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***VERBATIM REPORT***  
***(Hansard)***

Speaker: Honourable Patrick McNicholas

Monday

11 May 1987

The House met at 3:00 p.m.

MR. SPEAKER (McNicholas):

Order, please!

Statements by Ministers

PREMIER PECKFORD:

Mr. Speaker.

MR. SPEAKER:

The hon. the Premier.

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD:

Mr. Speaker, in recent weeks, as all hon. members will remember, it has been suggested by a number of people that there is room for improvement in our Conflict of Interest (Public Employees) Regulations.

As a result, these regulations have been examined, in detail, to determine how they could be made more effective.

The regulations were put in place in December 1982, to establish a clear code of conduct expected from provincial public servants in Newfoundland and Labrador. The permanent head or deputy minister of each department is responsible for the implementation of these regulations. As a result, decisions on what does or does not constitute a conflict of interest situation is dependent upon a subjective interpretation of the regulations by the permanent head of the relevant department.

We have come to the conclusion that while the regulations are excellent as a code of conduct, the procedures for their implementation may result in

virtually the same set of circumstances being considered a conflict of interest in one department and not in another department, because of each permanent head's interpretation of them. Even though the set of circumstances may be the same, one deputy minister in one department might indicate that this is a conflict of interest by some employee and another deputy minister might rule the other way.

In order to improve this situation, it has been decided that an impartial tribunal be established to assist deputy ministers who have potential conflict of interest situations in their departments.

This tribunal will bring consistency to the interpretation of the regulations and will be fairer to all public servants.

The tribunal will comprise, Mr. Speaker, Mr. Peter Withers, Chairman, who is the Chairman of the Public Service Commission of the Province, Mr. David Vardy, who is President of the Institute of Fisheries and Marine Technology, and Ms. Deborah Fry, Associate Deputy Minister of the Department of Justice.

The tribunal, in the first instance, will be asked to prepare a set of guidelines for its operations to be considered by the Cabinet.

We are confident that this tribunal will do much to improve the fairness and effectiveness of the Conflict of Interest (Public Employees) Regulations.

I commend all hon. members to this statement.

MR. SIMMONS:  
Mr. Speaker.

MR. SPEAKER:

Mr. Speaker, I first of all thank the Premier for making a copy of this statement available to me before he rose.

First of all, we welcome the initiative represented by this particular statement. Members will recall that I raised the issue a couple of months ago when I put a question to the Minister of Development and Tourism (Mr. Barrett) relating to a specific instance. I did not get into the details of the instance publicly because that would not have been fair to the individual, but we did raise the general principle. You will recall that the Premier then took the issue as it related to that department and expanded the concern, and I see this statement as his response today to that particular issue. He did undertake, Mr. Speaker, to do what he has done today, or at least to review the matter, and I assume this is his response to that review and I thank him for that.

We welcome the initiative and we hope this process works. We have confidence that it will. I would just make one suggestion: Given the possibility that is embodied actually in the Premier's statement, that sometimes we would get some inconsistency in the application of guidelines, I would have hoped that the Premier and the administration would have considered having at least one person on the tribunal from completely outside the public service altogether. Mr. Withers, of course, is Chairman of the Public Service Commission, Mr. Vardy is a man who has been in the public service and who is, I

suppose, by extension, still in the public service though not directly in a department of government, and, of course, Ms Fry is an associate deputy minister.

PREMIER PECKFORD:

The tribunal needed a legal mind.

MR. SIMMONS:

Yes, I understand that. I do not quibble with any who are there, but the Premier might want to consider not for the appearance alone but also, it seems to me, that having somebody there from private industry, for example, might bring a new perspective to it and might assure the public that having a person there who has had no part of the public service gives it that extra -

PREMIER PECKFORD:

It is a little bit difficult, because it is hard to get someone, unless it is a retired businessman, who may not at some point be doing business with the government somewhere. Still, your point is well taken.

MR. SIMMONS:

I make that observation, Mr. Speaker, and perhaps the Premier might want to take it under advisement. Otherwise, we welcome the statement and we wish the tribunal much success in its fairly awkward and difficult job.

MR. LONG:

Mr. Speaker.

MR. SPEAKER:

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

MR. LONG:

Thank you, Mr. Speaker. I would also like to thank the Premier for a copy of his statement in advance and would simply like to raise a

concern about something that seems to be internally inconsistent inasmuch as the tribunal has been put in place to deal with the procedures and not the regulations. In the final sentence it says that the tribunal would do much to improve the fairness and effectiveness of the conflict of interest regulations.

In light of the fact that the tribunal will be dealing with the procedures in the application of the regulations and not the regulations themselves, we would add a further concern, that once the tribunal prepares a set of guidelines for its own operations that that report be brought not only to Cabinet but also brought to the House so that we can deal with the original question as it was raised.

Thank you, Mr. Speaker.

MR. SIMMONS:  
Mr. Speaker.

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

MR. SIMMONS:  
There is a matter that the House might want to deal with, and I make reference to the passing on the weekend of the Most Reverend Richard T. McGrath, the Bishop Emeritus of the Roman Catholic Diocese of St. George's. I would like, on behalf of my colleagues, to ask the House to consider a resolution that would extend the condolences of the House and its members to the family and relations of the late Most Reverend Richard T. McGrath.

Bishop McGrath, Mr. Speaker, was an outstanding example of a clergyman involved in most of the

socially important concerns of this Province. A short list of his involvements span from the editorship of the Monitor, a close association with the Catholic Youth Club, membership on the Senate of Memorial University, promotion of healthy trade unionism and continuous participation in various aspects of education in Newfoundland and Labrador. These are but a sparse outline of his many contributions to this Province.

Mr. Speaker, I am sure the House would like to mark the occasion of his passing and extend its formal tribute to the values which his life worked so hard to help establish and preserve, and to honour his commitment to his church and to his Province as a whole.

MR. POWER:  
Mr. Speaker.

MR. SPEAKER:  
The hon. the Minister of Career Development and Advanced Studies.

MR. POWER:  
Mr. Speaker, on behalf of members on this side of the House I also want to join with the Leader of the Opposition in passing our condolences on to the McGrath family and to say that we also, as a government, fully appreciate the accomplishments of Bishop McGrath over his lifetime of service in Newfoundland.

I have known Bishop McGrath for many, many years. I served as an altar boy with him. It certainly seems a lifetime ago now, when he served as a Parish Priest in Tors Cove, in Witless Bay. And although it is the major things, the public things, like being Editor of the Monitor and the

things that Bishop McGrath did in Education that he is remembered for by the general public, to those persons who knew Bishop McGrath, certainly it was the small things he did. I remember as a small child in Tors Cove, where there were no recreational facilities, Bishop McGrath making the parish hall available to all school kids and somehow or other finding 200 pairs of roller skates to donate to the kids in Tors Cove. Those are the kinds of things that those persons who came in touch with Bishop McGrath tend to remember. His service to individuals and to the community certainly are something for his family to be very proud of. I can only say, Mr. Speaker, and all members on this side of the House, pass our condolences on to the McGrath family, and say that as Newfoundlanders we have lost a Newfoundlander of some renown.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

At this stage I would like to welcome to the gallery a delegation from Wabush town council with their Mayor, Bill Kelly, councillor Derm Flynn, and manager Keith Warren.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

I would also like to welcome ten participants and two instructors from Brother Murphy Center on Water Street, St. John's.

SOME HON. MEMBERS:

Hear, hear!

### Oral Questions

MR. TULK:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Fogo.

MR. TULK:

Mr. Speaker, I have question for the Minister of Rural, Agricultural and Northern Development. Since he is not in his seat -

MR. SIMMONS:

He is being gagged.

PREMIER PECKFORD:

He is down in Bay d'Espoir.

MR. TULK:

He is probably being gagged like the civil servants.

- Mr. Speaker, I will direct my question to the Premier. It concerns the government's financial involvement in the Sprung -

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

MR. TULK:

Mr. Speaker, they are in love with me again today over there.

Mr. Speaker, it concerns the government's financial involvement in the Sprung proposal to establish a greenhouse in Newfoundland and Labrador, specifically in the Mount Pearl area. Mr. Speaker, my question to the Premier is this: Why does an identical project in Quebec for a \$15 million greenhouse project receive only a \$4 million commitment from the government there while the Sprung proposal of \$18 million in this Province

receives a commitment from this government of \$13.4 million? In other words, why does the Quebec government only have to make a commitment of under 30 per cent, while this deficit-laden and, if we can believe the Premier, bankrupt Province has to make a commitment to kick in over 75 per cent of the cost of the project in Newfoundland?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Mr. Speaker, first of all let me correct the statement made by the hon. member in his preamble to his question. It is not a greenhouse that we are building, Mr. Speaker. It is an application of a new hydroponic technology that nobody else in the world has at the present moment, except the Sprung Group of Companies. So it is not a greenhouse at all. It is the application of a new hydroponic technology which we have been successful in attracting to the Province. The Opposition and others in the Province over the years have been saying that we are driving investment away. Now we have just had new investment brought to the Province, an investment into research and development and high technology so that we are on the leading edge of this new technology, so we will not be last but that we will be first, that we are not going to piggyback and wait for somebody else. We are going to be in there.

Mr. Speaker, I do not know anything about the Quebec proposal that the hon. member refers to. I will have to get the details of that financial arrangement. We have invested equity into this new joint venture company of \$3.5 million and the Sprung Group of

Companies have invested \$3.5 million in it. I would refer the hon. member to page 447 of the House Royal Commission Report. "In the long run, we should aim to exert more provincial control over our resource industries, including taking an equity position, if necessary, perhaps through joint venture arrangements. Newfoundland ownership should mean that more profits could be re-invested in Newfoundland, more senior-level personnel trained and hired in Newfoundland, more research and development" - which is what this project is all about, in the same way as we do for NORDCO or C-Core or any other leading technology enterprises on the go - "could take place in Newfoundland, and companies would be more likely to develop long-term commitments to this Province." We are in the business, Mr. Speaker, of implementing some of the things that the House Royal Commission has said.

SOME HON. MEMBERS:

Hear, hear!

MR. TULK:

A supplementary, Mr. Speaker.

MR. SPEAKER:

The hon. the member for Fogo.

MR. TULK:

I say to the hon. gentleman, Mr. Speaker, if he wants to read the House Commission, perhaps he should read it all and not just those parts that are selective to his purposes. Let me say to him that Dr. House was concerned with rural Newfoundland and not necessarily with megaprojects. As a matter of fact, he said they should be small scale projects.

SOME HON. MEMBERS:

Hear, hear!

MR. TULK:

Let me say to the Premier, let me ask the Premier again -

MR. SIMMS:

Anything in excess of one dollar is a megaproject to them.

MR. SPEAKER:

Order, please!

MR. TULK:

Now the economist from Dave Gilbert's garage in Grand Falls is at it again.

Mr. Speaker, let me ask -

MR. SIMMS:

Listen to the economist from Fogo.

MR. SPEAKER:

Order, please!

AN HON. MEMBER:

Name him! Name him!

MR. TULK:

Let me ask the Premier what is so different in Quebec that the Quebec Government only had to put in \$4 million to get their project underway whereas our government had to put in and guarantee \$13.4 million out of \$18 million in order to get this into Newfoundland? I would say to the Premier that perhaps it has to do with his style, perhaps they are more successful at negotiating and do not go off the head when they see a few cucumbers growing.

PREMIER PECKFORD:

Mr. Speaker.

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Mr. Speaker, I will let my record speak for itself when it comes to negotiating. The Fishery

Restructuring Agreement that we negotiated, I think all Newfoundlanders and Labradorians would agree today has been a major success with FPI.

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD:

They said it could not be done, Mr. Speaker. At the time when the restructuring agreement was done and I said it was one of the most important agreements since Confederation up to that point, we were criticized all over the place. I was laughed at in a federal Liberal Cabinet Minister's Office when I talked about Burin being a secondary processing plant. It is all work that has been highly successful, Mr. Speaker.

When we talked about holding out for the Atlantic Accord and getting a deal as if the oil were on land, they told me it could not be done, that I was confrontational, I could not get an agreement. We have the Atlantic Accord, Mr. Speaker. We got it in legislation in Canada and in Newfoundland.

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD:

Mr. Speaker, I remember when the Bowater people were going to leave Corner Brook; they said I could not negotiate, that Corner Brook and the West Coast was going to be gone. Now we have \$150 million to \$180 million already spent there with a new company.

Everybody in the Province thought Come By Chance was going to be destroyed. Today there are 547 Newfoundlanders working at Come By

Chance, Mr. Speaker, 547  
Newfoundlanders and Labradorians.

SOME HON. MEMBERS:  
Hear, hear!

PREMIER PECKFORD:  
Mr. Speaker, that is performance. But we are not, as the House Royal Commission said, just going to rely on our traditional industries; we are going to have a balanced approach to our future, we are going to get involved in high technology wherever we can, we are going to create jobs wherever we can. And this latest initiative is another one which will be added to those four to show that this government is serious about job creation and that when we negotiate deals we can stand by them and they will be proven to be good deals for Newfoundlanders and Labradorians.

SOME HON. MEMBERS:  
Hear, hear!

MR. TULK:  
A final supplementary, Mr. Speaker.

MR. SPEAKER:  
A final supplementary.

MR. TULK:  
Mr. Speaker, his record! Newfoundland Energy Limited, a secret company in Bermuda! FFTs! His record! Canada-France! Some 60,000 unemployed when he promises 45,000 jobs. Oh, for his record. He should stand on his record. Mr. Speaker, let me ask the Premier a supplementary. The Newfoundland government will provide this failed Alberta company with thirty acres of serviced land - I repeat the word 'serviced' - in Mount Pearl, valued, the government says, at \$1 million. Let me ask the Premier -

MR. SIMMS:  
They did not fail in Calgary.

MR. SPEAKER:  
Order, please!

MR. TULK:  
They did! Read. Read. It will do you good.

- who performed the appraisal on this land in Mount Pearl? Will he now table the appraiser's report on the value of those thirty acres of serviced land, or is he going to do the same thing as he did with Newfoundland Energy Limited, keep that secret and hide it, if he has to, in Bermuda?

MR. SPEAKER:  
The hon. the Premier.

PREMIER PECKFORD:  
Mr. Speaker, we released the agreement between Newfoundland Energy and the Government of Newfoundland to the public. As soon as the legal agreements are put in place for the Sprung group of companies, at the end of this month, we will be releasing all the information to the public as it relates to this deal. Mr. Speaker, let us be clear on what we are doing here. We are involved, as we are with the flume tank as the Marine Institute which we fought for and got, as we are involved with the ice tank of the National Research Council on the Memorial campus, as we are involved in aquaculture over in Bay d'Espoir, where we put in \$1.5 million to get a hatchery going, as we are doing with mussel farming, Mr. Speaker, as we are doing with small hydro projects at Paradise River, as we have done at Roddickton; we are involved in research and development. Research and development, as the House Royal Commission says, takes



money from all sources.

MR. TULK:

A point of order, Mr. Speaker.

MR. SPEAKER:

Order, please!

A point of order.

MR. TULK:

I am glad, Mr. Speaker, he is finally reading the House Commission but will he now answer the question and table the appraiser's report for that valuable piece of land that he has given to Mr. Sprung - Spring, Sprang, whatever - from Alberta?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Mr. Speaker, we will, as I said, table all of the details relevant to this project when all the legal agreements are in place, not before. As soon as the legal agreements are signed, we will table all the information for the hon. member. Just let me refer the hon. member to Page 449 of the House Commission Report. "The Commission believes that we have been so preoccupied with large-scale resource industries" - this is supposed to be a megaproject at \$18 million, Mr. Speaker, Some megaproject! A very medium industry.

MR. TULK:

A point of order, Mr. Speaker.

MR. SPEAKER:

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

MR. TULK:

Mr. Speaker will recall that he, the other day, made a ruling that when asking questions you do not

read from documents. Would he make the same ruling as it applies to the Premier? He is finally starting to read the Royal Commission on Employment and Unemployment.

MR. SPEAKER:

Order, please!

To that point of order, it is in our Standing Orders that, "Oral questions must not be prefaced by the reading of letters, telegrams, newspaper extracts or preambles of any kind." I think that equally applies to replies.

PREMIER PECKFORD:

Well, Mr. Speaker, I refer the hon. member to the House Commission Report on Page 449 which talks about getting into agriculture in a bigger way. I would refer hon. members not only to that, but also to pages 15, 19, 21, 24, 27, 123, 160, 161, 171, 397, 447, 449, 455, and 457 of the House Royal Commission, where they talk about the government having to be the facilitator of research and development, that if we want to do the kinds of things in the future which are going to be important for us to create jobs there has to be the political will, the government has to marry with the private sector in doing that, and especially in research and development areas. This is a research and development opportunity which will create jobs for Newfoundlanders and Labradorians. We are proud of it and we are going to go out every day, as we have in the last four or five months, and find other research and development opportunities. More of the same, Mr. Speaker, will be coming so that we have a balanced approach to our development. No putting all our eggs in one basket, but

many eggs in many baskets to help create jobs.

SOME HON. MEMBERS:  
Hear, hear!

MR. EFFORD:  
Mr. Speaker.

MR. SPEAKER:  
The hon. the member for Port de Grave.

MR. EFFORD:  
Thank you, Mr. Speaker. With the Premier's boasting of his record over the last seven or eight years, I wonder if I am living really in a Province where we have a deficit of \$4.4 billion and 80,000 people unemployed. I must be dreaming.

SOME HON. MEMBERS:  
You are! You are!

MR. YOUNG:  
You have been asleep ever since you came in here.

MR. FUREY:  
Silence the cucumbers!

MR. SPEAKER:  
Order, please!

It is impossible to hear any questions. There seems to be a continuous noise on my left. I would ask hon. members to please allow questions.

The hon. the member for Port de Grave.

MR. EFFORD:  
Mr. Speaker, let me get to the question to the Premier. It is very clear that we, on this side, have no arguments with getting a business started in Newfoundland and creating jobs. But we better make sure that the jobs are going

to succeed.

My question to the Premier is very simply this: Obviously the Premier stated very clearly, about the project, how much produce is going to be grown at this particular development. I would like to ask the Premier, has he had a market study done in the Province and outside of the Province as to accessibility to markets.

PREMIER PECKFORD:  
Yes, Mr. Speaker. No question. We have, of course.

SOME HON. MEMBERS:  
Hear, hear!

MR. EFFORD:  
He stated very clearly, and the Premier knows full well, that the high cost of growing these vegetables here in Newfoundland, the high cost of electricity, and the high cost of exporting, is going to create a problem.

SOME HON. MEMBERS:  
Put everything on the mainland.

MR. SPEAKER:  
Order, please!

MR. EFFORD:  
Will the Premier, now that he has the market survey done on accessibility to markets, table it this afternoon in the House?

MR. SPEAKER:  
The hon. the Premier.

PREMIER PECKFORD:  
Not this afternoon, Mr. Speaker, but we will after the legal documents are signed. A full market study has been done. As a matter of fact, on the two critical areas, number one, remember this, that this is a

research and development opportunity. We want to be in on the leading edge of technology and we have the opportunity to do it here now, and no other place. If you ask the leading biotechnologist down in the United States, who build the biotechnology center at the Epscott Center, he will tell you a good story about the Sprung technology. If you ask the National Research Council of Canada, they will tell you the same story. If you ask the Dean of Science at the Memorial University, they will tell you the same story, that this is an excellent technology and that it is worthwhile for us to pursue.

Two areas, from an economic point of view, remembering that it is like C-Core, that it is like NORDCO, that it is like these other infant high technology industries, recognizing that it is like that, but still wanting to make it economically as quick as possible, the Government of Newfoundland with the Sprung Group, isolated, as the Minister of Agriculture (Mr. Wise) said I think on radio this morning, the two areas; one was marketing, the other is production.

Under marketing, the Sprung Group of Companies have gone out to the marketplace and have examined the marketplace and has letters from companies who want to buy all that they can produce. It is going to be cheaper. The hon. member talks about the high cost and all the rest of it, but our economic analysis shows - and we have been at this six or eight months now - that we can produce these products cheaper to the marketplace, not only in Newfoundland but in Eastern Canada and the Eastern United States, than their

competitors in those marketplaces. That has been proven and we have letters to substantiate that they have a market. They have been into the marketplace now for the last two or three years in developing this.

Secondly, was production, Mr. Speaker. On that we have ensured in the agreement, just in case, although we have done climatic studies on other parts of Canada including the West, including the Eastern part of Canada, also in Western Europe, and we have as a safety net, Mr. Speaker -

MR. EFFORD:

A point of order, Mr. Speaker.

MR. SPEAKER:

Order, please!

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

MR. EFFORD:

Mr. Speaker, when we ask a question on this side if we preamble one sentence too long we are cut off. I asked the Premier a very simple question, 'Will he table a copy of the survey that he had done in reference to the marketing of the product inside and outside of Newfoundland?' I did not ask for a full hour's speech.

PREMIER PECKFORD:

To that point of order, Mr. Speaker.

MR. SPEAKER:

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

PREMIER PECKFORD:

I was just trying to provide as much information to the hon. member as I could.

MR. EFFORD:  
Mr. Speaker.

MR. SPEAKER:  
To that point of order there is no point of order.

The hon. the member for Port de Grave.

PREMIER PECKFORD:  
If there is no point of order sit down and I will finish.

On production, what we did there after the climatic studies were all done, also in Western Europe, by the way, because there is a lot of hydroponic activity going on in Western Europe, especially in Holland, we ensured in the agreement that we had the \$3 million high intensity lighting, to go as an addition to what would normally be the complex, as a part of the complex as is being built to ensure that that safety net was there if we did need it. Those are is, Mr. Speaker, the two areas on the economic side.

I come back, Mr. Speaker, to the point that this is a research and development initiative in the first instance, and, hopefully within a year or two after it is up and running, we firmly believe, from all the studies that we have done that it will be very economically viable too. We are going out into an area of research and development so that we will become one of the leaders in the world in this technology, and that is extremely important in the same way as it for NORDCO or C-Core in other high technology areas that we are trying to get into.

SOME HON. MEMBERS:  
Hear, hear!

MR. EFFORD:

Mr. Speaker.

MR. SPEAKER:  
The hon. the member for Port de Grave.

MR. EFFORD:  
Mr. Speaker, I assume from what the Premier said that he is going to table that before the agreement is signed with this company. I guess he is going to table it tomorrow. But let me ask the Premier this: Did he have a study done, has there been a study done as to anywhere else that this project could be built cheaper other than the place they have agreed on? Could it be built any place else cheaper than it is going to cost out in this particular place on Brookfield Road?

MR. SPEAKER:  
The hon. the Premier.

PREMIER PECKFORD:  
Mr. Speaker, we have examined numerous sites around the Province. We have looked at all of these sites throughout all of the Province and on the Avalon Peninsula, and this is, from all of the analysis that we have done, perhaps the best place for the first facility, because we are hoping that there are going to be others after we get this one up and running.

MR. FUREY:  
Mr. Speaker.

MR. SPEAKER:  
The hon. the member for St. Barbe.

MR. FUREY:  
Mr. Speaker, I want to ask the Premier, if the prospects for this 75 per cent subsidized project are so rosy, why did the government see fit to single out this failed

Alberta company for a sole exemption from government's oppressive retail sales tax? When every other small business in the Province is pleading for a reduction in sales tax, Mr. Speaker, why did the Alberta Sprung operation get a complete tax exemption and no other small business in this Province gets a sales tax exemption?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Well, Mr. Speaker, let me say first I think it is unfair for the hon. gentleman to say what he just said, this failed company. This company has never failed, even in Alberta. One component of their companies failed because the plant was built on the site of a former Imperial Oil refinery.

MR. SIMMONS:

That is what they say.

PREMIER PECKFORD:

Yes, and all the consultants reports -

MR. TULK:

No.

MR. SPEAKER:

Order, please!

PREMIER PECKFORD:

Independent consultant reports have proven that. Right next to where that facility is, by the way, there is a subdivision, and the people in that subdivision have now come out and supported what the independent consultants are saying about that site. Not only that, it has been revealed that the building contractors who were on that subdivision withheld, as did some other agencies out in Alberta, information from the

Sprungs when they signed their lease with the City Council of Calgary. The building contractors withheld information, and the information they withheld was that they had ascertained that there was gas leakage on that soil and put an extra insulation layer in the foundation, unknown to the people who were buying the houses. Now let me just come back, the Sprung companies have been in existence for 100 years and they have been highly successful. And we, as a government, obviously have gone to their bankers, independent of them, as we did with Newfoundland Energy, and sat down with them for over a week and gone through all of their operations. They are good clients of the Royal Bank of Canada, which gives them full marks in the way they manage and operate their businesses.

MR. TULK:

Not true!

PREMIER PECKFORD:

We have checked with all the scientists around in the world who have anything to do with this technology, and they say it is a good thing.

And now on the sales tax, Mr. Speaker, we did it for Terra Nova Shoes when they were doing an expansion. Strange, is it not, it is so hard to get information out around this Province? We have had a policy, for the last three or four years, that on capital equipment, in either expanding an existing industry or starting a new industry in the Province, that there be a sales tax exemption. We have done it for several other companies around the Province. This is not the first. It is part of our policy to attract investment to the Province and

create jobs.

SOME HON. MEMBERS:

Hear, hear!

MR. FUREY:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for St. Barbe.

MR. FUREY:

A supplementary, Mr. Speaker. Mr. Speaker, there are consultants in this country who would argue with the Premier's rebuttal with respect to the leakage of fumes from their own furnaces, but that is another matter.

I would like to ask the Premier, with respect to his local preference policy, why is it that a local businessman, Dan Munroe, who tried to get into this business and contacted Rural, Agricultural and Northern Development for the past eight months, did a lot of research, a lot of ground work in place - in fact he has even talked to Newfoundland Hydro about accessing the eighty-eight degree water so that that would not be a factor or a cost - was continuously ignored by the minister's department? What is it that he has against local businessmen getting into hydroponics and trying to develop this so-called high technology food? We have to give him credit for taking the initiative to do all of that research, put the groundwork in place, try to access some government programmes and yet he is continuously ignored. Why was he ignored?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Mr. Speaker, I will have to get

the details on that gentleman's proposal. But let me just respond in a general way now and I will get the details for the hon. member for tomorrow or next day. No later than the next couple of days I will get the details on that.

Number one, nobody else in the world has this technology that we are talking about here. Nobody! It is patented. They have nineteen or twenty patent. Nobody in the world, and the leading biotechnologists in the world will tell you that, has this technology. So this gentleman that the hon. gentleman is talking about, whilst he might have had a good initiative, it is not in the same category as what we are talking about here. This is a brand new technology that nobody else has, Mr. Speaker, in the world.

Now, Mr. Speaker, let me just deal with the other part of it. We are out every day encouraging people to get involved in aquaculture. Who put the \$1.5 million into Bay d'Espoir for the Newfoundlanders in Bay d'Espoir who came to us? Who was it? Did we go outside, Mr. Speaker? No. It was the Development Association of Bay d'Espoir, Newfoundlanders and Labradorians. Who is helping the mussel farm out in Cottrell's Cove which is now being highly successful, run by a Newfoundlander? We are. And every single day we are approving loans and grants for aquaculture, for hydro developments or whatever, all over the Province, for Newfoundlanders and Labradorians. But we are not going to exclude anybody from outside of Newfoundland and Labrador who comes to us with a new idea when we can get on the

ground floor of a leading edge of technology which will assist us to create jobs and give us a sort of a focus, Mr. Speaker, that no other province has at the present moment. We are going to do that too. We are going to help Newfoundlanders and Labradorians wherever we can. We are approving loans and grants for them every day through Rural Development.

The Minister of Agriculture stood in his place a couple of weeks ago to talk of 300 or 400 jobs in blueberries, in krafts, and all the rest of it, all for Newfoundlanders and Labradorians, Mr. Speaker. But we are not going to discriminate. If somebody comes to us with a good idea, especially in research and development, and we can forge an agreement, as the House Commission says we should, we are going to do it, Mr. Speaker, because we are not going to be behind the eight ball or coming in last any more.

SOME HON. MEMBERS:

Hear, hear!

MR. FUREY:

A final supplementary, Mr. Speaker.

MR. SPEAKER:

A final supplementary, the hon. the member for St. Barbe.

MR. FUREY:

The Premier should know, Mr. Speaker, that hydroponics is not new, it is set up in Iceland where they use the volcanic water for the plants.

I want to ask the Premier, how much will the electrical costs be for this particular hydroponics plant in the Mount Pearl area, given that there is wasted fuel in terms of 88 degree water being pumped out into the ocean that

could have been used at a substantial saving to set up a hydroponics plant much like they do in Iceland? I want to ask the Premier, Mr. Speaker, how much does it cost or will it cost in electrical rate terms to supply this particular plant?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

I do not know the number, right off the top of my head, what the dollars will be, but I will get it for the hon. member. The company has to pay the going rates in the Province.

Let me just tell the hon. member on the other part of his question or his preamble, he is talking about Iceland. I was in Iceland. I was in those greenhouses. It was not hydroponics, Mr. Speaker, as we are talking about here. The reason why they can do it cheaply enough to grow their vegetables is because of that water coming through, but they do not need this warm water for this one. It is hard, I know, for the hon. member to think and to extend his brain and his thought processes to the future and not to the past. Who wants to go back to the past for Come By Chance white elephants and Stephenville white elephants and Upper Churchill white elephants? I do not, Mr. Speaker. I do not want to go back to that. I want to go to go ahead to the Krugers of this world, I want to go ahead to the Newfoundland Energies of this world, I want to go ahead to the Sprungs of this world who have a technology that is nonexistent in Iceland.

SOME HON. MEMBERS:

Hear, hear!

MR. SIMMONS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. SIMMONS:

I believe, Mr. Speaker, if I may assist the Premier in completing his oration, it would go as follows: On the seventh day I rested.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

Order, please!

MR. SIMMONS:

Mr. Speaker, the question really that the Premier has not answered - and I hear what he is saying about the need to be on the leading edge; we have no argument about that, we have no argument with agriculture; all those are red herrings in relation to the question that was put to him two or three times during this particular period - which is what the people of Newfoundland want to know and what this House wants to know, and I am sure he is capable of giving this answer, is why is it - there may well be a good reason but the reason is not very public yet - that this particular company is being given such disproportionately high assistance from the taxpayers of the Province? That is the issue. Can he address that one? Why this company and not some other company? What is the particular reason, if this is such a good thing, if it is going to be such a resounding success, the company not risk some of its own money?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Mr. Speaker, they are borrowing \$3.5 million from the bank to put into equity into this new joint venture company, primarily because it is in research and development, Mr. Speaker. That is the prime reason, because it is in research and development. It is not like a Newfoundland Energy or like a Kruger, even though in the Kruger case both governments put some money in, but not at the level that we have here.

For in the same reason why we give money to C-Core, for the same reason we give money to NORDCO, because they are burgeoning new industries which need more help than a traditional industry does. That is the reason. And then when it is up and running, as the House Royal Commission says on about fifteen or twenty different pages here, then it will go on its own and they will buy us out. That is part of the agreement. They will buy us out and we will get all our money back. But it is R and D, Mr. Speaker, it is new technology. And that is the reason for it. It is brand new technology. They are the only ones that have it.

Secondly, Mr. Speaker, let me put the other part of it into context, and it is this; one of the problems when you are talking about change or doing something different is you have in Central Canada, because I do not think that the Quebec deal that the hon. member for Fogo mentioned has been signed and finalized.

MR. DAWE:

Non-existent.

PREMIER PECKFORD:

I think it is non-existent, as the hon. Minister of Transportation



(Mr. Dawe) is saying.

MR. TULK:

That is your version.

PREMIER PECKFORD:

No. We have an agreement signed in principle and we are working out the legal end. But it is this, Mr. Speaker, it is like everytime when changes come, the greenhouse growers, not the bioptic growers, of Eastern Canada requested a special caucus of the government members in Ottawa from New Brunswick, PEI, Nova Scotia and Newfoundland to stop this from going anywhere, because it was going to interfere with them, because this kind of change and this kind of new technology is going to affect them if they are growing some of the same products in a different process.

And the same way in Ontario, where they have a lot of greenhouse growers, but not in hydroponics in the way Sprungs are. So you have a lobby of traditional and modern also, modern in the sense of greenhouse growers, who are opposing this kind of new technology. And therefore one of the only areas in Canada where you have hardly any of that opposition, because 95 per cent of our greenhouse growers are in the flowers, is in Newfoundland, Mr. Speaker. So we were able to attract this kind of R and D technology for that reason as well.

MR. SIMMONS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. SIMMONS:

Mr. Speaker, I thank the Premier

because in the answer was the real answer. The answer had to do with research and development, and decoded that means, I submit, the company itself has got to do some more of its homework before it is sure how successful this is going to be.

Mr. Speaker, the question remains: Why did not the local people have an opportunity to get a crack at this kind of government funding? Now the rebuttal is they did not have the technology. Could not a way have been found to have local people apply this technology, instead of having the originator, if that is the term, come in with it and peddle it under franchise?

While I am on my feet, as a supplementary, Mr. Speaker, will the Premier reassure the people out there who are in the farming business, the greenhouse business and related enterprises, and who are concerned, Mr. Speaker, that their jobs might be at threat? There is only a certain size market there, and from what we hear this one location can produce all the cucumbers, and I never knew we were so big on cucumbers four times a day, but apparently -

MR. TULK:

We are going to need tomatoes for the Premier in the next election.

PREMIER PECKFORD:

The whole of Eastern Canada.

MR. SIMMONS:

Yes, and I hear this facility is going to be able to export, so what happens to the existing facilities that are producing various vegetables and flowers and so on, what happens to them? And are their jobs at threat if this enterprise becomes successful?

PREMIER PECKFORD:

Mr. Speaker.

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Let me just deal with the local people. Mr. Speaker, we would have been overjoyed if somebody in Newfoundland had this technology. They have seventeen patents on this. This is their secret.

MR. EFFORD:

No, no! Seventeen pending!

MR. PECKFORD:

This is a secret thing for them. They are ahead, as anybody will tell you, of anybody else in the world right now, and that is a big thing, and we need their expertise. They spent \$35 million in research and development on this technology so far by themselves, this company has. Now they have had an unfortunate circumstance in Calgary which is going to cost them a fair hunk of change, Mr. Speaker.

And when I refer to research and development, let me say I am not referring to research and development, which has already been proven on cucumbers and tomatoes, I am referring to another ten of fifteen commodities which are going to be tested out here, and in our agreement with Sprung we have access to all of the information on this research and development at this facility for all those other commodities, Mr. Speaker. We also have a provision in there on local preference; Newfoundlanders and Labradorians have to be hired here and they have to be trained here in Newfoundland, Mr. Speaker, for high paying jobs. That is what we have in there. We will get all of

the research and development information that the Sprung people get, not just on cucumbers and tomatoes, we are talking about twenty or thirty different commodities that research and development is going to go ahead on in this facility. So it is a real university, if you want, as Mr. Sprung described it on Friday. It is a real university, it is a real learning experience and a real opportunity for us to be really in the lead on something that hithertofore we have not been able to do.

MR. SPEAKER:

Order, please!

The time for Oral Questions has elapsed.

#### Notices of Motion

DR. COLLINS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Finance.

DR. COLLINS:

I give notice that I will on tomorrow move that the House resolve itself into a Committee of the Whole to consider certain resolutions transferring the imposition of a tax on insurance premiums from under the Insurance Premiums Tax Act, 1978 to the Retail Sales Tax, 1978.

MR. POWER:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Career Development and Advanced Studies.

MR. POWER:

Mr. Speaker, I give notice that I

will on tomorrow ask leave to introduce a bill entitled, "An Act To Amend The Memorial University Pensions Act."

### Orders of the Day

MR. OTTENHEIMER:

Order 23. The adjourned Bill No. 34, Mr. Speaker.

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

MR. SPEAKER:

The hon. the member for Twillingate.

MR. W. CARTER:

Mr. Speaker, I have a few very brief comments to make on this bill, because it is a very important bill, one that will affect the future social well-being of a lot of Newfoundlanders.

We, on this side of the House, Mr. Speaker, have had some reservations as to the wisdom of privatizing Fishery Products International when we did. There are a lot of questions that have not been answered. We all know that during the first year or two of the restructuring of that Newfoundland fish company very substantial profits were made. We must bear in mind that, as the old saying goes, one swallow does not a summer make. Because the company happened to show very substantial profits in its first and second year of operation as a restructured company, we are not convinced that that would indicate its ability to stand on its own feet.

I am sure that every Newfoundlander, certainly members on this side, would welcome the success of that company. I suppose FPI is the largest single employer in the Province. Most Newfoundlanders, in fact, I suppose, all Newfoundlanders, have nothing but good wishes for the success of that company. What we fear, because of good market conditions that prevail at the present time for Newfoundland fish, high prices and a very favourable climate in the market place, is that the profits that are currently being rolled up by FPI cannot be sustained. Of course, if that happens, then the question must be asked: Where do we go from there?

Bearing in mind that the fishery in the overall scheme of things in this country accounts for probably less than 2 per cent of the gross national product, I would hesitate to think what the reaction of the federal government would be were it to come to pass that Fishery Products International again needs to be restructured.

We, on this side of the House, Mr. Speaker, and we have expressed this both in the House and outside the House, have some very strong reservations as to the wisdom of the governments, and governments must accept responsibility for their actions in this regard, making available to twelve or thirteen of the executive officers of Fishery Products International a large block of common shares.

I do not have the final prospectus of that company here in front of me, but I believe it was a block of 53,500 common shares that were reserved for the thirteen executive members of that company. Again, without having

the benefit of that prospectus here, I seem to recall that these shares were made available to the thirteen executive members of that new company, share options, at a price that was established when the issue first took place, that being \$12.50 a share - 53,500 shares share options available to thirteen highly paid officials of Fishery Products International at a price of \$12.50. I believe today these shares are trading on the Stock Exchange for around \$17.50 a share, or close to that amount, which means a profit of \$5.00 a share. I believe at one time last week - I was not in the House, I was in my district - the shares did in fact go to around \$18.25. These people, Mr. Speaker, have an option now to pick up 53,500 common shares for \$12.50, and that is \$5.75 profit on a share. Without any investment whatever required, any of these directors can walk into a bank, or the stockbroker, and can immediately exercise their option to pick up a block of these shares at \$12.50 and they can sell them five minutes later, without even a dollar changing hands - they could a few days ago - and make \$5.75 per share. So, 53,000 shares at a profit of even \$5.00 a share means there is a potential profit there to be divided by twelve or thirteen people of in excess of \$250,000.

Now, if Fishery Products International was a long-established company, it was a company with a proven track record, if the directors of that company were forced to work for less than the going rate for the type of services they have rendered, then we could expect that maybe there would be nothing wrong with those people, who stood by the company and who built it up

and made it what it is, sharing in the benefits and the profits of that company. But, Mr. Speaker, a large part of the executive board of that company are people who, until a year or a year and a half ago, in some cases, were very gainfully employed, I might say, as senior provincial civil servants. In fact, I believe, that on that board there are people who left deputy minister's positions within the provincial public service, and I think there are people who left other highly paid positions within the provincial civil service. I believe one of the gentlemen who is an executive officer was a former Chairman of the Canadian Saltfish Corporation upon till about one and a half or two years ago. That gentleman occupied a highly paid position with the Canadian Saltfish Corporation. Then we have another gentleman, Mr. Dave Norris I believe his name is, who was at one time Deputy Minister of Finance, again a highly paid position within the provincial public service. So these thirteen executive members who now have an option than can be exercised at any time, can make themselves a very, very handsome profit. In fact, it is all profit, because they do not have to invest anything. These people have not grown up with the company, they have not worked to make it what it is, and I feel, and I think a lot of Newfoundlanders will agree, certainly members on this side of the House, that they are not entitled to that kind of a windfall. So for that reason, Mr. Speaker, we have some serious reservations as to the wisdom of setting aside a block of 53,000 common shares for these thirteen highly paid individuals.

DR. COLLINS:

Have they acquired a windfall?

MR. W. CARTER:

It is there when they want it.

The Minister of Finance asked the question, 'Have they acquired a windfall?' Of course. In fact, it is even better than one could expect, in that the options are there and can be exercised at any time. These shares might very well go to \$25 or \$30 over the next two or three or four or five years, and I hope they do, quite frankly. The fact remains, Mr. Speaker, that if that happens, then, again, these thirteen highly paid people will be able to cash in on a very handsome windfall. We are not against people getting windfalls or coming into a bit of good fortune, but we believe, in this case, these people are not entitled to that kind of windfall. These people are highly paid. I believe the average income of the thirteen or fourteen people on that executive board, not mentioning certain perks, amounts to over \$107,000 a year. That is the average salary of each of the thirteen executive board members of Fishery Products International.

Now, one would expect the Chief Executive Officer would be receiving a much higher salary and consequently some of the lesser lights within that company are more than likely accepting a lot less than \$107,000 a year. But averaging it out, across the board the executive board members of that corporation are now receiving \$107,000 per year as remuneration from that company.

On top of that, I repeat, and I know I am repeating myself, have within their grasp an option they

can exercise at any time to purchase shares at \$12.50 which at this very point in time today would net them a profit of almost \$5 per share, or, collectively, in excess of \$250,000 in a windfall profit.

Mr. Speaker, I think, as I said when I started my few remarks, most Newfoundlanders hope and pray that Fishery Products International will be a huge success. We all know how much depends on that company. They have 8,000 or 10,000 employees I think, all earning reasonably good money and depending on it for their livelihood. I might as well confess, and I do not apologize for this, I had some serious reservations at the beginning as to why they were divesting themselves of the so-called seasonal plants around the Island. I believe there were fifteen altogether. There is one in Twillingate and Bridgeport in my district, and I must confess that by that time I had very serious doubts as to why they were doing it. But luckily, and maybe it is more luck than anything else, it appears that these plants at least - all but one, I believe - have now ended up in the hands of good, reputable operators.

Certainly I can speak for Twillingate. I believe that was probably the best thing that ever happened to the Twillingate district, that Fishery Products International Company decided to divest themselves of the Twillingate Plant along with the other fourteen less productive and less profitable plants that they owned around the Island. So I am not too concerned about that and, quite frankly, I think, as I said, that in most cases it was a godsend almost that these plants

were released by FPI and ownership acquired by a number of local companies. Beothuck Fisheries, we all know, is a very reputable, a highly reputable, well-established, experienced and financially sound company, and that company operates plants in Valleyfield, Greenspond, in Bridgeport, and now in Twillingate. I have nothing but high hopes that Boyd Way and Tommy Hallett, who are the owners of Beothuck Fisheries, will do an excellent job in Twillingate and in Bridgeport, where they now operate.

If the minister is within listening range of my voice I would certainly suggest to him that the problem of seasonality of those plants be addressed. I am not convinced, and I never will be convinced, that the seasonality of those plants is necessary. For example, and the Twillingate plants are not unlike plants on most other parts of the Northeast Coast, seasonal plants in Newfoundland, the Twillingate plants operate anywhere from June 1 until the middle of September, which would be three and a half months. I do not think we will ever achieve the maximum benefit in those plants, and when I say we I mean the people of Newfoundland and the people of Twillingate district, the workers of Twillingate district and the fishermen who sell them their fish, I do not think we will ever achieve the maximum potential in those plants unless we can find ways and means of extending the operational period in which they operate in any given year.

I see nothing at all wrong with finding ways and means of procuring raw material to be trucked or gotten into these

resource-short plants. Now I know there is a problem with quotas, and the minister, I am sure, in his closing remarks will remind me that we are operating under very stringent rules when it comes to cod quotas, but I should remind the minister that in December of last year he and his governments agreed to a very substantial allocation of cod from the areas 2G and 2GH, areas that are now North of the 2J+3KL area where our vessels normally fish.

That quota, Mr. Speaker, as we all know, was the subject of a rather heated public debate in this House and in the House of Commons in Ottawa as to the wisdom of giving that quota to the French. Most people believe that that fish is not surplus to our own needs and, of course, as long as we have fish plants operating at less than half, or probably 40 per cent of their actual operating capability, then how can we in all conscience say that cod fish, groundfish within our 200 mile limit is surplus to our own needs?

Now, whether it is in the areas 2GH or 2J+3KL, the fact of the matter is, Mr. Speaker, that if the French are anxious enough to get that fish and have sufficient interest in that stock to use it as a bargaining lever, or to accept it to be used maybe as a bargaining lever, then surely the technology must be available to harvest that stock.

And that is what I meant a moment ago when I said that in the plants along the Northeast Coast, resource-short plants, very seasonal, which are operating at probably 35 per cent or 40 per cent of their actual operating capability, surely it is incumbent upon the government to find ways

and means of procuring additional raw material to extend the working period in those otherwise very seasonal plants.

I suppose, at the present time, bearing in mind that there are restrictions on the quotas that are allocated to Newfoundland companies and Canadian companies in the 2J+3KL area, and given the fact that there are restrictions on those quotas, it seems to me that the only other available source of raw material would be from the area 2G and 2GH. I would strongly suggest to the minister that he use every device at his disposal to ensure that never again will there be a pound of cod fish, one tom cod, from the areas 2J+3KL and 2GH allocated to a foreign country.

Now, I know these are probably brave words on my part and I am sure the minister will have an answer for them, but certainly where there is a will there is a way, and if we decide now that we want to harvest and utilize that cod stock, then I think we will find a way to do it. As I said a moment ago, if the French have the technology, if they are capable of penetrating the ice-infested waters of that area, and they are ice-infested, then surely we Canadians can acquire similar technology, and that, I believe, is what we should be doing.

I do not know what special technology is required. We know, of course, that to penetrate these ice-infested waters there would be a certain ice reinforced vessel required. But, again, that is not something new, Mr. Speaker. I believe most of the new draggers now are ice reinforced. Certainly any of those which have any thought of harvesting fish in the

Northern part of the 2J+3KL zone would need ice reinforcing. That is why I am wondering what is so different about fishing in the 2GH area?

Now, I think the experts will probably tell you that it is more difficult because the bottom is rough, it is not easy to manipulate nets and whatever they use up there. Again, Mr. Speaker, you must realize it is only a pencil line, a very imaginary line, a pencil mark separating these two areas. And that is something else I have thought about for quite sometime. Let us assume that it is perfectly all right to give the French or any other foreign power, for that matter, leave and licence to operate in the 2G, 2GH areas, let us assume that is perfectly legitimate, how can we be sure, bearing in mind that there is only a pencil mark, really, separating the two zones, 2GH and 2J+3KL, can we be satisfied, Mr. Speaker, that these companies with their ice reinforced vessels do not go up in that area under the pretense of exercising their right to harvest their quotas in the 2GH area and work South into the 2J area, where Newfoundland vessels are given quotas and expect to fish?

That is a big, expansive piece of water. The 200 mile limit is almost physically impossible to properly police, and let us not kid ourselves into thinking that we can keep our finger on everything that is happening within that wide area of water, 200 miles out.

Maybe I am bad minded, but I know that fish is a highly sought after and very costly commodity, there is a big demand for it, and I have had visions of these French

vessels going up there under the pretense of fishing in the 2GH area and very quietly, when there is nobody around, slipping South, whatever distance it takes, into the more fishable area, if that is the right word for it, and harvesting substantial quantities of groundfish, and then slipping back up when the time is right, back and forth. I would not put it a past them, quite frankly.

We have seen, Mr. Speaker, where foreign countries have been given licenses to harvest certain quotas of caplin. I recall some years ago - I believe LeBlanc was the federal Minister of Fisheries in Ottawa at the time - when the Russians were given a license to harvest x number of thousands of tons of caplin off our Grand Banks, much to our sorrow, it was found out that these Russian vessels were not content to go up there and to harvest their so many thousand tons of caplin as allowed under their permit, they exceeded their quota by 100 per cent. Now, that is a frightening thought, especially when you are dealing with a species on which there has been very little research done in recent years. I am only a rank layman, I suppose, I know very little about the biology of fish, but I am not convinced that there is sufficient research being done at this point in time to justify what we are doing with respect to our caplin stock. Now, that is only one item.

Getting back to what I was saying a moment ago about the behavior of foreign nationals who are given licenses to fish within our 200 mile limit, we now have enough evidence: We have seen the West Germans, for example, abusing that privilege, coming over here and doubling their quotas. I think

the people concerned have been denied any future quotas, in fact, denied access to our ports. We saw the Spaniards, I believe, and it might have been the Portuguese -

AN HON. MEMBER:

Both.

MR. W. CARTER:

Yes, the Portuguese and Spaniards. Both of these countries had vessels within our 200 mile limit abusing the privilege that we extended to them.

I say to you now, Mr. Speaker, whether it is a French vessel, or a Russian, or a West German, a Portuguese or a Spaniard, when you go out on a limb and offer them the right to fish in the otherwise, as we perceive it, surplus stocks, like in the 2GH area, then I think we must expect that there is going to be a lot of hanky-panky going on. As I said a moment ago, the lowly cod is no longer lowly, it is a high priced commodity and there is a lot of pressure coming from all sides to get their hands on king cod.

So, Mr. Speaker, I would again suggest to the minister that when next the occasion arises for him to sit down with his federal counterpart to discuss the disposition of the so-called surplus stocks in the 2GH area, that he give very serious thought to what he is doing. Now, I know last year he went up and agreed to a 1,000 or 2,000 ton quota. We are not going to condemn the minister for that. I think he did it with all good intentions. His heart was in the right place. But, I say, despite that I think he was dead wrong, because what that gave them was a toehold within our 200 mile regime.



Mr. Speaker, I have strayed from the subject matter of this debate, but getting back to the privatization of FPI, we, on this side of the House, and I am sure all Newfoundlanders irrespective of their political affiliation, wish FPI nothing but good luck. We hope the company succeeds. I mean that sincerely. It almost boggles the mind, Mr. Speaker, to try and visualize what would happen in this Province if the fishing industry failed and if Fishery Products International, which is the flagship of the Newfoundland fishery, were to fail. It is hard to imagine the dire consequences that would result from that kind of action or that kind of thing happening, so we have nothing but good wishes for that company. We have strong reservations as to the wisdom of privatizing it when we did. We say again, Mr. Speaker, that one or two swallows do not a Summer make, one or two good years, as we have seen that company have, do not really ensure that that kind of success will continue to be theirs. We hope it does, but we have some very strong reservations.

The big question, of course, which must be asked, and maybe the minister can answer this one, is what happens two or three years down the road? I know it is not the thing to be negative and to be forecasting doom and gloom, but those of us who have watched the fishing industry over the past number of years, and I have since a boy, know it is up and down, peaks and valleys. In fact, I think most people will agree that there have been a lot more valleys than peaks in the Newfoundland fishery since John Cabot threw his first basket over the side. There have been a great many more valleys than peaks, and the thing

that bothers us is what will happen if at some time in the future we have some valleys? It is a very, very finicky market. There used to be a saying that Mrs. American Housewife, the person who is utilizing probably 85 per cent or 90 per cent of our fresh frozen cod, is a very fickle individual, a very budget conscious individual and if she goes to the supermarket and she finds that the price of chicken legs or mincemeat has dropped considerably below the price of fish, then there is a good chance that Mrs. American Housewife, trying to balance her budget, will reach for the chicken legs or the mincemeat and will ignore the fish, and that is a problem. Fish is becoming a very high priced commodity and the danger is that maybe at some point in time we will price ourselves out of the market. And what happens then, Mr. Speaker? Can we expect Uncle Ottawa to come back and bail us out, or will they just let us stew for awhile?

MR. SPEAKER:  
Order, please!

The hon. member's time is up.

SOME HON. MEMBERS:  
By leave.

MR. SPEAKER:  
Leave is granted.

MR. W. CARTER:  
Again, expressing the views of this side of the House, we do have some very, very serious reservations about the timing not the principle, because I believe that most people believe that governments should stay as far as they can away from the actual day-to-day operation of business. We have great faith in the

entrepreneurial skills of Newfoundlanders, and certainly I do not think anybody would want to condemn that company in perpetuity as a ward of the government or as a Crown corporation. Aubrey MacDonald, a former well-known Newfoundland sportscaster, a delightful and charming character, one time, in talking about government's intervention in business said, 'If you want to make crime not pay, let the government run it.' That, maybe, is a very good example for Fishery Products International. But at this point in time, maybe we were hasty in allowing it to fall into private hands.

MR. BARRY:  
Mr. Speaker.

MR. SPEAKER:  
The hon. the member for Mount Scio - Bell Island.

MR. BARRY:  
Mr. Speaker, I am glad to have the opportunity to say a few words in this debate because it is quite a significant piece of legislation.

What has happened over the last several months is going to see the face of the fishery in Newfoundland change for many, many years, I suspect, which is not to say that government will never again have to intervene in the fishery.

Indeed, one of the most serious reservations that we have on this side in questioning whether FPI should have been privatized when it was - not, I do not think, that we object to privatization. Our Socialist members to my right will probably object as a matter of principle because their philosophy would be to have government ownership of this type of firm,

but the Liberal philosophy has been, Crown ownership when necessary but not necessarily Crown ownership. We recognize the merits of the free enterprise system. We recognize, as the last speaker has said, that government is not known for its efficiency in operating businesses of any nature. One only has to look at the operation of the Canada Post Office to understand the concerns that many in the general public have when they contemplate government taking over the running of business operations.

We, in the Liberal Party, believe that there is a role for government to step in from time to time. When there are predominant social interests that outweigh the economic interests, there is a role for government. Government has had to do this time after time in the fishing industry. Here is one fellow who is not going to get up and say government will never have to do it again because government very well might have to do it again.

So our real concern is that FPI does not yet have a proven track record. That is one very real concern. It is not the most important reservation, Mr. Speaker. Our most important reservation is what this might be doing to the inshore fishery. I will start with that most important issue first, what this might be doing to the inshore fishery.

As we said in our press release on January 6, Mr. Speaker, we believe that the affect of this privatization, and the privatization bill now before us, will be to lock in a quota to FPI, to the offshore fleet, to the offshore sector, some part of

which might be eventually necessary for the inshore. It might be necessary now, for all we know because, Mr. Speaker, the final studies are not yet in. We do not have sufficient information. The biologists have admitted they do not know. The best scientific information which the hon. minister has at his fingertips and which ministers in Ottawa have says they do not know why the inshore fishery has been failing, particularly on the Northeast Coast of this Province.

Mr. Speaker, it may very well be - my impression is that scientists are leaning more and more to the view which inshore fishermen have had for a long time, and indeed, which offshore fishermen have had for a long time - that it is overfishing in the offshore that has had this dramatic impact upon our inshore fishery.

Mr. Speaker, if that is correct, if there is overfishing in the offshore, if there is not a sufficiently large quota for the inshore, then we should not be locking things, freezing things, as they are right now. Because it should be the objective - and I would ask the minister to address this directly - of any government in this Province to make sure the inshore fishery, not just survives, but prevails, grows, improves, because there are so many of our small communities around our coastline that are dependent upon the inshore fishery for their future. If the inshore fishery goes, they go.

MR. TULK:

The Premier will probably grow them a greenhouse then.

MR. BARRY:

Mr. Speaker, I think it is not

just coincidence. I pick up the newspaper, last Thursday's paper, May 7, and I am just glancing at it before the debate starts and I see this story about the Innu woman from Nain, originally from Nain Bay. She talks about how, in her opinion, things were better when she was a child, depending on the land but also she mentions the cod fishery. She says today there is no trapping of fox, no cod fishery. There is even a quota of fish up Nain Bay. Now, I am not sure what she is saying there, I assume she says there is a surplus that is not being taken up.

AN HON. MEMBER:

(Inaudible).

MR. BARRY:

Well, she is referring to cod first and then says there is an even - then she goes on, no more row boats, no more people camping out in Spring and many seals are gone. She talks about how the schooners do not come to visit because the cod fishery has disappeared.

That is just an example of one small community. Nain was never the centre of the cod fishery. We all know that. But we do know that this was one way in which the Native people on the Coast of Labrador did supplement their incomes and did justify their existence and did feel that they were doing something worthwhile when they participated in this cod fishery on the Coast of Labrador.

So we really have to question, and this is another point, the approach of the minister and the Premier, and the administration on this Canada/France fisheries agreement when they seem to blithely pass over the so-called the surplus cod off Labrador

because it is off Labrador as though that is some reason why there should not be every effort made to have that fish retained for our inshore, if that is the only use that could be gotten for it, or for an offshore Canadian fishery, if that is a more efficient way of doing it, and if it can be run coincidental with a viable inshore fishery.

But, Mr. Speaker, I just mention that, I am a little off track, because it is an example of how things have been changing, and changing for the worse in the inshore fishery. We have to make certain, other countries have done it, we have to make certain as well that if the inshore fishery can be, not just preserved, but improved, then we should aim for that.

If FPI has been privatized, the minister will say, "Oh well, it is understood by the investors that these quotas are subject to annual allocation." Well, the minister is being naive if he thinks that once a quota of fish has been allocated to a company, if he thinks any more than any other property, once it has been allocated to a company, if he thinks that that is going to be given up easily, if he think that that can be transferred easily to the inshore after that point, after that step has been done, he is wrong.

So this is one very real concern we have. The privatization of FPI, with the offshore quotas which that company has, means we are now going to see that quota frozen and we are going to see a situation where the inshore will be deprived of that fish, fish which might be necessary, I say might, we do not know for certain,

but fish which might be necessary in order to ensure, yes, the very survival of the inshore fishery. In any event, it may be necessary to make the inshore fishery even more viable than it is at the present time.

The other significant objection we have is that there is no proven track record for FPI. Yes, FPI did well last year, but let us look at the facts. The price of fish in the past eighteen months has been at an all time high. We have seen companies, basically they could get almost any price they were looking for. It was a matter of the demand outstripping supply. FPI made good money in those market conditions.

The real question is will FPI continue to make good money as market conditions change, as we see other white fish substituted for cod, as is now happening and is a natural cyclical part of the market place. As we see other products, such as poultry, again become competitive in price with cod and the market conditions for cod deteriorate. Will FPI continue to make their profits? This is going to happen as well even though there is a great - and I hope it continues to be stressed - a great scientific aid that we now have in marketing fish in that we have so much scientific thought about this Omega-3 factor and about how nutritious fish is and how healthful fish is. This Omega-3 is actually supposed to not just be something to improve your physical condition in terms of moderating harmful diets in the future, but it actually when it gets into your system is supposed to improve your cholesterol balance. It acts almost like a medicine.

It is ironic that we get back to the old wives tale of fish being brain food. More and more scientific studies are indicating that, yes, that is absolutely correct. People are going to be physically more healthy and mentally more alert if they eat more fish rather than of red meat. So this has been another factor in improving the market conditions for cod and for FPI.

What is going to happen as we see other products come back into competition? As the price of cod goes up there is a certain break even point where, despite all the good advertising in terms of health food, despite all the good advertising in terms of how much physically and mentally better you will be by eating this food, people have budgets. At some point they are going to start substituting chicken or other white fish or other fish for cod and the market is going to not be as good as it has been over the past year. How is FPI going to do in these less prosperous times?

Mr. Speaker, in the past year we should also recognize FPI has been permitted by both levels of government to sell off the less profitable plants. It was a good time for selling off because people were optimistic as a result of the good market conditions. It seems that people have short memories. I guess it is a natural part of human nature that if you have good times, people expect the good times to continue forever. So it was good for government to strike when the iron was hot or FPI to strike when the iron was hot to sell off the less profitable plants provided government was satisfied that the purchasers of these plants are going to be able to operate them

in bad times as well as in good because, otherwise, we are just going to have to go through this same process all over again. Government is going to have to intervene, repurchase these small plants in order to continue to provide employment for fishermen in the areas where the plants are located, if times get tough again.

So the real question is: What would FPI's financial position have been if it had not been permitted to sell off the less viable plants? We do not really know the answer to that question and that is why the official Opposition has suggested that it may be premature and probably is premature to privatize FPI this year. It would be better to wait until FPI had had more time to show that it could do its stuff, until it had more time to establish a track record and show that it could be profitable in bad times as well as in good. It is not that anybody wants bad times to come for the fishery, but being pragmatic, being realistic, we have to expect that they will. After two or three or four or five years the cycle will change again and things will toughen up and become more competitive in the fishing industry. So those have been the two main reasons why we on this side have objected to the privatization of FPI taking place when it did.

Mr. Speaker, since our press release in January and since the privatization took place, I have to express concern about another point. Maybe the minister could address this when he gets up because, for the life of me, I do not understand why more shares were not made available for purchase by Newfoundlanders. The

Premier seems to think that just because you have resident directors that is enough to control a corporation. Well, Mr. Speaker, they have resident directors in the Bahamas, in Bermuda, in Switzerland, in Costa Rico, wherever they have offshore companies, they have resident directors. But the minister knows that those resident directors do not control the operations of those corporations.

What really bothers me is that government and the management of FPI did not do enough to ensure that as many Newfoundlanders as possible were able to acquire shares in FPI. What happened was a block of shares were allocated to the Province and there was a greater demand for the shares than there were shares available. We had a situation, Mr. Speaker, where - and I have spoken to some investors who told me that they were going to broker after broker and just could not get enough shares. It is not uncommon on a new issue, if there is any sort of favourable pre-publicity to the issuance, it is not uncommon for this to happen, for there to be fewer shares going around than are demanded.

Mr. Speaker, I am not saying the minister could have ensured that there would be enough shares for everybody all around the world, across Canada, in Europe, wherever. But the minister could have, the Premier could have, through influence with the management of FPI, with the directors that the government had in place in that company, and those directors, I mean, when the Premier got up and said that we appoint directors, but we do not control them, we do not give them direction.

AN HON. MEMBER:  
(Inaudible).

MR. BARRY:  
The member should go back and check the Premier's statement. I was amazed. Now maybe he made a slip of the tongue. I would hope so, Mr. Speaker. Sure there is a limit, a director does not become automaton because he is appointed by government; a director just does not say well I forget that I am a thinking person with common sense and just become a mechanical robot and do whatever the Minister of Culture Recreation and Youth (Mr. Matthews) or the Minister of Fisheries (Mr. Rideout) or the Premier might ask. But, Mr. Speaker, the point that we were making on this side of the House is if they are government-appointed directors, they should be even more sensitive to the social issues involved, to the political issues involved than if they were just business people selected off the street by the shareholders of the company. That is really the reason why government appoints directors in this type of corporation because they are expected to be more sensitive to the social and political issues as well as the economic issues.

All the Premier had to do, all the Minister of Fisheries had to do was to ask that these directors to see that more Newfoundlanders had access to shares, in other words, that there was a larger block of shares made available for purchase. What was it, 20 per cent or 30 per cent, I forget the percentage that they allowed to the Province, or was it that much? I do not recall the figures. In any event, it could have been doubled, I am sure, and the shares would have been taken

up by Newfoundlanders. While none of us would encourage that to be done just for the sake of speculation, just to encourage people to buy these shares and sell them the next today, it should not be passed over that there has been a tidy paper profit at least made by those who purchased the shares. The shares were sold at \$12.50 and I think they were going for \$18.50 there last week.

AN HON. MEMBER:  
\$18.25.

MR. BARRY:  
\$18.25. They have fallen back a bit in the last day or so and they will fluctuate. They will go up, they will go down. But, you know, almost a 50 per cent increase on your money in the space of a few weeks, that is not a bad investment. That is not a bad return. It is regrettable that more Newfoundlanders were not given the opportunity to participate by having shares made available for purchase in this Province. I would hope that if members opposite, if government, gets into privatizing any other Crown corporations, they keep in mind that access by Newfoundlanders for purchase of shares should be something that is kept in mind.

Mr. Speaker, I do not have to many other points to make on this. As far as the fishery overall is concerned, whatever our concerns may be about the Meech Lake agreement in terms of how it might tie the hands of government or put government into a straitjacket in terms of bringing about other national objectives in the future because too much power may have been given to the provinces - I am not sure that is the case but it

is something that should be considered and should be looked at - I am pleased to see that fisheries jurisdiction is going to be on the agenda of First Ministers' meetings. This is how this Province is going to be able to have a greater control over its destiny in the future, by having a bigger say in matters relating to the fishery than it has had in the past.

MR. DAWE:  
(Inaudible) John Turner that.

MR. BARRY:  
Well, yes. As a matter of fact, I have. Do you know something? He agrees and he has no problem whatsoever living with the concept of a province, such as Newfoundland, with such an interest in the fishery, having a greater say in the fishery.

Constitutional change is one way of bringing about a more effective fishery. I fear that in the past one of the reasons we have had problems with the Government of Canada is because we have not had a plan, as a Province, that we could lay before them, and say, 'Look, here is something that you should be doing over a period of time that is consistent with national, as well as provincial, objectives.'

Yes. of course, we go out and we clamor for less fish being allocated to foreigners and more fish being allocated for the Newfoundland inshore and for the Newfoundland offshore effort, but we have to go further than that. We have to have a more comprehensive plan for the fishery than that. I think, as part of the exercise of establishing that, we should have greater jurisdiction over the fishery. We

are going to have to go through that exercise. The minister seems to be doing it in dribs and drabs right now, bits and pieces.

I mentioned the Link study. The Link Group is doing a study on the allocation of fish processing licenses. Now, I have to say to the minister, and I have said this in the House before, I think the minister is still operating in the dark ages when it comes to the allocation of rights respecting the fishery, and the federal minister is acting in the same fashion.

It drives me when I go and look at the Public Utilities Board where you have the right to a public hearing, you have the right to people coming in and intervening, and if somebody applies to get a truckers license that might be worth \$50,000 or \$100,000, that may affect the livelihoods of six or seven or ten Newfoundlanders, and when it comes to allocating fish quotas or licenses, there is no right of public intervention; it is arbitrary; it is total discretion in the minister. That is not the way it should be.

However much confidence we might have in our provincial minister or our federal minister, that is how it was done in the times of the Divine Right of Kings where the concept was that he who had the power had the right to allocate in whatever way he wished.

We have to get a better system. We have to get a system that is more in tune with modern day times which recognizes that people are entitled to be heard, are entitled to go in and have their say and not just be heard but be listened to, not just have a minister put people through an exercise just to

keep the water unruffled, just so that it will appear they are getting a chance to have their say. You have to have some independent group that are there and that can listen to these often conflicting interests. The most obvious one of course is the conflicting interest between the offshore and the inshore. Then you might have your conflicting interests between your inshore fishermen with the fixed gear and your fishermen with the small trawlers, or draggers, that come in too close to land and start interfering with and tearing up that fixed gear. You have to have a way of arbitrating between their interests. You will have a conflict between today's fishermen and the fishermen of tomorrow in terms of how much fishermen should be allowed to catch today at the risk of endangering the catch for tomorrow.

I really appeal to the minister to look at getting a better system, and press this for the federal minister as well, get a better system for the allocation of licences. I do not mean advisory boards. Advisory boards are well and good, but I do not mean advisory committees who consult and take views and then make recommendations to the minister, but the minister is able to decide whatever way he wants to, with no appeal from this decision. I do not think that is the way to go.

I think we have to get into a quasi-judicial type of hearing process where you have individuals with the opportunity of going before independent decision-makers, making their case, and have a decision made - and yes, in certain cases having the right of appeal as well. That is what is done in the allocation



of most other rights or privileges and it should be done in the case of the fishing industry as well. There is no reason why it should not be.

So, Mr. Speaker, that is just one example of what I see as a serious flaw in the present approach to the fishing industry. I only have a couple of more minutes. I think the member for St. John's East (Mr. Long) is going next but if I could just say to the minister, the time has come, if we expect to obtain more jurisdiction over the fishery, we have to start showing that we are going to be able to exercise that jurisdiction in a rational way. I would recommend to the minister that he tackle the problems of the fishing industry in the same way we tackle the problems of offshore oil and gas, and I mean in terms of the technical aspects; I mean in terms of the regulations that you put in place. Take offshore oil and gas regulations as an example.

I think we did a good job, and members on all sides of the House did a good job in seeing that we brought into place in this Province a modern up-to-date fine set of regulations for the oil industry. We saw some of them fall by the wayside. We can be critical of that in the course of the negotiations with the Government of Canada, and I talk about Crown participation as an example, but at least we went through the intellectual exercise. We started from rock bottom. It was easier to do because we had not had an oil industry for 500 years the way we have had a fishing industry. But the minister should encourage his officials, and he himself encourage his Cabinet colleagues, to go through that process.

Pretend the fishing industry is just starting. If that was the case, how would you put it in place today?

Now that might be the unattainable ideal, the Holy Grail, but at least it would give you something to work towards. I would think, Mr. Speaker, that if the -

MR. SPEAKER:

The hon. member's time is up.

MR. BARRY:

Yes, I will just conclude my sentence. If I would say to the minister, if the minister were to take that approach, start from scratch, assume that we were only going to start fishing for the first time tomorrow, inshore and offshore, start from scratch and decide what rules and regulations should we have in place for the fishing industry, I think we would see many changes to the system that we now have in place, many changes that are long overdue.

MR. LONG:

Mr. Speaker.

MR. SPEAKER:

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

MR. LONG:

Thank you, Mr. Speaker.

I would like to speak for a few minutes on the bill and try and put succinctly our party's position which has been made clear in the House before, and certainly in public statements by my leader, who was looking forward to participating in the debate but, unfortunately, had to be in his district of Menihek today. I am not going to take a lot of time.

The basis of our concern has been

shared by other speakers here today from the official Opposition. But more than that, we have a disagreement in degree in that we are not only opposed to the sale of FPI at this time, we are opposed in principle to the sale of FPI. If I may I would like to direct my comments to a principled opposition to the privatization of Fishery Products International at this time.

We have real problems with the move to privatize Fishery Products International, especially, and I guess you could say fundamentally, in light of the concerns that all members of this House, and certainly all Newfoundlanders have been expressing, especially over the last couple of months concerning control over the fishery.

The provincial government was in a very heated battle with the federal government on the question of jurisdiction through the Winter months. It was an immense irony to see in the middle the Premier and the Fisheries Minister and members of the government, indeed members of all sides defending Newfoundland's interest on the question of control of our fishery as a critical feature in our own struggle for development in this Province. Without control over the fishery we are not going to be guaranteed any protection for the future. We are not going to be able to put in place any kind of long term development strategy for the Province because the economic and social, and indeed, cultural lifeblood of the Province revolves around the fishery.

At this time, then, for the Province to be giving up the only real stake that it has secured through the restructuring

agreement in terms of having some say in the control and the direction of the industry, to be turning it over to private hands simply does not make a lot of sense and, in fact, represents an obsession with giving to the private sector or seeing private corporations as the only rightful institution to participate in the economy.

Of course, it is well known that the NDP in this country and we, in this Province, are consistent in speaking to the need for government involvement in the economy. The idea that public ownership, Crown corporations, does not work has been disproved not only in this country but elsewhere in the world, especially in Western Europe, in Sweden and Switzerland, where there have been very successful stories of economic growth, nationally and regionally within countries, being produced as a result of public ownership and public intervention in the economy.

Certainly in this country the role of Petro-Can in dealing with the critical energy questions facing this country has demonstrated, if it needed to be, the important role of public ownership in order to be able to carry forward public policy in determining economic plans and determining the activities of major economic institutions.

The proposal to privatize, when it was announced some time ago, had only one caveat for maintaining some degree of Newfoundland control and it was in the Board of Directors. As my leader has pointed out in the past, there will be problems enforcing that. If there was ever a constitutional challenge to the residency

requirements, it is not clear that the legal basis for what is being presented in this legislation would stand up. It may be contrary to the Charter of Rights and the Constitution that a member of a private corporation is bound by legislation to residency requirements.

More than that, as a technical difficulty with the requirement of Newfoundland residency for the Board of Directors, we also see that as a rather token attempt to try and pay lip service to maintaining some degree of Newfoundland control when actually the shop is quite literally being sold out.

What we see in this privatizing of FPI is the opposite of what members of this House are constantly accusing the NDP in this country and this Province of, and that is an ideological disposition or an ideological obsession on one question or another, and an ideological approach. What we are seeing is the approach to economic programmes or the lack of economic programmes by governments borrowed from England and the United States in which anything that is making money must be in private hands; that there is no reason in which any profit being made should be left with the taxpayers for the public good because there is a clamour wherever there is profit from people who want to get wealthy in their own positions and to help themselves to profit-making enterprises.

The immense irony in our own context is the massive debt facing the people, not only of Canada, but certainly of this Province. When we have a public corporation such as FPI with involvement by

both the provincial and federal governments making the kind of dividends that it did in the last year and demonstrating incredibly positive prospects to continue to do well, the immediate response is to get out of public hands and give it to the private sector. When you put that against the massive debt load that every citizen of this Province is facing, it simply does not make a lot of sense.

The Minister of Finance (Dr. Collins) was able to reap some benefit in the sale of FPI whether it is in this year's budget or next year's budget or current account or capital deficit. In bringing in this amount of money on the sale, it may help in the short-term but in the long run it is simply playing blind adherence to a rather blind philosophy of free enterprise having the only right to participate in profit-making enterprises.

The question of control over the industry is a very serious concern we have with this. What we see is the government giving up any responsibility that it had, which originated in the restructuring agreement, towards the notion of a social role for FPI. That was a central part of the restructuring agreement and it is now going to be tossed to the wind. The \$250 million to \$300 million that was put in by governments to begin the restructuring process is now a gift as this is being privatized and the guarantee of concern for what has been called the social plants in Ramea, Gaultois and St. Anthony and the other plants that we are concerned about being closed now will not have any guarantees. There will not be any public accountability.

This is a private corporation that is going to have as a single motivation for its direction and economic plans in the industry the maximization of profit. What we had seen developed in the last three or four years with the crisis in the fishery in this Province was an absolute need, in the public interest, for governments to intervene and to take some responsibility for the direction of the industry. That has now been given up and its an open question as to whether the selling off FPI, once it has made a profit, is not going to put us back into exactly situation that produced the crisis in the fishery and produce the restructuring agreement in the first place. We may end up back where we started. Other speakers have pointed to that as a very serious concern and we would suggest that the concern is not only one of timing, that FPI should not be sold at this time, but in the long run the case could be made that the FPI should not only be kept in the hands of provincial and federal governments so that there is a degree of public accountability, but that it should be used as an instrument for long-term planning and long-term development of the industry in this Province.

We see as the problems and the concerns that we are bringing forward in the selling off of FPI the giving up of public accountability, the lack of government control in the direction of the industry, and the turning over of profits.

As taxpayers, we already had shares in this corporation. We were being asked, until the date was closed, and as other speakers have pointed out, there were not very many shares made available to

Newfoundlanders after all, not as many shares as there was interest in, but all taxpayers had a share and a stake in this corporation with public involvement through the monies invested by both levels of government. Then we were being treated to an opportunity to all become private entrepreneurs, to all play the stock market and to invest our own personal finances into a corporation and to change the nature of our involvement from a public one in which all taxpayers shared an equal stake in the corporation to those who could play the stock market were invited to participate.

What we see in that is a division in our own community. It is in the common interest of all Newfoundlanders to protect and develop the fishing resource and the industry but the only people who are now going to have a monetary stake are the people who have the financial resources to play the market.

In a Province like Newfoundland where so many people are unemployed and so many people have so few financial resources, it is ridiculous to try and entice people into becoming small capitalists, small players in what is a giant international marketplace with very large private corporations and to expect people to get some satisfaction, some sense of sentimental involvement or their own ability to participate in the direction of the fishing industry by playing the stock market. When people are being invited to play the stock market, they are being invited to play a very dangerous game and that is the essential concern that we have. This is being thrown to the dog eat dog world of market forces.

It has been so clearly demonstrated in the debate that has raged in this Province over the last three or four years that produced restructuring of the fishery, the newly restructured FPI and now has produced this privatization sale, the debate has revolved around the lack of jurisdiction, the lack of control over our resources when the federal government gave away the Northern cod stocks. People have been seeing the absolute need for public accountability and initiatives by our government to have some say over the industry and this is what we are giving up by selling off FPI.

I might say, for our part, in pointing out the gesture of compensation in the residency requirement on the Board of Directors, that has not been enough. We have put forward an alternative in which we see the one representative from the Fishermen's Union, although he no doubt would be a very strong representative and would bring some degree of insight into the concerns of the people who work in the industry in this Province and people who live in the fishing communities, but one representative of the Fishermen's Union is not enough to represent the interests of the people who work in the industry and people who live in the communities where the industry is an essential part of the local economy. The President of the Fishermens' Union in this Province at the time the sale was announced is on record as saying that this was a lost opportunity. There was an historic opportunity for this government to use some imagination and develop some creative, alternative forms of ownership that would be a genuinely

demoncratic expression in which people who work in the industry and people who live in fishing communities could be invited to more than buy shares, but be given some major measure of control in the corporation. Shares could be sold to the workers in the plants and to workers on the offshore trawlers. Municipal governments could have been involved. There could have been an arrangement or a financial structure put into the corporation that would keep control, not only in the Province in very definite terms, but also would encourage local involvement and local input into the direction that the corporation would take over the coming years.

On a personal note, I might say that on the day for launching the sale of FPI at Hotel Newfoundland some time ago, I think it was about three weeks or a month ago, I happened to be in an adjacent room at the hotel attending a special committee meeting, a standing committee of the House of Commons to examine the Secretary of State Women's Programme in which there were eight or nine parliamentarians from Ottawa who were travelling across the country. They visited St. John's to meet with women's groups who are being funded through the Secretary of State programme. The federal minister responsible for the Status of Women in this country, Barbara McDougall also happens, by coincidence or otherwise, to be the minister responsible for privatization.

After some discussion in which I was sitting in on as only an observer, and many presentations were being made, one of the presenters pointed out that the minister responsible for the Status of Women was in the next

room to celebrate the sale of FPI and that she should be invited to come nextdoor. The message was given to her and she did come nextdoor. She was met with what I thought was a very articulate illustration by one of the members of the committee, who is a New Democratic Party critic for women's and social issues from Vancouver. She put to the minister the image of her coming to drop in to say hello to women who were making submissions on behalf of women's groups in this Province and on behalf of individual women who are suffering the difficulties that women in this country are facing with low pay, a lack of day care, the problems of transition facilities, women who are identifying the concerns that ordinary women in this country are facing, many of them living in very difficult conditions of poverty, underemployment and unemployment. The minister was able to drop in to say a few words representing the Canadian government and was then going to be returning to this massive celebration. When I left the meeting room myself I could see, as the NDP critic suggested, it was very male-dominated and very wealthy. The juxtapose of the two room side by side in which women were telling their stories of hardship and going to the government to seek support for programmes, then nextdoor there was a group of mostly wealthy men celebrating the return to the private sector and the return to the stock market of what should be a public corporation, the irony was almost too much to take, especially in terms of the office of this minister representing the federal government who is able to function in an official capacity in both meeting rooms, on the one hand, addressing the concerns of

women, and on the other hand, congratulating the provincial government here for its successful sale of Fishery Products International.

The point in relating this story is to illustrate the concerns that we have at this time when not only the issue of control, the question of public accountability and the need for government involvement in this, our most important resource, our most important economic industry in the Province, is being sacrificed, but this is also happening along side a time when so many people in our Province are suffering from unemployment, so many people are suffering from a lack of resources, the difficulty that people face in getting through month to month in paying their bills, people on social assistance, people going on UI, people looking for make-work projects, and these are the people of our Province who are being invited to buy shares and play the stock market on the fishing industry.

We would say, Mr. Speaker, it was a sad day, not only for members of the NDP who have been raising these concerns, but certainly for any people in the Province, people working in the industry, people living in communities who had some hope that both levels of government, provincial and federal, had a very central involvement and there was a degree of public accountability in the direction of the fishery but this was lost. The day the sale was announced was the day that we lost a potential instrument to control our own future.

The legislation that is being brought before the House presents all the details. The legislation

is going to facilitate this turnover. The concerns I think are important to put on the record for this debate.

I would like, on behalf of my leader, to give notice that if and when the NDP becomes the government of Canada or the government of this Province, FPI will not stay long in private hands. Our philosophy is indeed one of maintaining public involvement in the economy. It may not be too long before FPI will come back into public hands and a new restructuring will allow for greater public accountability involving both levels of government.

Thank you, Mr. Speaker.

MR. SPEAKER:

The hon. the member for Stephenville.

MR. K. AYLWARD:

Thank you, Mr. Speaker.

It is a pleasure to speak to the FPI Bill today and to give some comments as to the reasons why government is putting such a venture into private hands. Before I get into the real essence of my remarks, I would like to comment on the NDP philosophy on this issue. I do not mind that party philosophizing about public ownership and public control, but they should not be condemning the deficit. Because if you are going to continuously talk about putting companies into public hands and public ownership, then you are talking about more money from the public purse, you are talking about more funding from the treasury of this Province.

To give such a point of view takes away the argument that government

should control its deficit, that they are spending money too fast on the wrong things.

I have a problem with their views, but I am sure they will try to make their views clearer, at least I hope so, to the people of the Province who look upon this party as a third party. Hearing their position they would probably have a difficult time, because they do not state clearly what they would do if they were the government, which is the role of a party in this Province if it is to exist politically. It is the role of the Opposition to either give an alternate view or a similar view of the government.

We in the Liberal Opposition have taken the view that the privatization of FPI should not go ahead at this time, and I say this time because we do not rule out the privatization of it. But we say that FPI should be allowed to perform for a number of years before being handed over to the private business.

We do not see a good track record, we see one year of good profit and then we see government deciding that they are going to give it to private business. It would not be so bad if it was a company or a business that did not have such a stake in the Province's economy, but this industry and this company has a gigantic stake in the future of the Province. It has a gigantic stake in what this Province is all about, in the history of the Province, in the present state of the economy of the Province, and in the long-term future of our Province, how it will be shaped and how it will go.

What concerns me and concerns the Liberal Opposition is that the

provincial government has decided very quickly, after FPI has made a quick profit, to go and turn this business, which has so many implications to the future of the Province and to the workers who work in these plants and in the fishery, over to the private sector.

I have a problem with it, because, Mr. Speaker, I have a business degree from Memorial University and I am well trained. That School of Commerce has produced many good graduates, and hopefully they will look upon me as that one of these many, many days down the road, but that has yet to be proven. But one of the things they taught us, Mr. Speaker, was, if you were in business, whether a company or a private individual, before you were looked upon as being successful you had to have a track record which showed that you were good at what you did, that you had accomplished a number of things, and that you were successful in terms of that type of business.

If you had a proven track record, Mr. Speaker, it was easy enough to sell your company, it was easy enough to sell your ideas or your philosophy. I have a problem with the way this government has decided to give away to the private sector the control of that enormous resource so quickly for reasons of profit, and that is fine, I have no problem with profit.

The minister says that in the agreement he has some mechanisms that will help keep a social conscience within the selling of the FPI. When you take this gigantic, this important company and you give it to the private industry who, again, have

different motives and rightfully so, then I have a major problem with that. You not only give it to them, you leave the future of many people in their hands.

Again I would not argue with it if it was a different type of business, but this is so important to this Province that there is no need to do what is being done right now. Three or four years down the road, after you have a proven track record, would be the time, as far as I am concerned, to make such a move. This company would be long established and would have a proven track record. We do not know if they can handle the tough times yet. We have not seen that and I am very wary. I have the greatest confidence in the management of FPI, the only thing is this is one of the most complicated industries in the world. It is also, within an economy, within a Province that is very complicated.

MR. TULK:

A point of order, Mr. Speaker.

MR. SPEAKER:

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

MR. TULK:

I hate to interrupt the hon. gentleman from Stephenville. It is probably not a legitimate point of order as such, but are we going to have this racket going on over there, these little chitchats and so on, where you cannot hear a person speak in this place, until August?. I mean, this place is deteriorating to the point where it has become not a bear pit but a kindergarten class with the teacher out.

MR. SIMMS:

Mr. Speaker, to that point of



order.

MR. SPEAKER:

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

MR. SIMMS:

Mr. Speaker, there is nothing, of course, in parliamentary practice that prevents members from having a conversation and so on. It happens quite frequently on both sides of the House. However, having said that, I do not think there is a point of order. I think the hon. member has perhaps raised a realistic point and the hon. the member for Stephenville should be able to at least hear himself speaking. Perhaps I can convince my colleagues here to speak a little quieter.

MR. DOYLE:

And over there, as well.

MR. SIMMS:

My colleague did not hear me, but I did say that it happens on both sides of the House.

MR. SPEAKER:

There is no point of order, but I would ask the hon. members to my left if they would please keep the noise down.

The hon. the member for Stephenville.

MR. K. AYLWARD:

Thank you, Mr. Speaker, for that ruling.

As I was saying before my hon. colleague helped me out by making sure I am being heard, I have a major problem when I see a business that is so important to the future of this Province being put into private hands and which will be used in the future solely

for the profit motive. I have no problem with the profit motive, but as a young man in this Province who has seen many of his people move away because of the lack of employment opportunities and the ups and downs of the economy, a lot of that based on the fishery itself and the downturns of that fishery, I see now our control of our future, of our destiny being taken away and being thrown into the hands of people who have their own motives, and rightfully so, and being thrown, I believe, at the wrong time. Because we could be into a situation where, in a couple of years time, we could have crisis on our hands when that private company starts making decisions. Even though there are conditions attached to this agreement and the privatization of FPI, when a company is handed a prospectus that company goes to the public market, they become a private company. You can have your regulations, you can have your conditions, but you have to remember it is now a private company, it is a company that will operate as best they know how to show a profit and to make money, and they will do it whatever they have to. That is how you operate in private business, that is the way you always operate.

This government has made a conscious decision to give this company that type of endorsement, they are letting them have control of these 8,000 employees who now will have to and who will participate, and, mind you, I have no problem with that, in the stock plan and who will now be under the scrutiny and under the leadership of the management of FPI. While that may be very good management and while it may be that they have the right intentions and that they

want to do the best they can - they probably have just as much social conscience as any member of this House when it comes to the fishery of the Province - they will now be a private company and a private company has a different philosophy. You now have a company which will deal with problems in a different manner. The thing is that they do not have total control over what is going to happen. They made a profit this year, that is fine, congratulations to them, but many of the things that will occur in the future they have no control over, such as the economic ups and downs, they will be subject to the market. When a company that was bailed out only three or four short years ago, \$300 million from both the provincial and federal governments, has a one year track record of profit and is now going to be thrown into this free market, I have many concerns as to what the results are going to be; what employees and what the Province will face a couple of years down the road. If a downturn occurs and it is drastic, what will the result be and how will they respond? I have a problem with handing this business over to the private sector so early, without a proven track record. That is the philosophy we have on this side, and I feel it is the right one. I feel this government should have watched this company over a three or four or five year period and then decided, based on the challenges met, if they performed adequately enough to be handed over to the private sector. Because then you have a proven entity that has been able to meet the challenges in a very tough market. Because the Newfoundland and Labrador fishery is a very tough market, it has faced many difficult times; it has

faced outside controls for pricing and so on which they have no power over. So they will now be subject to this market because of this government's action.

We have stated and we will continue to state that it should have been at least a four or five year period, where you could have seen how the company performed. Typically, that is what is done in business. A proven track record it is called. This has not being done and this concern we have to express. We really do not know what the future will hold. Nobody can know that, but you can certainly do a lot more homework and a lot more research, and you can certainly do a better evaluation of the situation to see how a company performs.

We have not seen that, we have seen a company get an infusion of money, perform for a year, and be thrown to the private sector.

We have a major problem with that. I was reading through, Mr. Speaker, the Task Force report on Atlantic Fisheries, "Navigating Troubled Waters," and in the introduction it talks about, "Social adjustment, too, has been part of the fishery. The pursuit of fish governed the patterns of settlement in Newfoundland and Labrador, drawing people from the Avalon Peninsula up the Northeast Coast and into Labrador, tugging them Westward along the South Coast." It says, "It is a society worth maintaining for many reasons, social, economic and political in the broadest sense of the word. It is part of the fabric of Canada, part of our history as Canadians, part of our culture as residents of a country whose coastline along three oceans is one of the world's longest."

Mr. Speaker, it is a society worth maintaining for many reasons, social, economic and political. The social reason is what we are really concerned about. We are all concerned about the economics, but the Liberal Party is really concerned about the social reason. The social conscience with which this company would operate we have pretty well taken away and they will now operate on their own with a profit motive or a profit conscience, and that spells to me and to members on this side, a philosophy that could see us in deep trouble should this company get into trouble with the market.

One of the things that has not been addressed adequately, I do not think, by the minister and by the government is the impact of free trade on the fishery of this Province. The minister says he has conditions in this agreement that will make sure we get ninety days notice of plant close-downs and other different things that he says we never had before. But within a year or so, or until we have a free trade agreement being signed by the federal government, looking at the consultation they had with this provincial government on many issues, I am very wary that they are going to take our concerns into account when they sign that agreement. What is there to say that the agreement they sign will not have drastic effects on the fishery in this Province? What is there to say that it will not have drastic effects on the operations of FPI and on the many fishermen in this Province?

This is a gigantic issue on which I do not think we have done our homework and we are now going to say, "Go ahead, give it to the

private sector. You deal with it now, you are to make a profit, but if you get in trouble, well, we have a few conditions there."

I thought the way we had it was not bad. The previous Liberal Government in Ottawa did a good job when they put together an agreement with this provincial government. They have not been given much credit for it, mind you, but that was the initial agreement. This FPI restructuring deal has proven successful. We bailed them out, but we came out with an operation that employed people and was successful despite the many problems that were originally incurred.

I have a problem as to where we are going to be in the short-term and in the long-term. Where are the effects of free trade looked upon within this FPI privatization? What are the effects going to be? Maybe they will be good. Maybe the new free trade deal, when it is signed, will be of great benefit to this Province, but we do not know that. And we have seen the federal government break the restructuring agreement already. I have seen some of their co-operation and consultation procedures, Mr. Speaker, and, to tell you the truth, I am not impressed. So they could be putting conditions into a free trade deal that will have detrimental effects on our economy down here, specifically the fishery, and we will then have a company, which employs 8,000 people and will have to deal with that, and which does not have the provincial consultation or the provincial social conscience that should exist.

Again, if this was a smaller

business or a different type of business, I really would not have a problem with privatizing it.

But it is the nature of our society in this Province that we have an inshore and an offshore fishery. That is really what our society is all about. It is the history of our Province. It is what our economy is built on. When you tamper with it, you have to be very careful. When you make improvements, you have to be very careful. When you make changes, you have to do your homework, study it. To propose and put forward any changes, you must make sure that you are doing so for the right reasons, that you are doing so to show and to bring about positive change that will see an improvement in the fishery, that will see an improvement in the Province, and will see an improvement in the viability of our richest resource.

It is a resource that for many years has been very difficult to deal with and very difficult to tackle. There have been many positive changes, mind you, but problems have continued to exist. I do not believe, at this time, that handing this company over to private ownership is going to be the way to solve the problems, the way to deal with the issues of the fishery right now.

There are many implications in such a deal that I do not believe this government is really looking at. I do not believe they have looked at it closely enough, but I cannot see why. It is contrary to business philosophy to just jump right in and just throw it to the private sector. To me, Mr. Speaker, it does not make the best business sense in the world. If they had a proven track record, if

their record was one of ability to handle problems, to deal with downturns in the market, I could see a very good case, because they would be a proven team, and a proven company. Also, it would prove the most important thing that I am concerned about, and many members over here: If there had been a down-turn in the economy, in the market, where they had to deal with proposed plant shutdowns or close-downs, proposed layoffs, and we had seen them having to deal with that, and if they had dealt with it and dealt with it in the appropriate manner over a five year period, Mr. Speaker, then it would take away our argument, for one thing. The argument would be very good then for them saying, 'Well, this company is a very stable company. It has proven its worth over the last few years, it is now time to look at the private sector to see if we can get them to operate in the market economy.' We would not have as much of a problem with this if that had been done. But it does not appear that this company is going to be dealt with like that, they are just going to throw it to the private sector.

MR. DINN:

Why are you guys not thrown out?

MR. K. AYLWARD:

Why do you not sit down, stay there, be quite, and leave us alone, please?

If he cannot tell the difference between the two philosophies, that is too bad.

Anyway, Mr. Speaker, as I was saying before I was so rudely interrupted, business logic - from what I can tell, of course, some would not understand that.

MR. SIMMS:

When did you start using logic?

MR. K. AYLWARD:

When did I start using logic? Ever since I was influenced by the hon. Minister of Forest Resources and Lands, when I was the critic. Every time I got up, he would answer me with such logical questions it just used to make my head spin. I will tell you, when I really got my logic was when the minister signed a forestry deal and instead of signing it for 90/10 he signed it for 70/30. He thought that was better. That is when I figured out logic.

MR. SIMMS:

Best offer in Canada.

MR. K. AYLWARD:

Way to go. With that government, no doubt it was.

Anyway, I will get back to my remarks, Mr. Speaker.

Giving that company to private enterprise after one year is not the philosophy to operate under, not with such an important resource. I feel it was rushed, it was too rushed for this company to be thrown to the private sector. Because there are a lot of problems they could be faced with in the near future, and we could be faced with having to go and bail them out, having to deal with their problems. I think this issue is really showing the philosophy of the present government, it is showing how right-winged they have turned. Because they are now deciding, this is it. Let the market decide, control and deal with the fishery, which is such an important resource. That would not have been the philosophy of this government a few years ago,

but they have gone so right-winged that it is shocking. It is unreal! It is very unreal, as a matter of fact. I guarantee you, Mr. Speaker, that know what term 'proven track record' means, because you are passing this company over to the private market. 'We made a good profit last year, so we have now decided we are going to give 8000 employees to the private sector. Let the social conscience ring out in the private sector.' That is great! That is really something! I am really pleased.

AN HON. MEMBER:

(Inaudible).

MR. K. AYLWARD:

I hear a minister commenting about moving to the right over here. Here they are into developing land all over the place, and they are talking about moving down with those guys. I think they should get their priorities straight, Mr. Speaker. But, I want to make sure that I am on the record on this one, Mr. Speaker, because I hope down the road that we are not faced with a situation where we see FPI having to deal with a real down-turn, a drastic situation where they have to come to government to deal with the possible shut-down of plants, the possible lay-off of workers. I hope we do not see that, Mr. Speaker. But the history of the fishery in this Province will show that we have seen problem areas occur. It is unfortunate that we have decided that that is not as important anymore as it used to be and we have not made sure we have real conditions attached to this agreement so that we will at least know we can put out any fire that may occur.

While there are conditions

attached, you are putting it into the private sector right now and once it is there, they operate on a motive which I have no problem with, but I have a problem with it being done right now. As far as I am concerned, Mr. Speaker, that is a very good argument. I think it is a very good philosophy with which to operate, because you are careful but you are also willing to let the private market, the private sector operate the business. That is a decent philosophy with a resource which is so important to the economy of this Province, and to the people of this Province who have seen many ups and downs in our economy.

To conclude, Mr. Speaker, I think this government has moved too quickly. I think this now shows a really true Tory philosophy, to the right-wing. We have seen this fully bloom, Mr. Speaker, with such a move by this government. We are expressing concerns that I hope we are not faced with in the future. But if we are, I hope the present FPI people are able to deal with them and that this government is able to deal with with, because they are concerns that should be expressed, that should be dealt with. It is unfortunate that the government has decided to make such a move so quickly.

I would like to conclude my remarks, Mr. Speaker.

Thank you.

MR. FUREY:  
Mr. Speaker.

MR. SPEAKER:  
The hon. the member for St. Barbe.

MR. FUREY:  
Mr. Speaker, thank you.

I would like also to echo some of the comments made by the hon. member for Stephenville (Mr. K. Aylward), in his very eloquent speech.

MR. TULK:  
What about the member for Fogo?

MR. FUREY:  
I was not here when the member for Fogo (Mr. Tulk) spoke, Mr. Speaker, but I am sure that he gave a brilliant dissertation on the privatization plan for FPI in Newfoundland.

I want to speak for a minute about the socialists in the corner, Mr. Speaker. It is amazing to sit and listen to this group talk about the private sector as though, Mr. Speaker, it was something poisonous, as though it was morally corrupt to take a profit in our mixed economy.

Mr. Speaker, I am almost reminded of George Orwell's book *Animal Farm*. That was an allegory, Mr. Speaker. It dealt with the Russian Revolution and how the peasants created an uprising to throw the czar out of power and then they began the roots of socialism which turned into communism, communal ownership, and everybody was suppose to be equal. It is interesting in *Animal Farm*, and significantly enough we are deal with pigs and other animals in the pens, and what they do is they revolt against the farmer. They say the farmer is not treating them right, is not feeding them right, is not allowing them to roll around in the mud enough, to be lazy enough. What happens is these animals create ten commandments. The first commandment is that all animals are equal, similar to the commandments of communism that all

people are created equal. But as communism grew and as the animals started getting fatter what rose to the top were stronger animals. So the commandment that all animals were created equal became all animals are created equal but some are more equal than others.

Therein lies the philosophy of socialism. They can talk a great story, Mr. Speaker, with their hearts, but when it comes time to talk about their pocketbooks, they run and hide because they are probably the most hypocritical and greedy layer of society that we have.

SOME HON. MEMBERS:  
Hear, hear!

MR. FUREY:

Mr. Speaker, on that note, let me say all people are created equal, but some are more equal than others. These two socialists are more equal than the ordinary person out there. Certain layers of unionism are more equal than the general common workers.

Mr. Speaker, it would be interesting if we could ever unravel the salaries and the perks and everything else.

MR. DINN:  
You would never get it.

MR. FUREY:

You would never get it, perhaps, but you would find those are more equal than those poor lowly common workers. I want to distinguish our party, and I am sure the Progressive Conservative Party from these socialists by saying that we, on this side, do not believe the private sector is a poisonous place. We do not think, Mr. Speaker, for one minute that it is morally corrupt somehow to

take a profit from hard work where people are willing to go out and use their energies, their time, and their sweat to develop and create and produce. We do not think there is anything wrong with that.

Mr. Speaker, we are not so much against the privatization of Fisheries Products International, let the record be clear on that, we certainly are not. We want to move toward privatization, but we just feel that we have to move more cautiously than the current administration is moving. There are a number of reasons.

The member for Stephenville (Mr. Aylward) pointed out that we did not think there was a significant amount of time yet to see whether or not these profits from FPI can be sustained over a longer period of time. We too, Mr. Speaker, and I am sure government members as well, and I know the Minister of Fisheries (Mr. Rideout) is, because he is an honourable and good man, are worried about the 8,000 jobs in the offshore, and we are wondering what the impact will be of this privatization on the 23,000 people who fish and make a living from the inshore sector.

Mr. Speaker, it should be pointed out and a great deal of credit should be given to Senator Kirby for the tremendous amount of work that he did do in compiling the research and in putting together "Navigating Troubled Waters." It was easy to attack Senator Kirby and "Navigating Troubled Waters," but what we had to forget and what people selectively forget is that it was a working document, a paper put forward for discussion. It triggered debate across the country, and it triggered debate particularly in Atlantic Canada

and especially in all of our home Province here of Newfoundland and Labrador. It gave us the opportunity to talk about certain things.

We on this side are simply saying, let us move, small 'c', conservatively, back to the private sector. Now I know - and the minister I am sure will talk about this when he rises in his place - that the agreement put together by the former Liberal government and the current Progressive Conservative government, provincially, talks about moving back to the private sector as soon as possible. I think those are the words of the agreement.

Normally, we would not have any problem with that but we are saying is simply a great massive infusion of capital went into this company to save it. We have to research back and find out why these series of large offshore companies went bankrupt in the first place. I am sure the minister will deal with that. We have to ask ourselves what went wrong there and could it possibly go wrong here now in 1987, now that we have returned this megacorporation back into the private sector.

We have no problems with the general thrust of going back to the private sector, we have no problem with the company taking profit, we are not against hard work and production as the socialist are, we do not mind it going back to the private sector, but we just wonder out loud are we moving too fast, too swift before all of the facts are in on this particular issue.

Now, Mr. Speaker, what we are

saying is we have seen a profit for one year, is that right? - and the minister can correct me - two years. In the first year, it was \$15 million and then we saw the prices escalate and we saw the trimming back of plants and the reorganization, which was all good stuff, then we saw the profits mushroom to \$40 million. Now, I know that nobody can look into a crystal ball and predict what the fish prices are going to be, whether the markets will be glutted, and all of those economic factors that go into making this kind of decision. What we are saying is we would have liked to have seen at least a four or five year period where a consecutive track record could have been painted for everybody to see and then confidently move back into the private sector. I am sure the minister would agree that nobody has a crystal ball. We cannot make all kinds of predictions and use witchcraft and everything to find out these things but we are saying we would have liked to have seen it remain in the public hands, public ownership for a period of time where we could say, "We are confident, we feel good about this, it has been five years of solid performance, let us return it to the private sector." I am sure the minister could argue back, "Well, your argument loses water when you look at the price that these stocks are now commanding. They have gone from \$15 to \$18." Are they moving back down now?

AN HON. MEMBER:

(Inaudible) down to 17.

MR. FUREY:

Seventeen.

Mr. Speaker, there is an issue, while we are talking about Fishery



Products International and about the restructuring agreement, that I would really like the minister to address when he rises in his place to close debate. It deals specifically with the restructuring agreement, Section 15, parts A, B, C, D. In that section of the agreement, Mr. Speaker, it was hammered into place the concept of the Northern Fisheries Development Corporation.

Mr. Speaker, may I remind hon. members about that section of the agreement because it is so important, it is tantamount to success for the Northern Peninsula and her peoples that this agreement had been put in place; "That the two governments work together to establish a Northern Fisheries Development Corporation and would consult regarding its scope, mandate, ownership and area of operation." I think the minister knows that Northern Development Corporation referred specifically to all of those communities North of the fiftieth parallel from, I believe, Parsons Pond North to St. Anthony along the Coast of Labrador.

"NFDC would be created to include the plant that at St. Anthony and those plants on the Labrador Coast which the private sector is not prepared to operate, including several now owned and operated by the Government of Newfoundland." That is changed somewhat.

Section C, "NFDC would not operate as a monopoly. Any plant now in the private sector would be free to remain outside NFDC."

Section D, "A supply of offshore Northern shrimp would be important to the economic viability of NFDC and thus means shall be

sought to provide such supply."

Now, the minister will recall that this was a good concept. It was a concept, Mr. Speaker, targeted towards firming up and making strong the Great Northern Peninsula. I think, in 1983, under a former Liberal Government, under the estimates for that particular year, and the minister can correct me if I am wrong, 1983/84, or 1984/85, one of those years, the government that was in place put aside, Mr. Speaker, \$15 million to be injected into this Northern Fisheries Development concept. I think the Province was going to marry some money to that as well, were they not?

AN HON. MEMBER:  
(Inaudible).

MR. FUREY:  
Oh, on the total of \$15 million.

But anyway, \$15 million was put in place and I am sure the minister would agree that it was a sad day when the governments changed hands and that \$15 million targeted to Newfoundland, particularly to the Northern Peninsula of Newfoundland, was taken away by the new government that came to power. I think Mr. Fraser was minister at the time.

Mr. Speaker, it was bad because, as Senator Kirby pointed out in that particular report, the Great Northern Peninsula, and the minister knows this, and the Coast of Labrador, is an area of Canada, not just Atlantic Canada or including Central Canada, but all of Canada from coast to coast, Kirby I believe referred to it as the most grossly underdeveloped region in the entire country, the most grossly underdeveloped region in the entire country. So, Mr.

Speaker, that money disappeared from the federal treasury which would have been injected into the great Northern Peninsula, into that area called by Mr. Kirby the most grossly underdeveloped area of the country, and I am sure the Province, and I believe that this Fisheries Minister in this Province would have come up with money to be married to it.

I know that the Province cannot go it alone. The fiscal capacity of the Province just does not allow that kind of massive infusion of money to go in there, that is fair ball. I buy that argument and that is okay.

So, Mr. Speaker, what happened in the aftermath, I am pleased to announce to this House, is that the people themselves banded together, taking into account all of the six development associations along the Great Northern Peninsula and I am sure the minister is aware of this, they have bound themselves into what is called the Great Northern Peninsula Development Corporation. This corporation's philosophy was to provide an integrated framework for the development of all of the potential areas, not just the fishery, but the forests, other potential mines in the area, limestone and oil in Parsons Pond and these areas, to look at all of the economy, the total mixed economy and bind it together under the Great Northern Development Corporation.

Mr. Speaker, allow me to read into the record a few notes about this corporation. It is community based and it is geared towards economic development. The corporation is owned by the people of the Great Northern Peninsula,

through their six regional development associations. It is incorporated under the Corporations Act of Newfoundland and Labrador, making it a legal entity and a legal company, and as an umbrella structure, the organization will promote and implement a variety of projects and enterprises. The corporation will initiate both business ventures as well as community, social and human development programmes that will benefit the people of the Northern Peninsula and encourage socio/economic growth.

What happened since they formed themselves in February of this year into this legal company was that the six association presidents, I believe, and the corporation's Chief Executive Officer, Mr. David Simms, who also, by the way, was a researcher on the Royal Commission for Employment and Unemployment and great credit ought to be given to him, and to the people of the North, for coming up with this strategy. It has not cost a cent so far. But what they are doing, Mr. Speaker, is they are putting in place a framework, an umbrella, to protect the resources of the North and to take from these resources all of the potential so that the local people can get maximum benefit.

They travelled to Spain just a month ago to watch the largest corporation of its sort, which is a quasi-co-operative movement, but it is not. It is hand in hand with the private sector, working together. I am sure the minister knows about the strategy. Do you? I will provide you with a copy. Do you have it? Good.

Basically what they want to do is

to allow under this umbrella both the co-operative movement and the private sector, hand in hand, married together, to bring out the best and the greatest of the potentials in not just the fishery but all areas of the Northern Peninsula, to maximize employment.

Mr. Speaker, I want to refer to the document itself. In the document called *From The Ground Up*, again prepared by David Simms who deserves a great deal of credit for all of the information and research, the constant travel, the endless hours, the great amount of time that he has put into this because he too believes in the people of the North and her potential and he wants to maximize the benefit, 'In order to fully realize the development potential in the fishing industry, in particular, in the North, the efforts of the six development associations must be supported and facilitated through a much stronger financial and institutional framework than what is available at present.

The report goes on to suggest. 'that a community development corporation to serve all of the Northern Peninsula would provide the development associations in the region with the means to pursue development opportunities of an investment nature through an integrated framework.' The minister, I am sure, is looking at this particular study now. I know he is looking into this. I am sure he would see fit, Mr. Speaker, to come up with some SEED money to allow this corporation and this very extensive and exhaustive report to find the light of day. We are not prepared to put this on the shelf, Mr. Speaker. We allowed the \$15 million from the federal

government's NFDC to go by, but we are not prepared to do so on this one.

I will speak further on that on tomorrow, Mr. Speaker. I adjourn the debate.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the member has adjourned the debate.

The hon. the Minister of Forest Resources and Lands.

MR. SIMMS:

Mr. Speaker, for the information of hon. members the Government Services Committee will meet tonight at 8:00 p.m. here in the Legislature and will be reviewing the estimates of the Department of Public Works and Services. Tomorrow morning, at 9:30 a.m., the Social Services Estimates Committee will be reviewing the estimates of the Department of Justice.

For the information of members opposite, we will be continuing with debate on Bill 34, the FPI bill, until such time as debate concludes, following which our intention is to proceed with Order 3 on the Order Paper, the Concurrence motion on the Resource Estimates Committee report. So, whenever that will be, hon. members opposite can tell us.

Having said all that, Mr. Speaker, I move that the House adjourn until tomorrow, Tuesday, at three of the clock and that this House do now adjourn.

On motion, the House at its rising adjourned until tomorrow, Tuesday, at 3:00 p.m.