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Speaker: Honourable P.J. McNicholas

Thursday

17 March 1988

The House met at 3:00 p.m.

MR. SPEAKER (McNicholas):
Order, please!

MR. FENWICK: Mr. Speaker.

MR. SPEAKER:

The hon. the member for Menihek on a point of privilege.

MR. FENWICK:

This is the earliest opportunity at which I could bring this to the attention of the House. concerns a question asked by the Member for Fortune - Hermitage Simmons) yesterday to the Premier in which he asked about registration of the Newfoundland Enviroponics Project. At the time we found it that the Premier surprising responded that, yes, indeed it was registered, it was advertised, and opportunities to there were At that time we respond to it. sure that that had not We have since checked occurred. with the Department of Environment fact, has not that, in We have checked with occurred. Newfoundland Information Services, and no release was put out. we feel that it is appropriate at the present that this time Minister of the Environment and the former Minister of Environment clarify what is obviously inaccuracy in the Hansard records of yesterday.

MR. LONG:

Hear, hear!

Well said.

MR. SIMMS:

Mr. Speaker.

MR. SPEAKER:

The hon. the President of the

Council.

MR. SIMMS:

point of privilege, To that outlined it is clearly of Beauchesne that a difference interpretation opinion, an responses to questions and so on, clearly does not constitute breach of privilege of the House. The hon. member should be well aware of that now. He is a bit of a veteran, he has been here three or four years. I think Your Honor would obviously have to recognize that and rule there is no breach of privilege.

MR. SIMMONS:

Mr. Speaker.

MR. SPEAKER:

The hon. member for Hermitage - Fortune.

MR. SIMMONS:

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Mr. Speaker, I thank my friend from Menihek for raising this issue. I had contemplated doing so and so I had certain materials at hand just in case the matter came up, but now that it is raised in this form, in this way, I want to speak to it.

The gentleman from Grand Falls (Mr. Simms), the government House plays down Leader, particular significance of this cannot Ιt characterized as a difference of opinion: that happens in Chamber all the time. But when have two members of ministry making statements which are mutually exclusive, then, I submit, Mr. Speaker, that there is an onus on the Chair to adjudicate the matter and to make a decision.

I submit, Mr. Speaker, and I refer you to Hansard of March 15, and I have a draft, not the actual page.

The draft is labelled EC3 in the hand corner. top right Hansard of that day is quoting Mr. Russell. the Minister of Lands. In Environment and response to a question from this the House, side of from gentlemen from St. Barbe (Mr. Furey) actually, the Minister of Environment and Lands says "It was felt, I guess, there was no need for an environmental preview report, etc", and in the context you will see that the Minister said otherwise, that not only was there no need for one but that none took place, none Yesterday's Hansard, actuated. Mr. Speaker, dated March 16, again a draft identified in the top right hand corner APB - 2, records the Premier: 'It was registered, the minister says.' Intervention: Right.'" "Mr. Butt: "Premier Peckford: 'It was registered in same way as this one registered.'" The one that were talking about at the moment was that farm access road off the Argentia highway.

Now, Mr. Speaker, there, in two sheets of Hansard for successive days, two records of Hansard, we have mutually exclusive They both cannot be statements. Minister Either the true. Environment and Lands is correct that there was not registration, that being the term environmental preview. Either there was an environmental preview as the Minister of the Environment says, or there not, as the Premier says, having being coached in the matter by the of Environment former Minister Butt), the gentlemen from Conception Bay South. They are two absolutely and categorically mutually exclusive statements. Only one is correct.

Speaker, at the very Now, Mr. least, the Premier or the Minister of Environment and Lands, as the case may be, one or the other ought to apologize to the House for giving it factually incorrect information because, I repeat the point, both bits of information cannot be correct. If one is correct, the other is incorrect by I ask the Chair to implication. find in the case of the point the gentlemen by from raised Menihek (Mr. Fenwick) that there is a prima facie case, and I am sure he will be prepared to put down the appropriate motion.

MR. BUTT:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Culture, Recreation and Youth.

MR. BUTT:

Thank you, Mr. Speaker. I think the President of Council is quite right and in that this is not a breech of privilege. There was. in fact, inadvertently, a minor made. Ι mistake responsibility for it in that it was during my tenure as Minister of the Environment that the Sprung greenhouse came to the department's attention. In fact, what happened was the proposal came into the Department of the Environment. The effluent and the discharge from that project is so miniscule that it does not really come under assessment regulations. Therefore, in department's opinion, there was no have the project need to registered. In fact, it was a produce operation and where it was going to be built was in an agricultural zone. Mr. Speaker, I clarifies that hope that matter for all members of House.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Order, please!

To that point of privilege, there is obviously confusion here and different two there were statements made that do conflict. I do not believe that this was intentional, and certainly I do not think it has interferred with the privileges of any members. cannot see a prima facie case.

MR. SIMMONS:

May I, for the clarification of The minister has, in the House? statement, his last retracted what he said yesterday. He said there was a registration. There was no registration, he says now.

MR. BUTT:

I already dealt with that.

MR. SIMMONS: Thank you.

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MR. WELLS:

Mr. Speaker.

MR. SPEAKER:

the hon. Leader of the Opposition, by leave.

MR. WELLS:

I want to Speaker, advantage of this opportunity to express on behalf of all hon. members on this side of the House our sincere congratulations to the Premier on this, the occasion, I believe, of the ninth year of his Leader the election as Party Conservative Progressive and, as a result of being elected to that position, his ninth year as Premier of the Province.

SOME HON. MEMBERS:

Hear, hear!

MR. WELLS:

The Premier and I have on occasion and on had differences, the differences have occasions significant. And been understand from other gentlemen on the other this side of the House that they have had significant differences with him, as well. But those differences do not in any manner diminish the respect we hold for the man who contributed those nine years, in particular, plus a number of years before that, to the public service of Province. And whatever differences of opinion we may have or whatever views we may have as to how one discharges the office or whether he is right or wrong in the approach or the management, we acknowledge but cannot contribution to the life of this Province and the contribution to the general public of Province, and on behalf of those of us in the Liberal Caucus I want publicly extend that recognition to the Premier and acknowledge it.

Thank you, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. FENWICK:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Menihek.

MR. FENWICK:

Mr. Speaker, I would like to join in congratulating the Premier on the ninth anniversary of his being both the Leader of the Progressive

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Conservative Party and the Premier of the Province. In the six years or so that I have been Leader of our Party I have found that the responsibilities and obligations considerable. are They are heavy not only on the individual himself. but on family, and in that respect I realize the sacrifices that all of us have to bear in terms of being involved in public life.

So I join with the Leader of the Official Opposition (Mr. Wells) in congratulating the Premier on his tenure, and in hoping that in the he has long and future a whatever successful life at endeavour he may be involved in.

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD:

Mr. Speaker.

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Mr. Speaker, just let me say that Leader thank the of Opposition and the Leader of the Partv for their congratulations. Thank you very much.

SOME HON. MEMBERS:

Hear, hear!

Statements by Ministers

MR. RIDEOUT:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Fisheries.

MR. RIDEOUT:

Thank you, Mr. Speaker.

the 1987 caplin Mr. Speaker, in Newfoundland characterized by a decrease overall production, falling market prices and a lengthy delay in agreeing on prices for caplin. The reasons for these problems are varied and complex and date back 1986 when Newfoundland production reached an all time The uncontrolled production high. 1986 together with factors pertaining to the Japanese market and caplin production in European countries in 1987 resulted in a fishery for poor caplin Province last year.

As a result of these problems which faced our caplin fishery in 1987 I expressed my commitment to undertake a thorough review of this fishery and make a number of recommendations to bring a degree of stability to this fishery for In order to 1988 and beyond. follow up on this commitment, I seconded by Deputy Minister, Mr. carry Ray Andrews, to out detailed study of the fishery over a six to eight week period. I also participated in a visit Japan with various to. and industry government representatives to view firsthand our major market for caplin and meetings with Japanese hold government and industry representatives. Upon our return from Japan, lengthy consultations were held with provincial industry and union representative as well provincial and federal as government officials.

am now prepared to release officially the recommendations of Mr. Andrew's report on stability in the future of our caplin fishery.

Mr. Speaker, the report recommends the following:

A market driven approach be taken in the management of the caplin fishery in the allocation of total allowable catch. market TAC would be finalized when companies have processing registered their confirmed orders the with all products provincial Department of Fisheries. The federal Department of Fisheries and Oceans would then in a position to announce overall TAC and divisions region and gear type well before the caplin fishery begins.

This suggestion of a market TAC agreed to by all been organizations within the fishery. The mechanisms to derive the TAC's and quotas by area and gear type will be agreed upon at a later date through the "Small Pelagic the Advisory Committee" of Department of Fisheries and Oceans.

- The second recommendation, to 2. retain a regional and gear type harvesting plan for fishermen, has been fully accepted by government, and the fishermen's industry unions. All the groups agree that we must attempt to correct any quotas which imbalances in presently exist. We must take a further look at the possibility of fixing the percentages of the TAC mobile and fixed gear for fishermen, and it may also be desirable to establish enterprise allocations for our own mobile These fleet. recommendations will be reviewed in detail with consideration for implementation on an experimental basis for 1988.
- Recommendation three suggests that a price should be finalized for fishermen by May 15, and, if we reach an impasse in price negotiations, the issue should be independent submitted an to

tribunal to arrive at a minimum price no later than May 20. While all groups agree on the importance a selling price for fishermen well before the fishing season begins, and while May 15 would seem to be an acceptable date, there is disagreement over issue presenting the to independent tribunal. Both union and industry are of the opinion that binding arbitration will not settle anything more expeditiously or more favourably and hence do agree with this not Both sides feel recommendation. it may also decrease the incentive a price agree on neither party can impose their countervailing powers of strike or may also set a lockout. Ιt precedent in other dangerous fisheries or economic sectors. The groups feel that the process of collective bargaining is the best route to follow in arriving at a satisfactory price. It was generally agreed that this issue itself if the address will recommendations remaining successfully implemented.

Part B of recommendation three states that where practical and feasible fishermen should request and receive receipts for their caplin at the point of These receipts should indicate poundage, percentage female the actual price paid per pound. Members of the industry feel that this practice is already taking place but it is important that this out be carried on consistent basis.

states Recommendation four that processors should negotiate (written) product formal Japanese with specifications While specifications buyers. already exist there is certainly room for improvement in the detail

- these specifications. There appears to be а genuine by the industry, determination union and government to refine the necessary product specifications and to put in place an improved labelling system for those destined for products Japanese markets.
- Recommendation five suggests 5. that the Department of Fisheries should immediately make provision to legislate a maximum percentage of "overpack" or (free fish) in the net weight of cartons exported to Japan. This recommendation was unanimously accepted by all groups since the very high overpack previous years are levels of simply not acceptable. The 5 per cent overpack level is a generally accepted figure for "drip loss" and other factors and although we must be somewhat flexible, I am now planning to regulate a maximum ceiling around this 5 per cent level.
- Recommendation six states that 6. provincial Department the Fisheries initiate a review of caplin processing capacity for the Province to address whole perceived imbalances. Ι have instructed my licencing officials to undertake this review and offer further recommendations. the department should Secondly, institute a system to require Newfoundland caplin licenced processors to submit as soon as confirmed orders and possible letters of credit for all caplin products by April 30 annually. Following review and confirmation by the department, a condition would be attached to processing licence issued by the minister to authorize production to a maximum of the processors confirmed orders. The industry did not agree with this suggestion

- the production to control various processors throughout the Province. It was agreed, however, system present that the production does need to be seriously reviewed and refined, and I am prepared to do this prior beginning of the the production date.
- Another possible route may be to have a "confirmed order", or "letters of credit", for markets other than Japan, such as Taiwan, or for other products, such as pet food or for use in the aquaculture industry.
- Recommendation seven of the 7. Andrews report suggests that the provincial Minister of Fisheries take the lead role should establishing a caplin development council to focus promotion of the product in existing markets, to develop new products and new markets for all caplin products. While members of the industry are government supportive of initiatives in the area of product development, processors feel that they should take the lead role in the area of market development with government playing supportive role.
- 8. Recommendation eight states that the Government of Canada should continue its current policy of restricting the harvesting of caplin by foreigners within the 200 mile economic zone during the caplin spawning season. Secondly, federal and provincial ministers, responsible for fisheries, should a11 use national, bilateral and multilateral forums available to help minimize or eliminate the harvesting of caplin outside the 200 mile zone, on the Tail of the Grand Banks, by foreigners spawning time.

is fully recommendation This supported by all members of the industry. unions and government and I am prepared to follow up on it accordingly.

Recommendation nine suggests that the provincial Minister of designate the Fisheries should Fishing Industry Advisory Board to develop a regularized information caplin on the world package industry with emphasis on the This information Japanese market. package should be developed in consultation with the industry and should be published on a minimum of a quarterly basis starting in January each year. Both industry and union officials agreed that it would be most useful to have access to regularly publicized and I intelligence market therefore directing the Fishing Advisory Industry Board to implement this recommendation in consultation with the harvesting and processing sectors.

10. Recommendation ten states that all caplin processors should as soon as possible formalize a single processing and association marketing co-ordinate and standardize their activities for 1988 and beyond. mind the unique Bearing in the characteristics of caplin there is obviously industry, considerable merit in having a processing desk central marketing agency. While it is too explore the details late to pertaining to such an agency for 1988, an annual review of a11 practices aspects and of caplin industry is recommended. Should the annual review at the end of the 1988 season determine a need for central desk processing and marketing, the working group undertaking the review should be asked to recommend an appropriate vehicle to do this.

There was no unanimous agreement recommendation this industry and union officials, as they feel the two associations which presently exist have one single goal and thus are damaging any negotiations with the Japanese. I feel that this is more of an industry concern and which associations the two presently exist should be able to work collectively for the common good of the industry. I feel the two associations can do that, and greatly assisted would be individual companies would ensure that they are members of one or the other of the two associations.

formal annual review process covering all major aspects of the caplin industry will commence in August of each year and provide a report of the previous season's provide caplin fishery and recommendations for improvements in the following year.

We must continue to strive towards improving our working relationship with the Japanese in order establish a stable caplin industry which will be of benefit to both our nations. Some of the areas in which cooperation necessary in the areas of is production control; consistency in supply and demand; quality control and product development. We must impress upon the Japanese buyers that we are in control of our and industry caplin introduced a certain degree of stability into this industry.

Speaker, In conclusion, Mr. caplin industry has become a very important and integral part of the Newfoundland fishery. In recent which instability vears. the existed within the industry has

detrimental to both and processors. The harvesters report produced by Mr. Andrews, our recent visit to Japan, between government, meetings industry, and unions should go a long way towards introducing a degree of stability to this important industry.

I would like at this time express my sincere appreciation to all the people who have worked so diligently on addressing problems facing the industry over the past several months. I would especially like to thank my Deputy Minister, Mr. Ray Andrews, for the time and the effort he has given in an effort to stabilize Newfoundland caplin fishery. Ι confident that the feel recommendations we have reviewed here today will be a major step not the only step but certainly a major step - in making our caplin fishery a success for many years to come.

SOME HON. MEMBERS: Hear, hear!

MR. W. CARTER: Mr. Speaker.

MR. SPEAKER:

The hon. the member for Twillingate.

MR. W. CARTER:

Mr. Speaker, I thank the Minister for giving me an advance copy of the statement that he read this afternoon, and the report submitted by his Deputy Minister. There is not too much we can say about these recommendations. fact, I believe that most of them good recommendations. believe, in light of the problems that existed last year in caplin fishery, that the Minister is to be commended for having

taken the necessary initiatives to hopefully put an end to the kind of chaos that we did see in the industry in 1987. Of course, that is not to say that all is well or that these recommedations will end all of the problems facing the industry.

The caplin fishery, Mr. Speaker, as we all know, is a very important fishery in this Province. In fact, I believe that annually the return is about \$35 million or \$37 million.

AN HON. MEMBER:

Seventy million in 1986.

MR. W. CARTER:

Seventy million dollars in 1986. Therefore, it is a very, very important industry. In fact, I believe in 1987, because of the chaos that existed, the revenue generated from that sector of the fishery was down to around \$35 million or \$40 million.

It is a refreshing change, because those of us who have watched the development of the caplin fishery, of course, realize that it is only in the past few years that caplin have become of any commercial In fact, in the living value. memory of most members of this House, caplin was a fish that was used for bait in a very limited quantity, and fertilizer, and I believe that is about all. fact, none of it was ever exported what has now become traditional market for caplin, and that is Japan. Japan, of course, is the big user of caplin. And I believe Taiwan is also buying a certain quantity of caplin for human consumption.

Be that as it may, Mr. Speaker, I think the minister's recommendations are good. I

believe we should, maybe, explore other markets, and I believe he has made reference to that in his statement, that that is one of the things that will be considered.

Certainly is not healthy, and we found that out, I believe, 1987, to be totally reliant or dependent on one market. And that is why it is so important that we out new markets, and believe maybe Taiwan and other countries in Southeast Asia will provide that market if it is properly developed over the months and years ahead.

I see in Recommendation 5 minister addresses the problem of overpack and finding ways to bring some order to that sector of the industry. I am sure all of us who represented fishing districts last year and previous years have heard some weird stories coming from to respect fishermen with overpack, the demands that were being made on them by Japanese buyers, and it is refreshing now to see that legislation will be the to standardize percentage of overpack that will be allowed.

Another suggestion which I think will meet favorable reaction from our fishermen is the fact that now written there will Ъe for buyers specifications caplin in this province. Again, I recall last year, for example, having had telephone calls from in my district, fishermen Herring Neck and Cobb's Arm, who told me that they brought in a longliner full of caplin and had buyer visit the Japanese vessel, inspect the caplin and, for reasons which were not quite clear to the fishermen, they were their forced to dump catch. Some questions were raised by the fishermen as to why it was being done and apparently no real reason was given, certainly not a satisfactory reason, bv Japaneses buyers as to why these caplin should be dumped. believe that standardizing these specifications is a very important matter, and I am glad to know that it is going to be done.

The minister in this statement touched on the need for Of course, we cannot markets. dispute that. As I said a moment ago, it is not healthy to be almost totally dependent on the Japanese market and, therefore, we have to seek other markets. caution minister, would the I am not however, to be careful. satisfied that there is sufficient available scientific data caplin, for example, to give us the kind of assurance that we should have as to the wisdom of exploiting that caplin to the that it is now being extent exploited.

For example, in the early 1900's, caplin landings in Newfoundland was in the order of 20,000 metric tonnes a year. In 1950, there was a very rapid decline in that amount of landings and then, of course, in 1972, we saw landings increase. In fact, in the 1970's they went to as high as 70,000 metric tonnes.

It is interesting to note, Mr. Speaker, that in that period, in the 1970's, when the landings escalated to an all time high, the only countries that were really harvesting the caplin seriously USSR, and were Russia, then vivid I have Now, Norway. episode of an memories occurred in the mid-seventies when the Russians were given a 40,000 metric tonne quota, I believe it

40,000 metric tonnes. Canada, of course, allowed that quota working through ICNAF, I suppose, and other agencies, and much to the surprise and disappointment of Canada and the ICNAF countries, it was found that Russia had not only harvested its 40.000 metric tonnes, but, fact, they doubled their quota they overfished by another 40,000 metric tonnes. Now, the question must be raised, and I noticed the ministier in his statement, or maybe I read it in the report a few moments ago, suggested that the Government of Canada would be asked to take whatever measures are necessary to if not eliminate certainly drastically reduce fishing, foreign quotas foreign for caplin. That is one thing we have to be very careful about, Mr. Speaker, I suppose, the old saying that if you fool me once, shame on you, if you fool me twice, shame on me. The Russians have fooled us in terms of the caplin harvest and the records, of course, will prove that; it can be seen. I suppose, at the Department of Fisheries and Oceans in Ottawa. In fact, as I said a moment ago, they exactly doubled their quota and we should be very careful, in cases where we do allow foreign fishing, that the same thing does not happen again.

MR. SPEAKER:

Order, please!

The hon. member's time has elapsed.

MR. W. CARTER:

Thank you, Mr. Speaker.

In summary, Mr. Speaker, there is a strong need to fully develop proper harvesting and caplin marketing strategy and I commend the minister for having, first of all, commissioned this report and,

secondly, for having presented it here today.

MR. FENWICK:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Menehik.

MR. FENWICK:

Thank you very much, Mr. Speaker. I would also like to thank the Minister of Fisheries for providing not only an advance copy of the statement, but of the report itself, which is quite interesting reading.

MR. RIDEOUT:

A point of order, Mr. Speaker.

MR. SPEAKER:

A point of order, the hon. the Minister of Fisheries.

MR. RIDEOUT:

I put it right on the hon. gentleman's desk. I put the statement on his desk personally.

MR. FENWICK:

No, I am sorry, I said that. You provided both. I was thanking you for that.

MR. RIDEOUT:

I am sorry.

MR. SPEAKER:

The hon. the member for Menehik.

MR. FENWICK:

I guess in the future, Mr. Speaker, I must be much more positive, because he is jumping on me for nice things now.

I would like to also compliment the Fisheries Minister and his Deputy for a comprehensive report attacking, I think, all aspects of the problem, in that he had a look at the problem with the total

with = the allowable catch, harvesting effort distribution and the possibility of quotas on a boat basis, which is something we have seen elsewhere, and a number of other initiatves, such as early price information, addressing the problem of overpack, and so on. I like to however. would. concentrate my comments on only one of the recommendations, which I think is the most important one, and that is Recommendation No. 10, which is the co-ordinating of activities and processing essentially the co-ordinating, also, of marketing activities. think that follows from since the processing companies are the ones that will market it. notice considerable difference in the comments that the minister has made and the recommendations in the report. In looking at the says, 'A11 caplin report it processors should meet as soon as possible to formalize the single marketing processing and to co-ordinate association and standardize their activities for 1988 and beyond. Bearing in mind the unique characteristics of the industry, is caplin there obviously considerable merit having a central desk processing and marketing agency', which I is the key to development of the caplin fishery It is a long in the future. theme in the recurring Newfoundland fishery, since it is something that we saw of Government and Commission shortly after Confederation. well, when these initiatives were taken by the fishing industry, much to the benefit of the salt fish industry which had the same kinds of problems of a multitude multitude sellers, of a processors who were competing with each other and therefore driving the price down and making it much more difficult to market in an orderly process.

Unfortunately, in looking at the Minister's statement he indicates that there are two organizations currently extant and a number of the processors are currently not in either of these organizations, and, yet, there does not seem to be the resolve that I would have looked for in terms of beating these organizations over the head, and these independent processors, so that we do get the single best selling process.

think it Speaker, I Mr. critical that if are going to deal with what is essentially a very well coordinated buying effort on the other side, that we have to monopoly essentially with face would be very monopoly. Ι supportative, and my party will be of supportative, initiatives the Minister take to ensure that our selling efforts are very close to a single desk approach to it, so that we can get the best possible return on the resource, and that get the fishermen could price, and that the fish plant workers can also have a continuous amount of work in the process.

With that single caveat, Mr. Speaker, I am very supportative of the recommendations and urge the Minister to go even further on recommendation number ten.

MR. SPEAKER:

Are there any further statements by ministers?

Before we get into Oral Questions, I would like to recognize in the galleries, Mr. Howard Hewett, President of the Newfoundland and Labrador Federation of Agriculture.

SOME HON. MEMBERS:

Hear, hear!

Oral Questions

MR. BAKER:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Gander.

MR. BAKER:

Thank you, Mr. Speaker.

I have a question for the Minister of Finance (Mr. Windsor) having to Order-in-Council with 1118-'87. This deals with \$3.5 million that was given to the Newfoundland Industrial Development Corporation facilitate equity investment in Newfoundland Environponics Ltd. I would like to ask the Minister of Finance who received that \$3.5 million and at what point was it paid?

MR. SPEAKER:

The hon, the Minister of Finance.

MR. WINDSOR:

Mr. Speaker, I would assume that would have been paid out to Newfoundland Environponics Ltd. as progress payments required for the construction of the project. It is that simple.

MR. BAKER:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for Gander.

MR. BAKER:

This is a question to the Premier. In a press statement on May 8, 1987, the Premier stated that the Sprung Group of Companies

will also contribute \$3.5 million to the project in the form of cash. I would ask the Premier when was this payment of \$3.5 million cash made by the Sprung Group of Companies to the joint venture company?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

The last few months during the project, Mr. Speaker.

MR. BAKER:

A further supplementary, Mr. Speaker.

MR. SPEAKER:

A final supplementary, the hon. the member for Gander.

MR. BAKER:

Thank you, Mr. Speaker.

Another question to the Premier related to information like this: Environponics Newfoundland responsible for the operation of this project, and I would like to know why it is, then, that all information regarding this project has to come from the Premier's Office. When you phone to get information they say check with the Premier's Office. Is it not correct to say that the decisions made regarding this project are made on the Eighth Floor in the Premier's Office, and is this the normal way of operating? Does the Premier operate the same way with other projects that the government has investments in?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

From time to time, yes, Mr. Speaker, we do with other projects.

MR. TULK:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Fogo.

MR. TULK:

a question have for the Last night on public Premier. television the Premier stated that Sprung had not put in the \$3.5 that the but million cash, contracted amount of \$14.5 million was reduced by \$3.5 million. Will the Premier now admit that the Sprung Group of Companies have put no cash into this project, as he stated last May, and that the only people to have lived up to their end of the bargain in terms of cash into the project is the Government Newfoundland and, therefore, the Newfoundland people?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

No, Mr. Speaker.

MR. TULK:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for Fogo.

MR. TULK:

Mr. Speaker, how does the Premier square his statement on television with his statement in the House this afternoon and, indeed, his statement yesterday afternoon in this House, that in actual fact the Sprung Group of Companies, he on television yesterday evening, had put no cash into the company, when his statement in the Legislature yesterday, and the answer to the previous question that he has just given us, that the Sprung Group of Companies had money in the project to the tune

Both of of \$4 million? them cannot be right.

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Mr. Speaker, I said yesterday that somewhere around was \$3,946,000, or whatever it was, exactly that it was not million. It will be \$4 million by the time the project is completed to 100 per cent. It was 94 per cent as of yesterday. It is \$3.946 million, so I was out by a few thousand. \$3,946,000 I. said yesterday.

A supplementary, Mr. Speaker.

MR. SPEAKER:

A final supplementary, the hon. the member for Fogo.

MR. TULK:

Mr. Speaker, he is now saying again that the Sprung Group has put \$3.946 million worth of cash project. into the Sprung Yesterday evening, on television, in fact that said contracted price of \$14.5 million had been reduced and therefore Sprung had put no cash into the Now I would ask project. will the Premier Premier. admit that in fact Mr. Sprung has struck a sweetheart deal with this government whereby he sets the price for equipment, he sets the price for building the facility, and he does not invest? He gets per cent of the company 50 besides, and does not invest one single cent into that company of which he is getting 50 per cent.

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD:

Mr. Speaker.

MR. SPEAKER:

The hon, the Premier.

PREMIER PECKFORD:

No, Mr. Speaker, I do not agree at all with what the hon. member just said.

MR. WELLS:

Mr. Speaker.

MR. SPEAKER:

The hon. the of the Leader Opposition.

MR. WELLS:

Speaker, in view the comment in the report done by civil servants in relation to this matter. particularly Mr. Travers, when they suggested that a complete greenhouse range with a interior heating plant and equipment could be built for \$20 or less per square foot, and this amount to less than build million to complete facility the size of the Sprung greenhouse, would the Premier tell this House why the government agreed that the joint venture company could pay Sprung \$14.5 million for something that could be built for \$6 million?

SOME HON. MEMBERS:

A good question.

PREMIER PECKFORD:

Mr. Speaker.

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

There is a lot more information than the Leader of the Opposition The whole matter was has on that. totally investigated by economists and by people involved in this. We looked into the books of the company, into how much the building cost in Calgary, how much it would cost to build it here, and it did come out to the price that was arranged in the negotiations with the Sprung Group of Companies for the establishment of a joint venture company. not your traditional Perhaps the only way. greenhouse. members opposite will I guess, recognize that they are dealing with a traditional kind of situation here is that perhaps the Leader of the Opposition will take up an invitation that I will now the member give him and for Menihek (Mr. Fenwick) to over the next couple of days, with one or two other people belonging their parties, if they want to, to visit the site and go through the site -

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD:

- so that their questions may be a little bit more informed on it. lot of There are а agriculturalists like the scientist, for example, at one of the universities in Alberta, who took a very negative attitude towards this new technology, and later, after the facility was up and running - and I use this as an example in answer the question from the Leader of the Opposition - was asked, 'Now, you were a very, very strong opponent to this project. Would you be prepared to go and take a look? You said that is genetically impossible, this that this technology And he did agree to go and visit the facility. And he selected a number of the cucumbers and tomatoes and had them in his hand when he came out and met with press. And the press asked him, 'Well, what do you think now, Sir,

Doctor So-and-So?' And with the cucumber and tomato in his hands the scientist was heard to exclaim in public television in Alberta, 'it is genetically impossible.' It was genetically impossible, yet he had the produce in his hands. I think this is what has happened here. Most of agriculturalists in the business greenhouse growing hydroponics over the last number of years have not been supporters of this technology. Perhaps I can help inform the Leader of Opposition, and I now say to him that I would be willing facilitate a visit to the project for the Leader of the Opposition, agricultural critic, his whoever, as well as the member for Menihek, and, I guess his cohort there, the member for St. John's East (Mr. Long), seeing there is only one for the time being, and perhaps that will give the Leader of the Opposition a different perspective on the project that he has to date.

MR. SIMMS:

Hear, hear!

MR. WELLS:

Mr. Speaker.

MR. SPEAKER:

the supplementary, the hon. Leader of the Opposition.

MR. WELLS:

Just so that the Premier will not be misinformed, we attempted a month ago to get access to the project, were denied it and told We were we could not visit it. put off for a month. Last week we attempted to reinstate it and were put off for another month. welcome the Premier's invitation. I would like to see it and I accept the invitation.

SOME HON. MEMBERS:

Hear, hear!

MR. WELLS:

I should also tell him that I do not need to go see it to believe that cucumbers -

SOME HON. MEMBERS:

Oh, oh!

MR. WELLS:

There may be none so blind as those who will not see, but there are none so deaf and dumb as those who will not hear. If they would Speaker, they will listen, Mr. hear what I have to say. Mv quarrel with this project is the economics of it, and that is the basis on which I am challenging Premier in issuing these the questions. You can grow cucumbers at the North Pole is you are prepared to pay the price.

Now, Mr. Speaker, I ask the hon. the Premier if he would hearken back to the question I just asked him and realize that the value estimated by the civil servants of this government indicated that the value of that facility would be less than \$6 million. Would his answer be any different if he knew that the assessors in the city of Calgary assessed this property for municipal tax purposes on the basis of replacement cost in 1985 \$3,400,000 including heating? Would his answer then be different? And how would explain the difference between that and \$14 million?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

If the Leader of the Opposition wants to throw a \$3.5 million figure at me in Question Period, he can do so. He knows that I do

not have the basis which the assessor and the city council of Calgary used to determine that kind of price. All I can say to the Leader of the Opposition is that we do not have to go to Calgary, or go anywhere else, we have economists and other people in this government who have determined what was to be the cost facility of taking that building it in Newfoundland. And are satisfied. totally, satisfied, absolutely that the cost of building that facility here in Newfoundland is the cost published. that we have Absolutely. there is no The Sprung Group of whatsoever. have now into the Companies project \$3.946 million.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

of The hon. the Leader the Opposition, a final supplementary.

MR. WELLS:

view Mr. Speaker, in of the information that the city of Calgary appraised this, on the basis of replacement cost, at less than \$3.5 million, and the staff of this government estimated its value to be less than \$6 million, based on the overwhelming and adverse opinions that have been expressed in recent months, and conclusions of the civil servants in their report, and the fact that the Premier admitted yesterday that the Sprung investment was not in the form of cash but in credit against their contract right, will the Premier now assure the House that he will cent permit another not government money to be invested in this, and that he will forthwith establish a judicial inquiry to enquire into all aspects of that?

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Oh, the inquiry, Mr. Speaker! like the Leader of the Opposition a lot. I think the Leader of the Opposition and members opposite better ask for a judicial inquiry into the \$29 million we have in Baie Verte mines that they will not ask a question about. you asked about a market? Where is the market for the asbestos in the Baie Verte mine operation in the taxpayers of which Newfoundland have \$29 million and have not realized one cent since we put that money back in there two or three years ago?

I would say to the Leader of the Opposition, if he is going to be consistent he better ask for a inquiry judicial into about twenty-five fish plants in Province in which we have money and loan guarantees. He better ask for a judicial inquiry into the marketing operations ofKruger, where we went with capital expenditure with the of million. \$210 company better ask for a judicial enquiry into Marystown Shipyards where we have a commitment of \$25 million. He better ask for a judicial inquiry into the St. Lawrence mines, Mr. Speaker.

Let me say to the Leader of the Opposition, in every one of those cases where we have committed large sums of money for which there has been no return, people of the Province say, 'Yes, that is part of your mandate as a government to commit funds to help an industry be viable.' I will Leader say to the of

Opposition, he will eat his words, when including cucumbers, project becomes just as successful in its way as Kruger and Marystown and St. Lawrence and Baie Verte were in their ways.

SOME HON. MEMBERS:

Hear, hear!

MR. SIMMONS:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Fortune -Hermitage.

MR. SIMMONS:

Thank you, Mr. Speaker.

Mr. Speaker, I have a question for Premier. In putting the question I say to him -

PREMIER PECKFORD:

You do not have to say anything to me.

MR. SIMMONS:

- that I will put up the record of Marystown Shipyards or Daniel's Harbour anytime against the record of the Sprung outfit.

SOME HON. MEMBERS:

Hear, hear!

MR. SIMMONS:

Mr. Speaker. We are not asking for an inquiry into -

PREMIER PECKFORD:

A point of order, Mr. Speaker.

MR. SPEAKER:

A point of order, the hon. the Premier.

PREMIER PECKFORD:

If the hon. member has a question - this is Question Period - he should pose his question and stop making a speech.

MR. BAIRD:

I quite agree, Mr. Speaker.

MR. SPEAKER:

To that point of order, during Ouestion Period a short preamble is quite in order in the main question, but in the following questions there should not be any necessity for a preamble.

The hon, the member for Fortune -Hermitage.

MR. SIMMONS:

Thank you, Mr. Speaker.

I am on my first question and I am making a short preamble. There is no requirement the Premier has to agree with the preamble, which he is not going to.

Mr. Speaker, I say to the Premier that Marystown Shipyard is an open Sprung is a closed book. Why?

SOME HON. MEMBERS:

Hear, hear!

MR. SIMMONS:

Mr. Speaker, my question is a rhetorical one.

PREMIER PECKFORD:

that is the question, Speaker, I am prepared to answer it.

MR. SIMMONS:

I have the floor, Mr. Speaker.

Mr. Speaker, I ask the Premier why he does not respond directly to the question put to him by the Leader of the Opposition. Is it because Sprung is unlike Kruger, unlike Marystown, unlike Daniel's Harbour, that it is being run out of the Premier's Office? Is that the reason he will not agree to an inquiry? Now would he respond

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directly to the question, and agree to a public inquiry, a judicial inquiry to clear the air on this matter in which the taxpayers have \$13.5 million?

PREMIER PECKFORD:

Mr. Speaker.

MR. SPEAKER:

The hon. the Premier.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

PREMIER PECKFORD:

There is just as much information out on this project as on any other project that we have been involved in. The only information that has not been made public had been the marketing arrangements and the technology. Last Fall we released the agreements between Newfoundland government and Sprung Group of Companies the established ioint which the Newfoundland venture. Environponics, and all the If they have provisions therein. not been carried, Mr. Speaker, that is not my fault. They have released. All of the information has been released. And Newfoundland Environponics did for \$14.5 turnkey contract million for the establishment of this project.

The only thing that has not been released to the public is the marketing, because of the competitive nature of the business, and the technology, which nobody else in the world has.

And nobody in this House, the Leader of the Opposition, the member for Fortune - Hermitage or anybody else, has ever asked for the markets that we have for Baie Verte Mines or for St. Lawrence or for Marystown, for wherever their are or how they markets Nobody has ever asked for doing. The members of the Opposition are only interested - I do not know why! - in attacking putting in that facility. If you look at the economic spinoff to date on that project here in the St. John's area, I do not know why people are so much against it. you look at the taxes and the workers working out there and the construction that has occurred out there, in the same way as it would if it were somewhere else in the it has been verv Province, economically positive. therefore, if the members of the Opposition are going to consistent, they had better start asking questions about Lawrence, Marystown Shipyard and Products, Mr. Speaker. Farm Talking about agriculture, since I have been Premier of this Province we have put \$30 million into Newfoundland Farm Products and not a question from the Opposition.

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD:

\$30 million versus \$7 million. They are not interested in \$30 million, but they are interested in \$7 million. They are not interested in \$29 million, they are interested in \$7 million.

Somehow, Mr. Speaker, the members of the Opposition are prepared to allow the other \$2.3 billion of money that we spend in a year in a hundreds budget, or the millions that we spend in specific to go unquestioned. projects, Spend away, Mr. Speaker! open the doors of the treasury and spend away on loan guarantees and

grants to other parts of the the agricultural industry, fishery, forestry, and mining. No ' Do not do any We are not assessment on markets. interested!' We have just as much information out on this project as any other project that we finance, Mr. Speaker. And on marketing and technology we do not intend to release information, especially on marketing, ahead of time. It will clear. Where was become marketing, they said, Mr. Speaker, on the Sprung projects? single cucumber, 8,000 to 10,000 a week that they are now producing, is gone. And if they want to find out where the marketing is, it is with every wholesaler in Province. Later, when they are will it he producing more, wholesalers in the Maritime provinces, in Montreal, Toronto, Boston, and all over. But we are not going to give our competitors an advantage ahead of time.

Secondly, we cannot release the secret workings of the production facility as it relates to technology, and nobody would want us to do that. Everything else has been released and we will just see what happens.

MR. SIMMONS:

A supplementary, Mr. Speaker.

MR. SPEAKER:

The hon. the member for Fortune - Hermitage, a supplementary.

MR. SIMMONS:

I was tempted to ask whether there was a doctor in the House.

I believe, Mr. Speaker, the Premier 'doth protest too much.' The Premier is skating and he is skating on very thin ice.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

MR. SIMMONS:

Mr. Speaker, only the marketing not been technology and has released, the Premier tells us. Not true! I ask him again, as the leader asked him a couple of days where is the turnkey ago, is the where contract, construction contract? That has Will the been released. Premier now undertake to release that so he can make accurate the statement he has just given to the that everything House, marketing and technology is out in full view?

The Premier last Spring, Mr. Speaker, undertook to give full information.

SOME HON. MEMBERS: Question! Question!

MR. SIMMONS:

Mr. Speaker, given the length of the response I just heard, I am sure I will be allowed a very short preamble. Mr. Speaker, this is a preamble.

Mr. Speaker, Baie Verte is an open book. We can tell the Premier where the markets are if he wants to know. We can tell him where the markets are on the Marystown Shipyard if he wants to know. We can tell him where the markets are if he wants us to. All that, Mr. Speaker, is an open book.

MR. SPEAKER:

Order, please!

Would the hon. member please ask his supplementary question?

MR. SIMMONS:

Thank you, Sir.

I ask the Premier, Mr. Speaker, will he now agree to the request from the Leader of the Opposition, which I repeat again for him, will he now agree to allowing a full judicial inquiry to go ahead? Given the millions of dollars of taxpayers' money that are involved given the considerable confusion and controversy which surrounds this project, given the untenable situation which exists for the hundreds of people who live around that facility in Mount Pearl in terms of the interference their domestic routines. those factors, given all which Speaker, most of adverse, will the Premier now, to clear the air if for no other reason, agree to a full judicial inquiry of the Sprung project.

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Absolutely not, Mr. Speaker. will not agree to it unless the Opposition agrees that we should have another fifteen or twenty or thirty judicial inquiries in this Province and put the whole of the economy in a state of chaos. foolish. ridiculous silly, questioning by the Opposition. They are grasping as straws. will not ask the questions on twice and three times as much money as we have out in other industries. They are just trying to condemn this project before it has a chance to operate.

Mr. Speaker, let the record show that over the next few months the members opposite will have to eat their words, minus cucumbers and tomatoes.

SOME HON. MEMBERS:

Hear, hear!

MR. FENWICK:

Mr. Speaker.

MR. SPEAKER:

The hon, the member for Menihek.

MR. FENWICK:

Thank you, Mr. Speaker.

My question, Mr. Speaker, is to the Minister of Fisheries (Mr. Rideout). Before I do that, by the way, I would be very glad to take up the Premier's invitation to visit the project.

SOME HON. MEMBERS:

Hear, hear!

MR. FENWICK:

At the same time, I would hope there would be somebody there to answer the questions that we have been asking for the last nine months and for which we have not been getting a huge amount of answers, but I will be very glad to see it.

My question for the Minister of Fisheries has to do with Lieutenant-Governor's warrant that was tabled in the yesterday. It has to do with the \$350,000 that given was January 13, 1988 - looking at the - to Minute of Council the Fisheries Loan Board to subsidize essentially fishermen, a Mr. James M. Genge, of Anchor Point. Since I have been in touch with the Fisheries Loan Board and they say this is the first time anything like this has ever been done, I ask the Minister of Fisheries to give us the background and reason for this extraordinary payment?

MR. SPEAKER:

The hon, the Minister of Fisheries.

MR. RIDEOUT:

As a matter of fact, Mr. Speaker, the hon, gentleman may know that Mr. Genge from Anchor Point was approved, in August, 1984, to have a new design steel hulled vessel build at Burry's shipyards was vessel The Glovertown. engineering and lofted, the architectural work was done, all approved by everybody involved, built. the vessel was and the building of Following vessel and the sea trials, the CSI refused to give anything other than a temporary CSI permit for vessel. Consequently, vessel could not be used in the Winter fishery in the Gulf for which she was built. That took us through 1984 and 1985. When I came into the department in 1985 the union were on to me about it. I contracted consultants at the Marine Institute to do a review of this vessel, and three or four others, I might add, to see what had transpired in the design and who was at fault. Between the jigs and the reels I went and got permission Cabinet spend \$106,000 on this vessel, to redesign it again, to take off some things and put some more things on it consistent with what the consultants at the Marine Institute told us. It was the hope that after having spent this additional \$106,000 the vessel would meet CSI approval. Lo and behold, Mr. Speaker, after having done all that, after Mr. Genge being out of a boat since 1984 through no fault of his own, she failed CSI approval again and they would not allow her to fish in the I went back to Cabinet. again, and I said, 'It is not fair that this gentleman has to be out boat, responsible a \$350,000 through no fault of his The union is saying it is not fair, the Marine Institute is

saying it is not fair.' And the government said, 'It is not fair, so we are writing off the \$350,000 and giving Mr. Genge approval to borrow again as can any other fishermen in the Province, and we are going to put him back in a boat,' Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. FENWICK:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for Menihek.

MR. FENWICK:

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Thank you very much, Mr. Speaker.

Quite frankly, to the Minister of Fisheries, I approve of the idea of getting the individual back in that boat. I think But, clearly, this appropriate. boat was built for a specific purpose and never met the design objectives or the Coast would not have turned it down, which is essentially what happened. I believe, by the way, they turned it down because they felt it was top heavy and with ice on it it might tip over.

the Since My question is: Fisheries Loan Board has informed us that they are not taking legal action against the shipyard that manufactured the boat, and also designed the boat and knew what objectives had to be met as a result, and since it is quite clear in the Minute-of-Council that the council, in approving the \$350,000 loan, was not with the particularly pleased why we, process, are as the \$350,000 Province, carrying tag on it when clearly it is the responsibility of the shipyard concerned, and of the architect and the designer, to produce a vessel that is adequate for the purpose for which it was commissioned?

MR. SPEAKER:

The hon. the Minister of Fisheries.

MR. RIDEOUT:

Mr. Speaker, it might be to the hon, gentleman's benefit to know that the shipyard and the owner of the shipyard at that time have since gone out of business. be that as it may, let me quote to him a part of the order that approved this particular vessel, and it directs the Fisheries Loan Board - I do not know whom he might have been talking to whatever -' to follow through on the legal opinion with a view to recovery of cost incurred government and applicable legal agreements with Genge.' So Mr. Genge will get his boat, he will be back in the fishery, and if there is one red penny that can be gotten back on behalf of the taxpayer that is what we will do, but not on the back of Mr. Genge, whose fault it was not.

SOME HON. MEMBERS:

Hear, hear!

MR. FENWICK:

A further supplementary, Mr. Speaker.

MR. SPEAKER:

A final supplementary, the hon. the member for Menihek.

MR. FENWICK:

My final supplementary, Mr. Speaker, is that I have read the Order-in-Council. I understand it just as well as the minister, I would assume. The Chairman of the Fishery Loan Board is my informant

in this matter, since I talked to him this morning about the circumstance. He informs me that they are not taking any legal action.

My final question to the minister is this: Will you then direct the Fisheries Loan Board to take legal action, such as they can, to recover what they can of the \$350,000 that has been expended?

MR. SPEAKER:

The hon, the Minister of Fisheries.

MR. RIDEOUT:

is Speaker, it not the prerogative of the Minister the Minister Fisheries or Career Development or the Minister of Environment to direct an agency of government or an official to take legal action. I am not a What we will do is we lawyer. will take legal action based on the advise of the Department of the Justice, which is legal advisor to the Crown. The Department of Justice has given us legal advise and the Chairman of the Fisheries Loan Board will follow to the letter the advise that we have received from the Department of Justice, which is to follow through on taking appropriate corrective action, not at the expense of Mr. Genge but at the expense of the contractor and the consultants, if they are still alive and still in business in Newfoundland Labrador.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

There is just time for one question and answer.

The hon. the member for St. Barbe.

MR. FUREY:

Mr. Speaker, I would like to ask Now that we have the Premier: learned that the replacement cost for the Sprung facility in Alberta to be just over \$3 million, can the Premier tell us what the replacement cost for the Sprung here Newfoundland facility in would be, and would he table the construction contract?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

I do not know off the top of my head, Mr. Speaker.

MR. FUREY:

A supplementary, Mr. Speaker.

MR. SPEAKER:

The hon. member for St. Barbe, a final supplementary.

MR. FUREY:

Would the Premier give an table the undertaking to contract for all construction members to see in this House?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

I will take it under advisement, Mr. Speaker.

MR. SPEAKER:

The time for Oral Questions has elapsed.

Notices of Motion

MR. WINDSOR:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Finance.

MR. WINDSOR:

Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce the following bills: "An Act To Amend The Retail Sales Tax Act, 1978", (Bill No. 10) "An Act To Amend The Insurance Companies Tax Act", (Bill No. 11) and "An Act To Amend The Mineral Holdings Impost Act". (Bill No. 12)

MR. BARRETT:

Mr. Speaker.

MR. SPEAKER:

the Minister of The hon. Development and Tourism.

MR. BARRETT:

Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a bill, "An Act To Amend Labrador Newfoundland and Housing Corporation Act and To Repeal The Harmon Corporation Act, 1966-67". (Bill No. 6)

MR. RIDEOUT:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Fisheries.

MR. RIDEOUT:

Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a bill, "An Act To Amend The Fish Inspection Act". (Bill No. 15)

MR. TOBIN:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Social Services.

MR. TOBIN:

Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a bill, "An Act To Amend The Young Persons Offences Act". (Bill No. 26)

MR. SIMMS:

Mr. Speaker.

MR. SPEAKER:

The hon. the President of the Council.

MR. SIMMS:

Mr. Speaker, on behalf of the Minister of Justice (Ms Verge), I would like to give notice that I will on tomorrow ask leave to introduce the following bills: "An Act To Amend The Fatal Accidents Act", (Bill No. 22) "An Act To Amend The Legal Aid Act, 1975", (Bill No. 23) and "An Act To Amend The Conveyancing Act". . (Bill No. 21)

DR. COLLINS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Health.

DR. COLLINS:

Mr. Speaker, I give notice that I will on tomorrow ask leave to "An introduce a bill, Act The Newfoundland Respecting Hospital And Nursing Home Association". (Bill No. 20)

Answers to Questions for which Notice has been Given

MR. WINDSOR:

Mr. Speaker.

MR. SPEAKER:

The hon, the Minister of Finance.

MR. WINDSOR:

Mr. Speaker, yesterday the hon. for Menihek member (Mr. Fenwick) asked me for information dealing with Easteel Industries. I undertook to get the information for him.

We have outstanding a total of just over \$3 million in guarantees, most of which project financing since most of the guarantees for that company were based on particular projects that were ongoing, projects such as the CN container project. would point out that a part of the guarantees, in fact, date back to the restructuring of the company in 1985 for payments to unsecured creditors for working capital. There is also some sales outstanding and, again, part of this, in fact half of what is outstanding, dates back prior to 1985, prior to the restructuring of this particular company taking over.

Now, before the media go off saying that we are going to lose \$3 million on Easteel, these are not loans, these are guarantees. So obviously when the company is wound up and some profits are realized from the sale of assets or whatever may happen to it - if a new company takes over - then we simply meet the deficiency. will be far less, I am sure, than the \$3 million.

Petitions

MR. LONG:

Mr. Speaker.

MR. SPEAKER:

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

MR. LONG:

No. 4

Thank you, Mr. Speaker.

I have a petition with 1,393 names from people within the St. John's area that I would like to present to the House. The names that are on the petition that I have, which

are also 1,400 in total, are I have an actually photocopies. original copy with three original signatures for the purpose of presenting a petition here today. The petition was presented just before Christmas to the Minister of Social Services and so I am presenting a copy to the House today. It reads:

"To the hon. House of Assembly:

"Whereas many poor people have been receiving a rental subsidy from the Department of Services based on a special needs assessment; and

"Whereas the department has recently taken action to cut back or to eliminate altogether these available for funds purposes; and

"Whereas this decision will force impossible many people into an not having enough position of money to pay for food or heat and light as everything goes to pay for rent,

"Therefore we, the undersigned, petition members of the House of Assembly to call upon government, through its Minister Services, to of Social withdrawing funds that have been social to available assistance recipients who have been receiving a special needs allowance as a supplement regular assistance."

is the prayer of the petition, Mr. Speaker, and as I mentioned, it is the petition that was presented to the minister by a of social assistance recipients just before Christmas. December 15 was the actual day. They also made a point of coming and meeting with me in my office

at that time and made a point of bringing a photocopy of petition so, in the event there would be no reference by minister to the presentation of the petition, that the Opposition parties would be in a position to present their concerns to That is what I am doing House. here today, Mr. Speaker.

The events around the presentation of the petition was something that I am sure all members of the House were made aware of on 15 December, just two weeks before Christmas.

MR. SIMMS:

A point of order, Mr. Speaker.

MR. SPEAKER:

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

MR. SIMMS:

Mr. Speaker, I think this points out some of the difficulties we have with respect to presenting petitions in the legislature. hon member, I understood to say, an original petition had with three signatures on it. He also had a copy of the larger petition, which presumably has been sent to somebody else I take it. Has it?

MR. FENWICK:

If you had been listening would have also found out who it the Minister of Social was, Services.

MR. SIMMS:

I was trying to listen. So what the hon. member is presenting then is not the petition that was sent to somebody else, the Minister of Social Services (Mr. Tobin), but rather this petition with three original signatures on it. Ι Speaker, for the point out, Mr. information of the members of House to clearly indicate the

abuse of this particular aspect of our Routine Business that two of the signatures are the signatures of the member for Menihek (Mr. Fenwick) and the member for St. John's East (Mr. Long). The other signature is an M.E. Carter, whoever that is.

I would clearly Mr. Speaker, suggest to you that this is an abuse of the item under presenting Petitions. Your Honour, I would strongly suggest, should ask the hon, member to curtail his remarks at this point in time so that Your Honour and the Clerks could have a chance to examine this because I do not really believe this is a legitimate petition that the hon. member is suppose to be presenting. That is my point of order.

MR. LONG:

To that point of order, Mr. Speaker.

MR. SPEAKER:

The hon. the member for St. John's East, to that point of order.

MR. LONG:

The Speaker will appreciate that I gave this careful consideration, the process by which bringing this before the House My own understanding of today. the rules and precedents from having been here for only a short period, but also by checking the past, is that the way I have proceeded to present this petition is indeed in order, according to rules and both OUR precedents. I undertook to have original signatures, which is what we have by precedent in the past determined to be the minimal rule, and Τ was responding to constituents of mine who came to me wanting to have a petition brought before the House

Assembly, but also wanted to be able to present the petition with only one original copy of the to the original signatures minister responsible. They the brought the petition to and because of their minister, concern that the petition would not be brought before the House. it would be left on a desk or a shelf in the minister's office, came to me and asked that the petition would also be presented through the rights and privileges that we have as hon. members to bring a petition forward.

My argument, Mr. Speaker, is that, in giving careful consideration to the process involved, I believe what I have done is indeed in line with both our rights and orders as established in our Standing Orders and by precedent.

MR. SIMMONS:

that point of order, Mr. Speaker.

MR. SPEAKER:

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

MR. SIMMONS:

Mr. Speaker, I believe, if I may suggest, that we have to put aside the scandalous behavior of Minister of Social Service (Mr. Tobin) in slinking out of presenting the petition. a side issue. It is an important issue, but it is a side issue and we must come, Mr. Speaker -

MR. TOBIN:

Nobody is as slick as you, 'Roger'.

MR. SPEAKER:

Order, please!

MR. SIMMONS:

Mr. Speaker, it is regrettable that the people who affixed their

signatures to this petition were not accorded the common decency of having their petition heard in the the House peoples' forum. It is to the credit of Assembly. the gentleman from St. John's East (Mr. Long) that he found, or at least thinks he has found, a way, a legitimate way, he believes, to bring it into the House. Whether it is legitimate or not is not for That is for Mr. me to decide. Speaker.

rise on this point, Mr. It seems to me that the Speaker: honour of every person in this House must be assumed by the Chair this business of scurrying across the floor and grabbing a petition, or grabbing it from the table and hoping you can get something on the other fellow, has got to stop. I happen to believe enough in the Chair and present occupant of the Chair, that if after due process is done here in this House he, the present occupant of the Chair, if Speaker finds there is something will take wrong, he This business appropriate steps. of, before the fact, running the next around, Mr. Speaker, thing I am going to want privilege to vet the statements before they are made and that kind of nonsense.

The member has done what he has the right to do and what I have the right to do, to stand in my place and present a petition. If, Mr. Speaker, that petition does not satisfy the form or other requirements of the House, I happen to believe the Chair will ensure that the appropriate action is taken.

PREMIER PECKFORD:

To that point of order, Mr. Speaker.

MR. SPEAKER:

To that point of order, the hon. the Premier.

PREMIER PECKFORD:

Just listen to the member for Fortune - Hermitage. What member for Fortune - Hermitage just said is that nobody has a right to get up on a point of order if, in fact, they believe that the rules of this House are being violated. Any member allowed to get up and go on and go on endlessly until their time is up, and then, at some point in the future, the Speaker can rule on it.

There is also a rule of this House which says that it is the right of an hon. member to make a point of order, as the member for Fortune -Hermitage has done incessantly since he has been in this House. Now it is somehow gleaned somehow brought down from on high the member for Fortune Hermitage that because the member for St. John's East gets up and presents a petition, that nobody is allowed to get up on a point of order to question whether in fact it is a legitimate petition or not.

Of course, we have the right to get up on a point of order, in the same way as the hon. member has right to get up petition. But if we believe, as individual hon. members, that the member petition the hon. presenting is not legitimate, then we have a right to get up in our place on a point of order and say

MR. SIMMS:

It is our obligation, not only our right.

PREMIER PECKFORD:

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Exactly, we have an obligation, not only a right, to subvert the hon. member's right to present a petition, but it has to according to the rules. There is some evidence to suggest that the hon. member's petition that went the Department of Social Services was the original and he, the hon, member for St. East and his cohort, the member for Menihek, with two signatures, and then one from outside, cannot that present that petition again. That seems to me to be sufficient evidence to warrant a point of which the member for order. Fortune Hermitage says is somehow out of order. **Absolutely** Mr. Speaker, what member for Fortune - Hermitage is trying to get across! We are not allowed until he orders it, Mr. until the member for Speaker, Fortune - Hermitage tells us that it is alright to make a point of order, you are not allowed to make one.

I think that the member for Fortune - Hermitage should have learned by now in the House of Commons and here and around the Province that he does not order people around and dictate what the rules of this House are.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

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To that point of order, I am not going to rule on it at the moment. I would like to see that petition that the hon. member was attempting to present. I will get advice on the matter, and I hope to be able to rule on it tomorrow.

0 0 0

MR. LONG:

A point of order, Mr. Speaker.

MR. SPEAKER:

Order, please!

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

MR. LONG:

Just so I understand what the Speaker has just said, does this mean I am not in a position to continue to present the petition, that I will have to wait until tomorrow to receive a ruling? Am I not in a position to speak to the petition any further at this point?

MR. SPEAKER:

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

I have already ruled that I want to have a look at that petition and that I will rule on the point of order, Both the point of order and the petition are the same entity. So it is not in order, but if there is no point of order, the hon. member can present his petition tomorrow morning.

MR. SIMMONS:

Mr. Speaker, on a point of order.

MR. SPEAKER:

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

MR. SIMMONS:

Mr. Speaker, I am surprised the member for St. John's East did not get to his feet because I would assume that whenever the Chair takes a ruling under abeyance that does not interrupt the proceeding unless he recesses the House. So I submit, Mr. Speaker, that -

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please! Order, please!

MR. SIMMONS:

Mr. Speaker, I submit that it is within the rules of this House that the petition go forward unless Mr. Speaker has ruled there is a reason it cannot go forward. Mr. Speaker has taken the matter of the ruling under advisement, which I respect.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER:
Order, please!

MR. SIMMONS:

Mr. Speaker, I understand that the Chair has taken the point of order under advisement, and I would submit that the petition ought to go forward, because there is no particular reason to find the petition out of order, unless the deliberation of the point of order proves that point.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER:

Order, please! Order, please!

MR. SIMMONS:

Mr. Speaker, my concern is this: concerned about the am It is only for precedent. member to get up in this House and object to any petition, however legitimate, and have the thing put on ice for twenty-four hours by that convention. I believe that whatever the outcome of the point of order, the gentleman from St. John's East ought to be invited to proceed with his petition so that we do not set that precedent that I have just expressed concern about.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

There is no point of order. I have already ruled on the matter and we are now on Orders of the Day.

Orders of the Day

MR. SIMMS:

First Readings. Motion 1.

Motion, the hon. the President of the Council to introduce a bill, "An Act To Amend The Internal Economy Commission Act," carried. (Bill No. 16)

On motion, Bill No. 16 read a first time, ordered read a second time on tomorrow.

Motion, the hon. the Minister of Consumer Affairs and Communications to introduce a bill, "An Act To Amend The Trustee Act." carried. (Bill No. 3)

On motion, Bill No. 3 read a first time, ordered read a second time on tomorrow.

Motion, the hon the Minister of Consumer Affairs and Communications to introduce a bill, "An Act Respecting Judgement Recovery (Newfoundland) Ltd. And The Compensation Of Victims Of Automobile Accidents," carried. (Bill No. 4)

On motion, Bill No. 4 read a first time, ordered read a second time on tomorrow.

Motion, the hon. the Minister of Consumer Affairs and

Communications to introduce bill. "An Act To Amend Consumer Reporting Agencies Act," carried. (Bill No.5)

On motion, Bill No. 5 read a first time, ordered read a second time on tomorrow.

Motion, the hon. the Minister of Fisheries to introduce a bill, "An Act To Amend The Fisheries Loan Act," carried. (Bill No. 13)

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

Motion, the hon. the Minister of Transportation to introduce "An Amend And Act To Consolidate The Law Relating To The Use And Operation Vehicles," carried. (Bill No. 14)

On motion, Bill No. 14 read a first time, ordered read a second time on tomorrow.

Motion, the hon. the Minister of Education to introduce a bill, "An To Amend The Education (Teachers' Pensions) Act." carried. (Bill No. 8)

On motion, Bill No. 8 read a first time, ordered read a second time on tomorrow.

Motion, the hon. the Minister of Education to introduce a bill, "An Act To Amend The Schools Act", carried. (Bill No. 7)

On motion, Bill No. 7 read a first time, ordered read a second time on tomorrow.

Motion, the hon, the Minister of Career Development and Advanced Studies to introduce a bill, "An Act Respecting The Regulation Of Private Training Institutions,"

carried. (Bill No. 2)

On motion, Bill No. 2 read a first time, ordered read a second time on tomorrow.

Motion, the hon. the Minister of Health to introduce a bill, "An The Nursing Act To Amend Assistants Act," carried. No. 18)

On motion, Bill No. 18 read a first time, ordered read a second time on tomorrow.

Motion, the hon. the Minister of Health to introduce a bill, "An Act To Amend The Hospitals Act, 1971," carried. (Bill No. 19)

On motion, Bill No. 19 read a first time, ordered read a second time on tomorrow.

the hon. the Minister Motion, Responsible for Newfoundland and Labrador Hydro introduce to bill, "An Act To Amend The Public Utilities Act," carried. No. 25)

On motion, Bill No. 25 read a first time, ordered read a second time on tomorrow.

the hon. the Minister Motion, Responsible for Newfoundland and Labrador Hydro to introduce a "An The bill. Act To . Amend Newfoundland And Labrador Hydro Act, 1975," carried. (Bill No. 24)

On motion, Bill No. 24 read a first time, ordered read a second time on tomorrow.

MR. SPEAKER:

Motion 11, the hon, the Premier.

SOME HON. MEMBERS:

Hear, hear!

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PREMIER PECKFORD:

Mr. Speaker, it gives me great pleasure today to present to this House of Assembly a resolution to adopt the 1987 Constitutional Accord.

I am honored because the pending proclamation of constitutional amendment will, in represent view, a truly historic moment for Canada. For reasons that I shall speak to over the next few minutes, I believe Lake Accord that the Meech significant represents a step forward in the development of the Canadian Federation.

I am saddened to realize that the hon. Leader of the Opposition is opposed to this measure. From his public comments, the member for Menihek agrees with it. He would like to see some changes, but if those do not come about, he would still support the resolution going ahead. I will be very interested in listening to the debate on this matter and why the Leader of the Opposition is so opposed to this measure which the Leader of the Liberal Party of Canada supports, the Leader of the N.D.P. Party of supports, the Minister supports, and that, as I understand it, a number of his own members in his own caucus support; not the least of which is the member for Fortune - Hermitage who, in a couple of statements to the press in the last several months, has indicated that whilst he too would like to see some changes, he does support it. And I would be very eager to hear from the member for Mount Scio - Bell Island (Mr. Barry) as to what his position is, because it seems to me that this is a very important piece of business.

I am disheartened to learn that

the new Leader of the Opposition is also against any further say by the Province of Newfoundland in the fishery, which he said, by the way, on August 14, 1987. Leader of the Opposition has been very consistent on that, because with also agreed Northern cod to the French in a statement that he made, which I have here in my file. But I will come to that later.

Mr. Speaker, I wish to speak now directly as to why this side of the House and this government supports this important change in the Constitution of Canada.

principal The and overriding accomplishment of the Meech Lake Accord is that it provides an opportunity for a national reconciliation with the people of Ouebec. As we all know, 1982 Act, Was Constitution proclaimed without the support of the Government of Quebec. Since that time Quebec has refused to participate actively constitutional discussions. This has acted not only to inhibit constitutional change but also to serve as a constant reminder of the alienation of Quebec from the remainder of the Canadian Federation.

This is the unworkable unacceptable situation which First Ministers met to correct in April and June of last year. The result is a Constitutional Accord which recognizes the distinct identity of Quebec and protects the legitimate interests of other provinces and the Government of Canada. The Accord meets the which Ouebec conditions identified as necessary for its participation in the Constitution, but does not do so at the expense of other provinces or of a strong Federal Government.

A cornerstone of this Government's constitutional position, which goes back to 1982, has been the principle of juridical equality of all the provinces. This principle is of utmost importance to small Provinces such as ourselves. the House of Commons and in the the voices speaking Senate. on Newfoundland and behalf of Labrador are fewer than those of the larger Provinces. However, the principle of juridical equality of provinces ensures that in matters of the division of between governments, of the rights and matters privileges of Provinces, and in amending the of matters Constitution, all Provinces shall stand equal.

The maintenance of this principle was а cornerstone fundamental objective of this government in the discussions on re-entry into the Quebec's Constitution, and is affirmed in 1987 Constitutional Accord. In the amendments to the process for appointing new members to the Senate and the Supreme Court, in the Spending Power and Immigration provisions, and in the changes to amending formula affecting central institutions of the Canadian Federation, Newfoundland will enjoy the same rights and have an equal voice alongside all other Provinces.

members are familiar Most hon. the content of the 1987 with Constitutional Accord. I would now to comment on a number of elements of the Accord render this agreement as not only an historic one for Quebec, but also for the entire federation.

The Constitutional Accord acknowledges the predominance of language communities It also recognizes that Quebec constitutes within Canada a society. These distinct are added provisions interpretative clauses and do not alter the distribution of powers between the federal and provincial of government. orders distinct society clause simply acknowledges the historic continuing reality that Quebec is uniquely different from provinces in the federation. Surely, nobody is foolish enough to deny this reality.

While the distinct society clause is specific to Quebec, all other changes in the Constitutional Accord will apply equally to all That one is specific Canadians. to Quebec, which we all recognize as having a distinctiveness that is a reality. Every other change has been made t.o that through Constitution the Meech Lake Accord applies equally to all Many of the measures Canadians. substantial represent meaningful movement towards a more balanced federalism, which was a second cornerstone Newfoundland's constitutional position, back in 1982.

Amendments concerning the Senate, and I think the member for Fortune - Hermitage, when he was interim Leader or acting Leader of Opposition Liberal made some comments on this matter, I find it absolutely incredible that there are Canadians in responsible positions who would find this amendment so abhorent when, if you back to the beginnings of Confederation, over 100 years ago, for example, the Senate has always been recognized as having a role to play as a sort of second conscience, or whatever, but also

to give regional input. It was put there also for that, How can input. regional provinces, which are regions, have input if they have no say into who the Senate. into definition this kind of an amendment would seem to be more the original consistent with concept and origin of the Senate than almost anything else that has been done. I think the member for Fortune - Hermitage, on May 5, 1987, had certain things to say He does not agree about that. that the Province should have a appointment of sav in the He went on to say that Senators. he favoured an elected Senate. But in the meantime, until that day comes, if in fact it does come, the next best step is to ensure that provinces have some say in who the Senators are going to be so that you get a true provincial reflection of a position in that Upper House.

Amendments concerning the Senate, Mr. Speaker, and the Supreme Court of Canada will provide provinces with a meaningful role in the selection of nominees for these important Canadian institutions. Because that is where a lot of the things happen. I mean, one of the that smaller provinces problems and provinces that are further away from the center have had, and we find it, all Newfoundlanders find it every time they go to other parts of Canada, is the lack of understanding, sensitivity if not information, about this place, about this Province. And it goes the way, through all the institutions. It goes through all government departments and in the Senate itself and in the Supreme Canada. which, now, Court of today, has more powers than it ever had, because of the Charter fundamental of Rights and

to determine certain freedoms, going courses that we are So, if ever there was a take. which is now more provision important than ever, it is to have provinces have some role in the appointment to these institutions which, as almost oracles, will help determine what is going to happen in all of those provinces, extremities and all those Canada over the next few decades. So, to our way of thinking, provinces with providing meaningful role in the selection of nominees for these important Canadian institutions is a very, very significant step forward for more balanced federalism opposed to a more centralized federalism where, in most cases, you would have a predominance all the time of individuals in the Supreme Court of Canada who have a central Canadian conception, or perception, of the country.

This, we believe. Having this a role is entirely kind of reasonable and legitimate in the Canadian Federation where both orders of government are sovereign their respective areas jurisdiction. We are not talking about feudal municipalities here. Confederation Fathers of The designed a constitution which had power; division of legitimate division of power is where the federal government supereme in certain areas and the are in others. provinces Therefore, that being the case, and not being into a situation where the United States is, even, where the states of the United States have even less power in their system than the provinces entirely have in ours, it is that, to suggest reasonable therefore, because we have certain constitutional legitimate jurisdiction, that these provinces should also have at least some say in the institutions which will govern the federation.

We all know that the Supreme Court now plays and will increasingly play a significant role in shaping Canadian society. It is the final constitutional of arbitration. Ι have nο difficulty. whatsoever. in defending the consensus of First Ministers, including the Prime Minister of Canada, that provinces should have a role in ensuring that nominees reflect the spirit of all Canadians.

In the case of the Senate, one of its most important functions, as I have already said, is to represent the interests of the regions of this country. It makes sense that provinces can and should play a role in selecting the persons who shall represent these regional interests.

This provision of the Constitutional Accord has already benefitted Newfoundland. I am are al1 aware that we Newfoundland was the first province to have a provincial nominee appointed to the Senate. The selection of such a capable person as our former colleague, Senator Gerald Ottenheimer. testimony to the merit of the new appointment process, in our view.

SOME HON. MEMBERS: Hear, hear!

PREMIER PECKFORD:

The spending power provision, Mr. Speaker, this Accord also in significant reflects а towards balanced and co-operative federalism. This provision establishes the legitimate and necessary role for the federal government in funding national

shared-cost programmes in areas of provincial jurisdiction. jurisdiction is unaffected, but the right of the federal government to help finance shared-cost programmes in areas of provincial jurisdiction has now been established. It provides an for the federal incentive government to design new national shared-cost programmes which are suitably flexible to meet the provinces. Of needs of all course, we have had problems with Thirdly, the that in the past. provision allows that where new a national programme is judged by a province to be insufficient to meet the needs of it population, the province can itself, with the assistance of federal compensation. deliver more programme appropriate provincial which is compatible with national objectives.

I think this provision here goes to the heart of what a lot of First Ministers and other Canadians, generally, were arguing about in 1982, during patriation process. We all know it in this province, and you can see it all across this nation, time and time again a national a programme, programme, really. that was devised on the Rideau Canal and the criteria set, had no more relevance to Twillingate or Conche or Francois or the Port au Port Peninsula or the Bonavista anvwhere in this Peninsula, or Province. but it had to be delivered. The oracle has Here is the criteria, go spoken. ahead now, take it Newfoundland, take it Saskatchewan, or else! This provision provides for some flexibility into this. This is the kind of thing that Mr. Trudeau and his cohorts at the time could with. This not agree abhorrent to the Liberal Party of

Canada back in the patriation We fought this, the business. former Premier of Alberta, Mr. Lougheed, the former Premier of British Columbia, Mr. Bennett, some degree, Mr. and, to I guess we are the Levesque. people who, during the discussions late at night, early in morning, all day and for weeks at a time, sometimes, argued with the then Prime Minister of Canada to allow this kind of flexibility.

programmes other Health and cost-shared programmes with the federal government in social areas do not, cannot by definition - it is not a question of questioning their motivation or their lack of concern for this social programme in Newfoundland or in Northern in Northern Quebec or Alberta. wherever, it was not a question of that, it was a question that by definition if you have a group of Ottawa whose whole in people experience and education is in the golden triangle or in some part of Montreal, the way that programme is going to be devised, and if the criteria have to stick like that, it will not be applicable and you will not get the most effective delivery out of that programme done in that kind of way. At the same time, the caveat is in there is that the programme, if it amended by the Province, and we the federal still get contribution even though it is amended, it still has to meet those national objectives. better objectives of national health care, or however you want to define it, it has to consistent with that. You cannot do something that is going to go against that tide or against that kind of objective. And we believe that that is extremely important, especially for a place like Newfoundland and Labrador.

Provinces have always said that national programmes and policies have to be flexible to meet the particular and varying needs of provinces. The individual power provision spending co-operative epitomizes balanced federalism, and we should Minister applaud the Prime Canada for his leadership in this area.

present Without this Minister, or someone very like him. I do not think this kind provision would have possible. I am not saying someone like him necessarily in the PC Party of Canada, it could be a Prime Minister who is Liberal, NDP, or whatever, I am saying with somebody like him, concept of trying to make this country work a little bit better with that kind of flexibility.

Another reason, of course, for supporting this Accord are to constitutionally provisions institutionalize, and I have to This kind of thing, recollect: again, the former Prime Minister of Canada was totally against. about constitutionalizing! Talk He would not even agree, in a memorandum of understanding with the premiers, that we would meet again next year to talk about the forget about economy, constitution, not even about the economy so that you could get some common bonds and some kind of an economic policy for Canada.

now: to What we have constitutionally institutionalize annual meetings of First Ministers and on the economy both. Talk about Constitution, balanced of epitome This kind of federalism. approach to a very diversified nation, geographically

historically, makes all kinds of and it is extremely that unfortunate decades and decades ago this kind of thing was not done.

These commitments embody the theme co-operative federalism the which prevails throughout this Accord. Newfoundland has, if anybody wants to go back through statements that we have made at First Ministers Conferences, for many years advocated the οf institutionalization First Ministers' Conferences on the This forum provides a economy. necessary opportunity, we believe, for developing and co-ordinating economic policy at the highest level of governments. It is not too long ago that we had a Prime Minister in Ottawa who refused to meet the Premiers on economic That actually happened, issues. where there was an open refusal.

current federal government agreed in 1985 to hold an annual First Ministers' Conference on the economy for a period of five years. Section (8), now, of the Accord will establish these as a permanent annual forum. No Prime Minister in the future, unless he or she wants to try to change the Constitution, can get away from having an annual meeting of the First Ministers of this Nation on the economy, and I think that is very positive.

The provision for an annual First Ministers' Conference to discuss constitutional matters represents a commitment by all governments to address constitutional issues which important are to a11 Canadians, and which up to now have not been resolved. Nobody who was a party to the patriation of the Constitution, let alone the Meech Lake Accord, would say that where we are now constitutionally is perfect for all time or even for the next couple of years. other There are constitutionally which have to be raised now, and, of course, this commitment for an annual discussion constitutional extremely important.

In this regard, of course, Speaker, we are pleased that the First Ministers have agreed that fisheries roles and responsibilities is one of two issues for immediate priority constitutional discussion.

SOME HON. MEMBERS: Hear, hear!

PREMIER PECKFORD:

of all ten provinces of Canada, Mr. Speaker, all of whom certain constitutional concerns, there was a consensus that two issues were of priority, one; the Senate of Canada and. fisheries roles two, and responsibilities, and we believe that is extremely significant.

So, we look forward to this round of constitutional discussion as it relates to the question of the fisheries because we have found, and I think most Newfoundlanders and Labradorians agree, it is not a question of capturing turf, it is not a question of having power for power sake. We have seen in allocation of quotas, discussions with other nations and other provinces within the same nation, that the present level of power that the Province enjoys under the existing Constitution as it relates to fisheries matters puts us at a decided disadvantage, and the examples are numerous. We are not talking about the fishery which has to be shared with Nova Scotia and which historically they

have been involved in and we have been involved in the Gulf or any of that kind of thing, we are the fishery of about talking been Newfoundland which has historically fished 100 per cent Newfoundlanders is Labradorians, and which the landmass of contiguous to Newfoundland and Labrador.

MR. SPEAKER: Order, please!

Might I interrupt the hon. the Premier for a moment to introduce the Late Show?

PREMIER PECKFORD: Yes.

MR. SPEAKER:

There are three questions. The first one I received is from the hon. the member for Menihek who is not satisfied with the answer he got from the Minister of Finance and the Minister of Labour to his the circumstances on question leading to the collapse of Easteel Industries and the problems of their employees in getting their final paycheque.

The second is from the hon. the Leader of the Opposition who is not satisfied with the reply he got from the hon. the Premier on the Sprung project. There is also a similar question asked by the hon, the member for Fortune and that is to the Hermitage, Premier also.

The hon. the Premier.

PREMIER PECKFORD:

Thank you, Mr. Speaker.

But I will be very interested, Mr. Speaker, on this matter, because the Leader of the Opposition is on record on two separate occasions,

which is extremely disturbing to I look across this House and I see an honourable gentleman who involved in government number of years ago and who has now gotten involved again in the public life of this Province, go on the record as saying, example, that France should have a limited, this is the word he used, a limited amount of cod, however much limited is. We see what that has done now, got New Brunswick and Quebec and everybody chomping at the bit. It is only a question of time. The erosion is underway. Here we had Marystown closed down for a week - now re-opening the fragility, the because of delicacy of our fish stocks. see St. Pierre and Miquelon down Speaker, Mr. now, there overfished 3PS, and suddenly it is all coming back to haunt them; there is no fish in 3PS, declared a disaster area by France. Right upon until a couple of months ago they were saying you can take 27,000 or 30,000 metric tonnes of fish out of 3PS, no problem, 'our scientists are confident of it'. There is no fish down there. have people living in Little Bay Islands, Beaumont, Lushes Bight, Brighton, Triton, Jim's Cove and Card's Harbour who are straining at the bit to put bread on the table with a low stamp, a fishing whilst Ι stamp, Newfoundlanders and Labradorians, the hon. Leader of the Opposition saying, oh, others, problem, no problem, because, you see, all Peckford wants to do is And I am coming into the fight. public forum of this Province and Newfoundlanders saying, what really want is somebody to say, oh, this is O.K. A little bit here and a little bit there. Well, is he not a nice person.

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD:

Well, I am giving notice to the Leader of the Opposition today that I am going to go from Nain to Francois, from Cape St. George to St. Shotts, because I am going to expose the Leader of the Opposition on this policy and a whole bunch of other ones.

SOME HON. MEMBERS: Hear, hear!

PREMIER PECKFORD:

If the Leader of the Opposition, and I feel strongly about this, thinks that his smooth talk can override the lack of substance that the Leader of the Opposition is saying for the people of this Province, then he has got another think coming.

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD:

Mr. Speaker, this is fundamental to Newfoundland and Labrador, the fishery, and to hear, regardless of where we depart on a whole bunch of other issues, regardless of where we depart - it is like yesterday with the member Twillingate. We were not the longest coming off our feet. did not care if it came from the member for Twillingate or member from anywhere, or what side of the House he was on, on the seal fishery and how unfair that licencing is, and we came together as one and passed a resolution that it will be on Mr. Siddon's desk, and there are a whole bunch of other people in Ottawa to put that additional pressure on, to get that kind of thing changed.

There is one area, Mr. Speaker, where it is so easy for all of us

to be on the same side, because we are fighting almost insurmountable odds from the federal bureaucracy the Maritime Provinces the EEC. is France to It is not a question incredible. intransigence, inflexibility, or all he wants to do is fight, it is a question of survival, Mr. Speaker. That is It is a what the question is. question of survival. And I guess that was why, in this Meech Lake Accord, it was possible for First Ministers who were N.D.P. Liberal to say to the Premier of Newfoundland, whether they hated him or not, that on this policy issue it should be addressed by First Ministers οf this Country because it is important for a part of this Country.

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD:

I thank the member for Menihek, and I say it publicly, I say it with all the sincerity I can, I thank him, because on May 5, 1987 the member for Menihek said he applauds the inclusion fisheries roles and responsibilities in the second round discussions. That is what the member for Menihek said. and for that he deserves our congratulations.

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD:

Mr. Speaker, the hon. gentleman who is presently in the Chair, who has been involved in the fishery on this part of the Island for quite a few years, as I understand it, will understand what I am talking about right now. If we had the dynamics of change in any society, there is nothing that a

number of federal bureaucrats like better than to be able to say, when we sit down around the table and make our presentations on the fishery, that there is another in Newfoundland political party Labrador whose leader whose party stand for the status quo in the way the fishery is handled in Eastern Canada. gives them the greatest out in the world.

SOME HON. MEMBERS:

Shame! Shame!

PREMIER PECKFORD:

How many times, Mr. Speaker, have I said that we are our own worst enemies? On this one there is no question, and that is why the fishery is where it is today and is no further ahead as it relates to our say over it.

That is not to say, and let it not be misconstrued, that we believe that 'we have to have legislative jurisdiction over all the fishery Newfoundland Labrador. and That is not to say that. made position, which has been clear over and over again documents and in my own little book that I wrote, clearly defines that there is an ongoing role, the federal obviously, for government, it is not you have it all or we have it all. The theme of the Meech Lake Accord is that we will have it together and we will develop it together.

We see our nearest province by water. Nova Scotia, which \$2,000 or \$3,000 -

MR. FENWICK:

(Inaudible) is by water.

PREMIER PECKFORD:

By water. Fine. Scotia, Nova anyway.

- income per capita from defence expenditures and Newfoundland's is - what? - forty or fifty dollars, or some darn thing - I have the figures, I do not know how I forgot them - demanding more fish that is legitimately contiguous to the landmass of Newfoundland and Labrador.

This is the other thing. There is an underlying problem: Should we be satisfied that it is fine for Twillingate now that it is open six months where it used to be open three, or St. Anthony is open eight months and it used to be We got her made! open four? Because that is what seems underline a lot of the things that should not say. We satisfied with the kind resource, if it is looked after properly, until those plants are open 365 days of the year with the fish that we have off there.

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD:

That must be the position that we Anything less than that means that we. have already committed ourselves to some kind of less status in Canada than the rest of Canada. And you see There is an attitudinal that. problem. 'Boy, we have her made. We were open four months this year. Only open two last year. Some good!'

Our realistic goal must be to extend the life of all of plants for twelve months of the year, because that is the only way we are going to get taxes. That is the only way we are going to reduce our unemployment. That is the only way that we will be able things that do all the everybody says we should be doing

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and that we say we should be doing.

Here it is now, Mr. Speaker, an historic opportunity which may not again not only in lifetimes but for many other times to come.

Are we, as Newfoundlanders and Labradorians in 1988, now, Constitutional Conference and have up we an comes opportunity, or into 1989 if they do the Senate first, which they are supposed to and then fisheries roles and responsibilities, are we going to have a common position from this Province to put forward to all the other provinces and to the federal government?

One of the things that bothers a lot of people who were around at in 1948 and time, 1949. the outside of other provisions in the Terms of Union, is that Term of Union on the fishery. Because it has not treated us kindly and will continue to not treat us kindly, because by definition, if the powers remain exactly the same and there are no other linkages with Newfoundland to have a say, then we will continue to see things being done which undermine the stocks, which undermine how many licenses can come to Newfoundland on a given stock, and you just cannot get around it. It has nothing to do with dogmatism, it nothing to do with provincialism, it has got to do with survival, something that most people, when you explain it to It makes all them, understand. kinds of sense, still with a federal ongoing significant presence. But you cannot be held to dry by some Province. P.E.I. has been trying to get Georgetown going. Where are they going to get the fish to going? Mr. Georgetown get

Speaker, they were looking to the Northern cod stocks.

Just about everybody in my constituency who were invovled in the groundfish industry last year had to go to Smokey and other places on the Labrador Coast, near Cartwright, root up their families bring them all down Labrador, like they did thirty or forty years ago, to get enough stamps to see themselves through the Winter because there were no fish in Green Bay, no fish in Halls Bay, and no fish out around Little Bay Islands or Long Island or Triton.

the same time, we can as Newfoundlanders around Labradorians and say we can give some fish to the French. know, we have to be nice to our neighbors but we cannot do it. just cannot do it, Mr. Speaker. One of the ways whereby we can have at least a greater lever is through this constitutional round whereby we reach accommodation - I do not care what you call it - some kind of an agreement between governments that would have to legislated, if not constitutionalized, which triggers automatic reference to Province before a decision can be made on 2J+3KL, on 2GH, on our stocks and our pelagics, where some outside force is looking for some of that fish, or are looking for licenses, so that then they have automatically the benefit of our opinion and are not calling down some day saying, 'We are going to make a decision tomorrow. We know you will go along with this.' no, we do not go along with this.' But we are left out in the cold.

Some critics have speculated,

Speaker, that the distinct Mr. the Accord clause in society overrides existing equality rights the Charter of reflected in This has been a fairly Rights. hot issue across the Nation. This speculation presumes that there is something inherently unequal in society. Τ Ouebec's distinct think it is worth noting that women's organizations in Quebec support this Accord. In addition, the special joint committee of the Senate and the House of Commons heard a wealth of evidence on these concerns, and concluded that the distinct society clause does not override equality rights.

I would like to hear the member for Mount Scio - Bell Island in a debate sometime just, perhaps, on that point, if he can remember it.

There was a lot of debate at the time, provincially and federally, and a whole raft, as the member for Mount Scio - Bell Island realized, of lawyers and advisers brought in. Ι think, perhaps, Manitoba had more in the room at one time than anybody else, and the federal people. We spent several days just going through this, but there was a that it does consensus override the equality rights. And there it is still a point. is, I guess, some chance, in some specific situation that we may not be able to think of right now, where a challenge may be made which could trigger that. I think the point is, it is like so many is highly, things, it highly I guess each day we unlikely. perform our lives and take our chance based on highly, highly unlikely. When you go to cross the road, it is not guaranteed that you are going to get to the other side, but it is highly, highly likely that you will. And

the kind of think that is the situation we are in in framework as constitutional relates to this equality right provision and the distinct society.

The Constitutional Accord will, if anything, solidify equality rights in Quebec, because Quebec will now be fully committed to the 1982 Charter of Rights.

Some critics have suggested that the spending power provision will weaken the ability of the federal government to fund national social The NDP Party and programmes. some social groups across Canada have mentioned this. This, in our view, is untrue. There is nothing in this provision which prevents of Canada from Government the directly delivering national social programmes in areas within their jurisdiction. Nothing.

Secondly, the provision establishes for the first time in the Constitution the legitimacy of federal funding in areas of exclusive provincial jurisdiction. For the first time in the Constitution their right to funding, even though, it is in our jurisdiction.

Some parties have charged that the changes to the amending formula for matters relating to the Senate and the establishment of new provinces are unreasonable and will make further constitutional change impossible. There has been a lot of argument about that.

One has to realize that changes in either of these fundamental features, the Senate or establishing new provinces, will affect all provinces. I guess theoretically, if you could step aside from the pragmatics of every day governing and just look at it

as a sort of a university course, you theoretically can make a legitimate point there. But, by same token, you know. is one-eleventh less than one-tenth, and in making alliances across the nation to get certain things done, that just makes it that much more difficult, you are impacted upon. So I think it is quite appropriate that such changes should have the support of all the provinces.

And it is almost a theoretical argument in any case. In question of the creation provinces, it is the Yukon. I had an opportunity and I made it my business to sit down with Tony And it is really a Peniquet. theoretical argument. Because if everybody agreed tomorrow that the Yukon should be the eleventh province, do you know what the Yukon ia going to say? Not me. Or perhaps not ever. Not yet. Yes, perhaps not ever. Because at the present moment, under arrangements that the Yukon has with the federal government, they are doing better than if they were a province. A lot better. So it is more a theoretical argument, and one for another day. I am not just saying that it is theoretical argument now and therefore it will be a theoretical argument ten years from now. I am not saying that. I am saying it is a theoretical argument today. have And given that you constitutionalized annual meetings the First Ministers on the Constitution, then, if in fact it becomes less theoretical and more practical, it can be dealt with.

It is not like we always had it, where it could not be dealt with because there was not any annual meeting of First Ministers.

As to the alledged impossibility of unanimity, Mr. Speaker, I would The Accord itself challenge it. evidence that unanimity possible. It was unanimity which created this very Accord that we are talking about today - Exhibit If there is evidence, and it A. really only amongst people who dogmatically hold to the more central the view of that will find Canada you espousing how bad this unanimity I guess it is, because they can never agree to anything. amongst those who have always. argued the other way, for a more federalism, balanced there is already triggered in our cerebellum the whole idea sitting down and working something and having out together unanimous concensus reached. natural for those people. Unanimity cannot be possible with a Mr. Trudeau on constitutional reform, or Mr. Chretien, or Mr. were because they Lalonde, in their view of dogmatic certain vision of Canada, which history may record as right, I do not know. I do not think it will, but I will give them the benefit of the doubt. Nobody knows. a different vision: If you are on the road and are imbued with that idea, it is natural for me to advocate that unanimity is not some scaredy thing that can never It is for the others, happen. because their road leads to an attitude that unanimity cannot happen, because it is almost by from their definition thought And it is almost by process. from our definition thought process, who are on the other side, that you can, on items of significant national concern. reach а consensus and get unanimity.

Secondly, of course, the Accord

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has enabled Quebec to join the nine other provinces that ratified 1982 Constitution Act. the federal Consequently, the government and all provinces now unanimously support the extremely constitutional broad range of matters dealt with in the 1982 Constitution Act. Surely these documents milestone of capacity the demonstrate governments to unanimously agree significant constitutional change.

You see, you have to fly in the face of two documents, the 1982 document, and the 2010 document? No, no. From 1982 to 1987, five years, only five years, we were able to get together and unanimously agree on a change.

Finally, I think it is necessary perspective place in criticism regarding new amending formula provisions for the Senate and the establishment of new provinces. Despite these changes, outside of those, vast majority of constitutional matters remain subject to general amending formula, which is seven provinces with 50 per cent of all the provinces' population.

You get the impression sometimes when you hear people arguing that everything now can be changed in Canada, today; they will take over all of the provinces, we will have these selfish feudal lords viewing over the facts in the darkest of night in Ottawa, over everything that this do with Canada, foolish Peckford or this silly Bourrassa, or whatever connotation you want to put on someone else, we cannot do a thing in Canada now feudal until all these lords agree, when it is only on certain core areas which are fundamental affect because they us

fundamentally, and all the rest of it is seven provinces and 50 per cent of the population.

in participation the Ouebec's constitution will dramatically the increase increase likelihood of achieving the for requisite support constitutional amendments in all of these important areas. Because now Quebec is in - seven provinces and 50 per cent of the population - with their population in, makes it even more. It makes it easier for amendments to occur on that formula with them in, easier it would with them out, because they are one more province make the seven and their population enables substantial that to happen.

1987 Constitutional The frees us from the constitutional Quebec's straitjacket which continued absence constitutional discussions would The Constitutional mean. Resolution which I am introducing therefore, Mr. Speaker, today historic agreement reflects an which is beneficial for 211 Canadians. First ministers have not said that this is a perfect but the agreement document, reflects a reasonable compromise recognizes that the distinct society of Quebec while, at the same time, providing for a more balanced federalism with a strong federal government and strong provinces.

The 1987 Constitutional Accord, Mr. Speaker, has been endorsed by the leaders of the three federal political parties. It has received the approval of the House of Commons and the Legislatures of Quebec, Saskatchewan and Alberta. Ratification of this Accord is a vote for national unity, a vote

co-operative for and balanced federalism, and will open the door for future constitutional change, that is the national perspective. A vote for this for Accord is also a vote Newfoundland and Labrador to have national say over institutions and to attempt to get some meaningful, reasonable say over our most important industry, the fishery, and on that alone every member of this House should support it without question.

Thank you.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER: Order, please!

MR. WELLS: Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. WELLS:

I would like to be heard in quiet, if I might, Mr. Speaker.

Mr. Speaker, before I start to deal with the resolution, just a couple of brief comments on some of the statements, really some of the misrepresentations, of the hon. the Premier in his speech about the position of the Liberal Party and my position personally.

I will tell all hon. members exactly what my position is and what the position of this party is and what it has been from the beginning, so that when the Premier wants to go from one end of this Province to another let him tell them exactly what I say, not his straw man version that he concocts. It is the Premier's

favourite trick, to create a straw man that he can easily knock down. Because he recognizes that he cannot cope with the real man, he has to concoct a straw man. Well, I am going to let the Premier know, and all other hon. members know -

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER: Order, please!

MR. WELLS:

Mr. Speaker, there is a mouth down the end of that room that keeps making noise and I would ask Your Honour either to require him to maintain order or name the hon. member and ask him to leave.

Thank you, Mr. Speaker.

Hon. members, Mr. Speaker, can accept it directly from me, not the concoction that the hon. Premier creates as to what my position is personally and what the position of the Liberal Party is, and I will spell it out.

I will have the hon. the Premier to know, notwithstanding what he says, the people in this party, with one exception only, have a unanimous view of Meech Lake and will present that with the one exception only. We also have the wisdom and the sense of fairness to ensure that anybody in this party who has a major difference on a matter of significance has an opportunity to express that difference as that member ought to have.

SOME HON. MEMBERS:

Hear, hear!

MR. WELLS:

I will also correct at the outset

the misstatement by the hon. the Premier that the Liberal Party of Canada is fully in support of Meech Lake. It is not. I have here, Mr. Speaker, a list of all of the amendments that the Liberal Party propose to demonstrate the extent to which the Meech Lake Accord is unsatisfactory and is a detriment to Canada instead of a benefit. But when it came down to either voting for it as it was. unamended, or not at all, they choose to support it. That is what really happened. It is time we had some true statements as to what the real situation is in this House.

Mr. the Meech Lake Speaker, superficially document is attractive. It makes it look like it is something of merit. Premier's comments indicate this. But the Meech Lake document is the furthest thing from constitutional document that It bears less have ever seen. resemblance to a constitutional document than anything else that I have ever seen.

It is an arrangement that was negotiated at the last minute in the wee hours of the morning in order to get agreement to solve an immediate political problem, and constitutions ought not to be developed that way.

principles of Constitution affect the country for decades and centuries to come, and it should like Ъe negotiated collective bargaining agreement to solve a working problem for the next twenty-four months. That is the mistake that the people who negotiated Meech Lake made.

To really examine the full text of Lake and to judge Meech propriety and acceptability, we have to stop and think for a moment about the essential nature This is where, of federalism. with great respect to the Premier, his view falls down, because he has not examined the essential nature of the federal nation that Canada is. When we have done that, then look at how the Meech Lake document impacts on it and we will see how unacceptable it is to the future of Canada.

True federalism is ideally suited to a country like Canada where we have ten disparate provinces with ideas, different different backgrounds, different cultural different economic standings, different wishes, desires. for the different expectations It is the same for the future. United States where they have different States, and Australia where they also have different States, where there is diversity in the size and the wealth and the It provides for population. means whereby matters of purely local concern can be managed in such way as the local province sees fit, without regard to what the other provinces do. That is why the division of powers is as important as it is.

Yet for the nation as a whole, the can enact federal Parliament that is suited to legislation all. The problem is -

MR. SPEAKER: Order, please!

Would the hon. member care to adjourn the debate?

MR. WELLS: Yes, Mr. Speaker, I adjourn the debate.

Debate on the Adjournment [Late Show]

MR. SPEAKER:

It is now five-thirty and I call on the hon, member for Menihek, who is not satisfied with answer he got in connection with the collapse of Easteel Industries and the problem of employees and their final pay cheques.

The hon, the member for Menihek.

MR. FENWICK:

Thank you very much, Mr. Speaker.

The questions we have to ask with respect to Easteel Industries were ones which we wanted to ask for, I would say, probably the last nine since the organization months, confrontational went into a position with its own trade union when the trade union, that had the bargaining agent there of number years, had for а requested. we think quite legitimately, to gain back some of concessions that they given several years ago in order to keep Easteel Industries going.

At provincial that time the government had a number of loan outstanding with guarantees Easteel Industries. As a matter fact, of these 1oan one guarantees were one that we did not approve in this House last year and that was the \$1 million CN container contract. which was dated April of 1987. would imagine it is because that the be coming in loan guarantee legislation that we have now.

But if you add up the amount of money being guaranteed by this provincial government, it comes to \$300,000 from December of 1984 of \$225,000 working capital, payments to unsecured creditors for August 1985 and 1986, project financing of \$2.5 million for contracts that were ongoing, and another one through the CN container contract, for a total exposure of about \$3.25 million.

At the same time the minister, in the response that he tabled today, has further disclosed that there \$498,793 an additional unpaid sales tax which the company provincial owes the government which is unlikely collected. Adding all these figures up, the very top end of it this \$3.5 million that has in of government terms exposure with this particular operation.

The request coming time and time again from the individuals who were on strike there for six months was, would the provincial government use whatever influence it had to try to bring together the parties so that some sort of reasonable settlement could achieved? With a \$3.5 million club, this government essentially did nothing, other than the aspects mediating of the Labour, which we Department of acknowledge. But there was a lot more that could have been done.

As a result, I would suggest that the prolonged work stoppage and the attempt by the company to use untrained replacement workers contributed significantly to their downfall and to the fact that we have an exposure perhaps in the neighborhood of \$2 million by the Minister of Finance's own account.

Mr. Speaker, it seems to us that not very much was done in order to work out an equitable settlement, given that very much of the money into Easteel went provided by the workers in wage concessions that they had agreed to several years ago.

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At the same time, in terms of the supplementary that final Minister of addressed to the Labour, it is clear that we now a situation where the management people, who really did not have too much to do in terms of causing the strike, and the replacement workers, whom I have somewhat less sympathy for, but nevertheless are workers of this Province and should be protected, are in a position where, according to the Minister of Labour (Mr. legislation Blanchard), our almost Ъe totally going to ineffective in protecting them in a situation in which the federal legislation takes precedent.

Mr. Speaker, it seems to me that we did nothing, yet we had a \$3.5 million club at a time when we could have affected some sort of agreement, some sort of settlement, where the operation may still be going.

Mr. Speaker, it is lamentable that the Minister of Labour is not able to enforce his legislation because of conflict between our particular federal and legislation So I believe that it legislation. both of these time for ministers to explain, on the one hand, why they did nothing, and on the other hand, why they are incapable of doing anything to alleviate what is clearly and unsatisfactory situation.

MR. BLANCHARD:

Mr. Speaker.

MR. SPEAKER:

The hon, the Minister of Labour.

MR. BLANCHARD:

Mr. Speaker, I should say to the that I take some member exception to the fact that he states that we did nothing

settle the dispute.

That particular bargaining unit, that particular group of employees were in somewhat of a hurry to get on strike to start with. requested a conciliation board on May 29, and on June 15, seventeen days after, at midnight they went on strike. Following the strike the start of merely waited out the fifteen day statutory time limit, and they exercised their right to go on strike. It was, I might say, a legal strike.

following Immediately beginning of the strike officials of my department, right up to the most senior officers, the deputy minister, conducted a series of meetings with them, the deputy, the Director of Labour Relations and eventually I met with them myself in an effort to try and bring about a settlement. went on through June and July and through August when, about the latter part of July, the deputy personally became minister involved, Mr. Speaker.

Finally when the strike was going on toward the end of August I directed my deputy minister to request the company to come in and sit down and talk with us to find out whether we could work out a solution to the strike. In other words, we were trying to determine if there was a will to settle the dispute.

judgement there best To our appeared to be a will at that particular time to settle it. I say to my deputy, 'Let us get the union in, let us tell them our about this and you thoughts arrange some joint meetings.'

separate Following those

discussions, my deputy minister spent a full weekend and some two other days, I think, having really marathon sessions with the two parties involved in this dispute.

As a result of those meetings, I personally sat down with 'Look, company. Ι said, gentleman, I would like you to put anything that you have to give at any time, anything that you are going to put on the table to settle this dispute, do not hold anything back now please, let us put it down there. We are going to put a real thrust on to try to bring an end to this dispute.'

As a result of those talks, the company considerably enriched its proposal up to that time to where we had, effective September 1, 1987 an increase of 9.2 per cent in the base rates at the plant, further increases of 2.9 per cent on September 1, 1988, a year after, another increase of 2.7 per cent on March 1, 1989, six months after, and another 2.3 per cent, going up by another 1.99 per cent March 1, 1989.

It is fair for me to say that both my deputy and I thought that we had a basis of settlement. They were going to go back and have a vote on it, and we encouraged them, to the best of our ability, to make a recommendation for settlement of the dispute because we knew that the company would not be making any further proposals. They had gone as far as they intended to go.

upshot of that was, Mr. Speaker, that the negotiating committee back went and understand they recommended rejection of the offer and there was a 93 per cent rejection of the offer. From there on.

dispute went downhill. The company said they were withdrawing their offer that they had put on the table. They were making a concerted effort to operate the plant outside the employees who had gone on strike and were in the bargaining unit.

We always use persuasion in the Department of Labour to try to prevent an employer - we have no legislation to prevent them from doing that, Mr. Speaker, - but we use whatever persuasive powers we have to admonish an employer not to use employees outside of the bargaining unit.

They kept on operating and the company told us about December 11, I think it was, that they had broken even in October and they were doing better than they had done any time in their history.

We all know the result of what has happened since then as far as the operation of the company is concerned.

MR. SPEAKER: Order, please!

The hon. Minister's time has elapsed.

SOME HON. MEMBERS: By leave.

MR. SPEAKER:

By leave.

The hon. the Minister of Labour.

MR. BLANCHARD:

Thank you, Mr. Speaker. Thank you, gentlemen.

There is one important issue in this, Mr. Speaker, that the department has been accused and the government has been accused of strike breaking, because we did not call the loan. In other government had words. bank-backed loan for the company and that was done some three years before the strike began, two and a years prior to the negotiations that resulted in the strike.

MR. FENWICK:

Renewed in August.

MR. BLANCHARD:

Renewed in August.

MR. BARRETT:

Sure if we did not renew it, it would have closed then.

MR. BLANCHARD:

If we had not renewed it, they would have closed then.

when the union, told appealed to me, Mr. Speaker, to request the government to call the loan, that I would stand up and be counted. If I had to vote on this I would not vote on it. We have some \$100 million in guaranteed loans to fish plants, out particularly, and other . companies. What are we to do, take sides in a labour dispute? If a dispute occurs, we are to call the loans and then take sides against the company, ensure that insolvency into they go bankruptcy, thereby losing all of the jobs that are there. I made my position known quite openly to the union at that particular time.

MR. SPEAKER:

Does the hon. minister have leave?

SOME HON. MEMBERS:

By leave.

MR. BLANCHARD:

Thank you, Mr. Speaker.

Now, that the company has gone into insolvency -

MR. SPEAKER:

Order, please!

I understand the hon. minister has no time left.

I call in the hon. the Leader of is not the Opposition who satisfied with the answer he from the Premier on the Sprung project.

Leader of the The hon. the Opposition.

MR. WELLS:

I believe we have a new Premier.

I am sorry the hon. the Premier is House because out of the intended this for him, but all of the gentlemen opposite who pounded their desk in support of Sprung are equally responsible for the ultimate impact on the Province, so I will address this to any of them who are prepared to accept responsibility for it.

SOME HON. MEMBERS:

Hear, hear!

MR. WELLS:

The statement originally made in the Premier's announcement that the Sprung Group of Companies will also contribute \$3.5 million to the project in the form of cash. Now, I ask hon. members to bear that phrase in mind, \$3.5 million in the form of cash. In return for these equities -

SOME HON. MEMBERS:

Oh, oh!

MR. WELLS:

Mr. Speaker, I would again ask you to silence that mouth and allow me to speak in silence.

MR. SPEAKER: Order, please!

I ask hon. members on my left to please respect the request for reasonable silence. I expect anybody to be completely silent but I do not think that we should have interruptions.

The hon. the Leader of the Opposition.

MR. WELLS:

Thank you, Mr. Speaker.

MR. SPEAKER:

Order, please!

MR. WELLS:

restate, Speaker, Mr. statement made by the Premier on announcing the Sprung project was that the Sprung Group were to contribute \$3.5 million in the form of cash. In return for these equity contributions, and it is described as equity contributions, both the Province and the Sprung Group will hold equal amounts of voting shares in the joint venture company.

Now, the fact is, Mr. Speaker, the agreement was signed. that \$3.5 million ceased to be equity shares and became a loan by the Sprung company, but it was equity for the government. apart from that, Mr. Speaker, the construction contract we have not yet seen, despite indications by the hon. Premier that it was going to be provided and that everything other than the technology marketing arrangement would provided. So I am still waiting construction receive the contract because the payments to Sprung are tied into that and it is important that we have it in order to fully understand it.

Ouite apart from that, what I have hon. the Premier heard the announce yesterday was that Sprung did not put direct cash into it, as payments were due under contract, they gave them credit for certain payments, and there was no cash for Sprung.

Mr. Speaker, top of that, the only indication that we have of real value in this facility is assessment by the City of Calgary that its replacement cost is \$3.5 That Mr. million. is real, Speaker, that is real, and we ought to be alerted by it. On top of that we have the advice of the civil service of this province that its proper value is about \$6 million. That coincides with the Calgary assessment because by the time you put the equipment in, it would probably go up to somewhere \$5 million between and million. On top of the original Mr. Speaker. amount. government just the other day put in another \$2 million.

Maybe they do not think anything about closing down hospital beds cutting and out transportation costs for handicapped people. Maybe that does not concern them. They can throw millions at Sprung and yatter while it is being debated in this House as though it were of no concern to them, but we care, and it is our responsibility to call the government to account on it.

SOME HON. MEMBERS:

Oh, oh!

No. 4

MR. SPEAKER:

Order, please!

MR. WELLS:

Mr. Speaker, we, in this House, and the people in this province, have been fairly warned, first by Ross Traverse, that the real value is only \$6 million or less; by the Calgary City Council that the real probably something is million and \$6 \$3.5 between million for the completed facility; and, Mr. Speaker, we have been warned by the banks. They do not consider that there is any equity in it, and they would not advance the \$2 million without a further government guarantee.

We have been told -

MR. SPEAKER:

The hon. member's time has elapsed.

MR. WELLS:

If I might just conclude, Mr. Speaker, with consent.

SOME HON. MEMBERS: Oh, oh!

MR. WELLS:

I did give leave, Mr. Speaker.

MR. WINDSOR:

The Minister of Labour did not get leave.

MR. WELLS:

He did, we just gave it to him.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please! Order, please!

Does the hon. member have leave?

SOME HON. MEMBERS:

Yes, yes.

MR. SPEAKER:

hon. the Leader of the The Opposition.

MR. WELLS:

Mr. Speaker, in the face of that, and all the Premier members Opposite owe a duty to people of this province and to the members of this House to disclose the full story on Sprung, and explain why in this position, are explain why they can accept the value of \$14.5 million in the face of their own civil service advice that is less than \$6 million and in the face of the assessment from the City of Calgary.

I ask them, Mr. Speaker, to deal directly with this issue, and we will deal with Marystown and Baie Verte and the others later.

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

When there is more money involved, you will deal with more money later, Mr. Speaker, and deal with the little bit of money now.

Mr. Speaker, I find the Leader of Opposition tedious, if the anything, and I guess it tedious. It is like his conflict interest statement, he of relying on a technicality as it relates to what is equity and what not equity. Ιt technicality. It comes out of his legal training and he tries to inflate this little technicality into something that is not.

The long and short of the question of equity, and the Leader of the Opposition should know this, is we have done, and the assessment as I understand it now, and I will get tonight information more morning on what Mr. tomorrow related did to Traverse greenhouse kind traditional situation, did not relate to this production facility particular this kind of technology. Whether or not the Leader of the Opposition wants to believe that

or not, it does not make any difference to me, at all.

That is one of the problems, as I said earlier today, that a lot of people have with this because you are trying to apply rules and of one set regulations to circumstances, or one kind of facility, and apply those rules and regulations to a completely different kind of facility. that is difficult for everybody. It is difficult for me. It is difficult for everybody understand when your are dealing with a technology that nobody else in the world has.

SOME HON. MEMBERS: Hear, hear!

PREMIER PECKFORD:

As far as the City of Calgary goes, I will have to get the I do not know when information. that assessment was done. Was it done relating to the land as well as the facility?

MR. WELLS: No.

PREMIER PECKFORD:

Because if it was, the solicitor for the City of Calgary has told the City Council of Calgary in a public meeting that, because this came up from the Opposition last year that it failed because of the technology and not because of the oil refinery site; that you are on the hook for hundreds of millions City of dollars, Calgary, because you gave a permit to the Sprung Group of Companies knowing that full well the site was not The Province cleaned up. Alberta has now acknowledged also a liability, as has Imperial Oil. So they were wrong on all that.

it relates to the Now, as

technicality. It is not even a technicality, Mr. Speaker, it is worth my breathe, hardly it takes to give mγ energy breathe, the \$3.5 million. The economists and the other people who work for this government in the determination of costs looked at every book of the Sprung Group Companies involved in this facility, with the Royal Bank of Everything Canada. was available. An inventory was done on everything that in Calgary. Prices were gotten on everything that was going to go in this facility that was not in Calgary; a complete inventory. We know, for a fact, that we have in this turnkey contract a deal on which the Sprung Group of Companies are not making any money to build it for the \$14.5 million. We know that.

Over time, when the project is completed, everybody will see it; that they did not make any money by getting \$14.5 million. As the money was paid out, Sprung would have been \$3.5 million better off, if we did not, as the progress payments were being made, chop off at a fractional amount each time until we had the Sprung equity of \$3.5 million into the venture, Mr. Speaker. Three and a half million dollars cash that the Sprung Group of Companies would have had in their pockets is in now in this project. So it is only a technicality. They would have been \$3.5 million better off.

If they are not \$3.5 million better off and the joint venture is \$3.5 million better off, then they must have equity of \$3.5 million in the joint venture.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER:

Order please.

PREMIER PECKFORD:

It is not a technicality. I know.

MR. SPEAKER:

Order please.

PREMIER PECKFORD:

Plus their \$500,000 guarantee.

MR. SPEAKER:

Order please!

The hon, the Premier's time has elapsed.

PREMIER PECKFORD:

Well, can I just move on to clue up in the same way as the Leader of the Opposition did.

MR. SPEAKER:

By leave.

PREMIER PECKFORD:

So I will say to the Leader of the Opposition, outside of all that \$3.5 million, the half-million, and the \$7 million loan guarantee and the \$2 million working capital be very guarantee, Ι will interested over the next - we will be open until perhaps the middle of July or the end of July, but let us take it to the middle of June - I will be very interested as this thing unfolds, very, very interested in how these gentlemen opposite will approach it. After he goes and visits it, as he sees progress, more and cucumbers, and then we cross over into viability and all the rest, I will be very interested because, you know, there is going to have to be a lot of eating crow by an awful lot of people.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the member for Fortune -Hermitage has a similar question about the Sprung enterprise.

MR. SIMMONS:

Mr. Speaker, I say to the Premier more than is much this technicality when you are dealing with a discrepancy of several An official of million dollars. the department said this would cost not more than \$6 million. actual appraisal of building, not a building this, but these same buildings, this complex, which is now sitting in there near Mount Pearl, is the buildings that were appraised. Talking about eating crow etc., one of the things that puzzles me is how the trained seals over there can stay and clap without asking the same questions that we are asking.

SOME HON. MEMBERS:

Oh, oh!

MR. SIMMONS:

The technicality, Mr. Speaker, and I do not have the incumberance Premier implied that the the Opposition Leader of Wells) had, I do not have the legal training so I can approach it I guess like the ordinary bayman that he pretends to be, and do it from that 1et me perspective, Mr. Speaker.

SOME HON. MEMBERS:

Oh, oh!

No. 4

MR. SPEAKER:

Order, please!

MR. SIMMONS:

Mr. Speaker, it is a considerable technicality when one group is \$3.5 million, but the talking person with the handout is saying \$14 million. It is more than a technicality when Kruger can be run from an office in Corner Brook and Daniel's Harbour from Daniel's Harbour and Baie Verte from Baie Verte, but, Mr. Speaker, not so with the Sprung. That has to be run from the eighth floor.

If you call Sprung for an interview you are given a number and Frank answers, a name not to be confused with disposition - Frank answers.

SOME HON. MEMBERS:

MR. SIMMONS:

Mr. Speaker, I say to the Premier on this one, he is on a very sticky wicket. He can dance all around this one, and he can do his contortions, and he can confuse his confused followers even more.

MR. SPEAKER: Order, please!

I would like to draw the hon. member's attention to Beauchesne, page 110. It is Section 320 and it is in connection with 'trained seals.' That term is unparliamentary and I would ask the hon. member to withdraw it.

MR. SIMMONS:

Mr. Speaker, I abjectly apologize. The point is quite different. I withdraw, Sir, without equivocation. They are not trained seals.

SOME HON. MEMBERS:

MR. SIMMONS:

Mr. Speaker, we want a judicial inquiry because we do not believe the line running through the Premier's contortions a minute ago. We do not believe this outfit cost \$14 million. We do

not believe it for a second.

If the Premier is so sure of his ground, let him produce the reports; let him give us the construction contract; let the turnkey contract be held up to the scrutiny of the light of day.

We do not believe what he put forward to this House today, Mr. Speaker, and that is why, that is one of the several whys why a judicial inquiry is the only way to clear the air. That was the point of my question afternoon, Mr. Speaker, and the point of other questions put by the Leader of the Opposition. ask him one more time not to go yet through his irrational, amusing song and dance, but let him, as a man, answer the question: Why is he afraid of a judicial inquiry?

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Mr. Speaker, the hon. member for Fortune - Hermitage is just as foolish now as he was this afternoon.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

Order, please!

It is moved and seconded that the House do now adjourn, all those in favour, 'Aye', all those against, 'Nay,' carried.

The House stands adjourned until 10:00 a.m. tomorrow.

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