wrong. I say to the minister in all candor and in all kindness, I submit to him that a good part of the reason we have a dog's breakfast type of press on the Boys' Home, an absolute dog's breakfast, is there is nothing there reassuring to that mother out there who has a youngster in there.

MR. BRETT:

That is your interpretation (inaudible).

MR. SIMMONS:

Mr. Speaker, forget the preamble because the sentence I was coming to is this: The minister's attitude is the problem. That was to be my entire point and he has made it for me better than I could have made it myself. None is so deaf as he who will not hear.

MR. BRETT:

Hear what?

MR. SIMMONS:

Mr. Speaker, we know from the calls the gentleman from Port de Grave (Mr. Efford) gets, the calls that I get and others, about people who have loved ones in custody, that there is concern out there. You can dismiss all that

concern and you can write it off as crank calls if you want, or you can agree to honour your responsibilities as a minister, or as a legislator in the case of me and the gentleman from Port de Grave, and you can enquire. My friend from Port de Grave has tried every way possible, by cajoling, by agreeing with, by being supportive, by being confrontational, by raising issues in every possible manner and forum, and all he gets is an arrogant attitude from the minister that basically exudes a holier-than-thou attitude about the people of this Province.

He should remember that in terms of that Boys' Home, in terms of that facility at Pleasantville and the ones at Whitbourne and elsewhere, but for the grace of God, there go I, there goes he, there goes somebody belonging to him. I wish to goodness, Mr. Speaker, he would come down off that pedestal and he would, for once in his life, exude some of the basic decency that we know he has. Because outside of this House he is always - I have never found him otherwise - an absolutely decent individual and a fellow you can have an exchange with.

Something happens to him in this House, and it happens to all of us in some ways. We come in here and somehow we feel that if the guy on the other side says something is black, we have to get up and say it is white. I would appeal to the Minister of Social Services, the next time the gentleman from Port de Grave gets up or I get up or somebody else gets up and asks a legitimate - let me see, forget legitimate - asks a question, instead of assuming it is automatically illegitimate,

automatically cockeyed, listen for a moment and see if there is not some substance there.

Mr. Speaker, it being one o'clock, I would like to adjourn the debate.

MR. SPEAKER:

The debate is adjourned by the Leader of the Opposition.

MR. SIMMS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Forest Resources and Lands.

MR. SIMMS:

Just to inform hon. members of the legislative agenda for next week, Monday we will be returning to Bill 34, the FPI legislation, or which the last speaker was the member for Fogo. We understand there are at least a couple of more speakers in any event.

When that is finished, just for information purposes, it is our intention to move into beginning debate on the Concurrence Motion for the Resource Estimates Committee, Order 3 on the Order Paper, whatever time of the week that might be, but whenever we finish FPI.

MR. SIMMONS:

You are saying Resources?

MR. SIMMS:

Yes. The one that is on the Order Paper now, Order 3, Concurrence Debate. If that, by some sheer miracle should be completed before the week is out, we will go back to some legislation. That would be the general thrust.

In addition to that, the Government Services Estimates Committee will meet on Monday

night at 8:00 p.m. to examine the estimates of the Department of Public Works and Services, for the second time around, I understand. I think that is about it, Mr. Speaker.

I therefore move that the House adjourn until three o'clock on Monday and that this House do now adjourn.

The House at its rising adjourned until tomorrow, Monday, at 3:00 p.m.

MEMBERS OF THE LEGISLATIVE ASSEMBLY OF NEWFOUNDLAND AND LABRADOR

Third Session - Fortieth General Assembly

Hon. A. Brian Peckford, P.C., Premier

Hon. P.J.McNicholas, Speaker

Hon. Roger Simmons, P.C., Leader of the Opposition

<u>Member</u>	<u>District</u>
Aylward, Kevin (Lib)	Stephenville
Aylward, Hon. Robert J. (PC)	Kilbride
Baird, Raymond J. (PC)	Humber West
Baker, Winston (Lib)	Gander
Barrett, Hon. Harold (PC)	St. John's West
Barry, Leo (Lib)	Mount Scio - Bell Island
Blanchard, Hon. Ted. A. (PC)	Bay of Islands
Brett, Hon. Charlie (PC)	Trinity North
Butt, Hon. John (PC)	Conception Bay South
Callan, Wilson (Lib)	Bellevue
Carter, John A. (PC)	St. John's North
Carter, Walter C. (Lib)	Twillingate
Collins, Hon. John F. (PC)	St. John's South
Dawe, Hon. Ron (PC)	St. George's
Decker, Chris (Lib)	Strait of Belle Isle
Dinn, Jerome W. (PC)	Pleasantville
Doyle, Norman E. (PC)	Harbour Main
Efford, John (Lib)	Port de Grave
Fenwick, Peter (NDP)	Menihek
Flight, Graham (Lib)	Windsor-Buchans
Furey, Chuck (Lib)	St. Barbe
Gilbert, Dave (Lib)	Burgeo-Bay d'Espoir
Greening, Glenn C. (PC)	Terra Nova
Hearn, Hon. Loyola (PC)	St. Mary's-The Capes
Hiscock, R. Eugene (Lib)	Eagle River
Hodder, James E. (PC)	Port au Port
Kelland, Jim (Lib)	Naskaupi
Long, Gene (NDP)	St. John's East
Lush, Tom (Lib)	Bonavista North

MEMBERS OF THE LEGISLATIVE ASSEMBLY OF NEWFOUNDLAND AND LABRADOR
Third Session - Fortieth General Assembly

...2...

Member

Matthews, Hon. William (PC)
McNicholas, Hon. Dr. P.J. (PC)
Mitchell, Calvin (PC)
Morgan, James (PC)
Ottenheimer, Hon. Gerald R. (PC)
Parsons, Kevin (PC)
Patterson, William G. (PC)
Peach, Milton (PC)
Peckford, A. Brian, P.C. (PC) (Premier)
Power, Hon. Charlie (PC)
Reid, James G. (PC)
Rideout, Hon. Thomas G. (PC) ,
Russell, Hon. Maxwell James (PC)
Simms, Hon. Len (PC)
Simmons, Hon. Roger P.C. (Lib)
Tobin, Glenn (PC)
Tulk, R. Beaton (Lib)
Twomey, Hon. Dr. Hugh Matthew (PC)
Verge, Hon. Lynn (PC)
Warren, Garfield E. (PC)
Windsor, Hon. H. Neil (PC)
Woodford, Rick (PC)
Young, Hon. Haig (PC)

District

Grand Bank
St. John's Centre
LaPoile
Bonavista South
Waterford - Kenmount
St. John's East Extern
Placentia
Carbonear
Green Bay
Ferryland
Trinity - Bay de Verde
Baie Verte - White Bay
Lewisporte
Grand Falls
Fortune-Hermitage
Burin - Placentia West
Fogo
Exploits
Humber East
Torngat Mountains
Mount Pearl
Humber Valley
Harbour Grace

THE MINISTRY - LEGISLATIVE ASSEMBLY OF NEWFOUNDLAND AND LABRADOR

Third Session - Fortieth General Assembly

Hon. A. Brian Peckford, P.C.	Premier
Hon. Robert J. Aylward	Rural, Agricultural and Northern Development
Hon. Harold Barrett	Development and Tourism
Hon. Ted A. Blanchard	Labour
Hon. Charlie Brett	Social Services
Hon. John Butt	Environment
Dr. The Hon. John F. Collins	Finance
Hon. Ron Dawe	Transportation
Hon. Jerome W. Dinn	Mines and Energy
Hon. Norman E. Doyle	Municipal Affairs
Hon. Loyola Hearn	Education

THE MINISTRY - LEGISLATIVE ASSEMBLY OF NEWFOUNDLAND AND LABRADOR
Third Session - Fortieth General Assembly

-2-

Hon. William Matthews	Culture, Recreation and Youth
Hon. Gerald R. Ottenheimer	Energy President of the Council Government House Leader
Hon. Charlie Power	Career Development and Advanced Studies
Hon. Thomas G. Rideout	Fisheries
Hon. Maxwell J. Russell	Consumer Affairs and Communications
Hon. Len Simms	Forest Resources and Lands
Dr. The Hon. Hugh M. Twomey	Health
Hon. Lynn Verge	Justice
Hon. H. Neil Windsor	President of Treasury Board
Hon. Haig Young	Public Works and Services