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SPEAKER: THE HONOURABLE GEORGE W. CLARKE

The House met at 11:00 a.m.

MR. Speaker, in the Chair:

HON. J.R.SMALLWOOD (Premier): Mr. Speaker, I wish to announce to the House the fact that the Government have appointed Mr. Gordon M.Stirling, Q.C. to be the Royal Commissioner of one to enquire into the statements made in this House by the hon. the member for St. John's East, in connection with the purchase of land at the present site of Holiday Inn in St. John's East.

MR.CROSBIE: In connection with that announcement, is the Government considering widening the terms of the enquiry as requested? Has he any explanation of what not, why it is being restricted to this one particular incident? The question cannot be answered I guess.

MR. SPEAKER: Debate is not in the order before the Chair.

PRESENTING PETITIONS:

PRESENTING REPORTS OF STANDING AND SELECT COMMITTEES:

NOTICE OF MOTION:

ANSWERS TO QUESTIONS:

ORDERS OF THE DAY:

MR. SMALLWOOD (J.R.): Mr. Speaker, I have no lengthy remarks left to make. I think I covered the matter fairly thoroughly yesterday. There was one point that I said I would cover, and did not, and that is, to give an explanation of why it is that we give the National Sea Products Company, not fifteen but fourteen percent gift, fourteen percent of the cost of the draggers rather than fifteen.

The House will remember that the Government of Canada for a number of years gave a grant of fifty percent of the cost of draggers built in Canada. This meant that anyone having a dragger built got half the cost of the dragger as a gift from the Government of Canada. The Government of Canada subsequently reduced the subsidy from fifty to thrity-five percent. The Governments of Quebec, Nova Scotia, New Brunswick have been taking up the slack and giving the companies concerned a fifteen percent grant. This is what they asked us to do. We did not agree to give fifteen percent, but we did agree to give fourteen. I hope that one of my colleagues will be able

to explain the technicalities of it, but I am not able to do it. It has something to do with taxation. It has something to do with a loss of tax revenue that the Newfoundland Government would get from Ottawa in respect of the Corporation Income Tax that the company would pay to the Government of Canada, a share of which would automatically come back to the Treasury of this Province. If we paid fifteen percent subsidy or gift to National Sea Products on the six draggers, it would have involved us in a loss of revenue coming to us from Ottawa as our share of the Federal Corporation Income Tax.

By paying them fourteen percent, and giving the one percent direct to the yard and not to them, that situation would be remedied. I do not know how this is, but I hope that one of my colleagues, especially one, a legal - a member of the law profession who was with me in the negotiations with National Sea Products when we were negotiating this whole contract, will be in the House later, and I am sure that in the debate he will be able to give the detailed explanation.

I do not think that any lawyer member of the Government present in the Chamber was with me in the negotiations, and they perhaps, therefore, would not be in quite the same position to give the exact explanation of the technicalities, which made it desirable for us to give them a subsidy of fourteen percent, rather than fifteen. The loss of revenue we would recapture in some form by giving them fourteen rather than

I do not think I need to add very much to summarize, Mr. Speaker, To summarize; we give National Sea Products no cash in respect of their taking over the plant here in the Harbour of St. John's. We merely transferred to them the loan that we had already made to the company from whom they have bought the plant. Not that loan in full, the loan I think was two million and twenty-five thousand dollars. They, the people who received the loan, have paid the Government back something of the order of three hundred thousand or slightly more than three hundred thousand dollars so that the outstanding balance of the loan is one million seven hundred thousand. That loan, not new money, not new cash, that loan is transferred to the new company, and the new company, National Sea Products, will pay off the one million seven hundred thousand

dollars. In addition to that, the Government promises in the contract to use its best endeavours with the City of St. John's to get the Government of the City of St. John's to extend some favourable consideration to the company, and to give them some tax concessions. I am happy to say that this has been done. I myself approached his Worship, the Mayor of St. John's, and he in turn approached the members of the Council, and it was agreed to extend certain concessions to the company in the interest of getting the plant to employ two or three hundred persons, to create that many additional new jobs in the Seaport of St. John's.

In respect of the plant itself, over here across the harbour, the Government are extending no new concessions, nothing that we have not already extended to the old company that failed and closed the plant down. The concession we have given is in respect of the six draggers, the six new draggers that are to be built at Marystown. That is a case of two being built now and four being built now elsewhere, in, I think, Nova Scotia, to provide six draggers to supply the plant. It cannot operate with fewer than six, and the Marystown shipyard is not presently in a position to build and deliver six in time to get the plant reopened next year.

It has been agreed that two of them will be built at Marystown and the remaining four in Nova Scotia and, in return for the four that are built in Nova Scotia, National Sea Products will build four other ships in Marystown, making a total of six. What use they will make of the four additional ones that they will build at Marystown I do not know. They may use them in the plant here at St. John's or they may use them elsewhere. They may use them in Nova Scotia, I do not know. I know only that six will be built in Marystown provided of course the price is competitive, provided the quality of the ships is competitive and provided the delivery dates are satisfactory. As to that, I have conferred carefully with the management of the shipyard in Marystown and I am assured and through me my colleagues in the Cabinet are assured that the building of the first two draggers at Marystown will restore, will re-establish the efficiency of the yard, so that

they will be in a position to handle the other four that National Sea Products are to have built there.

Not only that but, Sir, the building of these six draggers at Marystown ought to have the result - it is natural to think that it will have the result, of giving the work force in the shipyard at Marystown an experience and an efficiency that will put the yard in a far, far better position to handle orders for other draggers, from the same company perhaps and from other companies operating in this Province. The House will remember that the yard built two draggers for Atalantic Fish Company, for the new plant, and that when they had got those two new draggers built there were no other orders for draggers. There were orders only for repair and overhaul. Indeed, they have been kept reasonably busy repairing and overhauling ships under C.S.I. (Canadian Steamship Inspection) which requires such work to be done, and a lot of which has been done in this shipyard. Except for the building of the two original draggers and the repair work they have been doing ever since, the shipyard at Marystown has not discharged what it was built to discharge. The result is that substantial numbers of men, especially young men, who were taken on at the shipyard in the early stages, as apprentices, and who did acquire a certain amount of skill and efficiency, have scattered, gone away from Marystown, sought employment in other parts of the Province and, indeed, some of them in other parts of Canada, outside the Province.

My understanding is, and I am given this assurance by the management at Marystown, that many if not all of those persons who received that training at Marystown will be glad to come back, to go to work again in the shipyard. Certainly Sir, I cannot refrain from expressing the strong hope that the beginning of the shipyard, of the operation of the shipyard which was a false start, a false beginning, due entirely to the fact that the fishing industry of Canada

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and of North America, in general, suffered a collapse that lasted a number of years and did so not long after the shipyard was constructed, that the hope now that with this new beginning, the building of six draggers, two of which are in hand, will constitute a new start for the yard; that it will go on from success to success. Certainly, Sir, it will be pretty futile for fishing companies to come to this Government and ask for financial help or any other kind of help to build draggers for use in this Province, if their thought is to build them outside the Province.

Now it may well be and indeed I am quite sure that it will be the case that some Newfoundland fishing companies will come to us and will want financial help to build draggers and that these draggers may not be built in Marystown but that reason will be a simple one but perhaps an adequate one; namely, that the yard itself will not or may not be in a practical position to accept the orders for delivery of the new draggers in time to meet the needs, the requirements of the fishing companies that want them.

Now as to that, I may say this, that the Government are presently negotiating and for some time passed have been negotiating with important ship building and ship operating interests of high calibre, of very high quality, with a view to their taking over the shipyard at Marystown and not only taking it over and managing it but instituting very substantial enlargement at the same time. Certainly, Sir, if these negotiations succeed, I think we can assume that the management of the presently existing shipyard at Marystown will be put into very, very expert hands and I will be surprised if, under those new hands, the yard does not grow rapidly to the point where they would have a double shift and quickly a triple shift - three shifts - the yard working around the clock. Certainly, if that happens and it being the case that draggers, or even ships larger than draggers, can be built in the present

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shipyard, without any enlargement of it, outside the great shed where you can build two or maybe more than two draggers simultaneously, indoors, under cover. When you remember that, over and above that, it is quite feasible to build still other draggers outside that great building, out in the open air so that with enough staff, trained and efficient staff, under efficient management, it is conceivable that four or five draggers could be under simultaneous construction. This is what we hope for. This is what we are planning to accomplish. I do not, because I cannot guarantee success in that respect, but my colleagues and I, with many, many meetings, with meetings on both sides of the Atlantic, with meetings in the United States and in Continental Canada and in St. John's, in a number of meetings, reaching back for some substantial time, have negotiated and continued to negotiate for very substantial expansion of the ship building facilities at Marystown.

It may be that we are within reach of coming to a final and successful conclusion in these negotiations. We had meetings yesterday. We had meetings in my home last night, until midnight. We had meetings in my office this morning, until 10:55 A.M. We will have meetings between 1:00 P.M. and 3:00 P.M. this afternoon. I will ask one or two of my colleagues to continue the negotiations throughout the afternoon, because I have to be present in the House here. We will meet again at 6:00 P.M. and go on perhaps until midnight. I hope that before the day is over we may be appreciably nearer to seeing our way through to a successful conclusion. I do not say, see our way through to a successful conclusion, but see our way through to the point where we can foresee a successful conclusion to these negotiations. If, by good luck or skill, that should prove to be the case, then Marystown and the people of the whole Burin Peninsula and indeed, Sir, people off the Burin Peninsula may have good reason, indeed, to feel pleasure over our efforts. We are making the effort, leaving no stone unturned. We have

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a certain degree of optimism that the thing is going to work.

There will be points raised by hon. members, perhaps, on both sides of the House and when we go into Committee of the Whole, the Bill will be considered paragraph by paragraph, line by line and maybe word by word. But with that understanding, that other information may need to be brought out, I have pleasure in moving the second reading of the Bill.

MR. A. MOORES: Mr. Speaker, there are a few observations that I would like to make on this Bill. First of all, after reading it through and listening to the hon. the Premier introducing it, a fair observation for one to make is that the fish business is not what the investment industry would consider blue chip. In spite of all we hear today about the buoyancy of the fish markets, the prices paid for fish, the shortage of fish, the importance of fish in one's diet, we find that it was impossible for the Government and the owners of Ross Steers Plant to find a buyer that would put up any risk capital to purchase the complex.

MR. SMALLWOOD: Only ten per cent.

MR. MOORES: Only ten per cent. Ten per cent of the cost of the plant itself, the draggers.

MR. SMALLWOOD: Putting up about \$1 million to improve that.

MR. MOORES: The port of St. John's, located where it is, in close proximity to this great resource which lies off our coast, it is very difficult to understand that risk capital, as such, was not forthcoming to get that complex moving. I am sure that it must be an eye-opener for all those who are always saying that the fish business is a gold mine. This proves that it is not so. If the Government were not prepared to extend such generous terms, the complex would have stayed locked indefinitely.

Mr. Moores.

In reading the Bill, it would appear that National Sea wrote their own ticket. It is an excellent deal for them. They cannot lose, in no way. By the same token - we all hope that it will be a success; that it will regenerate the water-front of St. John's, which has been lacking in fishing activity ever since Job's closed its doors. It will be an avenue where an appreciable number of workers in St. John's will find a daily occupation. Of course, it will generate funds into the economy of the Province, which is a good thing.

Now having said that and given my support to the Bill, there are a few observations that I would like to make as well. It is common knowledge to all the people in the industry, and the Bill bears this point out, that the fish business in Newfoundland is not the place for risk capital. This is most unfortunate. Now this is what has caused our fish business to be so very slow in coming forward. Possibly this is the reason, which the Premier mentioned yesterday. I have to take exception to it. It is the fact about a lack of leadership in the industry. That point is well taken and I appreciate the remark. But I think it is also fair to say that there are people knowledgeable in the fishing industry in Newfoundland today just as knowledgeable as they are in any part of Canada; just as knowledgeable as they are in any part of the United States or the United Kingdom or Europe. But we did lack the necessary funds and the wherewithal to be able to build the business faster and become a more viable industry and make a contribution to the economy.

MR. SMALLWOOD: And they are not leading the industry. They are only leading their own individual business.

MR. MOORES: Well yes, that is true. That is so. But, of course, here again they have to try and survive. They have to pay their bills. They

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have to try and get their products established on the market.

I was very much interested to hear the Premier's remark about terms which the Province of Nova Scotia gives in the construction of boats, where firms that are prepared to fish their boats out of Nova Scotia, that the cost of the boats would be guaranteed by the Province. That is quite a step forward and that could very well be the reason why National Sea is so far ahead today, the fact that trawlers were available to them, without having to resort to any of their cash resources in order to develop it. But National Sea, of course, is a great Canadian company, and they have done a terrific job in the fish business. There is no doubt about that. I am sure that we can look forward to a lot of activity here in Newfoundland, when they come in. By the same token, I am very glad that the Premier made the remark about our Newfoundland people who are associated with our industry.

We have in looking at our Province, in general, today, our paper bills are controlled outside the Province. Our grocery stores are controlled outside the Province, to all intents and purposes. I mean the cheap discount stores will do the job on the "mom" and "pop" shops and the corner stores, before it is all finished, The departmental stores, by the same token, the stage is set now to do a job in that particular field. Our unions are controlled outside the Province. Our mines are controlled outside the Province. You just have to name it. There is only one primary industry that has a certain amount of control in the Province, and I hope it stays in the Province, and that is our fishing industry. Our fishing industry, of course, is our heritage.

MR. SMALLWOOD: Even that now is a minority.

MR. MOORES: I appreciate that. I appreciate that, Mr. Speaker. But by the same token, it is important. It does make a big contribution to the economy of the Province. In fact it can make a much bigger contribution to the Province as well, from where I sit and what I have seen going on.

Mr. Moores.

For instance just twelve miles off here today, supposed to be twelve miles off, and I hope they are twelve miles off. I hope they are 250 miles off our coast, we have a flotilla of trawlers, from every nation in the world that has a ship afloat and is interested in catching fish to feed its people, off our coast. They are

MR. MOORES: tackling the job of catching fish, processing the finished product, and taking it back to feed their people.

There is one important point we should remember here; with the exception of one or two Countries, possibly Norway and Denmark, the rest of the countries are catching fish off this Coast, catching fish to feed their people, food for their people.

In Canada's place, Newfoundland in particular, Norway and Denmark, we are catching fish to sell in the World Market, to try and make a dollar, to try and make a dollar for the economy, to employ our people. I think that that should be well noted. Now right here on the waterfront today, there is a Norwegian sealer that sails I suppose, from Norway up to Tromso the 1st. of February. There were twenty-two men on board that Ship. She has eleven thousand seals on board. Well that Ship, in December, January, and February, well let us take a twelve month period, in January and February, that Ship would be equipped to put sail for caplin or for herring in Norwegian water. She would change over her power blocks, still in evidence on board the Ship, taken on shore, and she was manned to come off the Labrador Coast to take seals and she got a good trip of seals. She will return, discharge her cargo, Only within a month from discharging her cargo, she will be back purse seining for mackerel and herring or she will be salt fishing off her Coast again. She will continue that operation for three or four months.

MR. SMALLWOOD: What kind of salt fish?

MR. MOORES: Salt cod fish.

MR. SMALLWOOD: What kind of fishing?

MR. MOORES: Line fishing, the Norwegians do not operate any trawlers or draggers off this Coast. It is all line fishing. Baited hook, set from a sheltered deck, the crew are not exposed to the elements anymore than our stern trawlers here. Of course it is all a sheltered deck and everyone is working within an enclosed area. It is very comfortable.

MR. MOORES: But they are fishing for cod and there are possibly a couple of ships that do a little freezing of halibut and other species of fish that are fairly valuable.

Now then, let us carry that on a little further, Norway's economy, Norway's history and background, is very much parallel to Newfoundland. I have said this many times. I think that Newfoundland has more in common with Norway than with our Canadian partners, because of our industry, because of the problems confronting it.

Unfortunately, the language barrier is a great one but we have a lot to learn from Norway ^{has} been evidenced all during the winter.

I had occasion to go to Norway in December, up in Tromso and I was really amazed by what I saw. Tromso from Oslo is the same flying distance as from Montreal to St. John's - two and a half hours I believe it is, maybe a little further, but it is inside the Arctic Circle as everybody knows. On arriving there at eleven o'clock in the morning, in darkness, inside the Arctic Circle, in the month of December, and driving out from the airport out to the hotel, seeing this big City. 40,000 people living in Tromso. The standard of living of the people living in Tromso, the clothes which they wear, the buildings and the houses which they occupy, are just as good as you see in Montreal or Toronto, say nothing about St. John's.

There are five fish plants in Tromso, five fresh fish plants and the whole economics of Tromso, and all north of Hammerfest, Hammerfest apparently is one of the furthest points north where plants are constructed and operated, it is all built around the fishing industry, in flying over Norway, over that desolate Country a lot of you have flown over, looking down you begin to wonder why. Why all the interest? How did all this come about? If you only have to stop to think, Norway had to, the Norwegian Government had to support the fishing industry or they had to pack it all up and tell the people to get out and move into the places in the south where it was comfortable to live. If they did that the Russians would, no doubt,

MR. MOORES: come in and occupy the Port. They are terrific ports, all the fiords in Norway are absolutely fantastic but, by the same token, we have fiords or harbours here in Newfoundland too.

I am leading up to a point, Mr. Speaker, that we have a job on our hands to do here in Newfoundland and we have to, if it is necessary to copy the job that Norway has done and make a success thereof. I think that this Bill that the Premier has just introduced now is starting to open up an opportunity for us to express our opinions on a lot in connection with our fishing industry. It ties in with our shipyard in Marystown too. We have got all our fishermen along our Coast here, We were first of all trained, not too long ago, when we were rowing boats out to our trawls, rowing boats to our traps, and we had a hook and line and then we had a cod trap and when starting talking gill net, six or seven years ago, we were talking about something which was absolutely foreign. But anyway the fishermen took up their gill nets and they started at their gill nets.

Now, in my opinion, a gill net in catching fish today is but one of the last manners in which we should catch fish and for two reasons: number (1) is that we are saturating the fishing grounds with nets, we are killing a lot of the small fish, we are not giving them a chance to grow and by the same token we are doing a real job on the quality of the fish which we are landing. That is one thing the Norwegians are very particular about and that is the quality of their fish. They tell me that a fisherman is not able to deliver fish to a plant, that has been in the gill net any longer than forty-eight hours. It is against the Law. If he is caught doing it, he is fined. They concentrate chiefly on hook and line, coming up with good quality fish. The point I am leading up to is that our Newfoundland fishermen, with all due respects, and they have done a wonderful job with what they had at their disposal, but were capable of doing a lot more. We hear a lot of talk about our debt, the debt of the Province, the Premier clarified all

MR. MOORES: that truth a few days ago, but we still have this debt. We have to service the debt and we can only service it by the resources we have at our disposal and the way we manage our resources. I have every reason in the world to believe they are going to find oil. There has been enough money spent out here already so we all know they are not on a bus ride. So we will have oil, but we have our fish and, by the same token, we are starting to get the resources in our hands to be able to service the debt which this Province has entailed to build it up. To build a strong base around it.

Now then, we are going to have to take our fishermen and, first of all, we should try and copy as much as possible what they are doing in Norway. With our Plant in Marystown, capable of building ships, we are going to have to take our young Newfoundland men who are coming out of our Fisheries College, who are being trained, some of them go back into trawlers and so on, but it is not enough of them. We are not getting full value into our economy of the human resource which our College is capable of turning out, so we have to look at that and look at it objectively. We have a yard in Marystown that can build the ships. We have got the fish off our Coast which is out there, it is not as much of it, granted it is not as much, but it is still out there, sufficient for twenty-five or thirty Nations to fish off here, so we are only a stone's throw from it, so we should be right in there pitching.

Unfortunately, Canada is not a Maritime Nation, it is not a fishing Nation. We are going to have to show the way. Newfoundland is going to have to show the way to Ottawa as to what the fishing industry can contribute to the Nation. One of the most valuable pieces of real estate that Canada own today extends from Cape Race north to Cape Chidley. With all due respects to the southwest coast, that is all very fine too, there is a terrific job done up there with the fresh fish plant and the trawlers and all, but right off this Coast is where we get all this concentration of foreign ships, and this is where we got to get at it.

MR. MOORES: We have the harbours, we have some of the finest harbours in Canada on the northeast coast and we have a short season; that is so, we have a short season. But the season, possibly some years, we run right through twelve months, no problem with ice. We have not had any ice problems on the northeast coast of Newfoundland, I mean south of Cape Bonavista, since 1967 or 1968.

MR. SMALLWOOD: What was it like in this northern port of Norway where the hon. gentleman went.

MR. MOORES: Well, the Gulf Stream washes ashore from Tromso and ports are open all the year around and that of course has made a terrific difference because fishermen can operate longer. But getting back to leading up to what I just mentioned, this may take a little time, this may take time, but there is one thing we should never overlook and in my opinion we are starting to move a little faster right now when we are talking about legislation for our fishermen, wanted legislation is a good thing, we want it, but I do not think we should have it in 1971 and I do not think we should have it in 1972. We should prepare it, start to prepare ourselves in 1971 and wait and make sure that the Government and the industry and the fishermen are not going to find themselves built into a box which they are not going to get out of for three or four years time.

We are just starting to move ahead and why start putting stumbling blocks in our way? We are trying to break out from all this feudalism and all that we have around down through the ages, but our fishing industry, especially our fresh fish, is just breaking through and twenty-five years, Mr. Speaker, in a primary product such as fish, is not a great period of time. As long as you are on the right track, six months is too long if you are on the wrong track.

This past winter, the Federal Government chartered a mid-water trawler from the Magdalen Islands and set it up on the northeast coast, set it up to fish in Trinity and Conception Bay to see if they could locate shoals of herring and shoals of caplin. Well the boat came up in

MR. MOORES: February and there was some ice formed overnight in Trinity Bay and the boat had to retreat, but one particular reason the Ship took back ten tons of caplin.

MR. SMALLWOOD: In what month?

MR. MOORES: In the month of February. I was on board a ship and I saw the readings that the Captain had taken and if for ordinary laymen to look at a picture to show you what is on the bottom, off this coast, this is really enlightening. There is a solid wall of caplin, we use the word wall, all the way up the northeast coast of Newfoundland, right up the Labrador coast.

Getting back to Norway again, Norway last year, produced 350,000 tons of meal. She increased her production by eleven per cent over 1969. Canada produced 112,000 tons of meal, Canada was down twelve per cent.

MR. SMALLWOOD: What was that three hundred odd thousand tons of meal made from, what fish?

MR. MOORES: I am leading up to that, primarily caplin. Norway's big whaler trawler purse seiners last year took 1,200,000 tons of caplin from the Bering Sea. Now Norway is becoming a little bit concerned over the resource of caplin in the Bering Sea. Caplin makes an ideal meal. Caplin competes with herring meal, that is the Norwegian product, and in 1970 they sent an expedition off the Labrador coast, that is common knowledge, you have read about it and so on, I read the scientist's report a few days ago. In that report he stated that the caplin resource off the Labrador coast, the northeast coast of Newfoundland, exceeds the resources of the Bering Sea now, after the Norwegians taking 1,400,000 tons out last year, and I think this year they are going to do better. They say they are going to come

MR. MOORES:

up with 2 million tons and when we think we have this resource up here on the Northeast Coast and we talk about bringing our young Newfoundlanders out of our trades college and we talk about Marystown building ships, which Marystown can do and will do, I hope she will do, she must do it. We have to build these ships here in Newfoundland and Newfoundlanders, we will train them and bring them on until they can build the ships. We start to build a ship which can fish longline, can fish for caplin, can fish for herring and can go out on the banks here where these Norwegian and other ships from European countries are fishing, then we can start to get this resource ashore here and convert it into real money for the benefit of our people.

Mr. Speaker, they tell me that according to reports there are 85,000 Newfoundlanders between the age of 35 and 55 locked in. They are too old to go to Trade School and they are too old to be taken on permanent jobs in any factory or anything. These are the people, Mr. Speaker, that catch our fish, that fillet our fish, that like to live in Newfoundland, that want to make their home in Newfoundland and these are the people that we have to encourage and we have to make a special effort to see what we can do for them. I contend that we should -

MR. CROSBIE: Would the hon. member permit a question in connection with caplin? Is there any caplin being caught in Newfoundland now to be processed into meal or is it not caught at all for that purpose? He mentioned what Norway was doing, do they take any caplin here?

MR. MOORES: Yes, well the only caplin known to us, of course, in Newfoundland are the caplin that come on our beaches and there is a certain amount of that taken, that is salt.

MR. CROSBIE: Is it the same fish that Norway takes?

MR. MOORES: Oh yes, it is exactly the same fish, they claim it is. In fact they claim ours is a better fish, our fish is a larger, especially on the

MR. MOORES:

Labrador Coast it is a larger fish.

MR. CROSBIE: But it is not being used at the moment.

MR. MOORES: It is not being used at the moment, no.

MR. WINSOR: Would the hon. gentleman permit a question? Did not that report of the Norwegians indicate that they were abandoning their investigation of the caplin school in Labrador because the size of caplin were too small to manufacture.

MR. MOORES: At the moment they claim it is not viable, not too economic to steam all the way to the North Labrador Coast and catch a load of caplin and take them back to Norway but they -

MR. WINSOR: Is there a difference in the size?

MR. MOORES: That is right but installations on the Newfoundland Coast could be a viable operation. I think that if we are prepared to entertain that line of thought and reasoning and maximize on what we have to offer, the resources which we have out here and which we know about and which we are very much sure exists, I think that we should make representation to Mr. Marchand's department and see if it is not possible for us to get some special funds invested into our industry to do a special job. The special job I am referring to is for the Northeast Coast of Newfoundland. The Southwest Coast of Newfoundland is pretty well taken care of, I mean we all hear about it today about the prosperity in Burin, in Grand Bank, in Fortune, in Gaultois, you name it, that is wonderful, that is fine. They are getting along grand and the best of luck to them.

But by the same token as I mentioned earlier we have this great resource here off our Northeast Coast and this is the one we should go for and the amount of money involved in it, millions involved to get this thing set up properly, they are not unrealistic not by a long shot and they would start to generate earning power in a very, very short period of time. I want to interject that thought at the moment and I want the serious consideration

MR. MOORES:

of the House to think about it and see if it is not possible for us to possibly, this may not be practical but if we could have some kind of , introduce an act something similar to what has been introduced here today. to broaden our base for our fishing activity and see if we cannot have a special situation set up in order that we can maximize and develop this industry to its fullest.

As I said before there are a few Newfoundlanders and I suppose, only they are dogs for punishment, for hard work, they would take it easy and go someplace else, but they stuck around. I think that if we have our Newfoundland, young Newfoundlanders coming out of college and all, surely they are interested in staying around Newfoundland and working here, From what I can hear, they are not too happy when they go to the mainland and try to settle in there, so let us encourage them. I think that we can do just as good a job here and build up our Province to a good sound economic base in respect of our fishing industry.

I want to compliment the Government on the action they have taken against the Ross Steers plant, activated, and I wish the new enterprise the best of luck. Thank you very much.

MR. CROSBIE: Mr. Speaker, I think it was a very fine speech that the hon. member for Harbour Grace just made, in fact I would say it was his best one in the House of Assembly so far. He obviously knows what he is talking about and it is very interesting his views on the fishing industry, (of course, he is a man who spent his life at it and is now attempting to make a success, which I hope he will make, of the former Northeast Fisheries plant at Harbour Grace.

In connection with what the hon. gentleman has said, Mr. Speaker, it often seemed to me , as the Premier said earlier in this debate, that the fishing industry in Newfoundland is not organized properly. The Premier says that there has been a lack of leadership in the sense that there is no

MR. CROSBIE:

one leading the industry and as the hon. member for Harbour Grace has said there are very excellent people in the fishing industry in Newfoundland but, of course, they are all competitors, There is nobody recognized as being a leader of the fishing industry in Newfoundland. I do not see how it would be possible to expect that all these various firms, headed by great individualists, who are all competing against one another in the fresh and frozen fish business down in and selling in the United States and elsewhere, are going to accept one of their number as being pre-eminent and a leader. It seems to me, Mr. Speaker, that in that kind of situation the lead has to be given by the Government and obviously this is what must have happened in Norway and Denmark and other jurisdictions where the fishing industry seems to be very successful and well organized.

The hon. member mentioned the possible Legislation this year on collective bargaining in the fishing industry and the setting of the prices etc. which I think is very necessary. In those countries you have the fishermen organized, whether they are in more than one unit or not I do not know but anyway they are organized, you have the ship owners organized in an association, you have the plant operators organized in an association and, as I understand, the three at the beginning of every season or early in the season agree as to what prices are going to be and what they can be. Because they are all organized and they all have the same information and they all understand the problems of the industry you never hear of any great strikes in Norway or Denmark about what prices should be. They seem to arrive at an agreement on what it is possible to pay and in the event that they do not I assume there is some kind of arbitration or the Government has some influence.

Well, it seems to me, Mr. Speaker, as the hon. gentleman said opposite, that this is the kind of system we have to have in Newfoundland, if we are going to have the same kind of success in the fishing industry as they are

MR. CROSBIE:

having in countries like Iceland and Norway in particular. That is why it is so important, Mr. Speaker, that whatever Legislation comes before the House this session, on the subject of setting fish prices and on the subject of collective bargaining for fishermen, is properly framed. We understand the Minister of Fisheries and other officials have been to Norway and certainly they have looked at that system, so we have to hope for the best.

So I believe that if there is a lack of leadership, Mr. Speaker, it cannot be blamed entirely on the leaders of the fishing industry when the Government shares the responsibility too, which is not to say that the Government has not done a lot for our fishery, of course, it has assisted it in many directions. There is need, I believe, for overall leadership in the fishing industry and, I believe, that there is need for one marketing organization in the fresh fish industry. I cannot see, for the life of me, the sense of our permitting all the various fresh and frozen fish companies of Newfoundland to compete against one another down in the United States, cutting the prices on one another and so on, to get a market. What is the sense to that? I mean this is Newfoundland, we do not want our own Newfoundland fresh fish plants all down trying to outdo one another in the United States, with the tendency that we will have to lower prices. Why should there not be, as I have mentioned before in this House, one marketing association of the fresh and frozen food industry in Newfoundland?

MR. SMALLWOOD: It would be no good unless you have it also in Nova Scotia. It might, in the beginning of getting it.

MR. CROSBIE: Yes but at least we would be one united force.

MR. SMALLWOOD: Nova Scotia will not even join in the salt cod fish marketing board.

MR. CROSBIE: True, they have made that very difficult, but still it would be one united force for Newfoundland.

MR. SPEAKER (NOEL): Order please! I think that I should draw the attention

MR. SPEAKER(NOEL):

of the House to the fact that we seem to be forgetting the rule here a little bit. We are on now the second reading of a particular bill and speakers are getting quite far away from the principle of that bill.

MR. CROSBIE: That maybe so but this bill has to do with the fresh frozen fish industry. The previous speakers have been allowed to dwell on more general questions about the fishery and I just wish to take a couple of minutes to dwell myself on it. I do not see how that can be objectionable.

MR. SPEAKER(NOEL): It is objectionable if it is against the rules.

MR. CROSBIE: Well, if the rules are being bent for certain members why should they not be bent for others? It is a general debate so far why should not the general debate continue?

MR. SPEAKER(NOEL): I do not know what has gone before but the speaker from Harbour Grace was talking about the need for the establishment of fish plants in Newfoundland and that seemed to me to have some relevancy to the fish plant that is the subject of this particular Bill. Now the hon. member of St. John's West wants to go into the marketing of fish and I do not quite see what that has to do with the principle of this Bill. Now I think we have been quite away from it but I just draw your attention to the fact that we are now on the second reading of a particular bill.

MR. CROSBIE: Mr. Speaker, this Bill deals with the operation of another fish plant in Newfoundland, fresh frozen fish plant in St. John's Harbour. Now that fish plant, if it is going to be successful, will have to market its fish. All Newfoundland fish plants have to market their fish. They market them for the most part in the United States of America. They are all down there competing against one another and I therefore suggest that the fact that a new fish plant is going to be operating soon indicates that it is very important for the fresh fish frozen plant operators of Newfoundland to start thinking about having one marketing authority to market all their fish.

MR. SMALLWOOD: I am ashamed to admit it, I am humiliated but I agree with

MR. SMALLWOOD:

the hon. gentleman. I mean there is something wrong with me, there must be.

MR. CROSBIE: Mr. Speaker, I never feel there is something wrong with me when I agree with the Premier.

MR. SMALLWOOD: When does that happen?

MR. CROSBIE: This happens about one out of every five occasions but I keep quite about it generally. In any event, Mr. Speaker, -

MR. MOORES: Would the hon. gentleman permit a question?

MR. CROSBIE: Yes.

MR. MOORES: Mr. Speaker, on that particular point, possibly you could consider a one-desk marketing for cod blocks but I do not think we can consider one-desk marketing for ones, fives, and so on, possibly one desk marketing for blocks might be considered but I do not think we should have make a broad statement saying that we should/one-desk marketing for all of our fish products.

MR. SPEAKER(NOEL): Order please! I am afraid the speaker cannot agree with the members. The debate on marketing of fish generally has nothing whatever to do with this particular Bill.

MR. CROSBIE: All right, Mr. Speaker, I agree that the hon. gentleman opposite probably knows -

MR. SMALLWOOD: Mr. Speaker, by my agreeing with him, he is all flustered.

MR. CROSBIE: The hon. gentleman opposite knows more of the intricacies of this than I do and he is probably right when he says that you would have to vary that for different types of fish, but since this is bothering the hon. the Speaker I will move on to something else.

Now, Mr. Speaker, this Bill generally I support. There is a fresh fish plant in St. John's Harbour which unfortunately has not been operating for the last some two or three years, two years in any event, obviously the Government had to take steps, whatever steps they could take, to get that operating. National Sea Products Limited, as far as I know, is a very

MR. CROSBIE:

satisfactory company and has a good reputation and I am delighted to see them being brought into the picture and taking over the operation of this fish plant. There are several points, however, that need to be pointed out. One of the weaknesses of the Government, in my view, is that there is always a tendency to make things look too good or to exaggerate what is being done when anything begins. That is the case in connection with this piece of Legislation.

When the original announcement was made, I think it was last fall, an impression was given, perhaps incorrectly, that these six trawlers would be built at Marystown but when Mr. Morrow of National Sea Foods was asked about that he said, this is in November 27th, 1970 issue of the "Evening Telegram," that National Sea Foods had given the Government an understanding that four other vessels will be built in the future but whether in Newfoundland or the Mainland will depend upon existing economic conditions. Now that is quite a qualification, Mr. Speaker, and -

MR. SMALLWOOD: The qualification that counts is the one that is in the Bill not in the "Evening Telegram."

MR. CROSBIE: I am coming to the Bill, Mr. Speaker. The qualification is in the Bill too, that is the point I am coming to. When the announcement was made Mr. Morrow said

MR. CROSBIE: That the building of these other four draggers would depend upon economic conditions, existing economic conditions. When we come to the Bill, we see exactly - wording in exactly, really the same words, certainly the same meaning. Clause (5) of the Bill is that Sea Products covenants and agrees that within six months of the closing date, it will enter into contracts for the construction of these six trawlers. Two of such trawlers shall be constructed in Marystown, Newfoundland, if National is satisfied that the price and quality of workmanship are competitive with other Canadian shipyards, and that such trawlers will be delivered within a reasonable time measured by the standards of the Canadian Ship Building Industry.

Now that Mr. Speaker, is quite a broad qualification. The price and quality of workmanship, at Marystown, has to be competitive with other Canadian shipyards, and trawlers have to be delivered within a reasonable time.

MR. SMALLWOOD: What is wrong with that?

MR. CROSBIE: That qualification extends to the first two trawlers to be built there, and it also extends to the other four trawlers to be built.

MR. SMALLWOOD: Right, to the six.

MR. CROSBIE: To the whole six?

MR. SMALLWOOD: Right, as it should be.

MR. CROSBIE: Clause (9a) is to the same effect. National Products agrees that as it requires new vessels to be constructed in the future, to serve any of its Canadian plants other than the one at St. John's, it shall have four such vessels constructed at Marystown. Then there is the same qualification.

MR. SMALLWOOD: Right.

MR. CROSBIE: Price and quality of workmanship must be competitive with other Canadian shipyards, and delivery within a reasonable time.

MR. SMALLWOOD: Right.

MR. CROSBIE: So the question one has to ask oneself is, whether the shipyard at Marystown is competitive in price and quality of workmanship with other Canadian shipyards, and whether they can deliver trawlers within a reasonable time. That is going to be the crux of the matter.

MR. SMALLWOOD; Right.

MR. CROSBIE: So the onus is going to very heavily depend upon the shipyard at Marystown.

MR. SMALLWOOD: As it should.

MR. CROSBIE: To see if they can come through in this way.

MR. SMALLWOOD: FAir enough.

MR. CROSBIE: Now, Mr. Speaker, well it would be even better for us here in Newfoundland if those qualifications were not there.

MR. SMALLWOOD: Oh sure, what kind of a fool would sign that kind of contract?

MR. CROSBIE: Well it depends -

MR. SMALLWOOD: Would we want a company that foolish. Would we want them here in Newfoundland? That kind of a foolish clod of a company.

MR. CROSBIE: It depends, Mr. Speaker, who has the most bargaining power? obviously the Government - has too much.

MR. SMALLWOOD: This House has - this House

MR. SPEAKER: Order please.

MR. CROSBIE: The Government did not have too much bargaining power in order to get this plant to operate so it has had to agree to those conditions that can mean that it would be quite easy for National Sea Products to escape any obligations to have four trawlers built in the future at Marystown.

MR. SMALLWOOD: Let them try it.

MR. CROSBIE: Well they can easily do it. Let us hope they do not try-

MR. SMALLWOOD: They do not want to try they do not intend to try.

MR. CROSBIE: WE hope they will not try - if they can get trawlers elsewhere built within a period of time that they need them and Marystown is twice as long or one and a-half times as long, how are we going to be able to force them to build trawlers at Marystown?

MR. SMALLWOOD: We should not try, we should not even think of it, if we cannot be competitive.

MR.CROSBIE: So, Mr. Speaker, when he was speaking I did not interrupt the Hon. the Premier and since this is a serious topic I do not want to be interrupted myself, unless it is a question. So, Mr. Speaker, a lot is going to depend on the shipyard at Marystown. Now, the shipyard has only built two trawlers previously and I understand that the time period in which they were built was quite a long time period. It was stated in an address in reply to the Speech From the Throne in this House, several years ago, that ten trawlers were going to be built there for Atlantic Sugar. Only two were built there so they have not got much experience to go by. Therefore, it is going to be very interesting to know what arrangements are being made in connection with the shipyard, whether they are going to be able to carry out because if the shipyard does not do a good job on these first two trawlers does not turn them out within whatever the time period is, a reasonable time, if it is price and quality not competitive with shipyards on the mainland, we will not get the other four trawlers.

MR.SMALLWOOD: Right. Right.

MR.CROSBIE: So we cannot assume that all six are going to be built in Newfoundland and it is extremely important that a good job is done on these first two.

MR,SMALLWOOD: Right. The hon. gentleman is so right today, I have not heard anything like this for two years. He is right in practically everything he says -

MR.CROSBIE: I am going to lose all confidence in my -

MR.SMALLWOOD: It is extraordinary, quite extraordinary.

MR.CROSBIE: Under the agreement Mr. Speaker, the Government is loaning \$1, 700,000 to National Sea Products, that is the Newfoundland Industrial Development Corporation is, and it is going to be protected by a mortgage, first installment due and payable June 1, 1971. We have agreed to lend them , that is the Newfoundland Industrial Development Corporation, is going

to lend National Sea Products forty per cent of the contract price of each trawler. The Federal Government is going to get them a subsidy of thirty-five per cent or a contribution or grant. The Provincial Government is going to give them a further grant of fourteen per cent of the cost and one per cent to the shipyard, make it fifteen in all, the shipyard is not going to charge them that one per cent, that will reduce the price to them of one per cent.

MR.SMALLWOOD: The shipyard will get the full fifteen per cent -

MR.CROSBIE: Right so that National Sea Products is assisted by fifteen per cent of the price by the Newfoundland Government and that is quite a generous deal. Now, Mr. Speaker, one weakness that I do not see covered here and that is in Section 7, it says that within three years of the date, after National has entered into a contract with the shipyard for the construction of any one or more of the six trawlers and so on, they give Newfoundland notice and we start to pay. There is no clause here, Mr. Speaker, that the Government has any right to approve or disapprove these contracts. In other words the Government seems to have no say over the contract price of these trawlers whether it is reasonable or unreasonable, or whether it is a good price or a bad price. There is no section of this agreement which gives us any say in what the trawlers will cost. We are going to have to give fifteen per cent of some contract price with no right to say whether or not we disagree with the contract price, or whether we think it is too high. That seems to be a weakness.

It is also noticeable under clause 14 Mr. Speaker, that National's obligation to go ahead with this agreement is subject to certain conditions precedent. The Premier has not said whether all of these conditions precedent are met or not. The existing leases on the harbour here are transferred to them and then the mortgage for \$1,700,000; that the Government of Canada authorized payment to the shipyards constructing the trawlers of a subsidy of thirty-five per cent, has the Government of

Canada done that? The Premier has not told us that yet, that we agree to the loan of forty per cent well that is being done. That we agree to the fifteen per cent subsidy, apparently that is done. They get an exemption for property and business taxes in the city of St. John's, that is apparently done. Now the Premier has not said whether this condition is met. That on or prior to the closing date the Minister of Regional Economic Expansion of Canada has authorized the payment to National, under the regional development incentive Act, of a maximum primary development incentive and the maximum secondary development incentive that may be paid with reference to National's acquisition and expansion of the plant and the fishmeal plant. If the Premier has the information, I think we should be told whether or not Mr. Marchand has agreed to these payments and what they come to and what they are to be used for, are they to be used just to expand the plant or can they be used to pay part of the purchase price of the plant - just what the position is and those grants from the DREE department. National also has to be granted an exemption from the SSA Tax, which is within our power, so I assume that is going to be done.

There is also a weakness, I do not know if anything will be done about it, Mr. Speaker, in Clause 19, where National Sea Products agree to employ, to give prior opportunity of employment to persons ordinarily resident in the Province of Newfoundland, when the same having appropriate skills are available, and shall also give preference in consumption to use or use machinery equipment and materials manufactured or produced or distributed and serviced in the said province, subject to the same being competitively priced, and shall use its best endeavours to give effect to that paragraph. A best endeavours clause is a very difficult one to enforce, who is to decide whether National Sea Products is using its best endeavours to buy equipment and machinery in Newfoundland or whether they are using their best endeavours to hire residents of

Newfoundland to work in this enterprise?

MR.SMALLWOOD: Even the employees in Halifax are practically all from Newfoundland and the people they will employ here will be all from Newfoundland.

MR.CROSBIE: What I am saying, Mr. Speaker, is that the Government, no matter what Government it is, should try to develop some better formula that puts more of a legal obligation on people to whom we are entering into arrangements, better assurance that they will employ Newfoundlanders and better assurance that they will buy their equipment and materials here. It is almost impossible, it will be almost impossible in a court case to show that a firm had not used its best effort to do these things. They will come in and say what effort they have made, who is to decide whether they could have made better efforts or not? So that is a weakness which I would like to see some better wording of in those kind of clauses.

Now, this Bill, Mr. Speaker, really applies to one of the operation of the plant at St. John's. By the way the Premier has not said when it is expected that this fresh fish plant will operate -

MR.SMALLWOOD: Next year. Cannot get the draggers -

MR.CROSBIE: Mr. Morrow made -

MR.SMALLWOOD: Unless they can find some draggers that they can divert in here, if they have to wait for the construction of the new draggers six of them, they will begin operating next year. They think that if they try to take inshore fish; the hon. gentleman will allow me - as a matter of fact Mr. Morrow telephoned me when I was in Louisiana. We had the discussion of it, he said that if we go in there now and open that plant now we will only be taking fish from presently existing plants. What we want is to put six draggers in there and supply the plant from the deep sea and not compete with any plants that already exists, which is very fair and very reasonable.

MR.CROSBIE: That is unfortunate that they cannot start until next year but

that is certainly understandable and I think as I understand it, Mr. Speaker, the Ross-Steers Group the plant was not successful because they did not have the kind of trawler, they were unable to get sufficient fish to process through the plant so that, of course, the trawlers are the whole answer as to whether this plant is going to be successful or not.

MR. SMALLWOOD: If the hon. gentleman will allow me to help him, National Sea have their own ideas about the kind of draggers that are most suitable and most efficient and very, very, very modern and very efficient themselves in that respect and their design of draggers is really quite excellent. That is what they want for this plant.

MR. CROSBIE: Mr. Speaker, the Premier mentioned that the Government of Canada had reduced its subsidy on the building of ships in Canadian yards from fifty per cent to thirty-five per cent and one wonders why they did that. Why should our Province now have to pick up this slack have to pony up the fifteen per cent of the cost of these trawlers, to enable the plant in St. John's to be taken over, to provide trawlers, why should this province now have to pick up that fifteen per cent? In other words, if the Government of Canada wants Canadian shipyards to operate it is a well-known fact that it is much more expensive to have a ship build in Canada than it is elsewhere in the World. One wonders why they reduced the subsidy from fifty to thirty-five per cent because one of the results of it is to put a burden on provinces like Newfoundland that can least afford it, that have to make up the fifteen per cent to keep the shipyard that we have in Newfoundland operating. The only effect of this fifteen per cent reduction in the Canadian subsidy is that now four provinces of Canada have to pick up the reduction that the Canadian Government made. In other words National Sea Products or any of the other fish companies will not have their trawlers constructed in Canada unless they get the fifty per cent subsidy

MR. CROSBIE: subsidy.

MR. SMALLWOOD: There is more to it than that, they are now subsidizing, until 1975, ships built in Canada for export, to the extent of fourteen percent.

MR. CROSBIE: Yes. the point is, Mr. Speaker, that this seems to be very unfair. The Federal Government are suppose to have a policy, well they have one to overcome regional disparity. But here another policy is working in reverse. They reduced their shipbuilding subsidy from fifty percent to thirty-five percent and now the Province of Newfoundland, to keep our shipyard at Marystown going or to help it expand, has to pay the fifteen percent, so the only effect of what the Canadian Government have done is transfer the fifteen percent burden from the Government of Canada, which can afford it a lot more than we can, to the Government of Newfoundland. Perhaps the Government have made representation, but certainly the Government should point this out and ask the Government of Canada, if they will not put the subsidy back to fifty percent, that they put it back to fifty percent for shipyards located in the disadvantaged areas of the underdeveloped areas of Canada, namely: the Atlantic Provinces. Surely that would be the hon. the Minister for Community and Social Development, he should take that up with Mr. Marchand. We are the ones who can least afford it; now having to replace the Canadian Government money with our own, to the extent of fifteen percent. The Premier might know what it comes to in dollars. I do not think it is in the agreements, but it must be, six trawlers.

MR. SMALLWOOD: These ships cost \$1.25 million to \$1.50 million each.

MR. CROSBIE: So that would be about \$200,000, something of that nature, perhaps \$200,000 that the Government of Newfoundland have to meet to have the ships built here in Marystown. But, we have a bigger burden than that, Mr. Speaker.

MR. SMALLWOOD: If the hon. gentleman, again I know he loves me to interrupt him.

MR. SMALLWOOD: We have had studies made of what cash will be generated into the Treasury of the Province by the operation of this plant across the harbour and the building of these six draggers. We will gain, we will have a net gain out of it. If we could have fifty plants such as the one over here, and fifty shipyards such as the one in Marystown and fifty deals such as the one that this Bill deals with, we would be on the tips back. we would not call the Queen our Aunt. We would be one of the really prosperous provinces of Canada - forty-nine deals like this one.

MR. CROSBIE: Mr. Speaker, I wish the Premier would table some of those studies so we can, even this one there, so we can have a look at it and see how this is done. In other words the benefits will out-weigh the cost?

MR. SMALLWOOD: I will be willing to do it, but I would not want to table it because there is too much confidential information in it. But I would be willing that the hon. gentleman or any hon. gentleman opposite, who wishes to see the study, to do so, on condition that it is kept confidential, because it has a lot of confidential information in it.

MR. CROSBIE: That would be acceptable, Mr. Speaker.

Now in that connection, the Premier says this study is being done. Well, what I am just going to point out is, and I am sure the Premier agrees that we are even better off, if we do not have to pay the fifteen percent, I mean, the Government is that much in the pocket. That in this connection, in addition to our subsidizing these particular trawlers the Government of Newfoundland have to subsidize the shipyard at Marystown in any event. So, for example, Mr. Speaker, in 1968 the Government had to meet operating losses at Marystown of \$1,010,000. That is money the Government had to pay to meet the operating losses of the shipyard in that year. In 1969 the Government had to pay \$576,000 to meet the operating losses, and last year, 1970, \$405,000.

MR. CROSBIE: So what this means is that this year the shipyard gets, for example, in 1968 it was quite busy, this year the shipyards gets the more money the Government have to pay towards operating losses, because the operating losses are increasing as more people are employed, the busier they are.

MR. SMALLWOOD: No, no, that would not be true in the fifth year, in the tenth year, that would be true only in the first year when you are taking on a crowd of green horns, and you are getting very low productivity and your costs are high and your returns are low. That is when you would have the big loss. That is when we did have it.

MR. CROSBIE: But, unfortunately, unless there is a hard core, I suppose, left there, but the employment down there went from 300 odd down to - I think one period there were fifty odd people now it is back to 103, and when these trawlers are built it will come back again, unfortunately, because of these two years, the hard core of experienced people are gone. Doubtless, there will be a considerable loss, operating losses that the Government will have to make up when these first two trawlers are done.

But, I will mention just this point, to point out that our only expense in connection with these trawlers will not be just the fifteen percent subsidy, there will also be the operating losses of the Marystown shipyard.

MR. SMALLWOOD: That is right. While there are losses.

MR. CROSBIE: While there are, hopefully.

MR. SMALLWOOD: Our firm intention is that the period of losses shall be greatly shortened by much improved management and a bigger turnover.

MR. CROSBIE: Well, the Premier is going to have something new to announce on that, he hopes, during this session or during the year.

MR. SMALLWOOD: I did not say during the session. I hope, but I did not say that I hoped.

MR. CROSBIE: The Premier does not say that for sure, but he is hoping there will be something to announce.

So I merely point out, Mr. Speaker, in this connection, that we should realize that there ^{are} several costs involved to the taxpayers of Newfoundland. I doubt if the proper cost benefit study will show we come out better in the end after doing all this. Certainly no Government can have that shipyard at Marystown lying idle. No Government can have a fish plant in St. John's, a modern fish plant built just three or four years ago, lying idle. So, I mean, actually one has to support this legislation. But there are some problems in connection with it.

MR. SMALLWOOD: Will the hon. gentleman promise during the recess to consult a doctor. I will do the same. I am going to have a specialist look at me, when I find myself so much in agreement with the hon. gentleman there is something wrong with someone.

MR. CROSBIE: I will not even mention, Mr. Speaker, that the shipyard cost more than it should have. I am not even going to mention that.

MR. SMALLWOOD: You know, I would even mention that, we built it too fast, and it cost too much.

MR. CROSBIE: Right, so we agreed on that even.

MR. SMALLWOOD: You know there is something really—

MR. CROSBIE: I had a note here, false start due to collapse of fishing industry. I am not even going to mention that now. Negotiations re: Marystown. I was even going to mention, Mr. Speaker, the tugs for Come-by-Chance, the Premier is in such an agreeable mood, I am not even going to raise that question again, as to why they were not constructed at Marystown.

MR. SMALLWOOD: You mean these tugs?

MR. CROSBIE: The tugs.

MR. SMALLWOOD: Well, let me say, just so I will not put the hon. gentleman out of his pain. We could have had the tugs to build, but the tugs would be three shells, the building of which would be rather trifling. Three shells containing engines that would be as big as this building almost

MR. SMALLWOOD: enormously powerful and extensive buildings. There would be nothing for Newfoundland in it. That is why.

MR. CROSBIE: When the Premier replies also, Mr. Speaker, I wonder could he tell us what is the capacity of the shipyard? For example, if the shipyard is building these two trawlers, say they start soon now, how much other work can they do while these two trawlers are underway? In other words how many ships can be built down there at one time?

MR. SMALLWOOD: At least five draggers of that size. At least.

MR. CROSBIE: All right.

As I say, Mr. Speaker, I support this legislation. Basically, I think, the Government have come out of the situation pretty well, have arrived at a pretty fair agreement. It is important that this plant in St. John's be used as soon as possible, that important shipyard at Marystown be kept going. I merely point out that while the Premier always takes the very optimistic outlook, that there are chances that all the trawlers may not be built there. I am sure the Government will do all it can to see that they are. There are those escape clauses, but all in all I am satisfied that it is a pretty good deal. The Government are getting a fish company in the Province that is already down in Burgeo ⁱⁿ partnership with Nat Lake; it is a Canadian Firm. It is a great pity; the Premier might say whether he is taken up with Ottawa, when he replies, this business of the fifteen percent. It is a great pity that Ottawa puts this burden on us. I cannot understand why they did that. It is taking money from Newfoundland that we cannot afford, to do something that they were doing and should continue to do in the shipbuilding industry. The hon. the Minister of Community and Social Development, when he signs that agreement with Mr. Marchand, might put in a P.S. and get the subsidy back again for, (what is the term they use?) special areas of which Newfoundland is one.

AN HON. MEMBER: Designated areas.

MR. CROSBIE: Designated areas. Other than these remarks, I cannot speak

MR. CROSBIE: on marketing. I will conclude by saying that I support the Bill.

MR. H. R. V. EARLE: Mr. Speaker, I do not think that any of us on this side or anyone in the House for that matter can disagree with a principle of this Bill. Most certainly the evidence of the agreement which has been brought to this House for the first time in this session should speak for itself. Because, obviously, both sides of the House are extremely interested in endeavours of this sort and will go to their utmost and support the Government when it presents Bills of this nature to the House.

Before I get on with the Bill itself, I should like to congratulate the hon. the member for Harbour Grace on an excellent address. There was a great deal of meat in it and very much to the point. I agree with the member for St. John's West, this was probably the best speech he has ever made in this Assembly. I hope that it is noted and taken due note of on both sides of the House.

While referring to the hon. member and his remarks, pertinent to this Bill, there is a clause in it which does worry me to some extent, and it is in connection with the exemptions from taxation. I have always felt that encouragement to companies through tax exemption was not the right way to go about it. Tax exemptions are in themselves a very complexed way of subsidizing a company. I prefer, in deals of this nature, that subsidies be granted outright with limited terms rather than something which can extend over many, many years in S.S.A. tax exemption or something of that nature. The City Council apparently has been asked to permit itself, for ten years. I do not agree that that is the right type of subsidy for a company. Who can tell what the conditions will be in ten years time? Who can tell what our S.S.A. tax situation will be in ten years time? I disagree with this principle of giving this type of subsidy to a company. I would much prefer to see an outright grant of some nature that could be worked out to assist them.

The complications which I found during the period that I was Minister of Finance were terribly hard to deal with. Because when you get into the

MR. EARLE: field of tax exemption and S.S.A. tax there is always the complication of exactly what is exempt. And there is the other complication that in trying to do something for one company, you may in turn be very unfair to a competitor.

The hon. gentleman from Harbour Grace, who spoke, he had a large fish business to conduct and try to make prosperous, and it is imperative, it is essential that any concessions that be given to this great concern, which after all is an international concern, with tremendous capital backing, should not in anyway preclude the same type of assistance and to the same extent to our local operators.

I disagree with the remarks which were made on the other side of the House concerning the fact that a company of this nature, which is in effect a leader in the industry internationally, has necessarily any more knowledge or experiences than some of our local operators. And the fact that in the past a local operator could not be found who would find himself in the position of getting such great concession from the Government or encourage them, if you like to put it that way, does not reflect to the extent that they were not and are still excellent operators in the fresh and frozen fish business in Newfoundland. I am only making the point that, under this legislation, all of the concessions that are given to National Sea Products and in welcoming them to St. John's particularly, I should like to emphasis that any concession should also be extended to those in this Province who give a like amount of employment. I hope this will be taken due note of.

The point that struck me, that the assistance to this company is in a very large figure, but it is not something which we should hesitate at all, because this type of assistance to an industry that will employ many hundred of people is a very, very worthy form of assistance and, of course, as has been said indirectly, the revenues which will be gained by the Exchequer will return, eventually, probably a great deal more than has been paid out. When you consider an industry of this type, which this Bill is assisting to the extend of a couple of million dollars or so,

MR. EARLE: the subsidy paid to ERCO at Long Harbour to the tune of \$3 million a year for the employment of approximately 400 people does not stand up in comparsion. And no

Mr. Earle

Newfoundlander, in his right senses, should hesitate to support an industry of this size site, which is operating on our basic resources. It is using our basic resources for export and to bring new money into Canada. So, I favour very much the encouragement of an industry of this type. I do disagree with the hon. member for Harbour Grace that the industry on the south coast, the fishing industry on the south coast, is fully developed. I do not think he used these exact words, but they are better off probably than other sections of the country. This is true on the foot of the Burin Peninsula, but there are long stretches of that coast, with all-weather ports, which are ideal sites for large fishing enterprises. I do not think that other sections of Newfoundland, with the restrictions of weather and ice and so on that they have, can really stand up against many of these sections of the south coast which should and must be further developed.

One thing I have noted, Mr. Speaker, in examining this Bill, the clauses might look at the Department of Fisheries, generally. The first thing that one notes, when examining the estimates of the Department of Fisheries, the comparatively meager amount which is their total budget for the year. Now the total budget for the Department of Fisheries in the year, 1969-1970 or 1970-1971 was approximately \$3 million. I think the success of companies such as National Sea Products, in coming in Newfoundland and others that have come here and failed, would largely rest on the amount of support that they can get from Government. It does not appear to me that a government that takes an interest in the fishing industry to the extent of a budget, almost one of the smallest of any department in Government, is showing sufficient interest in the encouragement and promotion of the fisheries. The excuses used, and I referred to this the other day, that the Federal Government, of course, have a large hand in our fishery operation. This is an excuse and it is only an excuse.

Mr. Earle

We cannot live on excuses. This business is our business. Newfoundland fish business is our business and the life of our Province depends on it.

This Government must of necessity use every effort, everything at its disposal, to encourage and help the fisheries, not as has often been the case in the past, that the fisheries had been mainly used as election bait. There were great promises and so on of what will be done and then you turn to the actual effect of what has been done and the meager amounts that have been spent. You find that this is largely hot air and propaganda which does not materialize.

Now here we are encouraging, into this Province, international concerns who will need and should receive all the support, in many, many different fields of their endeavour, which this Government can give them. I think, for instance, if you look over the Department of Fisheries' estimates, there is nothing at all in these or the promotion of our own products; advertising or promotion of any sort. We are prepared to let someone else do that. Surely, an organization such as National Food Products will advertise its own products and its own name brands. But what will this do for Newfoundland? It will give employment here and jobs we hope, if they are successful. But will it make Newfoundland, as much, better known throughout the world? I think this is the job of the Department of Fisheries, hand in hand with such organizations, such as National Sea Foods, to help promote Newfoundland products. I would like to see, in the Department of Fisheries, much heavier votes for the encouragement of the fisheries and in all its aspects, particularly, in the sales efforts of promoting and selling the Newfoundland products.

But by far the most important and essential function which this Government can participate in is the protection of our resources. Our protection has largely been left as a Federal matter. But the Continental Shelf and the waters off our shores are most certainly our

Mr. Earle.

business. Whether we are wise enough to prohibit and stop the pollution of these waters, it will remain to be seen. I certainly welcome the efforts which are being made or which are now being made through the fresh water and fresh air authority - clean water and clean air authority, to keep a careful eye indeed on any future pollution or things which may pollute our fishing grounds. I think that is a splendid organization or a department, if you would like to call it, and I hope that they are given the necessary money and sufficient backing by the Government to do a good job.

But here again on the protection of our resources, the fact that so many countries benefit from what we have and yet we are very often inclined to pass the control over these other efforts in our waters to the Federal Government without, in my opinion, being noisy enough and being adamant enough about what is happening on our shores. My hon. friend, the member for Burin, mentioned yesterday, fishing efforts by foreign draggers right in Fortune Bay. I have had many communications from my district on this same thing. If we allow countries or fishing vessels from other countries, foreign countries, to just come here and do as they please, it will be of scant use to encourage companies such as National Sea Foods to come in here and fish, because they would find that after a few years, there is nothing for them to catch.

Now this is the ultimate objective that we have to watch; that, we, in encouraging these people to come in here and spend their money and invest their money in Newfoundland, that we help them to the greatest possible degree in the promotion and sale of their products and in the promotion and sale of Newfoundland, in so doing, at the same time, we also help them to maintain and preserve the natural resources which they will need to carry on business in the future.

Now there is no point, I say, in our just taking a back seat and

Mr. Earle.

saying, as a Province, that this is a Federal responsibility. It is the responsibility of everybody in this House. It is the responsibility of the Government and we, in future, must make a great deal of noise indeed, to see that our own resources are protected for the use of companies, such as, the National Sea Products and our own local firms.

MR. HICKMAN: Mr. Speaker, if I may make a few comments in connection with this Bill. I think I agree with hon. members that this type of support is most definitely a step in the right direction. At the same time, I think, before we start making firm projections as to what the job opportunities will be at Marystown, as a result of this, that we have to look very carefully at this Bill. We have to bear in mind that there is no firm, irrevocable commitment on the part of National Sea to build the other four trawlers in Marystown.

The hon. the Premier has indicated today that negotiations are going on for the purpose of finding new management for the Marystown Shipyard - a new company to take over and manage the shipyard and hopefully to expand it. We know on the Burin Peninsula - we have seen feasibility studies going on down there during the past two or three months. I do not know who was carrying out these studies, but I would hope that Government have learned by experience that it would be a very serious mistake to have anyone conduct a feasibility study to decide whether a shipyard can be expanded, if the company doing the study is in the position to profit by its report being accepted. The point I am making is this: That if the feasibility study is being done by a construction company (We had that same sort of situation arise with respect to the building of the Marystown fish plant. We had it in Come-by-Chance with Jacob's Engineering) these reports are not

Mr. Hickman

necessarily factual. They certainly are not unbiased. The Marystown Shipyard as it stands today, with the proper support personnel, can build twelve draggers a year. But it is going to be quite some time before it reaches that. In this House last year, I suggested that Canadian Vickers, which was and is a great ship building company, had turned its back on Marystown and had withdrawn its drafting and design support which is fundamental to any shipyard, if it is going to compete in today's markets. This brought on great denial that afternoon by the hon. the Premier and some official from the company who happened to be here. But, I, did not speak, at that time, without some knowledge of what I was saying. I had been in Marystown only a few days before, and it was obvious from talking to anyone down there that they were not getting the support that they felt they were entitled to from Canadian Vickers in Quebec. But obviously, what I said must have been true. If it were not true, then why switch horses in midstream? Why the need to go and try and find someone else to carry out the work at Marystown and to expand the plant?

Now, Mr. Speaker, we had a very excellent speech this morning from the hon. the member for Harbour Grace. I think he projected to a great extent some of the possibilities of ship building and the fishing industry in Newfoundland. Make no mistake, Mr. Speaker, the time is running out on us. We are not in the same league at all with some of the European fish producing companies that are now fishing off our shores. I have before me an article from "World Fishing" of last year. Some hon. members may be familiar with it. It is a first-class publication. It carries a very detailed article on a Russian boat, the "Bostov." That boat is 43,400 tons. It has a crew of 594 persons. It is going to carry with it a flotilla of smaller ships, the size of some of our smaller draggers. It is going to carry them on the deck. They are now fishing out here. They lower them off the deck, and they put them to sea on the Grand Banks, and they bring in the product, and they process it on board. Now this is the kind of competition we are up against.

Mr. Hickman.

It is pretty severe competition. Whilst Norway and Iceland may primarily be our only competitors in the American market, let me draw this House's attention to the fact that what caused the slump in the frozen fish market a few years ago, in the United States, was not the competition from Iceland and Norway, it was when the restrictions against Iron Curtain countries were lifted and this opened up the American market to Polish fish. It was the Poles who crucified the Newfoundland fishermen, not the Norweigans and not the Icelanders, because they were crucified by the Poles as well. So we are into a pretty competitive industry, Mr. Speaker. We are into an industry where design of the dragger - look, it has almost reached the stage now of a motor car. Every year, out comes a new model of a motor car, primarily designed to attract customers but with some new features built in. The design of the fishing trawler on the Grand Banks, today, is changing almost yearly. Two or three years ago, there were four fine trawlers built, in the "Prince" class for Bonavista Cold Storage. They were supposed to be the latest in design and so they were in 1967. I think right now they are probably the four finest boats on the Grand Bank fishing out of Newfoundland ports.

But these boats today, Mr. Speaker, if they were built today, the design would have to be substantially changed just to compete with our friends from the European countries who are out on the Grand Banks. This boat, this "Bostov," you know, when you read it, you marvel at the engineering capabilities and you marvel at the scientific capabilities of the Russians. But those of us who live and represent fish producing areas of this Province, can only read this with a great deal of apprehension. This or apart from the ship accommodating 594 persons, in suites with all modern air conditioning and a library and a rest room and recreation room, swimming pool, dance floor, rest zones. It has two hospital wards. It has two isolation wards.

It has a barber shop. It has a tailor shop. It has a boot and shoe repair shop. It has something else. But these are for crew comfort .

Now, Mr. Spaker, when you get that type of crew comfort on European boats -we always use to say in Grand Bank that when you saw a new renovation on the Lunenberg Banker, when they covered in their pilot house, covered in their wheel by way of a pilot house in 1938, we always used to say in Grand Bank that two or three years later we will be doing the same thing. As the night followed day whatever the Dutchmen did in Lunenberg, you would see it on our boats two or three years later in the way of crew comfort and improvement in fishing

MR. HICKMAN: capabilities but this is going further now, we must follow and we are following the design of boats coming out of European countries, because an awful lot of our boats, an awful lot of the fishing trawlers that are operating out of the Newfoundland port, pretty well the whole group, fleet, out of Fortune and a lot of Fishery Products fleet were built in Holland and if they go over and they avail of the new true comfort you are going to see demands that the Marystown Shipyard meet these requirements. And this is why, not only do you need, I do not know if you need new management there or not, but the indications seem to be from the Government that this is in mind, but whatever it is, it has to be sufficiently strong that it has at its disposal all the drafting support and design support that is going to be required to make Marystown competitive, not just with Pictou, where they are still building side trawlers.

MR EARLE: Inaudible.

MR. HICKMAN: Well maybe that is another crew comfort that we will see great demand for. Let me tell you this; I can produce a crew who will demand that kind of comfort, make no mistake about that, Mr. Speaker. But again they have another thing on board that is called a dinner type computer and this progressively accumulates and analyzes data as it becomes available to make catch rate forecast.

Now remember this type of boat, Mr. Speaker, can be fishing on the Grand Banks today and if they decide to go to tropical waters, if their computers indicate that that is the place to go to get the sort of species of fish they want, they will go, and she is equipped for fishing in the North Atlantic, she is equipped for fishing in tropical waters.

Mr. Speaker, again while we are on, to see what these people are doing to our fishing operations out of this Province and what they are doing to our fishing grounds out here, the other day, in another debate, I mentioned the fact that the Hamilton Banks off the Labrador coast were being excessively dragged by the Russians, I read afterwards

MR. HICKMAN: that someone suggested that this was because I was envious that our Newfoundland boats were not going up to drag Hamilton Banks. That was not the point I was making at all. The simple fact is that the Russians are dragging the Hamilton Banks, as the hon. Minister of Fisheries is aware, during the spawning season and they are destroying the fish, destroying the spawning grounds and substantially, I believe, reducing the fish that is coming in to be caught by Newfoundland fishermen on the Labrador coast. I suggest, Mr. Speaker, that most of the studies that are now going on, and most of the attempts that have been made to try and find reason for the decline in the Labrador fishery, come to one conclusion, that this is directly related to the over fishing of the Hamilton Banks, not by Newfoundland or Canadian fishermen but by foreign fishing druggers. But on that point, yesterday, there is a skipper in my constituency who said to me that one of the scarcest fish on the Grand Banks right now is cod.

A few years ago, it was haddock, and a couple of years ago we started issuing warnings about cod, it is coming to pass. Cod is in pretty strong demand right now and the skippers are asked to go looking for cod. This man, after spending a week looking for cod, has now had to go back and look for yellow tail flounders, starting this morning. Now this does not say that cod has disappeared from the Grand Banks, because let me tell you Mr. Speaker, that cod is not nearly as plentiful on the Grand Banks today as it was a few years ago and if we are going to maintain our present production, if we are going to give the type of employment that labour intensive industry gives in our fish plants, and I can not agree with the hon. member for Fortune Bay that the Burin Peninsula is satisfactorily developed as a fish producing area of this Province right now, it is not. You can go to the four fish plants on that Peninsula and they can total up without any difficulty at all, the absolute necessity for an additional twenty druggers right now. Not to give more jobs, but to maintain the jobs that

MR. HICKMAN: they have as of today. Because every week these draggers are coming in with less and less catches, smaller catches. That means less employment in the fish plant and they are desperately trying to keep ahead of this demand and their obligation to their people working in the plants and on the draggers.

MR. SPEAKER: I will now call it one o'clock and I leave the chair until three o'clock.

S.A.F.

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VERBATIM REPORT

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SPEAKER: THE HONOURABLE GEORGE W. CLARKE

The House resumed at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order! There is an amount of papers and books and assorted printed matter on the floors right now. I did not want to tell the staff to take it down to the incinerator, until I advise members accordingly.

But this evening all books and papers on the floor, together with anything which the hon. members wish to discard, would they please leave it on the floor. Anything that is left on the floor at closing this evening will be removed and carried to the incinerator.

HON. J. R. SMALLWOOD: (PREMIER): Mr. Speaker, would the House be agreeable, before we resume the daily business, that I now give answers to two or three questions? I do not know how I missed them this morning, I am not sure that Your Honour called "Answers," did he? I did not hear it, I must have been occupied, worried.

MR. SPEAKER: With permission of the House we can revert to Answers to Questions. I hear no objection. The hon. member may continue.

MR. SMALLWOOD: I expect I was worrying about the hon. member - Question No. 146 on the Order Paper of Mar 25th., in the name of the hon. the member for St. John's West. The answer to the first part, if that is now before hon. members, is that this was answered previously Question No. 388, so I am told.

MR. CROSBIE: Question No. 388 is not answered. You may have the answer, but it is not given yet.

MR. SMALLWOOD: It has not been tabled?

MR. CROSBIE: No.

MR. SMALLWOOD: Well, when they say previously answered, what they may mean; they have answered it to me and I have not passed it on to the House, if I have not I shall do so. Then the second part, a, b, c, d, e, f, g, h, with regard to a, b, c and e, these are previously answered in the answer to 388. But, if I have not given the answer to 388, I shall do so. First class. I travelled first class. I am half ashamed, but nevertheless I

MR. SMALLWOOD: feel that the Premier of the Province ought to travel first class, otherwise he might give a bad impression of this Province, that maybe what the Opposition are saying is right, that the Province is broke and we cannot afford it for the Premier to travel first class. I do travel first class. So I do travel first class. And the (h) is Air Canada.

Now I have to supplement that, and say that I had travelled otherwise than in Air Canada. I have travelled in nineteen other aircrafts. Aircraft owned by nineteen other people. The Government of the United States of America, the Government of Canada, the Government of Quebec, the Government of Newfoundland, the planes of these four Governments, planes then also of the Iron Ore Company of Canada, of BRINCO, of Canadian Javelin, of the Shaheen Enterprises, of Lundrigan's, of The International Grenfell Association, of Hollinger Consolidated Gold Mines, of Boylen Engineering, ALCAN, that is Aluminum Company of Canada; Irving Oil, Bowater's Newfoundland, Monsanto Chemicals of the United States, Home Oil, this is the Bobby Brown Company; Price Newfoundland, the paper mill people in Grand Falls, and Katey Industries and the one I just said, what was that? I just mentioned one, it is not on this list, which brought it to nineteen in number and a number of others that I cannot remember, But I have to add, Mr. Speaker, that no charge was even made to the Government for my fare on any of these flights, that is to say having had free flights I did not charge the Government for any one of those flights. I did not get a free flight and then charge the Government for that flight. It was free to me, it was free to the Government. And that list which is interesting I have extra copies of.

Question No. 388 on the Order Paper of April 1 , in the name of the same hon. gentleman. And the following trips were at Government expense, June 17, to Ottawa, and August 7 , 1970, to London, Oslo, back to London and then to Montreal and to Toronto and back home. That was the first trip I made over to Oslo. In fact, I made only the one. That was August 7, last year. And on September 10 , to Ottawa. September 21, to Montreal

MR. SMALLWOOD: and on to London. Then, November 24, to Toyko and back and on the way back I stopped off at various places, but that did not cost anything extra. All these trips involved Government business and the amounts are set opposite. And the cost of these trips were met by the Government.

Question No. 409 -

MR. CROSBIE: That is going to be table, is it not?

MR. SMALLWOOD: I am talbling that,

Question No. 409 asked by, oh! the incurious hon. member for St. John's East, the bedfellow of the hon. gentleman, new party colleague, his buddy, buddy, east and west. Not true is it that never the twain shall meet? The twain have met. East and west are now in bed together. St John's East and St John's West have both gone Tory. I am sure the hon. gentleman feels comfortable, but I am not sure, when the other hon. gentleman rolls over on him, how comfortable he is. We are not sure of that

This is Question No.409, on the Order Paper of April 13, and in the name of the hon. member for St. John's East and the answer to the first part of it is "yes." And the reason is purely economics. And the answer to the second part is "nil" none, "nara"dollar "nara"cent. The answer to the third part is "no." The answer to the fourth part is "no." No tenders were called because the Government did not do it, the tenderers make their own alterations to suit their own requirements. If they call for tenders, we would not know anything about that. It is none of my business. Part five, it is not in the public interest, this is a question that asks the gross rental return from the additional office space. It is not in the public interest to quote figures. But the rental for space for commerical purposes will bring a higher return than residential occupancy. The space they rent in that building for commerical purposes will bring the Government a higher rent, than they would get if they rented it for residential occupancy. The answer to the

MR. SMALLWOOD: sixth is the same as to the first, it would bring a higher rental income for the Government than residential occupancy, but it is not consider proper to quote the rentals charged.

MR. CROSBIE: A supplementary question, Mr. Speaker, can the Premier tell us who these tenants are that are taking the second floor for commerical space?

MR. SMALLWOOD: I have no more idea than the man in the moon, but I can get the information. I do not know who is in these, there are only two people I know in that whole building. There are shops I notice on the ground floor, restaurants, delicatessen, and I know there is a travel agency, I go there frequently to have a meal with my personal friend, Mr. Vardy, and as I go there and get out of the car and walk in I notice different shops The delicatessen is on the ground floor. I know that the computer people have a large part of the building, and I know that Mr. Vardy has a flat on the top floor, which is where I usually go when the House meets here in the night, I usually go down there and have a bowl of soup. Now I know I could go down to the Chinese Restaurant and have a bowl of soup, but besides having a bowl of soup with Mr. Vardy at night, between afternoon and night sessions, besides a bowl of soup I can lie down and have a nap of fifteen minutes and get in fresh condition to meet, to cope with the Opposition when I come back here at night. That is why I am so fresh, a bowl of soup and though, and though being a fifteen minute sleep is better than any Chinese Restaurant that I know. Although, I do like Chinese Food. I would not want to be misunderstood on that, I am very fond of Chinese Food. If there is anything else the House wants to know about Elizabeth Towers, just put it on the Order Paper and I will be happy to answer it.

MR. CROSBIE: Is it Elizabethan in its appointments?

MR. SMALLWOOD: It is Elizabethan, He has a lovely flat. And I enjoy going there and it is large and most people do not know , and I hope the House will keep it a secret, where I go, because they do not phone me, they do not

MR. SMALLWOOD: where I am, and I can escape the phone for a while, which is a relaxation and it puts me in excellent condition to cope with this ferocious opposition, every night.

MR. CROSBIE: You will never spy strangers there.

MR. SMALLWOOD: Never are there any strangers. Home on the range, where never is spoke a discouraging word. Never.

HON. W. R. CALLAHAN: (MINISTER OF MINES, AGRICULTURE AND RESOURCES):

Mr. Speaker, Question No. 21 on the Order Paper of March 25, and this is to keep the record straight really, the question is in the name of the hon. member for Gander, I feel that the disposal of the assets of the former DOSCO mines, I think, has been answered completely in the statement I tabled a couple of days ago, attached to which was a financial statement.

Question No. 193, in the name of the hon. the member for Gander on the Order Paper of March 26, did the minister inspect in Halifax an off-shore oil-drilling rig to be used off the shores of Newfoundland? Yes, accompanied by the Chief Inspector of Mines and the Mechanical Electrical Inspector in that division. (2) Was this inspection for the purpose of investigating the safeguards against pollution? Yes, primarily. (3) What precautions have been taken by the owners of this oil-drilling rig as safeguards against pollution? All possible precautions, so my officials report, Mr. Speaker, and indeed what is judged, or having equipped the rig with what is judged to be the latest technology available in the world today. (4) Will Government inspectors be undertaking periodic inspections during the drilling operation? Yes, Mr. Speaker, if the weather allow them ever to get out on the Banks.

And I wish to table, Sir, the answers to Question No. 26, in the name of the hon. the member for Gander, on the Order Paper of March 25 and also answer to Question No. 28, in the name of the same hon. member on the Order Paper of March 25.

Thank you!

HON. ERIC DAWE: (MINISTER OF MUNICIPAL AFFAIRS AND HOUSING): Mr. Speaker, I have the answer to Question No. 390 asked by the hon. the member for

MR. DAWE: Bonavista North on the Order Paper of April 1. The question is what lawyers or law firms within the Province of Newfoundland have been engaged to carry out legal work for the Newfoundland and Labrador Housing Corporation showing the amount paid during each period and such lawyer or law firm engaged? The answer to the question, the firm of Sterling, Ryan, Goodridge, Caule, Gushue and Goodridge, paid \$809.50 conveyance fees and \$40.00 for searching fees. The firm of Halley, Hickman and Hunt, Steele and Carter \$600.00 preparation of draft agreements, and a further \$1,113.75. General servicing in property purchase and conveyance and fees. There is another amount for Halley, Hickman, Hunt, Steele and Carter

Mr. Dawe

\$3,225.75. General service and conveyance fees in the property purchase on the Blackhead Urban Renewal Scheme. There is an amount, of Cashin and Pyke, \$460.73 for the same services on the Blackhead Road.

The answer to the second part of the question: Since April 1, 1969, what lawyers or law firms practised in the Province of Newfoundland, outside the Government services, have been engaged to carry out legal work for the Department of Municipal Affairs and outline the nature and legal work involved? The answer to the question is: Mr. Leo Barry of Thoms, Fowler, Rowe and Barry, \$5,474.50. This is solicited work in connection with the Blackhead Urban Renewal scheme and this is for work since September, 1968 and this is shared by half with C.M.H.C. and with the Province itself. This is the amounts that we have engaged through legal fees. For the information of members, I table the answer as well.

MR. SPEAKER: If there are no further answers to questions, the hon. member for Burin has the floor?

MR. CROSBIE: Mr. Speaker, before we move on, you mentioned that anything that was on the floor was going to be removed. Your Honour will recall that we do not have an office but under the desks here there is not just stuff thrown on the floor but piled up here. Could you direct the cleaners that if it is underneath the desk to leave it there? We have nowhere else to put this material.

MR. SMALLWOOD: If I may comment on that, Mr. Speaker, I intended to mention it. The hon. the Minister without Portfolio, that is to say the hon. member for Labrador South, has been pressing the Government to be allowed to relinquish the office he occupies in the floor, I think, above. I told him I thought this was an exemplary decision on his part, but that it was no use his telling me, except as a member of the Internal Economy Commission. I told him that the next time there

Mr. Smallwood.

was a meeting of the Internal Economy Commission, I would pass on to them his very generous offer of depriving himself, as one of the Queen's ministers, of an office in this building, that I would pass his offer on. And that if the Internal Economy Commission were gracious enough to accept his gracious offer, the office would become vacant ..

MR. CALLAHAN: During the house?

MR. SMALLWOOD: While the House is in session only and that he would make that sacrifice. Now if the Internal Economy Commission rise to this noble occasion, which I daresay they might. I know His Honour, the Speaker, is the Chairman of the Internal Economy Commission. The Minister of Finance, my colleague, my honoured colleague is a member of it. He is the soul of generosity. The Attorney General is famous in this House for the spirit of co-operation, which he exemplifies always. And who would deny that I am absolutely a maid of the milk of human kindness. So when the Internal Economy Commission meet next, I will be most surprised if they do not decide to accept. We do not have to meet until next year. We might call an extraordinary meeting, however, and I would be most surprised if this gracious offer were not graciously accepted. In which case what is left of the Liberal Reform Party could go up there by himself and have a handsome office all to himself, where he can dream of the days when he was once one of the Queen's ministers and mourn the past and yearn for the future.

MR. CROSBIE: Mr. Speaker, if the Internal Economy Committee meets, and I gather that their usual meetings are telephonic. In other words the Deputy Chairman usually has a telephonic meeting and everyone agrees. We would be only too pleased to accept the offer. The only question is whether the room will be large enough to hold twenty or thirty after the next election.

MR. SMALLWOOD: Twenty or thirty ghosts.

MR. CURTIS: Perhaps, Mr. Speaker, the Order here might stand until tomorrow so that members can have an opportunity just to see - I notice that there are quite a number of things under the late Mr. Keough's desk. Somebody should go through it before it is scrapped.

MR. SPEAKER: We defer the removal for another day.

MR. HICKMAN: Mr. Speaker, when we adjourned for lunch, I was commenting on the demand for new design insofar as the trawler fishery is concerned that shipyards must meet now, if they are to be competitive. In that respect I drew to the attention of the House an article in "World Fishing" on the "Bostov" which is the 43,400 ton mother ship, which the Russians recently put in the North Atlantic. There is some information, Mr. Speaker, that may be of interest to hon. members concerning these trawlers that they carry on deck. They are dories that she carries on deck when she is fishing. These boats, as I said before, are large as some of our side trawlers that we have operating out of Newfoundland ports. They are capable of steaming at ten knots. They are capable of dragging at four knots. They have a type of fishing gear and trawl that must commend itself and would have to, to our deep-sea fishing fleet and inshore fleet, if they are going to survive. The fishing gear on these catchers enable them to fish with a bottom trawl, with a variable depth trawl, with a detachable cod end and with twin variable depth trawls at thirty-two meters in length. They are also equipped to do purse seining, and they use electric fish attraction.

You could imagine, Mr. Speaker, the problems that must have been encountered in trying to design a boat of this kind. One of the real problems was what do you do out in North Atlantic in a gail of wind, when you want

Mr. Hickman

to take on board or hoist on board a dragger the size of the "Blue Foam" when she is under speed? Because these catchers weigh up to seventy tons. But they overcame the difficulties, and they can now take these boats on board with wave force up to six. That is a pretty heavy gail of wind that you are operating in, when you are trying to take on board one of these draggers.

Now, Mr. Speaker, the hon. the member for Harbour Grace, this morning, referred to, and in this any hon. member who is at all interested in the fishery of this Province must concur, that the Government of Canada has not really experimented in the fishery at all. Their experimentation at St. Andrews and the station in Halifax owe its - they have good facilities and good equipment there, but they are so far, far behind other countries, when it comes to experimenting that one is inclined to agree with what the hon. member for Harbour Grace said and that is that there is very little understanding and very little sympathy in Ottawa as far as the fishery is concerned. Canadians do not regard themselves as a fishing nation. We are pretty well at the end of the line when it comes to research dollars and new innovations insofar as fishing is concerned. There is no doubt at all that if we are going to take advantage of the many species of fish that we find in our bays - I believe, Mr. Speaker, that as the massacre of the great banks, the Grand Banks, the Green Bank, Quearo and Mizzen and St. Pierre and other banks off our coast, as that continues, we are going to find more and more Canadian fishermen turning to the bays as a source of supply. Particularly, if we can ever find sufficient courage in Ottawa to enforce the headland to headland rule without equivocation. I used to hear a lot of talk a few years ago that Canada could not afford gun boat diplomacy. But, Mr. Speaker, there is going to have to be something more than this tireless, endless chatter that has been going on for the last fifteen years, concerning the Canadian waters and

Mr. Rickman.

Canadian fishing resources. But sometime we will keep them out of the bays. There is no question about that. Sometime Placentia Bay, Bay St. George, Fortune Bay will be free of foreign trawlers and, when that happens, I am convinced that these great bays of Newfoundland will become a source of supply of fish for our people.

Mr. Speaker, in that respect, there is one thing and again, I believe, the member for Harbour Grace referred to it, that our fishermen do not have - that they lack, that they require, and that is a suitable inshore trawler. There is where the Marystown Shipyard can do a yeoman service. Again we have to look to Europe - the lead once again is coming from Europe in this. I refer this House to a very interesting article that appears in the July, 1970 issue of the magazine, "World Fishing." It is headed - (I am not bilingual despite the yeoman service of the hon. Minister of Education, when he taught me in Grand Bank) I think it is the "Travel Air 16." What it says is this: "A French boat-yard in Dinard, in the north of Brittany, had begun producing a new breed of inshore trawlers which are expected to have wide appeal both in France and overseas. One reason for this is the stout construction and general specification and the other is a very competitive price." I will not go through the whole article. It is fifty-two feet in length - the first one that has been built. It has proven itself as most suitable for local inshore fishery. It is designed to carry a crew of four men and a skipper. The appointments on board the boat are pretty good. There is room to store a great deal of fish. There is provision for icing the fish or for freezing the fish.

Now, Mr. Speaker, that is the kind of inshore trawlers that we are going to need to fish in the bays of Newfoundland. If we are going to harvest what is out in these bays, if once we could find out what is there, it is not going to be done, if a man has to spend two or three hours steaming out and two or three hours steaming back on the same day.

Mr. Hickman

As the hon. the member for Placentia West knows, our crowd on the south coast are not happy if they can see land. They do not like fishing in the sight of land. They want to get out into deep water, and they want to get as far away from the rocks as they can. This is the type of boat that I believe should commend itself to Newfoundland inshore - It is not quite inshore. It is half way between inshore and deep sea fishing. I believe that - offshore if you want to call it, offshore as opposed to deep sea fishing. I believe, Mr. Speaker, that that is the kind of innovation that we should expect from any great Canadian shipyard. It is not an answer to simply say that we have curtailed all production because the bottom fell out of the market and the demand for trawlers disappeared. Because good yards, with strong drafting and design support, should follow the lead of the European yards and continue to experiment, to innovate so that when economic conditions improve, the draggers and the inshore trawlers of new design are ready for delivery.

I believe that the Marystown Shipyard, even as it exists today with some innovation and with the courage to take on our European

MR. HICKMAN:

competitors insofar as ship building is concerned, can become an outstanding Canadian yard. The Bill that is before this House has been dealt with by other hon. members. The principle behind it obviously is sound. I do not know if we can take much pride out of the fact that we are following behind Quebec or Nova Scotia or New Brunswick, they are all fishing provinces and all these provinces land a great deal more fish than many of us realize but they are not traditionally fishing provinces in the same sense as is the Province of Newfoundland. The fifteen per-cent grants that are made available or subsidy or bounty by Nova Scotia, Quebec and New Brunswick are pretty well standard now. At least this Bill, for this one particular group or one particular company, indicates that we will now be heading in that direction.

What I did not realize until the hon. the Premier spoke yesterday was that the balance of the purchase price which can be made available by way of loan in Nova Scotia is available to Nova Scotian firms for ships to fish out of Nova Scotia regardless of where they are built. I was under the mistaken impression, I presume, that the Nova Scotians, where they have two shipyards of their own that whilst they would make that fifteen per-cent bounty available to any boat to fish out of Nova Scotian waters, were not prepared to advance the additional fifty per-cent unless it was restricted to the shipyards in Pictou or in Halifax. But whatever it is, the end certainly justifies the means and the fleet of Nova Scotia, both the fleet fishing out of Halifax and Lunenburg and the large, large fleet in Mulgrave and Cape Breton seems to have been expanding at a much more rapid pace than our fleet has been here.

The Ross Steers plant, when it becomes operative, and after the million dollars that was referred to and apparently is to come from the Regional Economic Expansion Department, should be a good plant. It certainly is strategically located. But it points up, Mr. Speaker, that in any of this type of Legislation and in any type of Government programme where there is

MR. HICKMAN:

very heavy Government involvement in the attraction of an industry to this Province, as there was particularly in the case of the Ross group, that Government must have at its disposal men who are competent in their field to see that that money is being well spent. I think it is clear beyond any doubt that the Ross group put one over on the Government of Newfoundland and put one over on Steers. They built this plant with good machinery but it was said here this morning that the layout leaves a great deal to be desired. The draggers that they sent out here were an absolute disgrace. They were old draggers, side draggers, they were not even good side draggers and the fact was that they could not get Newfoundlanders to crew them and why should they when they had better draggers operating on the South Coast of Newfoundland.

The hon. member for Placentia West is fully aware of what I am saying and he knows that this is true.

MR. CANNING: The hardest looking ships that ever sailed.

MR. HICKMAN: You are quite right, the hardest looking ships that ever sailed into St. John's were these Ross boats. But there is where you need some control because that was set up with our money or on our credit and there is more to it than just simply setting up an industry and saying, "We have security. If the industry fails we can look to Ross or we can look to Bird's Eye or we can look to anyone in the world to pay us back our money." Because, Mr. Speaker, when a new industry is created there is going with that new industry certain ancillary services, people change their lives to make provisions for themselves and their families to work in that industry. This happened in Marystown. They come in, the future seems to be assured, they buy homes, they build homes, their family gets settled in and suddenly the rug disappears. The same does not apply with the same effect in St. John's with reference to Ross Steers because St. John's is not dependent on that one industry to the same extent.

MR. HICKMAN:

But I do suspect that National Fish are going to have to do a lot of recruiting in order to properly man that plant and the draggers that fish out of there. In fact I would be willing to bet that every crew member sailing out of the port of St. John's, when that plant starts operating, will come from the area between Cape Race and Cape Ray, but that is all right, that has been traditional.

Mr. Speaker, the hon. the member for Harbour Grace made this statement that National Sea Products wrote their own ticket when they entered into this contract that there is no way they can lose and that seems to be abundantly clear. I think that, if I may revert to a comment or an argument that I was presenting here the other day, that what we need is a policy that is available to all of our frozen fish operators. I feel reasonably certain that if this sweet, attractive deal had been offered to any of the local fish operators, now I know attempts were made to try and get local operators to go in and take over Ross Steers but not on this deal, if that deal, the National Sea Products deal, which the hon. member for Harbour Grace says is their own ticket, if that had been offered to any of our major fish producing companies in Newfoundland they would have accepted it to and we should not under rate them.

I know that Mr. Morrow is a great fish merchant, so is his father in Lunenburg and National Sea Products, as I recall it, arose out of an amalgamation of a company in Halifax which had its head office in New York, General Foods, that Mr. Clouston from St. John's -

MR. SMALLWOOD: General Sea Foods.

MR. HICKMAN: General Sea Foods -

MR. SMALLWOOD: Who are a subsidiary of General Foods.

MR. HICKMAN: General Foods, that is right, Mr. Speaker, and the manager was a Mr. Tom Clouston from this city, I think his name was Tom anyway his name was Clouston and this was twenty years ago or more and -

MR. SMALLWOOD: It is not Tom. He was a Harvard Business School graduate and his name is not Tom.

MR. HICKMAN: I cannot remember his name, he is dead now and -

MR. SMALLWOOD: He was one of the most brilliant Newfoundlanders we ever had.

MR. HICKMAN: This National Sea Products that we now have is a conglomerate or an amalgamation of the salt cod fish firm of Morrrows in Lunenburg and General Sea Foods in Halifax. Maybe it is important to attract them in but, Mr. Speaker, do not let us ever sell. If you are at a Fisheries Council of Canada meeting, if you are at a NFNAF meeting, who is the great leader in the frozen fish industry on the Eastern Seaboard of Canada? Who is the dean of expansion and innovation? Is it Mr. Morrow? No. Mr. Speaker, it is Mr. Hazen A. Russell. He is the man who is regarded by Mr. Morrow and Mr. Nickerson in Sydney and other Eastern Canadian fish producers as the dean of the frozen fish industry and his innovations and the risk capital that that company has put in even in Fermeuse in the last year indicates to me that they have the know-how and they are marketing experts. There is not much doubt about it that not only did the Russells, through their Bonavista Cold Storage Company, set a standard, create a leadership in quality that was followed in this Province by other fish producers and that must be followed, but it is equally clear that when it comes to quality and when it comes to prime production that they do not have to take second place to National Sea Products.

Fishery Products, under the leadership of the Monroes and Mr. Etchegary, and if anyone thinks that Gus Etchegary is not regarded in the fishing industry in the East Coast of Canada today as a great leader, he does not know anything about the deep-sea fishery, because he is. These men, the innovations that they have brought in, the ideas that they have conceived and implemented were long before National Sea Products. I am not saying this to downgrade National Sea Products but what I am saying is that our fish plants in Newfoundland should not and will not and must not take second

MR. HICKMAN:

place to any in Eastern Canada. Three or four years ago the bottom fell out of the market, the fish meal market, The hon. member for Harbour Grace will recall this. I think it was Peru flooded the market and you could not give away the offal, you could not give away the fish meal and everybody threw up their hands. National Sea Products were in the same position as anyone else in Newfoundland, and Mr. Monroe and his group came up with a new method of quick freeze of offal and they then went to Sweden and they worked up a market for the offal in its frozen state.

They were the pioneers, they were the leaders to rectify this depressed fish meal market that we found at that time. If you look in the plants further up the Southwest Coast, where you see the Lakes and the Penneys in operation, my goodness, who is going to lead them?

MR. SMALLWOOD: Do you suppose it would be possible now to have a few words on the Bill too, just in passing, just as sort of a glancing blow at it?

MR. HICKMAN: Well, I am committing the offence -

MR. SMALLWOOD: A casual reference to it.

MR. HICKMAN: I am committing the offence, Mr. Speaker, of replying to what the hon. the Premier has said, but I presume if it was on the Bill yesterday it is obviously on the Bill now. Well, Mr. Speaker, these people know their business. The marketing outlet that the Lakes have in Glouster will stand up against anything National Sea Products has in that same state and so will Fishery Products or Bonavista Cold Storage or the Booth plant in Fortune. Its manager there, Harvey Major, was the manager of one of the largest plants on Cape Breton Island, before he came back here to Newfoundland to take over that plant.

Now these people are all competing in the same market. When times are good, when the market is firm as it appears to be right now, then everybody can get in and compete. But it is when the market gets rough, as it did two or three years, when the Poles, through one of the most nefarious international

MR. HICKMAN:

bits of skulduggery that you can imagine got that Iron Curtain block lifted to get their fish into the States. This is where we have to be awfully careful that we do not put our local fish producing companies into an unfavourable competitive position as they were before. This is where a plant like B.C. Packers, who got their plant for nothing, can undersell another plant that has heavy financial commitments that they must meet, and this happened before. This is why we need an overall policy for the development and the assistance of the frozen fish industry and for the construction of draggers in this Province.

Now, Mr. Speaker, again during this debate reference was made to the absolute necessity of any Government in this Province not only promoting the inshore fishery and to try and reactivate fishing on the Northeast Coast.

I recall, two or three years ago, a young man who now works, I think, for the Provincial Department of Fisheries, desperately tried to build a small plant or finance and promote a small plant in Labrador South. He was not looking for big money, it might have been \$150,000. He had tied in with him a gentleman from Glouster who at one time used to be the marketing agent for Jobs, I do not recall his name now, and a gentleman in Halifax who have something to do with the seal fishery off our coast. But it was not big and he could not attract the support of Government and the support of the officials that he needed to get this sort of plant going and everytime he was met with the same response, "You can only operate it for five or six months a year and if you do that you cannot make it into a viable industry."

Well, obvious you cannot make it into a viable industry if you are going to be faced with the expenses that a fish plant is faced with when it has to fish trawlers. But surely we are not going to abandon the fishery of Labrador South to our neighbours in Quebec, the fishermen in Quebec, simply because the season is of short duration. Surely we are not going to abandon the Northeast Coast because of the shortness of the season. Now the

MR. HICKMAN:

Fisheries College is designed to help in that direction and I am sure it has. But, Mr. Speaker, we have a problem on the South Coast with respect to the Fisheries College or I should put it the other way around; the Fisheries College has a problem on the South Coast and that is this; They have the greatest difficulty getting men from the South Coast to go to the Fisheries College. The reason for it is simple. When a young man finishes school in Grand Bank or Belleoram and he decides that he is going to make the deep-sea fishery his career, he immediately starts out as a deck hand at a fairly good annual income, and when he is faced, he has to be quite an ambitious young man, particularly if he is married or gets married shortly after, to stay ashore for

MR. HICKMAN: an extended period of time and go to the Fisheries College even though he gets some financial assistance while he is attending. The fact is that we have not attracted enough people from the southcoast of Newfoundland into the Fisheries College and not enough to meet the demands of the industry.

Dr. Barrett has been promoting a policy and a programme which he hopes to implement when once the Pavillion at Grand Bank is completed and he gets his offices there. He has tried it already by means of trailers going down to the Burin Peninsula. He would like to take these young men, even for a six week course in twine and that sort of course. But if he is going to keep them ashore for six weeks, then industries have to be prepared to pay their men during the time that they are ashore. If they do not, if industry will not do it, then these men cannot be blamed if they do not take advantage of it.

Now we have had a lot of men come into the Fisheries College and get their mates' tickets and skippers' tickets and their first engineer's ticket but we are not getting enough, and we are surely not getting enough when we look forward to the expansion in the trawler fleet that we must have in order to maintain even today's present production of fish.

Mr. Speaker, the Shipyard at Marystown has the mechanical equipment, the mechanical features, the mechanical installation, the equipment and machinery and whatever else is required to build good boats right now. They have built two draggers for the fish company in Mooring Cove and, as far as I can understand from listening to the Skippers, these two draggers have turned out to be good sea boats and they are well equipped for the purpose intended. But it took them something I believe in excess of two years to build and launch and have them operative at sea. This requires the building up and maintaining of a work force. I wish them luck in their recruit programme but I think that we would be wrong if we felt that this can be done with comparative ease. Because it is a fact that every Canadian shipyard right now

MR. HICKMAN: is busy and it is equally true that European shipyards are even busier and Japanese still busier again. And Canadian shipyards have traditionally had to look to the United Kingdom, particularly Northern Ireland and Scotland, for ship builders, for men to man their yards. They still go over, they did it even in the days when the ship building industry was in a slump, two or three years ago. They had to go over annually and they do go over and they recruit men and they bring them in and they bring them into Halifax and Pictou and Port Welland in Ontario and Quebec and they brought them into Marystown. An awful lot of them when they get in, this is one of the difficulties they find in the shipyards in Ontario, where they have big shipyards, is that when these men get in, they suddenly take a look at the automobile factories and other great industrial concerns in Ontario and they seem to be attracted away to more secure positions.

Now this is what Newfoundland Marine Works will find itself facing as they start a recruitment programme. There is one thing, sure and certain, that no matter what the cost, if this shipyard should ever find itself again in the state of depression that it was in last year and the year before and even the year before that, its chances of surviving and its chances of recruiting further work forces will be pretty dim indeed. But I believe, Mr. Speaker, with the yard that we have now, and with the housing accommodation that is there but most of it is filled, a great deal more is needed) that that Peninsula, Burin, can provide the amenities of life that will attract people to want to go there. But with some difficulty, and over a long period of time, that shipyard is going to be once again manned. This is why I am apprehensive of that clause in the Bill which gives National Fish that discretion that is in (9) (a) as to the other four draggers. Because we may very well find ourselves where Marystown is caught up in a very tight squeeze when it comes to recruiting the necessary personnel,

MR. HICKMAN: and we may find where we have left the door open for National Sea to go to their own yard in Halifax.

Mr. Speaker, may I say in concluding that there was some reference made today by speakers who preceded me, to the very serious situation that is obviously building up insofar as our off shore fishery is concerned and the absolute need, be it gun boat diplomacy or whatever you want to call it, but the Government of Canada, even without its Minister of Fisheries, or when it loses its Minister of Fisheries, still taking unilateral action to protect the spawning grounds off our shore and to protect these grounds for Canadian eastcoast fishermen. In that respect, Mr. Speaker, may I draw this House's attention to the fact that on May 18, there is to be held in Ottawa, the Fourteenth Canadian U.S. Interparliamentary Group Meeting and one of the items they have put on their agenda and an item that they have given great prominence and I see in the Speaker's Gallery the member for St. John's West, who is the Newfoundland representative on that Interparliamentary Group Committee. They have given a great deal of prominence to conservation of our fisheries. I suspect that it was initiated by the American parliamentarian, because the American eastcoast congressmen are becoming very very concerned and they have taken action, they have taken pretty firm action on Brown's Bank. Now the time has come, it is about time they did. It is equally about time we took strong action on Green Bank and Quearo and Mizzen and St. Pierre and Grand Bank, Hamilton Bank too.

Now we have got to start making ourselves heard. But the only time that we are heard on matters involving the fishery on the National scale, is when the Federal M.P.'s raise and properly so, the invasion of the three mile limit or the twelve mile limit by foreign draggers or when they raise the question of conservation. Fine, this is what they are paid to do, this is what they are expected to do. But we must bear in mind that

MR. HICKMAN: we are not a member of a fishing nation per se. The fishing does not rank at the top of the scale as far as priorities are concerned in the Canadian Nation; so that these men in Ottawa need all the help they can get, and there is one way they can get help and that is if we can satisfy the Government of Canada that there is one thing in which all political parties in this Province agree and the Government of the Province agree, that conservation methods have to be taken now. This is where we have got to have the real pressure and, if this means embarrassing the Minister in his new port folio, embarrass him. If it means threatening the Government of Canada, threaten them. Because if we do not do it, we will have nothing left to threaten them about.

Unless you are gone shy, unless you are scared of gun beat diplomacy, unless you are prepared to have Canada sit back and watch little Iceland come out as she did and protect her off shore rights, oh there was a hue and cry from the U.K. and other Countries at the time, but she protected the Icelandic fishermen and you can see by looking at their standard of living the fruits of such protection.

Now we have got to do it too. We will not do it unless we make ourselves heard. I could give one very modest suggestion as to how we would get on the road and in the right direction. This Canadian U.S. Interparliamentary Committee will be seeking briefs and will be receiving briefs from the fishing industry. I have no doubt at all they will hear from the Governments of the Atlantic Provinces, but what are they going to say when they hear from the Government of Prince Edward Island advocating conservation methods, it is going to make your argument rather weak. If the Province that still depends to a large extent on its fishery is not heard, if we are not represented, and what I would like to see at that Parliamentary Committee meeting is not only a strong bi-partisan brief presented to that Committee from the Government of Newfoundland but I would like to see bi-partisan representation from this House so that the people on that Committee will know, beyond any

MR. HICKMAN: doubt, that Newfoundlanders have pretty well come to the end of the line insofar as the neglect of our off shore fishery resources are concerned. If we do that, if we are there in full force to demand and we are not concerned with political embarrassments and we are not concerned with political affiliations, then maybe we will start to twist the arm of Ottawa, the same way as the three Prairie Provinces and the three Prairie Premiers, who have all different political parties, managed to be able to do it when their wheat sales or their wheat surpluses or their farm surpluses seem to be in danger. They had no trouble, because when the Social Credit Premier of Alberta and the Liberal Premier of Saskatchewan and N.D.P. Premier of Manitoba come to Ottawa and they have representations from their Oppositions with them, then no Federal Government can dare put that under the carpet and push it under the carpet and say they really do not mean what they say, they are fighting amongst themselves. They are not. They have unity of purpose and we need unity of purpose insofar as conservation of our fishery stocks is concerned, more than we need unity of purpose in anything, Mr. Speaker. All is great if we can find it. There should be unity amongst the Atlantic Provinces' Premiers and the Governments of the four Atlantic Provinces and the Province of Quebec to preserve any rights that may flow and any benefits that may flow from the discovery of oil on the Grand Bank and other areas off our Coast.

MR. SMALLWOOD: Could we have what the hon. gentleman feels about the Bill? Could he tell us what he thinks about the Bill?

MR. HICKMAN: But this Bill, Mr. Speaker, this Bill will be a waste of time. It will be a waste of time to build draggers if we do not have the stocks of fish on the Grand Banks and on the other Banks off our shore in order to supply these draggers. This is the relevancy to these Bills. If you do not have conservation methods, if you do

MR. HICKMAN: not preserve this fish for Newfoundland fishermen, for eastcoast Canadian fishermen, then Mr. Speaker, we can pass Bills like this until the cows come home. They will make good reading but they will not result in more jobs in what is a labour intensive industry, Mr. Speaker, make no mistake about it, an industry where you see great technological advance and where it is not as labour intensive as it was five years ago. And it will not be as labour intensive five years from now as it is today. Because Mr. Speaker, if we are going to even maintain the job ratio that we now have and the job opportunities that we now have in the frozen fish industry, then Mr. Speaker, we can only do it with conservation.

Mr. Speaker, again speaking in support of this Bill, and trying to advance, what in my opinion I would hope will be taken completely non-partisan, some views that I would like to see implemented that will ensure the continued prosperity of our deep sea fishermen.

There is one other source in Newfoundland that has virtually gone untapped and that is the fresh fish market and the fresh fish industry. Some people almost overlook it. They talk about the fresh fish plant, they are not fresh fish plants, they are frozen fish plants, and the difference between a frozen fish operation and a fresh fish operation as far as the man on the dragger is concerned, is a substantial difference in income.

Now Mr. Speaker, the reason why we have not been able to get into the fresh fish market, except for the Hardy Enterprise in Port aux Basques and in Burgeo LaPoile. Get back to transportation, Mr. Speaker; last year, the hon. senior member for Harbour Main, he took a great deal of encouragement as did most of us, particularly the members for the South Coast, over the appointment of a Transportation Committee and to use his words, he said;

"you have the transportation committee with the chairman from the south coast with a membership from the south coast and you have a minister of Transport comes from the south coast." That report, Mr. Speaker, was finished, presented last September or earlier, and we have not heard a word about it since. In that report there is a very strong case made, particularly by the Joint Councils of the Burin Peninsula, for an improvement of direct transportation services between that peninsula and Sydney, Nova Scotia. What they wanted and what they have in mind is that, it makes good sense,

: if we could be assured of the Ambrose Shea or a similar boat operating twice weekly or may be a little more frequent, out of Burin or Marystown or some port on that peninsula, then we can get in, like the Hardy's do in Port aux Basques, we can get into that fresh fish market. Then we can have the reefer trucks go on board and fourteen hours later or twelve hours later they come ashore in Sydney and there into that lucrative fresh fish market, in about the same time that the Cape Breton fresh fishermen are in too.

This is what we are going to have to do, Mr. Speaker, if the principle of this Bill is to mean anything, if this means a new policy on the part of Government, if it is going to be effective, if it is not going to be a pie in the sky affair and just good reading, if it is going to be effective, then not only must we have conservation but we must avail of every new avenue of production so that our fishermen can get a half decent living. I was encouraged by the statement of the Hon. the Premier this morning, that the principle of this Bill, the offer in this Bill in so far as the construction of draggers is concerned, will be made available to the frozen fish plants and the frozen fish operators in Newfoundland. I think he very briefly touched on a point that will become very relevant as this year progresses. Most of the frozen fish plants in Newfoundland today need draggers this year and next year..

The Booth Plant in Fortune must have at least four side draggers now. Fishery Products have several -

AN.HON.MEMBER: (inaudible)

MR.BICKMAN: Side - they only have two sterns I think - maybe three - Fishery Products have several, all of them have some. Now these boats are going to have to be replaced and replaced quickly, not only because the sterns produce more but because of the crew comfort etc., they attract crews with less difficulty. The operators are going to have, I suspect, to come to Government this year and say, "look, we cannot wait for the Marystown shipyard to build the two draggers that they are going to start sometime in 1971, to build for National Sea Products."

We have to go abroad this year and place orders in European yards or Canadian yards where we can get fast delivery. I believe there are still yards in Europe today that can deliver a dragger within five months from the day the keel is laid. Not too many, they are getting crowded but some of the smaller yards in Europe can do this. So that I presume and I hope that when Government says our policy is to make these terms available to all Newfoundland based companies or domiciled companies that it realizes that this year the big demand is going to be for draggers now and that there may, very well have to be very heavy financing for draggers built abroad during this construction season and next construction season. But it has to be done. If it is done and if, in the meantime, the Marystown shipyard get the personnel that they require, there is not much doubt in my mind that eventually, with new innovations, Mr. Speaker, and this is so important, with new innovations not just the standard draggers that are coming off the stocks today, that the Marystown shipyard can survive and maybe: if you can get an unbiased feasibility report, may some day it should also be expanded.

MR. MARSHALL: Mr. Speaker, just a few words with respect to this Bill: It is a good Bill that we will all support in principle, because this is in relationship to the operation of the fish plant in St. John's and provision of much needed jobs in and around the city of St. John's itself. The only comment is that it is too bad it cannot be operational sooner. It is a plant then to utilize fully our natural resources, as the member for Harbour Grace indicated, He said many good things in his talk, including the diversification of the fisheries and the looking to the example of Norway, good sound sensible suggestion good talk, Tory talk, talk that we, positions that we, the Opposition, have been maintaining for years and years.

The main question, Mr. Speaker, arising out of this Bill, one of the main questions, is the cost, the ultimate cost, to the Government, of it. In order to make Marystown competitive it would appear that it is going to be necessary to subsidize the cost of these ships. I do not just mean the subsidization that is set forth in the Bill. In the Bill itself there is an indication that the Government will loan to the National Sea Food Products, will loan them forty per cent by way of loan and will make a subsidy amounting to fifteen per cent, fourteen and one per cent, which is fifteen per cent. However, it will be necessary that more than this amount is paid by the Government. Because it is quite obvious that Marystown shipyard, as it presently exists, cannot compete within the meaning of the two sections of the Act itself. They are not competitive. This has been evident with respect to the tugs, the ocean-going tugs, with respect to the refinery down in Come by Chance. Mr. Homer White, of Shaheen Natural Resources, had indicated that in a number of bids received from ten separate companies that the Marystown was the highest. so, consequently, they had to go to the United Kingdom firm. It is quite obvious in the duration that the competitive position of

Marystown shipyard has not improved all that much and steps must be taken in order to improve it. But in the duration it would appear absolutely necessary that the Government is going to have to further subsidize the cost of these trawlers and making up a deposit which will result after the year's operation at Marystown, as it has in previous years and has been pointed out; the busier Marystown is, unfortunately, the higher the subsidy. So it is very, very necessary Mr. Speaker, for us to know the real cost of these trawlers, how much they are actually going to cost, not only by way of the subsidy which has been granted but also about the amount of the deposit that the Government will have to make up at the end of the year, at Marystown shipyard itself. We would like to know how much this is going to be. At the same time a very firm look could be taken with respect to the shipyard, that is referred to in the Bill itself.

At this time there is a change in the world shipbuilding industry in that the more profitable and more efficient yards, many of them are now being utilized for the purpose of constructing huge vessels, and it is possible to get in on the market even though your costs are higher than they were a few years ago. But it is absolutely necessary, Mr. Speaker, that feasibility study be taken, the matter be watched very, very carefully, because we have an opportunity, through these two trawlers, to get Marystown shipyard off the ground, as it were, and get it operational. But we are not going to do that, we are not going to be able to do that unless a much different attitude is taken with respect to these shipyards than had been taken in the past. The Government has to watch it very carefully and assure that the optimum is gained for every dollar that we put into it.

With respect to what my hon. and learned friend from Burin has said about conservation I would also suggest that it should be his remarks, which were very eloquent remarks, and remarks that are very

worthy of full consideration, that the Hon. the Premier up to now condescend really to meet with the Premiers of the other Atlantic Provinces for the purpose of discussing conservation around their shores, this is absolutely necessary if this particular industry, this fishing industry to which this Bill relates, continues, is to continue and to become a profitable venture. In any event, Mr. Speaker, I would support this Bill in principle, with one reservation in that I would like to know the actual and the real and the full cost because, surely, feasibility studies and enquiries have been performed by the Government to determine this before they entered into the Agreement.

MR. SMALLWOOD: Mr. Speaker, the Bill has been pretty thoroughly discussed by the House and I perhaps do not need to add very much to what I said in presenting it. There are two or three points that I have been asked to elucidate, I will attempt to do so. The first place, with regard to the DREE grant requested by National Sea Products to help them to refurbish and improve the plant across the harbour; my clear understanding is that they have had an assurance from DREE at Ottawa that they would get the money.

Then, the hon. member for St. John's West wanted to know whether the Government were aware, were making themselves aware or intended in future to make themselves aware of the orders that the company were placing and would place for the building of ships at different shipyards. The answer is "yes." We have indeed. The company were good enough to let me know the prices that have been tendered by various shipyards, when they asked for tenders. The House might like to hear a letter that I received from Mr. Morrow, Mr. W. O. Morrow, the president of the company, on April 6, He telephoned me on April 5, in Louisiana, from Halifax and on the following day he wrote me this letter, He said: Confirming our conversation of

April 5, we will be placing orders for four trawlers this week, with two Nova Scotia yards and meeting with Mr. Ken Clarke, from the Marystown shipyard, for the purpose of arranging an agreement to build two additional ships, that would be two at Marystown.

"The contract price will be approximately \$2 million for each trawler. In short, the six trawlers will cost \$12 million. A copy of the formal contract will be sent to you as soon as possible." In other words when he enters into agreements to build ships outside this Province, copies of the actual construction agreements will be sent to me.

'Prices were considerably higher than we expected and only after several trips to Europe and several meetings with major suppliers, that is to say major ship builders, were we able to get a price that our architects and marine people felt was at all reasonable.

"These ships, although somewhat more costly than we had hoped, are probably more modern in design than any trawler now in the fisheries. That is a claim, that the ones they are building are the most modern in the world. We have satisfied ourselves through recent success." Now listen to this Mr. Speaker; we have satisfied ourselves through recent successes that midwater trawling for ground fish is not only feasible but a necessity

MR. SMALLWOOD (J.R.): To assure the successful operation of any new trawler which will be built at today's prices." I take that to mean this, that it costs so much now to build a trawler that it really does not pay to build one if it is to serve in the conventional way, and if it is to serve only the conventional purpose, but that rather, in addition to doing that, it must also be able to serve as a mid-water trawler.

AN HON. MEMBER: (Inaudible)

MR. SMALLWOOD: Of course, of course. These ships are not only designed for mid-water and bottom trawling but also incorporate the quick change feature from one to the other which is so important in a combination type trawler.

Deliveries of the first four ships will commence in May, 1972. These are the four that are being built in Nova Scotia to serve the plant here in St. John's. We have arranged penalty clauses for late deliveries for the four being built in Nova Scotia. We would hope the Marystown yard will get back in production at an early date in order to make their deliveries as quickly as possible.

During our conversation, that is to say the conversation he had with me in Louisiana the day before he wrote this letter, during our conversation he also mentioned they do not plan on opening the St. John's plant for this summer season. "We did send two groups to St. John's, who made a careful study of the supply situation, the situation with regard to the supply of fish for this plant, and we concluded that if we opened we would only be taking work from existing plants, as there seemed to be sufficient plant capacity to accommodate all the fishermen in the area."

"It is hoped however," hear this Mr. Speaker, to use the words of a famous Liberal radio commentator, a continuing Liberal, like the continuing Presbyterians, he is a continuing Liberal, in the words of a famous continuing Liberal hear this, I mean hear me...

AN HON. MEMBER: Hear this, my lovlies.

MR. SMALLWOOD: This right here. "It is hoped that when we open the Ross-Steers Plant, we can increase the supply of shore fish by providing services

and possibly financing to induce more fishermen to go back into the fishery." That is my language. That is the kind of talk I like to hear. It can come only from a fishing company that has the money. National Sea Products had the money. There are other fishing companies in Newfoundland that have not the money, and I conceive it to be very much the Government's duty to find some way of getting some money into the hands of such fishing companies who are eager to go ahead but have not the capital to help the fishermen to finance themselves and finance the acquisition of boats.

"We expect shore fish to play an important part in our summer operations once the plant is open. 'Apart from the shore fish,' (that is, still talking about the possibility of opening here this year.) 'Apart from the shore fish we looked into various ways by which the plant could be supplied by trawlers, both from our own Nova Scotian fleet as well as from outside sources. We had little success in coming up with anything that was economically feasible. So, with the lack of sufficient shore fish, no outside trawler production, and the late deliveries of our new trawlers, we concluded that we had no choice but to postpone the opening until such time as a continuous operation is possible.

"We plan, however, to commence operations in the late spring of 1972, that is just about now - a year from now, and are planning for capacity production as soon after opening as possible."

Now, Mr. Speaker, here is the answer to remarks made by the hon. the member for St. John's West in his constructive and creative and level-headed, down-to-earth, feet-on-the ground, rational, civilized and common-sense speech this morning.

MR. CROSBIE: May I have that again please.

MR. SMALLWOOD: No, get it in Hansard. It is all taken down carefully, and the hon. gentleman will be able to use it when he runs as a Tory in St. John's West, and see if the commendation of the Liberal Leader will help him to get elected as a Tory in St. John's West, which I doubt, I doubt very much.

The final paragraph of the letter, Mr. Speaker, is as follows:

this is from the president, the head of this great company. "As far as the additional four trawlers to be built at Marystown are concerned, we understand our obligations, and we will be looking at the matter just as soon as we can appraise our new design and are in a position to make further financial commitments." In other words, what he is saying is, "I understand quite well we have to build four draggers in Marystown." They do understand it quite well and from conversations we have had, there are no doubts whatsoever that they will build these four draggers in Marystown in addition to the two that they are building now, making a total of six to be built in our shipyard at Marystown.

Of course, of course, and it scarcely needs to be said, of course the prices have got to be competitive. If they are getting these trawlers built in Nova Scotia for \$2 million each, Marystown has to build them for \$2 million each. The quality has to be as good, and the speed of delivery as good. What kind of fools would they be to have it otherwise? What kind of confidence could the Government or the people of Newfoundland have in that company if they were such fools as not to insist that Marystown shipyards be competitive in prices, quality and speed of delivery? I fear that National Sea Products would not have become the great success they are, perhaps the most successful fishing company in all of Canada bar none, beyond comparison, if they had not been business-like in the building of ships, the operation of their plants, the packaging of fish and the sale and marketing of fish in the various markets. They would indeed, they would truly be jackasses if they were to act otherwise. They are not jackasses, Mr. Speaker, they are a long way removed from being jackasses. If we want to pursue that simile they are Arabian Stallions. They are the last word in horse-flesh. They are efficient animals. They are a very successful fishing company, and it is a good thing, as the hon. the member for Harbour Grace remarked, it is a good thing for Newfoundland that a successful company such as this are coming in to Newfoundland to enter into our great fishing industry.

What are we doing in Ottawa to ask them to take - to restore the fifteen percent that they cut off their fifty percent subsidy, cutting it

down to thirty-five percent. I can assure the hon. gentleman that we have not been silent, we have not been dumb, we have not been negligent. We have pressed and will continue to press Ottawa to restore that amount.

One other point, I think there was really only one other point requiring an answer from me and that was the question of the capacity of the yard. I do not know how many ships can be built in the great shed. I saw two draggers being built in it simultaneously, the only two that were built. I do not remember the scene as it presented itself to my eyes at that moment, whether two others could have been built simultaneously as well as the two that were there. In other words, I do not remember, from what I saw, whether four draggers could be built inside that building.

MR. MURPHY: Not draggers of that size.

MR. SMALLWOOD: Not draggers of that size. Two of that size and maybe two of a smaller size. Maybe four could be built in the shed, but, outside the shed there is room to build two or three others or more.

AN HON. MEMBER: Ten or a dozen.

MR. SMALLWOOD: Ten or a dozen?

AN HON. MEMBER: You can build ships all over the place.

MR. SMALLWOOD: That is right. As a matter of fact you can build a dragger in bits and pieces and then assemble them and weld them together. Do you know what they do, Mr. Speaker? They build a piece of a ship say in Norway. In Spain they build another piece of that same ship. Somewhere in the United States they build another piece of that same ship. They plug the two pieces built separately in Europe and tow them across the Atlantic. Then they weld all three pieces together in the one ship. Similarly, at Marystown, they could build draggers in bits and pieces and bring them together, weld them into one and then launch them by means of the synchrolift, into the water, so that when it is said that that shipyard was designed to turn out was it ten or was it twelve a year? Twelve I think, one a month. When it was said, as it was said at the time, that Marystown shipyard was built to have a capacity, a physical capacity to build twelve a year, or one a month, a dragger a month, averaging a dragger a month, when this was said it was the simple truth. It

was and it is now the simple truth. This can be done, but, of course, two things are needed. One is the orders, You do not build draggers on speck, put them on the shelf, stash them away in the hope that someone will come along and buy them because, before you build a dragger, you have to know exactly, precisely, to the last inch what kind of dragger the buyer is going to want. He has to tell you that when he gives you the order. You do not begin to build until you get the specifications and precisely what kind of dragger is wanted.

AN HON. MEMBER: (Inaudible)

MR. SMALLWOOD: I doubt it very much. The demand for shipping in all the shipyards of the world, whatever might have been the case formerly, I doubt that it is so today because the demand now placed on the shipyards of the world to fill actual orders is so great, is such certainly that they would not dream of building boats on speck in the hope that somebody will want to come along and buy them. Not only that, but there has been such a remarkable development of ship design, especially of draggers, since the war, in the last ten years, in the last five years, in the last one year, such a tremendous development in the development of the design of ships, that no yard, even if a yard had nothing much to do, and had the money and the men, no yard would build a dragger on speck hoping that someone would come and buy it.

Sir, what would be needed at Marystown to turn out twelve draggers a year is first, orders for them from people who want them, and who will provide the specifications which will tell exactly, exactly what they want built. Secondly, tip-top management and tip-top staff, tip-top men, ambitious, eager to make a success of the yard, and knowing how to work. The combination of orders, of management, and men, efficient men, would enable a dragger a month. Now that is \$2 million a month. That is \$24 million

MR. SMALLWOOD: a year to be produced at Marystown.

I end as I began by saying that we are very proud of this deal that we have made with National Sea Products, we think it is a good deal, we think it is a deal that will create something of the order of 600 new jobs that do not exist at this moment, 600 jobs in St. John's and in Marystown and more than that, more than that should have the effect of creating that many jobs in Marystown alone, if the building, first of the two draggers and then of the four, the building of the six draggers should have the effect of enabling the yard to recruit good men and these men should acquire efficiency and speed and the management turn out to be tip top. In that event, Sir, there is no reason why that yard should not go on three shifts, the three shipyards working three shifts a day and perhaps even seven days a week, with swing shift and the like, with the number working in and around that yard numbering perhaps as many as 500 or 600 workers over and above the number that will be working in the plant across the harbour and over and above the number of men that will be working on the six draggers to serve that plant, to be followed perhaps by four more. You can easily picture ten draggers involving, what? Twenty men each, is it? Fifteen? Twenty? Sixteen men, another 160, six and three are nine, 1000 jobs. It is easy to imagine without stretching it, 1000 jobs, direct employment in the yard, in the plant, on the draggers and those 1000, as sure, as we are sitting here, will give rise to at least another 500 jobs. So that is the multiplier jobs, which in Newfoundland averages one and a-half to one, but taking it as one-half of one, to one, not one and a-half, but half of one to one, could mean another 500 jobs, which means that what we are talking about here is what may possibly, I do not guarantee this, some clown, some criminally-minded menace in human form is bound to say six months from now, that I promised 1500 jobs, you know. Just mention 1500, and it becomes a firm promise to which I attach my soul, mortgage my life and my name and reputation forever, that. I have promised 1500 jobs. What I do say is that this Bill could conceivably lead to the rising up of 1000 or

MR. SMALLWOOD: 1200 to 1500 jobs that do not exist in this Province today. So I have great pleasure in moving the second reading.

On Motion Bill read a second time, ordered referred to a Committee of the Whole House on tomorrow.

Motion: Second reading of a Bill, "An Act To Amend, Revise And Consolidate The Law Respecting Accident And Sickness Insurance." (No. 9).

HON. G. A. FRECKER: (MINISTER OF PROVINCIAL AFFAIRS): Very largely, Mr. Speaker, this Bill is the result of negotiations between the Deputy Minister of Provincial Affairs, the ex-officio Superintendent of Insurance for the Province and his counterparts in the other provinces of Canada. The association of Superintendents of Insurance endeavour at various times of the year to get together to examine the various Acts dealing with insurance and, as a result of their deliberation and as a result of follow up correspondence, they come to certain agreements resulting in recommendations to their respective Government.

Now the ^{regulation} insurance across Canada should be as uniform as it is possible to make ^{it}. That is quite basic, taking life insurance or car insurance, accident insurance, fire insurance. It is ever so much better for the citizens of Canada, if what is valid in one province is valid in all provinces, especially as most insurance companies operate across the whole Dominion.

Now I have three or four Bills here, this is the principal one, and the whole purpose behind it is to bring our Act in uniformity with similar Acts in the other provinces of Canada. I might say that the Amendments recommended have already been ^e affected in what are known as, "the common law provinces," that is, all the provinces of Canada with the exception of Quebec, which, as is known, operates under the Napoleonic Laws or Code.

Now I have a few notes here that I might just read to pinpoint some of the matters involved. Generally, the language of the present Accident Insurance Act has been revised, where appropriate, to conform more closely to the comparable provisions of the Life Insurance Act and in some instances is updated to reflect the current practices in industry. Under the Provisions

MR. FRECKER: of the Accident and Sickness Insurance Act, 1957, provision existed for accident and sickness insurance only. This Bill would enlarge the scope of all types of insurance, including sickness, accident and group life. Under the 1957 Act, no provision existed for Group Life Insurance. This Bill would make provision for blanket insurance, family insurance, group insurance, group person insured, vending machines, etc.

Because of the changes already in the uniform Life Insurance Act, 1960, provision has been made to issue policy on the lives of miners. This will cover all persons between the ages of sixteen and twenty-one insured on the group policies, whether written under this Act or the uniform Life Insurance Act. The language of this Act also has been revised to conform more closely to the Life Insurance Act, 1960.

I may say, Mr. Speaker, that the recommended Legislation incorporated in this Bill has already been enacted in Manitoba, British Columbia, Ontario, and New Brunswick, and was to be proclaimed in all the other Common Law provinces, other than Newfoundland, on the 1st of April of this year. And it is my hope that, if and when this Bill becomes Law, it will be proclaimed with the least possible delay.

I move second reading.

MR. T. A. HICKMAN: Mr. Speaker, I would just like to direct one question to the hon. minister. Did I understand him to say that the Legislation has been proclaimed in the other provinces now?

MR. FRECKER: Several of the other provinces.

MR. HICKMAN: Well, may I suggest a very simple way to avoid proclamation would be to take out the last clause, and it would become Law now, as soon as it is passed.

On Motion Bill read a second time, ordered referred to a Committee of the Whole House on tomorrow.

Motion: Second reading of a Bill, "An Act To Amend The Survivorship Act, 1963." (Bill No. 8).

MR. FRECKER: This Bill, Mr. Speaker, covers amendments to deal with a situation such as this, for instance, you and your wife, Mr. Speaker, might be travelling in a car and you might get into a fatal accident. Now as matters stand at present there is some ambiguity about who the beneficiary might be, supposing your wife is a beneficiary, who died first in a car accident: ~~we now provide~~ the Amendment, which provides that whoever dies first, the beneficiary would have been deemed to have died first, so that your insurance would still go to your estate. That is basically what this Amendment would provide for, and I recommend the second reading of this Bill.

MR. HICKMAN: Mr. Speaker, this amendment refers then to Section 29 of the Act that just passed second reading. Section 29 of that Act says that in the event of a common accident the beneficiary is presumed to have died first and that the insurance money is payable in accordance with Sub-section 2 of Section 24 of the same Act, and this relates to the Bill we have before us now, The Survivorship Act.

Now Section 24(2) says that, where a beneficiary predeceases the person insured or a group of persons insured, as the case may be, and disposition of the share of the deceased beneficiary the insurance money as provided in the contract or by declaration, the share is payable (s) to the surviving beneficiary. I do not quite understand that, because -

MR FRECKER: Because the surviving beneficiary, in this case both are dead, whether he died first or not, the beneficiary would be, for the purpose of this amendment, the person who died first.

MR HICKMAN: I am not sure the beneficiary is the right definition there. Are we not talking about next of kin?

MR FRECKER: It would go to the estate, you see, of the survivor, and for purposes of this Act the survivor is the person who was the insured.

MR HICKMAN: Not the beneficiary, the insured.

MR FRECKER: Right.

MR HICKMAN: This is the point I am making. As I read this Act, it is an insurer and a beneficiary, if they are killed in a common accident the law presumes that the beneficiary died first. That is fine. That is clear, and

MR. HICKMAN: that is good law, that is good legislation. But here, in 24(2), it says that in such an event the insurance then goes to the surviving beneficiary. But there is no surviving beneficiary. There may be an explanation for it. Maybe I am missing some interpretation of it, but it is not that clear to me. Let us see the definition of beneficiary in that Bill.

MR. SPEAKER: (NOEL): I think what we are on now is really a matter for Committee.

MR. HICKMAN: I think, Mr. Speaker, knows the answer.

MR. SPEAKER: Yes.

MR. HICKMAN: Beneficiary means a person designated or appointed in a contract by declaration other than the insured or his personal representative to whom or for whose benefit insurance money payable in the event of death by accident is to be paid. We are not talking about beneficiary here, we are talking, the beneficiary is dead, the predeceased be insured. There seems to be some conflict, Mr. Speaker, in the principle of these two Bills.

MR. FRECKER: Well, I can look at that from that point of view.

MR. J. CROSBIE: Mr. Speaker, I disagree with your statement that this is not the time to discuss, this is the principle of what we are discussing here, is just what the hon. member is discussing. This has passed its second reading and approved in principle, but the whole Bill is just this one little section here, so I think, it is very germane, But if the hon. minister is going to make sure that it is checked out before the committee, well that is fine, and I think that is the principle of the Bill.

I cannot understand it myself either. So the minister said he is going to check it out. It is all right.

On Motion Bill read a second time, ordered referred to a Committee of the Whole House on tomorrow.

Motion: Second reading of a Bill, "An Act Further To Amend The Act 4 Ed. VII Cap 13 Entitled "An Act To Provide For The Transportation Of Timber Over Streams And Lakes, And For Other Purposes In Connection With Crown Lands." (Bill No. 18)

MR. CALLAHAN: Mr. Speaker, this is really an uncomplicated Bill and I think it is the latest in its series of amendments to Legislation dating back, I believe, to 1904. The principal act conveyed, to the Reid Newfoundland Company, certain lands in fee simple but provided that the timber on certain parts of those lands should remain vested in the Crown for the use, at the time, of the general public. I suppose really this formed part of the old, what we used to refer to as the three mile limit and the act provided, among other things, that if Reids wished to sell or lease their lands or part of their lands or any part of them for mining purposes, then any part of these fee simple lands in respect of which the timber was reserved to the Crown, must be subject to a release from the Government of the timber reservation, and the maximum acreage in respect of which the Government was authorized to release timber was and still is, I think, despite, I think I can say despite, a number of amendments, particularly in the 1950's, fifty acres.

The purpose of this latest amendment is to authorize the Minister to issue a certificate freeing such acreage of land as may, in his opinion and upon advice, be necessary and incidental to the proper conduct especially of mining operations, and that such certificate be issued on terms and conditions to be required by the Lieutenant-Governor-in-Council. The problem, simply put, Mr. Speaker, is that there has been some difficulty and impedance to prospective mining development, certainly to mineral prospecting, in light of the very strict nature of the existing Legislation as it applies to what are, in fact, fee simple lands. The intent of the amendment is to provide flexibility that does not now exist in order to enable, in this case the Reid Newfoundland Company, to enter into negotiations and to conclude agreements on their land for mineral exploration.

I think there is not much else I need to say. As I have said, there have been numbers of amendments from time to time and I think this is just another variation, Mr. Speaker, of amendments that already have been brought in, with the additional provision for flexibility that has never really been

MR. CALLAHAN:

attained in the various changes made in the principal act up to this time.

I move second reading.

On motion, Bill read a second time, ordered referred to a Committee of the Whole House on tomorrow.

Second Reading, a Bill, "An Act Further To Amend The Fire Insurance Act, 1957."

MR. FRECKER: Mr. Speaker, we are again dealing with matters recommended by the superintendent of insurance of the various Provinces and what we have done here is to make our act conform with the acts across Canada. Basically, I have a few notes here. We have broadened the part of the act dealing with termination of contract and where the insurer terminates the contract we have broadened it and where the policy is terminated by the insured the refund is to be made as soon as possible, the actual premium to be refunded by the insured is to be made as soon as possible, the method used to determine the refund shall be the short-rate premium, that is the one most favourable to the insured.

We have also amended the statutory condition (11) by changing the word "independent" to "independently" in the seventh line, after the word "and" and we have also changed statutory condition (15) by adding the words, it reads as follows: This section has been amended by inserting the word "head" after the word "or" changing the condition now to read, "agency or head office" instead of "agency or office" because many insurance companies have several offices in a Province or in Provinces and without the word "head" there could be some ambiguities, so we have inserted the word "head." This is on the recommendation of the superintendent of insurance and it will avoid confusion. Basically it just makes our act uniform with those of the other Provinces, and I recommend second reading.

On motion, Bill read a second time, ordered referred to a Committee of the Whole House on tomorrow.

Second Reading, a Bill, "An Act Further To Amend The Insurance Contract Act, 1961."

MR. FRECKER: Mr. Speaker, this Bill, "An Act Further To Amend The Insurance Contracts Act," we have changed a few things, ⁱⁿ ~~in this~~. Sub-section (3), and ^{the Act} ~~the amendments~~ Again I might make a preliminary statement that it is just to bring our act in conformity with those in the other Provinces of Canada and ~~the amendments~~ ^{the amendments} that we are now recommending have been incorporated in the Legislation of the common law Provinces of Canada. Sub-section(3) of section(11) has been changed by removing the words "for any promise to pay" making this section more precise and definite in its intention. These words, "or for any promise to pay" were kind of vague in their implications.

Sub-section (2) of section (12), this sub-section is changed by inserting after the word "and" in the second line the following: "in addition, the provisions of section (13) shall not be available to the insurer as a defence to an action brought, after such neglect or refusal, for the recovery of money payable under the contract of insurance." Apparently if a person failed to act within sixty days he could be debarred from receiving what he might have received had he complied, and this sort of protects the insured in this case. This section (13) refers to restrictions on action to recover money on the contract where an action shall not be brought for the recovery of money payable under the contract until the expiration of sixty days after proof in accordance with the provisions of the contract.

Sub-section (3), this is a new section and, as it infers, the fact that forms for proof of loss were supplied by the insurer does not constitute liability only valid contract. That is a new section. Sub-section 20(a), this section is completely new, it safeguards the rights of the insured by providing that the continuing insurer, where there is a change from one company to another, assumes liability under agreement for the retiring insurer's contracts, that is the insurer does not lose just because there has been a change of hand among companies. I move second reading of this Bill.

On motion, Bill read a second time, ordered referred to a Committee of the Whole House on tomorrow.

Second Reading, a Bill, "An Act Further To Amend The Insurance Companies Tax Act."

MR. JONES: Mr. Speaker, this is a very simple amendment. It would have the effect of exempting insurance companies, or probably I should say, benevolent insurance organizations, organizations that are carrying on insurance on a non-profit basis, it would give them exemption from the Insurance Tax Act. This was prompted by a fairly large group in the Maritime Provinces and I was advised that we are the only Province and have been the only Province for a number of years that have not been giving them this exemption and I think it will as well relieve other non-profit organizations, all non-profit organizations from this same tax.

I move second reading.

MR. CROSBIE: Mr. Speaker, is this the Bill that has to do with the insurance premiums - this is the Bill that imposes tax on insurance premiums, is it?

MR. CURTIS: This is Bill No. 10.

MR. CROSBIE: Yes, "An Act Further To Amend The Insurance Companies Tax Act," but is this the tax that is imposed on insurance premiums or is it a different tax, that is just my question? You know, is this the Legislation through which the Government taxes insurance premiums or is this a special tax on insurance companies because if it is the insurance premiums tax I wanted to ask the Minister a question? No, they are two different Acts, I think. This is a tax on insurance companies not on their premiums.

MR. JONES: Mr. Speaker, I realize if I speak now I will close the debate.

MR. SPEAKER: If the hon. Minister speaks now he closes the debate.

MR. JONES: That is so. This will exempt these benevolent organizations from the tax on the insurance companies tax, not the insurance premiums.

AN HON. MEMBER: (Inaudible).

MR. JONES: It could very well be, yes. Blue Cross, Blue Shield.

On motion, Bill read a second time, ordered referred to a Committee of the Whole House on tomorrow.

Second Reading, a Bill, "An Act To Repeal The Department of Municipal Affairs Amendment Act, 1969."

MR. DAWE: Mr. Speaker, this is a simple amendment. In 1969 an Act was passed to change the name of the Department of Municipal Affairs and Housing to the Department of Municipal Affairs and since that time housing now has been transferred to the responsibility of the department and the act at that time was to come into force by a proclamation by the Lieutenant Governor-in-Council, and no proclamation has been made and so it is therefore intended that in future the responsibility of housing will remain within the Department of Municipal Affairs, and this is the intent of this Bill. At the same time we ^{are} move from the statute books an unnecessary statute a simple amendment. I move second reading.

On motion, Bill read a second time, ordered referred to a Committee of the Whole House on tomorrow.

Second Reading, a Bill, "An Act To Amend The Coughlan College Incorporation Act, 1965."

MR. CURTIS: This, Mr. Speaker, is just an Act dealing with the Coughlan College which you, of course, know is one of the colleges connected with the university. It deals entirely with the membership of the Board of Governors, it provides for their retirement, it provides for the filling of casual vacancies and authorizes the appointment of honorary officers. I do not think this Bill will cause the House much trouble, therefore I move the second reading.

On motion, Bill read a second time, ordered referred to a Committee of the Whole House on tomorrow.

Motion, second reading of a Bill, "An Act Further To Amend The Women's Patriotic Trust Fund Act, 1920." (No. 36)

MR CURTIS: This is a Bill, Mr. Speaker, the Women's Patriotic Trust Fund Act, 1920. The House may not be aware that during the First World War there was an organization in Newfoundland known as the Women's Patriotic Association. That Association collected a lot of money, quite a considerable bit of it, and it was designed to assist the families of veterans. There were certain trustees appointed, most of those who were trustees have passed on, and the fund is there and very few claims are being made against it by veterans, are being made against it by veterans of the First World War.

The object of this legislation, which we are asked to pass by the Canadian Legion, is to incorporate, in addition to veterans of the First World War, veterans of the Second World War and their families, also veterans of the Korean War. It is to make provision for the appointment of a live directorate. In future the directors will be, if this Bill passes, a board of trustees consisting of the Registrar of the Supreme Court, the other trustees appointed by the Lieutenant-Governor in Council and nominated by the Newfoundland and Labrador Command of the Royal Canadian Legion.

One of the trustees will have served in the sea forces, one of the trustees will have served in the land forces and the remaining trustee shall have served in the air forces. I think this Bill will commend itself to the House and I move second reading.

On motion Bill read a second time, ordered referred to a Committee of the Whole House on tomorrow.

Motion, second reading of a Bill, "An Act Further To Amend The Registration Of Deeds Act." (No.27)

MR. CURTIS: I move Mr. Speaker, the second reading of this Bill. This is a Bill designed really to increase the rates for searches, and certificates of searches. The rates presently in effect have been there since I think 1898 or something like that. Searches in the meantime have become much more voluminous, and it is felt that the fees then charged were not fair payment for the services rendered. It is therefore proposed to increase the fees

as set forth in the Act.

Then there is the provision here for an uncertified search, and I think those among us who are lawyers will appreciate the improvements the Bill effects. I move second reading.

MR. HICKMAN: (First part of question inaudible) in place of the twenty-five cent search now?

MR. CURTIS: I do not think it is twenty-five cents now. I think anybody could make a search for twenty-five cents and they still can, but this is a case where one asks the Registrar to make a search. He makes the search and gives the report.

MR. HICKMAN: Oh, all right.

MR. CURTIS: For that there is a fee of five dollars instead of two fifty or whatever it was before. Now, if the Registrar makes a search, his fee is five dollars. If you want a certificate the fee will be fifteen dollars. That is a certificate which the Registrar vouches.

MR. CROSBIE: I only have a question to be dealt with in Committee, but fifty cents a page for a copy of an extract from the Registry seems very expensive. Is that based on - is that related to the cost of the machine? It will be fifty cents now to get a copy for one page of a deed say, or whatever document you want to get. The charge will be fifty cents for one page. Then it goes on to say, 'together with the certifying fee hereafter set forth,' that does not mean to say that if you want a copy of a deed you have to pay a certifying fee also does it? Can the minister explain that? Fifty cents seems quite expensive for just a copy of a page.

MR. SPEAKER: If the hon. minister speaks now he closes the debate.

MR. CURTIS: Notwithstanding Mr. Speaker, that that is what is intended. If you want a copy of a document down there, if it is two pages you pay a dollar, if it is three pages you pay one dollar fifty, which means you get a photostatic copy of the original document. I do not think that is unreasonable at all.

MR. HICKMAN: This goes for an association, a company or a trustee running into one hundred pages? It costs about what, ten cents a page to photostat it.

MR. CURTIS: Well, I do not suppose they take the pages out of the bindery to do it, but I do not think the photography is done by the Registry of Deeds. I think it is done in a neighbouring office, and actually these fees were recommended to me by the Registrar, and I will be glad to have the matter considered.

AN HON. MEMBER: (Inaudible)

MR. CURTIS: Well you know, sometime between now and tomorrow.

On motion, Bill read a second time, ordered referred to a Committee of the whole House on tomorrow.

On motion, second reading of a Bill, "An Act Further To Amend The Companies Act." (No. 25)

MR. CURTIS: This Bill Mr. Speaker, has been recommended to me too by the Registrars of Companies. It makes provisions for first, the time within which a certain letter is to be sent by the Registrar of Companies. In the past, he has had to take a letter and wait a certain length of time, then after that he sent another letter. This extends the time for sending the second letter, in case of a rush of business he is unable to send the letter within the time limit. This also provides for the registration of shares of people in Newfoundland companies who would die outside the jurisdiction. It is not necessary under this legislation to probate or reseal a will, or to grant as a part of the administration, granted in Newfoundland. This is done particularly in the estates of larger companies, such as Brinco and such companies. It will facilitate the sale of shares and in that case we may do some lawyers out of some fees, but which were really more of a nuisance than anything else.

I would move the second reading of this Bill.

MR. CROSBIE: Mr. Speaker, I have no objection to the amendment really, but I think I suggested last year when we had another amendment to the companies Act, that the Companies Act of Newfoundland is completely outdated for the 1970's and I think the hon. minister must realize every other jurisdiction, certainly England, Ontario, the Dominion of Canada, have modernized and brought their companies Act up to date. We are operating under a Companies Act

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really that basically follows the Companies Act of the 1890's in the United Kingdom, and the time is long since gone when we should have a completely new Companies Act in Newfoundland.

I suggested this last year, but I know the minister has been very busy on legal matters and big deals with respect to the oil refinery and other matters like that. Still, I would like to see the minister appoint somebody now, well perhaps the law reform commission if this is going to be set up now. Somebody should be asked to undertake a study and to recommend a new Companies Act for this Province to bring us up to date for the 1970's. They should study the Companies Act of the other Provinces and the U.K. get the best features in them all and then introduce a new Companies Act here for Newfoundland.

That is my only comment Mr. Speaker. I see nothing wrong with these two amendments, but I do feel that we should have our Companies Act looked at.

MR. SPEAKER: If the hon. minister speaks now he closes the debate.

MR. CURTIS: I must say Mr. Speaker, I agree wholeheartedly with what the hon. member has said. To my knowledge there have been at least three drafts of Companies Acts prepared. These have been submitted to the various parties interested, and we have been unable to get any interest whatever from the profession or from anyone else. The first one I believe was prepared by the judges of the Supreme Court some years ago. Lately there was one prepared, I do not know who prepared it, but we sent it down to the Law Society, we submitted it to them at one of their meetings, and after the meeting most of the copies were just left there on the seats. It is very hard to get people interested.

If the House wishes I can dig up one of these and bring it in and put it through without consulting anyone. Naturally, on an important thing like a Companies Act we would like to have somebody do it. My predecessor appointed a committee to rewrite the Adjudicator Act. We have not yet had the report from that committee but, I think they are finding that they are not

getting the cooperation from certain directions that they wanted. Likewise, it is the same thing with the Companies Act. It is very difficult to find people who are really interested. I am all aboard, I agree absolutely with what my learned friend has said. We should have a new Companies Act, but it means the Attorney General or his successor is going to have to take things in his own hands and put it through and let the chips fall where they may. We cannot get any cooperation from anyone.

As I say, there have been three drafts. I know of two, there was a third one I am sure. Perhaps my hon. friend will remember. There was also a third draft, but if there has been any delay it is not due in any way to my department or to the officials there. It is due to the fact that we cannot get any cooperation what so ever.

On motion, Bill read a second time, ordered referred to a Committee of the whole House on tomorrow.

On motion, second reading of a Bill, "An Act To Repeal The Judgement Debts (Instalments) Act, 1970." (NO. 3)

MR. CURTIS: This Judgements Act, Mr. Speaker, was brought in by the Attorney General of the day, in 1962, and it provided for the payment of judgement debts by instalments. We propose now to adopt section - part (10) of the Federal Bankruptcy Act, and bringing in of that section will make this Judgements Debts instalment Act unnecessary. The new bankruptcy Act provisions will supersede it. Therefore, there is no object in our keeping this law on the Statute Books, and the suggestion is that it will be repealed as soon as the other Act has been brought into force.

MR. MARSHALL: Mr. Speaker, I do not, with greatest respect to the Minister of Justice, feel that part (10) of the Bankruptcy Act does really do the same job that this Judgement Debt Instalments Act does. First of all, part (10) of the Act Mr. Speaker, that is of the Bankruptcy Act, that applies to, by definition, to insolvent persons, and also it has a provision in part (10) of the Act where the amount owed is over \$1 thousand, whether it be on a judgement debt or on a debt for which judgement has not been given, requires the creditors consent. This particular Act, the Judgement Debt Instalments Act, has served

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a very good and useful purpose, and I wonder why it is not possible for both part (10) of the Bankruptcy Act and the Judgement Debt Instalments to exist side by side. Because Mr. Speaker, this Act can serve purposes which part (10) of the Act cannot serve.

One instance that I am thinking of is the case that the person may not be insolvent, but he may be, or he or she should be entitled

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to the benefits of this Act itself. This Act is The Judgement Debts (Installments) Act, and it is an Act whereby judgement has been give against a debtor, the debtor can apply to the court for the purpose of having the amount that is being judged to be due and owing, paid in installments which are commencerate with his or her means at that particular time. It is quite possible that an individual who may not be insolvent but may wish relief of this nature, and it is not through the Bankruptcy Act that that can be given. Also, I do not feel that there is any reason to have this particular relief that is given, a relief given under the Bankruptcy Act. It is much more complicated. It requires much more details to be performed than the speedy and summary Judgement Debt (Installments) Act, which, as I say, is very, very useful. There is no reason for the creditor itself, as in the Bankruptcy Act, to have the consent. It should be entirely within the purview of the judge himself to examine the situation.

Indeed, Mr. Speaker, this Judgement Debt (Installments) Act, has really been the bane of the existence of certain creditors who love to dum people, who are in unfortunate situations, with great ferocity and intensity. I am thinking, particularly, of certain finance companies around who lend money all over the place everywhere to some people or to many people who cannot afford it, and this particular Act, itself, will give an out to the person concerned to have the debt reviewed. I can quote many specific - I cannot quote any specific examples, because one is not allowed to, but I can cite a hypothetical instance, with respect to the finance companies themselves, because of the Mainland practise and the rights of dower and courtesy and what have you. It is the accepted practice of the finance companies to have the wife of the debtor jointly sign the contract with the debtor himself. The debtor, the

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husband himself, can fall under unfortunate circumstances. There are instances where the husband has fallen under unfortunate circumstances; has deserted the wife. The wife is back looking after the family and working. She is not an insolvent person, but she is just managing to keep her head above water and there would be no relief to such an individual from these creditors. I say, mainly, not all of the finance companies, but certainly some finance companies acting in and around the Province of Newfoundland. Whereas there would be relief available to her under The Judgement Debt (Installments) Act, there would be no commensurate relief under the Bankruptcy Act. It is a situation where the judge, in his wisdom, has or they have done in instances such as that, where the amount of interest is tripling twenty-four per cent, twenty-five per cent. The woman is attempting to, say, look after the children, with very small means, and cannot possibly afford the interest itself. The judge, in his wisdom, under the Judgement Debt (Installments) Act can order an amount that is so low that it does not pay the finance company to continue on with the matter, and they get off the person's back.

No, Mr. Speaker, I do not feel that - I do not see why this particular Act needs to be repealed. I think it is a very useful Act. It can exist very, very handily along with the Bankruptcy Act, if necessary. But if it comes to a choice between the two, I would rather see The Judgement Debt (Installments) Act staying in force. Along with that, I would like also to see, alluding to remarks I have made with respect to this Bill. I would also, perhaps, to have seen this Act expanded to give persons protection against the finance companies and also any other lender who gets particularly avaricious, when somebody falls on very unfortunate times, to provide that in the case of, say, a marriage which breaks up, the husband goes his own way and the separated wife, who is supporting the family, has signed under

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contract, to specifically provide that the finance company or any other creditor, for that matter, only direct themselves to the assets that were held during the time of the marriage itself. Because it is a fact, and there are instances where a separated wife, a mother supporting a family, is doing her best to keep the family going. The finance company moves in and tries to take the furniture and tries to take the salary or what have you that she is earning after the separation has occurred. It is not good and it is not good for the welfare of the individuals concerned.

Furthermore, with respect to this, I feel myself, Mr. Speaker, that many people do not understand - many people, as in these situation, do not understand the incidents of guaranteeing these contracts - these very heavy contracts which the finance companies have. It might be well for Government to consider making it mandatory that the individuals concerned, at the expense of the finance company, which is seeking to give the loan, get a letter of independent advice - furnish the finance company with a letter of independent advice from a solicitor advising of her rights at the time so that she is not signing a piece of paper, not knowing fully the consequences of it.

So in summary then, Mr. Speaker, I do not agree with the repeal of this particular Act. I think it is an Act that served us very, very well. It could exist coincidental with part (10) of the Bankruptcy Act, the proclamation of part (10) of the Bankruptcy Act, and I think it would be a pity really to see the Judgement Debt (Installments) Act, which has been to some extent the bane of the existence of some finance companies, now repealed. And that, indeed, certain of the instances arising out of what I have spoken of this afternoon in connection with this matter, should be looked into to give the individuals concerned much more protection than the law now affords

Mr. Crosbie.

Mr. Speaker, I do not want to repeat what the hon. member for St. John's East has said, but I think it makes a lot of sense. I would just like to ask the minister to reconsider whether it is necessary - I myself do not see that it is necessary to repeal this Act. We can proclaim the Federal Act. Perhaps, we cannot. The minister will be advised on that. But if we can proclaim part (10) of the Bankruptcy Act and leave this legislation, in effect, also I would think that that would be the thing to do.

I notice the note here says that the Federal Act is much more comprehensive than our Act. That is only the case in certain circumstances. If it is not necessary to repeal this Act to proclaim part (10), then I feel that this legislation should not be passed. And that there is no need of it being passed.

MR. HICKMAN: Mr. Speaker, if I may add a couple of words. I was always under the impression that it was not necessary to repeal this Act in order to bring part (10) in of the Bankruptcy Act. My recollection is that pretty well all of the provinces of Canada and we may be the only one now that has not asked the Lieutenant Governor-in-Council to proclaim part (10) of the Bankruptcy Act. Many Canadian provinces, I am sure have an act similar to The Judgement Debt (Installments) Act. The explanatory note does not make much sense, because if there is an over-lapping of jurisdiction between the Federal Parliament of Canada and this House and if it deals with matters involving bankruptcy then obviously the Bankruptcy Act must prevail, so that any judgement debtor has an absolute right to avail of any of the protections and any of the provisions that we will find under part (10) of the Act.

But if there are any areas that are not covered by the Bankruptcy Act, and I am in complete agreement with what the hon. member for St. John's East has said and that is that this does not, as I understand it, take care

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of the small debtor, the man who has the right to go into court and say, I want to pay my bill by instalment, and I am not bankrupt in the technical sense of the word. I cannot afford to go bankrupt, because this is - the Bankruptcy Laws of Canada, Mr. Speaker, are probably the most out of date piece of legislation that we have today. People, bankrupts, cannot afford to go into bankruptcy. Creditors cannot afford to put people into bankruptcy. because they have to pay whopping big fees to the licenced trustee in order for him to agree to accept the position. Now this is wrong. It is ridiculous. I am not criticizing the trustee, because quite often the trustee, in bankruptcy, will incur thousands of dollars of disbursements only to find that the bankrupt estate cannot repay him. He has to protect himself and the people he employs, like auctioneers and others, to carry out the work for him.

But we have a very good case right now and that is Lincoln Construction. That company has ceased operation. A lot of creditors have been very seriously embarrassed. The Bankruptcy Act is supposed to protect all creditors and to make certain all creditors are paid pursuant to the provisions of the Bankruptcy Act. But some creditor has to make a petition, file a petition, and in his petition he has to say, "John Jones, a licenced trustee is prepared to act." This is going to mean a tremendous amount of work for the trustee in bankruptcy, when he tries to wind up that type of operation. The trustees have asked for a very large and substantial sum of money. The result is that some creditors are being paid and others are not being paid. Again, a trustee in bankruptcy has the right to review certain transactions that have transpired and taken place prior to bankruptcy. The trustee, in bankruptcy has the right to see whether any creditors have received undue preference. A trustee, in bankruptcy has the right to see whether any principles in the company or bankrupt company has withdrawn funds in anticipation of bankruptcy. He has an obligation

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to see that any instrument that is designed or alleged to give preference to a certain creditor, or group of creditors, that that instrument is sound law. This is why I say that the Bankruptcy Act in Canada today is a most discriminatory piece of legislation, It is a piece of legislation that does not afford creditors the type of protection that they are entitled to receive. In certain provinces of Canada, particularly, in the Province of Quebec, I suppose, there has been more fraudulent acts committed under the Bankruptcy Act than under any single piece of legislation. There are people up there that go bankrupt every couple of years, as a matter of course.

Mr. Speaker, we have to have better protection. If a person, through no fault of his own, or a company, through no fault of their own, find itself unable to pay the bills, and if it finds that it cannot meet its obligations, then obviously they have to apply or petition for bankruptcy. But we cannot have some creditors preferred over others, unless they have the kind of security that gives them that preference. We have to be in a position where the trustee, in bankruptcy, can review all transactions and see that there is no monkey business having gone on in advance. I believe that the answer to it is for the Government of Canada to appoint and pay a permanent trustee and have, at least, one trustee stationed in each province and in the larger provinces you would probably require several. They would be servants of the Crown. Something like the official receiver. But the present Bankruptcy Act is a sham. It leaves itself open to fraud and I suggest, to you, Mr. Speaker, that people have taken advantage of it. I suggest to you that creditors in this Province have been grossly discriminated against.

Now this Bill before the House is supposed to be unnecessary because of part (10) of the Bankruptcy Act. Atlantic Brewing is another one. Why have not the creditors had protection of the Bankruptcy Act there? They have not, because no creditor can afford to find the money

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to pay the trustee. But this Act, Mr. Speaker, I submit is complementary. The Judgement Debtor's Act, rather - The Judgement Debts (Instal:ments)Act is complementary to the Bankruptcy Act. I am all for part (10) being proclaimed and the sooner the better. But I do not believe we need to repeal the other Act. For that reason, I cannot vote for this Bill.

MR. CURTIS: Mr. Speaker, I do not think I would close the debate now. I may just adjourn it, because we are bringing in part (10) of the Bankruptcy Act at the request of the Law Society, and they have been very urgent in their pleas that we bring this Act into force. My department has

MR. CUPTIS: advised me if we bring it into force we must repeal this Act, because it is a jurisdictional question. The Federal Government having come into the picture, can we have this legislation? I would be glad to have that matter looked into. I therefore move the adjournment of the debate, so that I can check on the situation. In the meantime I would thank my hon. friends for bringing this matter to my attention. This is not a political Bill. This is a Bill that I am interested in as a lawyer and I am interested in the points raised by my hon. friends, just as they are. If I thought for a minute that by bringing in the amendments to the Act that people were going to be limited to \$1,000 before they can get redress or release, I certainly would be the last one to bring it in. I will have to check that out.

Mr. Speaker, I move the adjournment of the debate:

On motion second reading of Bill, "An Act To Repeal The Judgement Debts (Instalments) Act, 1962." (Bill No. 3), adjourned.

Motion: Second reading of a Bill, "An Act Respecting The Application And Effect Of Certain Acts Passed In The Present Session Of The Legislature Upon The Revised Statutes Of Newfoundland." (Bill No. 23)

MR. CURTIS: I do not think anybody, Mr. Speaker, can make a mistake in connection with this Bill. This provides that any amendments we make during the present session will automatically amend the consolidated statutes when printed. The consolidated statutes, as I understand it, are being printed now, what it is going to do and the amendments we are making will affect some of the Acts that have been consolidated. Strickly, the reference in this Act should be to the Chapter and Section of the Consolidation. But not having any consolidation and the consolidation not being available, we are amending the old Acts, The effect of this Act, is to bring into the new consolidation, to make those amendments applicable to the new Act, as consolidated. So, I think, it is so clear that I need not explain it any further. I move second reading.

On Motion Bill read a second time, ordered referred to a Committee of the Whole House on tomorrow.

Motion: Second reading of a Bill, "An Act Further To Amend The Fatal Accidents Act." (Bill No. 15).

MR. CURTIS: Mr. Speaker, the object of this Bill is to make certain amendment to the Fatal Accidents Act. Remember in the Speech from the Throne, we made a break, we said that children born out of wedlock under the Fatal Accidents Act - I think my hon. friends fixed that.

Clause 2 of this Bill would, as recommended by the Gushue Commission, extend the definition of "child" and "parent" for the purpose of the principal Act. It is similar to the legislation they have in Manitoba and New Brunswick. It includes, therefore, an illegitimate child, and a person to whom the deceased stood in loco parentis, and the word "parent" has to be changed accordingly. Another section of the Act deals with the case of actions to children. Of course the members may not realize, if a motorist runs over a child, the parents have no redress at all against the motorists, because the child is not earning. It has no earning capacity and, therefore, there very rarely is an award made, except it can be shown there was pain and suffering in such circumstances. In fact I have seen cases where the motorist has not even been willing to pay the funeral expenses of the deceased infant. This amendment will cure this and will enable a parent to recover for the loss of his child at least to the extent of paying the funeral expenses, up to \$1,000. Of course, this is in addition to any other claims that he may have under the Act, but it certainly will relieve him, the parents, from having at least to pay for the result of somebody else's error.

I move the second reading of the Bill.

MR. HICKMAN: Mr. Speaker, this is very desirable legislation, and the hon. the Attorney General is quite right when he says that, a great deal of hardship has been caused over the years as a result of not having this kind of legislation, indeed, it has been slow coming in Canada.

MR. HICKMAN: One thing that I would like to see some pioneering in insofar as this type of legislation is concerned is the right of a parent to recover damages arising out of the death of a child resulting from the negligent operation say of a motor vehicle. The fact now is that, a parent is not likely to recover, and there was a decision of the late Mr. Justice Winter, which indicated that a parent was not entitled to recover any damages arising out of a death of a child. Now I am not suggesting that people profit as a result of that, but there are certain cases where a great deal of mental anguish, well mental anguish follows every case of this kind, but some even more so than others. I recall one case about ten or, it was when the Trans-Canada Highway was under construction in the vicinity of Grand Falls, where a father was driving a tractor along the highway under construction, he was overtaken and passed by a motorist who was driving at an excessive rate of speed and he saw that motorist kill his little boy a few hundred yards up the road, he was helpless to do anything about it. Now that father suffered a mental breakdown, really I do not believe that he ever worked after. He certainly never recovered his normal stability. An action was taken and the Law did not allow any damages in that case. In my opinion, this is not peculiar to Newfoundland, this apparently is the common law. I think the law is wrong on it. I am sure it is. I think, that there has to be, there should be provision that somebody, why we can pioneer here just as well as the uniformity of legislation, right here. I think to the cause of action, if it happens to be created by legislation, should be created. True that the onus will still be on the parents to come in and prove damages, and damages will vary from one to the other. But, I do believe that the Law has been very slow to change, the Law that may have been satisfactory five hundred years ago has not evolved rapidly enough as a part of the common law.

Section 2, maybe the hon. the Attorney General will comment on this. Clause 2, as I understand it, and the explanatory note indicates it, extends the definition of a child to include an illegitimate child, which presumably means that in the event of a death of the father or the person who stands in

MR. HICKMAN: loco parentis of the illegitimate child that damages can be awarded.

Now, Mr. Speaker, there is another similar problem and I do not believe that this section takes care of that, and that is with respect to a person living common law. And, again, I can cite an example, about eight or nine years ago, there was a very bad accident in Placentia West, I suspect my friend from Placentia West recalls it, when a man coming back from work in the fish plant in Burin was killed by a utility truck. I do not know if this rings a bell or not. It was a very serious accident, the question of negligence was pretty well beyond doubt. The man had been living for many, many years, twenty years common law. His first wife, to my recollection, had deserted him in the early forties when Argentina opened, he did not even know where she was. The people in Placentia West, that is far as I want to identify the town, had over the years treated, ^{them as} thought they were husband and wife. They had a nice home, they lived very well, but just off the income that they could earn from month to month. If she had been the true wife, the legitimate wife, the damages in that case would have been very substantial indeed. But, unfortunately, she was a common law wife, she had absolutely no right of recovery, she did not recover a solitary cent. Yet, she was left with five or six children to raise. To my knowledge, she has struggled with assistance, she was a lady who had never gone on social assistance. She was not an immoral lady, she did a first class job of raising her family and she has raised fine children. But she never recovered a nickle.

I believe that, as we moved into the last half of the twentieth century that some of the mid-Victorian puritanical attitudes that we had towards these things have to change and we have to be a bit more realistic. I would like to see the Fatal Accident Act extended still further to allow a common law wife a cause of action. Now I do not see it there, my interpretation of it was that this is to provide, to define an illegitimate child, as a child within the meaning of the Act of a parent who was killed.

MR. HICKMAN: This is good, but I would like to see the next step.

MR. CROSBIE: Mr. Speaker, it is amazing how people do not understand that the only claim you have, as the hon. the member for Burin is saying, that in connection with a fatal accident is a claim for loss of income. Most people assume that, if the husband or wife or child is killed in an accident that they automatically have a claim for some amount of damages or money, because of this loss. The reverse is the fact, that fatal accidents legislation was passed because of the common law there was no action at all for the loss of life. This legislation was passed so that if you were dependent upon the person, who lost their life for your income, for your support, then you had a claim.

The peculiar thing about this legislation is that, if a wife loses her husband who is an earner, who is earning the income, supporting her, she has to claim for the loss of income. But, if a husband loses a wife, he has a very small claim because his wife, and most wives are not working, and his claim then is only based on her value around the house, as doing housework, and this kind of thing.

Another great anomaly is that, if your husband, if the man who died say earns \$3000 a year, the claim may be, I do not know, he might receive depending on his age, when he dies and how many years of work he had left and so on. He might have a claim for \$15,000 or \$20,000. But, if a person struck down in an accident, who dies, is earning \$25,000 or \$30,000 a year, he may have a claim for \$100,000 or \$150,000. So there is no allowance at all for mental distress or anything like that, as the hon. member has said.

Now whether or not you could amend the legislation to permit a claim in a case of children, where children die, for mental distress. There is no loss of income, when young children die, I had a case myself a few months ago, where a child at three was run down and killed. And, of course, there is no claim for any sum of money, the parents were not receiving any income from this child. If a child of sixteen or seventeen dies who does work, sometimes you can collect a bit on the bases that he

MR. CROSBIE might have been working and contributing in their support, if he was that age, perhaps in the summer he may have a small claim. But there is no claim at all for the loss of a child, because a child is not earning any income. So this is not something that could be done hastily, but the Law Reform Commission or the Government itself might give some consideration as to whether a claim could not be added, as the hon. member for Burin has suggested, for mental distress and loss in the case of the death of children who are not earning any income. It is still a terrific loss for the family anyway, although it is one that you cannot define in terms of money, of course, which is one of the difficulties. But, perhaps, some stated amount, after all

through a persons negligence, a life is lost. My feeling is that the person who was responsible for the loss should have to answer for it more than just their own feelings or how they feel about it. I certainly support these two amendments. The hon. member for Burin has mentioned the common law wife. My feeling is Mr. Speaker, that in a situation where common law wife or husband where they are living together and have for a number of years and are considered as being married, they should have a claim, but you can see that there could be complications. If, for example, the first wife, they are living separate and apart but the man in question is paying his first wife some money for separation or she gets some income from him, she has a claim now under the Fatal Accidents Act.

Now if you are going to amend the Act and also allow common law wife to have a claim you are going to have two claims for loss of income by two wives, or perhaps three. It could be three so it is difficult to see where, how the legislation would be framed because of that very point. There may be some way of doing it but it would certainly need careful consideration. I certainly support the change to that - an illegitimate child is included - to take an action for the death of his parents and I believe that this amendment to allow funeral expenses is certainly a valid one. The insurance companies have been allowing Mr. Speaker, but as a matter of goodwill they have been paying funeral expenses of children who die in accidents and the case I mentioned they also paid the father his loss of wages because he had to stay home with his wife for a week while she got over the shock and so on. But, it should not be a matter of grace it should be legislation which this is and I certainly support the Bill and recommend some study to the suggestions that have been made.

MR.MARSHALL: Mr. Speaker, just a couple of words, first of all I am surprised that this was not, that it is necessary to bring this into statute law because I have seen where burial expenses have been recovered through the courts itself, yet, it does not hurt to have the common law codified and put in statute law. There is one item though that I would like to draw to the Minister's attention Mr. Speaker, and this is in Item 3 as to why the damages are limited to the sum of \$1000 in aggregate and not really the damages which follows naturally from the breach or from the tort itself, the expense itself. After all it is up to the court to look into reasonableness of the damages, the reasonableness of the expense and could possibly be the situations where the amount involved may be more than \$1000, it is probably unwise to pin it down to the sum of \$1000, leave it on the statute books with expenses accelerating over a period of time and even right now one could envisage situations where funeral expenses themselves may be higher than the sum of \$1000, so I just wonder why this amount is not left to the discretion of the judge to assess in the normal usual manner in which he does.

MR.CURTIS: Mr. Speaker, I want to thank my hon. friends for their comments on this Bill. I always value the comments of my colleagues. Personally I am not one that likes to be tried by law I think laws are made for people not people for laws, and if we find that the laws are unfair, inadequate it is only proper that we should be prepared to take the initiative, if necessary, and do things that other Provinces have not done. But we are very fortunate, we are the youngest of ten provinces and we have the practise and the legislation of the other provinces to guide us and we use these precints very freely. The point that my hon. friends made about common law wife is interesting, I would like to see any legislation he would draft that he thinks would cover it

because one of his colleagues said, where are you going to get off when a man has to support a wife and a common law wife? He may have been paying her an allowance all the time, may be providing her with a house, he may have been treating her very generously. These are problems afraid Mr. Speaker, we cannot settle here but I am glad my hon. friends brought it up and I assure them that as long as I am there I will try to consider as to whether or not we should include in a common law wife. Now, it seems to me that if a man leaves a common law wife that she should be included in Section 2. As long as he has not a legitimate wife. But if a man, for instance I had a case the other day of a woman who went to get married and as she was divorced the minister would not marry her. He said you can go to another church, she said I will not go to another church, so, she is living with the man, unmarried, so now she has created a complication there and I think that if he died she should have some protection

MR. HICKMAN: had a civil ceremony performed this is why we so desperately need a new marriage Act.

MR. CURTIS: I definitely think we should have some sort of a civil marriage Act. Either that or if people have the exclusive right to marry they should have a compulsion to marry. I really think that if a person has the right to marry that person has no right to refuse to marry. What are you going to do? Suppose you are in the outports and you live with a man and there is only one minister there and he will not marry you, why should you have to go chasing away to get someone else to marry you? I would certainly change it. However, we will not go into that now that is not the subject except in so far as we are discussing the common law wife, and I certainly think a common law wife should get protection. I do not know whether Section 2 could be expanded to include it. One hates to make drastic alteration in the law without analyzing their full effect. If I were just asked

to judge this afternoon I would include the common law wife. But that might create a problem worse than the one we are trying to cure.

MR.HICKMAN: Mr. Speaker, last year in the Speech From the Throne it was indicated that a new solemnization of the Marriage Act would be brought in. The Gushue Commission recommended one and one was drafted, there was very good representation from those who were involved and interested in marriage, to the Gushue Commission, and the reaction that I received from churches and other people was a very favourable one. Our Act today is so antiquated that it is pathetic. Would the Minister, the hon. minister, indicate whether he intends to bring in that new Act this year, this session?

MR.CURTIS: At the moment Mr. Speaker, I have no such intention. The matter has been under very serious consideration in fact for the past five or six years they have had sitting down in my department a new marriage Act, which we would dearly love to bring in, but in a country like this one cannot do anything without consulting the authorities that are concerned.

MR.HICKMAN: (inaudible)

MR.CURTIS: Well, I do not know they have been consulted since by members of this Government and I do not think, perhaps we may discuss that on another occasion. I think, however, it is not part of this Bill although - I would move the second reading Mr. Speaker,

MR.SPEAKER: It is moved and seconded that this Bill be now read a second time.

On motion, a Bill, "An Act Further To Amend The Fatal Accidents Act," read a second time ordered referred to a Committee of the Whole House on tomorrow.

MR.SMALLWOOD: Mr. Speaker, before the Hon. the Attorney General moves the adjournment perhaps the House would bear with me while I make a very important announcement that the acute physical discomfort, the creature discomfort suffered by the hon. member for St. John's West

is fortunately at an end. He is going to have an office all to himself and provided, Your Honour you have authorized me, you as Chairman, of the Internal Economy Commission and your colleague in that commission have authorized me to say and we have made only one condition that he can have the office, he can have the exclusive use of it but if any of us wish to visit him any time, if any one should get a mental aberration, if we should have some kind of an intellectual upset or something of that nature, if we ever wish to visit him that we be made welcome in his office where he will be sitting in the meantime in solitary grandeur.

MR.CROSBIE: Housewarming -

MR.SMALLWOOD: Housewarming. It gives us all such a glow of good you know, feeling to think that his long suffering is over. So, as long as he does not let Labrador West in there with him.

MR.CROSBIE: I must thank the hon. member, minister without Portfolio, for Labrador South for vacating his office while the session is underway he is welcome in it at any time. It may be that he will receive - he may be out of the Cabinet if he comes in too often but he will be welcome I am glad the Premier said that the office is being debugged, there was some suggestion by the Leader of the Opposition that his office was bugged there before - so it is welcome news and I am only sorry, Mr. Speaker, that the ex-member for Humber East is not here after his long and valiant battle of two or three years to get office space. He will be welcome as a visitor if he visits the House.

MR.CURTIS: I move Mr. Speaker, that the remaining Orders of the Day do stand deferred and that the House at its rising do adjourn until tomorrow at three of the clock, and the House do now adjourn.

MR.SPEAKER: This House stands adjourned until tomorrow Wednesday at three of the clock.