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Speaker: Honourable Patrick McNicholas

Tuesday

12 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.

PREMIER PECKFORD:
Mr. Speaker, on April 2 in this House, the hon. the Minister of Finance announced in the Budget Speech the intention of my administration to review the efficiency and effectiveness of government operations and programmes. The ultimate goal of this plan is to eliminate government's current account deficit and to reduce government's annual borrowing requirements.

My administration has approached the Government of Canada for both short and long term financial and economic assistance. However, regardless of the response from our federal government, we consider that we must take whatever initiatives we can to significantly improve our financial position over the next several years.

One of these initiatives, and I stress that this is only one of the initiatives we will be taking, is to carry out the promised review of efficiency and effectiveness of government operations and programmes to clearly demonstrate to all concerned that we are very serious about reversing our worsening position.

To carry out this review, we have selected from the very highest ranks of our public service, a senior expenditure review team consisting of: Mr. Clarence Randell as Chairman; Mr. Gilbert Gill, Secretary to Treasury Board as a member of the Committee; Mr. Lorne Wheeler, Deputy Minister of Education; and Mr. Lew White, Deputy Minister of Transportation.

Mr. Randell has been seconded from his position as Deputy Minister of Municipal Affairs and will serve as Chairman of the Committee on a full-time basis.

The team will report to the Planning and Priorities Committee of Cabinet and will be supported by staff from Treasury Board Secretariat, Cabinet Secretariat and staff from other departments as deemed necessary.

The team has been asked to prepare by June 15, 1987 for review by Cabinet, a preliminary report setting out the methodology it intends using, a work schedule including key dates for reviewing its work and the composition of the support and research group which they will require. The team has also been asked to make recommendations on how best to utilize external efficiency experts.

My administration sees this action as a professional and responsible approach to overcoming the difficult financial situation that we face.

Thank you, Mr. Speaker.

MR. LUSH:
Mr. Speaker.

MR. SPEAKER:
The hon. the member for Bonavista

North.

MR. LUSH:

Mr. Speaker, I find it rather surprising that at this late date, after fifteen or sixteen years of Tory rule, that all of a sudden we feel we have reached that abysmal situation in our Province's finances where we have to select a review committee to look into the efficiency and effectiveness of government operations and programmes. Mr. Speaker, there is no doubt that this committee is going to have plenty of work when we look at the financial position of this Province, particularly the current account deficit and other matters and other programmes that the Premier refers to. There is no question of the need, but I would suggest it is coming rather late. It is an indictment on the government, the Department of Finance, that after fifteen or sixteen years they have to appoint a committee to look into the efficiency and the effectiveness of government programmes. I would suggest, Sir, that it should have been done a long, long time ago. And I wish them luck.

There is no question that we have some good people there, but I am just wondering, Mr. Speaker, whether the situation is not too far gone for these people to deal with it. The solution to this problem, Mr. Speaker, is not a review committee, it is an entire, new administration.

SOME HON. MEMBERS:

Hear, hear!

MR. LONG:

Mr. Speaker.

MR. SPEAKER:

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

MR. LONG:

Thank you, Mr. Speaker.

We welcome the statement inasmuch as notice was given in the Throne Speech that an initiative would be taken.

SOME HON. MEMBERS:

In the budget.

MR. LONG:

I believe there was also reference in the Throne Speech to government's plans. In any case, we have concerns about this committee reviewing efficiency and effectiveness, because the tendency these days is for that to be buzz words and euphemisms for a programme to cut back and streamline. The mandate of this committee will be to see where people in this Province can be hurt further with cuts to education, health and social programmes. I would also note that it is unfortunate the Premier was not able to have as one of the senior members of this committee a woman. The Minister for Career Development and Advanced Studies (Mr. Power) keeps talking about the affirmative programme of this government. That is not reflected at the highest levels when government is taking its own initiatives. It should be including women. It just so happens that the Chairman of the committee will be from the Municipal Affairs Department, and we would have a concern that that would lend to the committee an inclination to politicize its whole review with an eye to more patronage and taking care of the Tory districts in this Province.

Finally, we would suggest that the time line and the outline for the procedure for this Committee is only going to represent another

bureaucratic impasse. It is unclear how long this Committee is going to take to do its report. It may indeed need, according to the description here, close to a year to begin to suggest ways of implementing changes, and maybe that is an indication from the Premier that we can expect an election within the next couple of months, because this Committee has a lot of work to do and it is going to be given a lot of time to make these recommendations.

Thank you, Mr. Speaker.

MR. RIDEOUT:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Fisheries.

SOME HON. MEMBERS:

Hear, hear!

MR. RIDEOUT:

Mr. Speaker, the Middle Distance Development Programme being administered by my department, in conjunction with the fishing industry, has been ongoing since 1985. We are now in the third season of operation and overall the prospects for the successful deployment of this type of technology within the context of our overall fishery are very favourable. Today, Mr. Speaker, I am pleased to advise that in 1987 the industry will become even more involved in this programme in that arrangements are now in place to ensure that a large number of fish processing plants have access to the fish landings from these vessels.

The purpose, or the initial objective of the programme, was to ensure that fishermen became competent in the use of this type of harvesting technology. Towards

this end "Highliner" skippers and crews, predominantly inshore fishermen, were attracted to this operation. The vessels were leased to the fishing captains to operate on a commercial basis. The initial training/development process, although ongoing, has reached a stage that we can now more widely involve the onshore processing sector. Consequently, arrangements are now in place to ensure that processors have equal access to process this fish in order to directly evaluate such relevant factors as quality, yields and market returns.

In pursuit of this, Mr. Speaker, I have made an agreement with the skippers and the processing members of the Fisheries Association of Newfoundland and Labrador, the Independent Fish Producers Association, and the Canadian Saltfish Corporation. These three processing groups have formed a tripartite committee and have hired a co-ordinator, or shore skipper, to oversee the onshore distribution of fish and to service the vessels. This programme, Mr. Speaker, involves a total of approximately 66 plants, both fresh/frozen and salting operations. Further arrangements provide for a distribution of fish to frozen product or salt, depending on the best overall advantage to the vessels and plants.

Mr. Speaker, this system has been implemented since the vessels commenced operations this year and initial results are positive. This method of fish distribution is currently a trial period for all parties and will be evaluated at the end of the year.

The inclusion of both fishermen and processing plants in the

Middle Distance Development Programme is another step to ensure a successful deployment of a 'state-of-the-art' fishing technology to effectively and efficiently harvest our fishery resources to the maximum benefit of all those who are involved.

MR. W. CARTER:
Mr. Speaker.

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

MR. W. CARTER:
Mr. Speaker, I thank the minister for providing me with a copy of his statement prior to reading it. There are still a lot of questions that remain unanswered with respect to the viability of the middle distance fishery. We welcome this announcement by the way. We have felt for quite some time now that the distribution of the harvest from the existing mid-distance fleets has not been too fairly distributed. For example, we have heard rumors, and I am sure the hon. minister has heard them - probably that is what prompted him to initiate this new policy - that maybe certain inshore plants were getting special treatment, that the fish was going to a certain number of plants, or one or two plants, and that favouritism was being shown.

So, in that regard, we certainly welcome the announcement that there will be a fair distribution of the catch of these middle distance fishery vessels. Because not only must the catch be fairly distributed, it must appear to be. And that is very important, too. People in my own district of Twillingate, for example, where they have a fish plant that is operating at about 30 per cent of

its actual operating capability, if they perceive that there is hanky-panky and that the harvest from these government sponsored vessels is being directed to one or two plants for political or other reasons, then I think it will do nothing toward promoting the idea that the minister has been espousing these past few months.

We are not fully convinced yet, Mr. Speaker, that the middle distance fishery is all that the minister would have us believe it is. We have not been given any information that I am aware of as to the cost, for example, of the fish that is being harvested by these vessels. We are not in possession of any real hard facts on the operation itself in terms of how successful or otherwise they have been at harvesting. We have heard stories that last year there were considerable amounts of money lost in these vessels because the catches were down and the turn-around time was long.

We hope that before this session ends, Mr. Speaker, the minister will see fit to give the House a full report. I know in Committee he did, in fact, reveal certain aspects of the middle distance fishery, very important aspects.

In fact, I believe it was because of a question that was put to him from this side of the House with respect to the distribution of the landings. Maybe we would like to think that that is what precipitated the announcement made by the minister today. Although, I believe at the time he did give some indication that they were looking at the prospects of setting up some kind of a tripartite arrangement where the fish would be more evenly and more

fairly distributed.

MR. SPEAKER:
Order, please!

The hon. member's time has elapsed.

MR. W. CARTER:
We would like to know, Mr. Speaker, if I can for half a minute, what effect this is going to have on the inshore fishery, for example. What is the fish going to cost? And just how successful have the existing vessels been in the harvesting?

MR. LONG:
Mr. Speaker.

MR. SPEAKER:
The hon. the member for St. John's East.

MR. LONG:
Thank you, Mr. Speaker. We welcome the minister's statement inasmuch as there are some positive points in the statement. The attempts by his department to expand and diversify processing in the industry is very significant and we look forward to further developments. Also, the notice that he has given of the co-operation of the tripartite committee is an important step to try to bring together different representatives with different interests in the industry to work together on a common plan. We would hope that would signal an intention by the government to try and bring together in the future an integrated plan for the fishery that would include all elements.

With that said, Mr. Speaker, we would have some concerns inasmuch as the minister comes in and makes statements and still has nothing to say for the inshore fishery, the inshore fishermen in this

Province who have been recently meeting in Gander and presenting a litany of their concerns without any response, without an initiative, without any action by this government. We also have a concern about the emphasis on the state-of-the-art technology and technological changes as it relates to the fishing industry - the announcement in recent weeks of an invention being made in St. John's, and support given by the federal government to a man who is developing a new way to sort fish. There are serious questions to be asked about the introduction of new technology in the fishery, and we would hope that in future the minister will be able to give more detailed responses to the kinds of changes that new technology will introduce in terms of numbers of people working. We would see the emphasis on the middle distance here as being a problem of perhaps encouraging inshore fishermen to get out of the inshore, increasing unemployment in the inshore, encouraging people, both with new technology and an emphasis on middle distance, to create higher unemployment.

Thank you, Mr. Speaker.

SOME HON. MEMBERS:
Hear, hear!

Oral Questions

MR. SIMMONS:
Mr. Speaker.

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

MR. SIMMONS:
Mr. Speaker, I want to return to

the Premier's latest fetish to put cucumbers and tomatoes on every table in Newfoundland four meals a day. What he has got against strawberries I do not know, but perhaps he will add that for dessert two meals a day.

Mr. Speaker, to his fetish about hydroponics - and we are of the view that it cannot be much more than that; he has given little information that would justify it as a serious enterprise at this point in time - specifically could he indicate to the House why it is the federal government is not involved in this matter? It seems to us that every time the Province floats a new idea, sponsors a new project, espouses a new project, it goes cap in hand to Ottawa, the whole theme of the recent budget, for at least 70 per cent or 90 per cent of the funding. Why in this particular case, where so much of the taxpayers' money is involved, was not the federal government involved in funding at all or was that a thought that was dealt with?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Mr. Speaker, obviously, like most thoughts along that line, it was dealt with. In all of the things that we have done over the last three or four years, in new agreements that we have reached with the private sector or whatever, we have always explored every avenue that we could.

Let me say to the hon. member and his preamble, yes, we are into strawberries. The member for Humber Valley (Mr. Woodford) can tell you a lot of good success stories that are happening there. The Minister of Rural, Agricultural and Northern

Development (Mr. R. Aylward) a number of weeks ago announced a whole bunch of new job creation projects for burning land for blueberry development. We want to be into blueberries as well, we want to be into strawberries, we want to be into every single thing that will work in this Province to create jobs. Yes, Mr. Speaker, we will be into cucumbers and tomatoes and red peppers and lemons and limes and anything else we can do if it is going to create jobs and if it is viable.

The federal government was approached through their various programmes and the project does not qualify under the criteria. It is one of our ongoing arguments with the federal government, this one and previous federal governments, that the criteria that are applied across the nation are not conducive to new, innovative projects and so on that we have on the drawing boards and that we are applying for and that we are trying to do. So we did apply for assistance, the two partners involved here, and we were told that we do not qualify under the existing criteria for any of the programmes that the federal government offers nationally and in this part of the country - unfortunately, very, very unfortunately.

May I also take this opportunity to condemn both CBC and the member for Menihek (Mr. Fenwick), who in the last twenty-four hours has tried to show somehow or other that a special electrical subsidy goes with this project. There are no electrical subsidies on this project, Mr. Speaker.

MR. SIMMONS:

Mr. Speaker.

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

MR. SIMMONS:
Mr. Speaker, the Premier singles out my good friend from Humber Valley who, because of his knowledge of strawberries and farming generally, surprises us that he sits there in silence while this scheme is being perpetrated on the people of Newfoundland and Labrador.

SOME HON. MEMBERS:
He is not your good friend.

MR. SPEAKER:
Order, please!

MR. SIMMONS:
He is still allowed to pick his friends, and he picks them well.

SOME HON. MEMBERS:
Oh, oh!

MR. SPEAKER:
Order, please!

MR. SIMMONS:
Mr. Speaker, the Premier mentions the reason the federal government did not get involved. I would suggest to him another reason: Is he aware that a company called Calagro, C-a-l-a-g-r-o, which had contracted with Sprung to use the Sprung technology, the same technology that is to be used in the present instance here, applied to the federal Department, DREE, or DRIE as it is now, and that its application in the past few days was turned down on the grounds that DRIE did not believe the technology was adequate, that DRIE questioned the technology being advanced in the Calagro application in PEI?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:
Mr. Speaker, I am aware that the PEI government went out to an independent consultant, who is knowledgeable in the biotechnology field and totally independent of either the PEI government or the federal government, and asked for their opinion on this technology and on this new project and that the independent consultant came back and said, 'This is a great technology and it should be advanced and the PEI government should get it.'

MR. SIMMONS:
Mr. Speaker, a final supplementary.

MR. SPEAKER:
A final supplementary, the hon. the Leader of the Opposition.

MR. SIMMONS:
Mr. Speaker, the Premier, of course, did not answer the operative question. The operative question is: Is he aware that the Department of DRIE turned down the application on the basis that it questioned the technology involved in the Sprung-Calagro proposal?

SOME HON. MEMBERS:
You are against jobs.

MR. SIMMONS:
Mr. Speaker, being for or against jobs has to be weighed in the context that if in producing 150 jobs you destroy several hundred existing jobs, that is not a very sensible trade-off, and that is one of our concerns.

Now, Mr. Speaker, the question to the Premier is this: What is the rush on this particular one? The Premier says he will table documents after we are locked into the deal, after the deal is

signed. If this is so good, Mr. Speaker, if this is the best thing since sliced bread, as we are told, why will the Premier not trust it to stand up to some public scrutiny? Why will he not give us the basic information now so that the people of Newfoundland, including the farmers and the greenhouse operators and other people who feel threatened by this, will have the facts and will realize that this government is as all wise as it pretends? What is wrong, Mr. Speaker, with trusting the public's judgment on this matter? Give us the facts so we can judge. What is the rush, I ask the Premier, on this? Why will he not put before the public the basic information?

PREMIER PECKFORD:
Mr. Speaker.

MR. SPEAKER:
The hon. the Premier.

PREMIER PECKFORD:
Number one, I am not aware that DRIE turned down a proposal from P.E.I.

MR. SIMMONS:
I just told you that.

PREMIER PECKFORD:
You asked me if I was aware, and I am telling you, answering you that I was not aware. Okay. You asked me a question so I am answering you. I am not aware that that is the reason why it was turned down. I am aware that DRIE turned us down, this joint venture down because it did not fit the criteria. I am not at all surprised, in any case -

MR. EFFORD:
What criteria?

MR. SPEAKER:
Order, please!

PREMIER PECKFORD:
- it was turned down because it did not meet the criteria of the crazy wording that it does.

SOME HON. MEMBERS:
Oh, oh!

MR. SPEAKER:
Order, please!

PREMIER PECKFORD:
Mr. Speaker, I am not surprised. I do not know how many Newfoundlanders could come to Confederation Building tomorrow but there could be an awful lot of them line up at Confederation Building to tell stories about being turned down by DRIE, Mr. Speaker. They are turned down every day, and not necessarily for good reasons. I would like to know whether DRIE has investigated this. Did DRIE go to the National Research Council, which over the last three or four years have been participating with the Sprung Group of Companies in the development of this technology and which has given it a clean bill of health? Go to the people who know about this technology, Mr. Speaker.

SOME HON. MEMBERS:
Oh, oh!

MR. SPEAKER:
Order, please!

PREMIER PECKFORD:
Number two, what is the rush? he asked. There is no rush, Mr. Speaker. We have been negotiating with this company for six or seven months.

MR. EFFORD:
Secretly.

PREMIER PECKFORD:

Secretly? We were elected to govern, Mr. Speaker, and that is what we are going to do. We are going to create jobs. We are going to take advantage of all opportunities that we have, Mr. Speaker, and we have given the basic facts of the matter, the financing arrangements. There are no electrical subsidies of any kind or form. They will pay industrial rates, that joint venture company. And the high intensity lights will not even be paid for by the joint venture company, Sprung has to pay to purchase them and has to pay the operating of them, not the company. No electrical subsidy! As a matter of fact, it is just the opposite; we are so well protected that they got to buy the high intensity lights and they have to pay for their operation, not the joint venture company. And under normal operations there is no -

MR. TULK:

What about the \$13.5 million?

MR. SPEAKER:

Order, please!

PREMIER PECKFORD:

- thought but that they will pay the industrial rate the same as everybody else. There was no rush, Mr. Speaker. We spent seven months negotiating this deal. It is a good deal. And if the hon. Leader of the Opposition does not think so that is too bad. We are about our business of creating jobs and attracting new technology to this Province.

SOME HON. MEMBERS:

Hear, hear!

MR. FUREY:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for St. Barbe.

MR. FUREY:

Mr. Speaker, the Premier said yesterday in this House that no one else has this technology. 'We have attracted Sprung to this Province putting us on the leading edge, we will not be last, we will be first.' I ask the Premier in his -

MR. TOBIN:

Regrow your leader.

MR. SPEAKER:

Order, please!

MR. FUREY:

Mr. Speaker, in the Premier's seven or eight months of negotiations and intensive research, did he come across any Newfoundlanders or Labradorians who were involved in hydroponics?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

No, Mr. Speaker.

MR. SIMMONS:

You got sucked in.

MR. MATTHEWS:

Is that not something?

MR. SPEAKER:

Order, please!

PREMIER PECKFORD:

I know what the hon. member is referring to.

MR. SIMMONS:

Hydroponics is what we are referring to.

MR. SPEAKER:

Order, please!

PREMIER PECKFORD:

Yes, hydroponics, referring to the Sprung hydroponic development.

The press the other day, and I look up there, especially at the CBC crowd, the socialists up there in the gallery from CBC -

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD:

- and some of the others talked about the gentleman from Seal Cove who was supposed to be into hydroponics. I have checked in the Department of Rural Development, I have checked in the Department of Agriculture, there has been no application from that gentleman submitted to either the Department of Agriculture or the Department of Rural Development. He enquired some time ago and we sent out a package to him, Mr. Speaker. And there are lots of people involved in hydroponics but there is nobody who has this particular technology except Sprung.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

PREMIER PECKFORD:

They can laugh and they can jeer, Mr. Speaker, but Sprung has this particular technology patented, nobody else has it. You can go and ask any leading biotechnologist in the world and learn this is different from the other hydroponic developments that people are talking about, Mr. Speaker.

MR. FUREY:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for St. Barbe.

MR. FUREY:

This is why it is so important to have tabled all documents, economic analyses, all surveys, all studies. Mr. Speaker, I was not talking about the gentleman from Seal Cove. I was talking about the gentleman from St. John's who has been into research and development for five years, count them, five years into hydroponics. He has produced five crops of tomatoes, he is currently producing romaine lettuce for local restaurants, and I want to know why he is not getting part of that \$13 million.

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

He has not come to the Government of Newfoundland to ask for any as far as I know, Mr. Speaker. And there is none -

MR. SIMMONS:

That is not what you said. You said it was not going on!

MR. SPEAKER:

Order, please!

PREMIER PECKFORD:

I said there is other hydroponic developments going on but not the Sprung technology.

MR. SIMMONS:

No, they are better.

PREMIER PECKFORD:

No, it is not, Mr. Speaker.

MR. TULK:

You do not know about it.

PREMIER PECKFORD:

I do so know about it. Mr.

Speaker, I do so know about it. Mr. Speaker, I would just ask the member for the Opposition to contact the National Research Council today, I will give them the address of the person who is involved in biotechnology in the United States, who built the technology centre at the Epscott Centre in Disney World. I refer -

MR. EFFORD:

That is where they found it, in Disney World.

MR. SPEAKER:

Order, please!

PREMIER PECKFORD:

No, no, Mr. Speaker. I refer the hon. gentleman to the Dean of Science at Memorial University who worked with the National Research Council and who is also an expert in that field. Go to the experts and ask them the question, does anybody else have the technology for growing that the Sprung Group of Companies have? The answer will be, no, Mr. Speaker, nobody else has it.

MR. FUREY:

Mr. Speaker.

MR. SPEAKER:

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

MR. FUREY:

Mr. Speaker, the local entrepreneur I am talking about has Sprung technology and much, much more. Here is what is interesting, Mr. Speaker. I want to ask the Premier why he said in Gander to these local entrepreneurs, - and he said it, they are not my words they are his - 'put your money where your mouth is,' and this gentleman put \$110,000 where his mouth was. Through loans, through begging,

through borrowing he put the money together, he has developed and researched hydroponics where he can produce for restaurants, so why are you ignoring local people?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

I am not ignoring local people. Every day we are approving loans for local people through Rural Development, through all of our programmes. We will look at any proposal from anybody. We have got nothing against anybody. Anybody comes to us with an opportunity we will pursue it, Mr. Speaker; as we have in the past we will in the future. But if we can get a very, very high tech industry going and bring new investment into the Province too, so much the better. But if there is a local Newfoundlander or Labradorian around with an idea and wants to pursue it, we will pursue that as well, Mr. Speaker. No problem with us, none whatsoever.

MR. TULK:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Fogo.

MR. SIMMS:

Now we will hear it!

MR. TULK:

My economist from Grand Falls is at it again.

Mr. Speaker, the hon. gentleman has admitted that he is not aware that hydroponic technology even better than the Sprung Group has is available in Newfoundland.

DR. COLLINS:

Where did you get that story?

MR. TULK:

Will he now go out and do the research that is necessary to tell him that indeed it is? And if it is, will he cancel this agreement in principle that he is being taken for the sum of \$13.5 million on?

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Mr. Speaker, the onus is on the gentleman and members opposite to prove their allegation that there is a hydroponic technology more advanced -

MR. TULK:

The people who work for you know about it.

MR. SIMMONS:

You gagged them.

PREMIER PECKFORD:

Mr. Speaker, may I answer? I never said a word when the hon. member asked the question.

MR. SPEAKER:

Order, please!

PREMIER PECKFORD:

- and more effective than the Sprung technology. I tell the hon. gentleman that the onus is on those people opposite to prove what they are saying, Mr. Speaker.

MR. TULK:

A supplementary, Mr. Speaker.

MR. SPEAKER:

Order, please!

Before recognizing the hon. the member for Fogo, there is a considerable amount of

interruption from both sides and it is not helping either side. I have called order on many occasions, so I ask hon. members to remember that.

The hon. the member for Fogo.

MR. TULK:

Mr. Speaker, the Premier obviously does not know what is happening in his own government. Is the Premier aware that this gentleman, referred to by the member for St. Barbe spoke to the Parliamentary Assistant (Mr. Warren) to the Minister of Rural, Agricultural and Northern Development (Mr. R. Aylward) this morning? Will he investigate and see if that is the case, and will he investigate further to see if the hydroponic technology involved there is far in advance of what the Sprung has put together?

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Absolutely, Mr. Speaker, absolutely. No problem whatsoever. If there is another opportunity out there with somebody who has a hydroponic technology that they can prove is better than the Sprung technology, we want that too. We want every single thing we can get, Mr. Speaker. We will support him. The Minister of Rural Development tomorrow is to present to this House - it is here now, today - 220 applications totalling \$4.4 million from Rural Development into all kinds of agriculture, all kinds of craft development and all kinds of resource development, Mr. Speaker. That is what we are here for, \$4 million, to any

Newfoundland that is there.

I caution the hon. member, because he is digging a hole for himself, as they done since 1972. We will investigate it and see what it is about. We have had the leading scientists in the world look at the proposal we are talking about, and we know from whence we are coming, Mr. Speaker. We know we have a success on our hands, the same as Come By Chance, the same as Kruger, and the same as fishery restructuring.

There may be people around who do not like it, Mr. Speaker. There might be a little bit of a conflict, Mr. Speaker. Some people do not like change. They do not like moving on and creating new jobs. They are afraid now an election might be coming with all these positive announcements, Mr. Speaker. They are down in the polls eleven points, Mr. Speaker, according to the last pole. September is coming, Mr. Speaker.

SOME HON. MEMBERS:
Hear, hear!

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

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

MR. TULK:
Mr. Speaker, oh for September to be today! Yes, Mr. Speaker. Come By Chance, Newfoundland Energy Limited, very secret. Bermuda. Your officials gagged.

Will the hon. gentleman now agree to give us all of the information that is in his department, table it so that the Newfoundland people get the information before he signs the deal?

Let me ask him one other question. If he can find the hydroponic technology that we have said is in this Province, will he then cancel the deal with Sprung and save this Province \$13.5 million which Mr. Sprung has taken the Premier to the cleaners for?

SOME HON. MEMBERS:
Hear, hear!

MR. SPEAKER:
The hon. the Premier.

PREMIER PECKFORD:
I will get both of them, Mr. Speaker. I will not cancel one or the other. I will have both of them. As a matter of fact, I have been informed by the Parliamentary Assistant to the minister that a meeting has been arranged already for the gentleman who called in this morning with the Assistant Deputy Minister of Agriculture. No problem!

MR. SIMMONS:
What about your seven months of research.

PREMIER PECKFORD:
We are told it by the best people in the world, not in Newfoundland singularly but from the Dean of Science at Memorial, from the National Research Council, from the biotechnology people in the United States, Mr. Speaker. We will investigate. We will see where the hon. member is coming from. We will find out.

MR. FENWICK:
Mr. Speaker.

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

MR. FENWICK:
My question is for the Premier as well and has to do with the same

project.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

MR. FENWICK:

My question to the Premier is this. The question is not so much whether or not the technology can make cucumbers and tomatoes grow in this Province, that is proven. The question is not whether it is hydroponic. The question is whether or not it is growing them economically so they can be sold at the level of investment that is there. I am going to ask the Premier if he knows that both Bev MacPhail and Brian Thoms, scientists for the Nova Scotia Department of Agriculture, were contacted by the Minister of Agriculture's Department and were asked about their opinion of the technology and they told the minister's department that under no circumstances would this be economical at the cost of having the thing done. The government has actually gone against the reports produced by his own Department of Agriculture in going into what is an extremely risky and extremely improbable situation that will never ever produce on the level it is supposed to.

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

We have a lot of reports from a lot of people, Mr. Speaker, and we have done an awful lot of research on them, and given the additional high intensity lights that we intend to put in there, given the marketing analysis that we have done, we are convinced that this can be a very economically viable

project, number one, and, number two, through that project and as part of it we also have research and development going ahead on an ongoing basis for other products so that we become a center in that kind of technology transfer.

MR. FENWICK:

A supplementary, Mr. Speaker.

MR. SPEAKER:

The hon. the member for Menihek.

MR. FENWICK:

I want to give the Premier the name of two other scientists at the University of Guelph in Ontario, Dr. John Hughes and Dr. Tiessen, both of whom are experts in hydroponic research over the last fifteen years and both of whom say categorically it will not produce at the economic level he is talking about. My question for the Premier is this: If the idea is to develop the technology, if it is an experiment, as the Premier is now saying - by the way, last Friday he was saying it was a production facility - if it is an experimental one to develop the technology then, Mr. Premier, why are all the patents being held by the Sprung Group and why do we not have the rights to anything other than for this particular Province? If we are going to produce the technology and export the technology surely we should have the right to the patents and we should own the research on it. In fact, all we are doing is putting \$12 million in so that Mr. Sprung can do his research on our backs.

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Mr. Speaker, I do not know where the hon. member has been the last

few days. We have access to all the research material that is going to be done here. That is part of the agreement. We have to have that. Let me just say to the hon. member -

MR. TULK:
Emperor Brian!

SOME HON. MEMBERS:
Hear, hear!

MR. SPEAKER:
Order, please!

PREMIER PECKFORD:
- who normally is a reasonable person, that on this issue I think he is being extremely unreasonable. There are a lot of people around who have vested interests, especially in the agricultural community, in Guelph and other places, who do not want to see this thing succeed, even in Agriculture Canada. Now if you go to Agriculture Canada you will get an ambiguous kind of answer; if you go to the National Research Council, independent scientific research, you will get a positive answer. There are some you can select, no question, and have people say it cannot work.

The hon. member said that it will not produce. They have produced already and have sold it to the market place. In six days they have done it to retail outlets throughout all of Western Canada and into the States. It has been done, Mr. Speaker. It is not theoretical.

Two other things I would just address to the hon. member for Menihek One, on the cucumbers and tomatoes it has been proven; therefore it is a business. Two, we have also included in the agreement research and development

on a whole range of other products. So there are two things: It is a business enterprise as it relates to two products, and it is research and development as it relates to another fifteen or twenty, which is incorporated into the facility to do so that we can get into other products later.

MR. FENWICK:
Mr. Speaker, a final supplementary.

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

MR. FENWICK:
My final supplementary is this. The Premier has just said that this is a production organization, based, I guess, on the trials that were done in Calgary. Are we correct about the trials in Alberta? Is that what you are assuming that it is a productive operation based on what went on in Alberta? If that is the case, would the Premier please explain why the circumstances here are so different in the sense that we have no natural gas at a cheap rate for it to use? He has already said that we are not giving them subsidized electricity, but we have light levels that are dismally lower than what was involved in Alberta and therefore need expensive electricity in order to produce the light. In other words, Mr. Speaker, the situation here in our Province is substantially different from Alberta, so I would suggest to the Premier that absolutely nothing has been proven. Would he please explain why he says this is a proven production system when virtually all the factors that are very important in production greenhouse operations are completely

different here in this Province?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Mr. Speaker, number one, it is not completely different. It is not going from black to white, and the hon. member knows that. He is exaggerating. He is using a little bit of hyperbole to pose his question. It is not completely different. We do have some light in Newfoundland and they do have some light in Calgary. Most of the light is on this side of the House I know, Mr. Speaker, but nevertheless there is light in both places. It is not darkness twenty-four hours a day here and light twenty-four hours a day in Calgary if you look at their latitudinal position.

It has all been looked at, all of the research from Environment Canada on the amount of light and so on. That was the reason why we included in the agreement the high intensity lights as an addition, which they did not have in Calgary. On the price of electricity, there is no subsidy at all. As a matter of fact we have guarantees that Sprung will pay over certain levels and the high intensity is all theirs. It even has nothing to do with the joint venture company, nothing, zero, no subsidies whatsoever, and protection against even going beyond certain levels, which they would have to pick up themselves.

From all of the research that we have done, metrologically and climatically from Calgary to here to Western Europe and other places, with the high intensity lights this operation can work and be successful in growing those two products. Then part of the deal

is to do research and development on a whole range of other ones. It is not crazy. It is a transfer of technology. We are very proud of it, and it can work. In the same way as you people over there told us about three or four other agreements in the last three or four years, we will prove you wrong again.

MR. BAKER:

Mr. Speaker.

MR. LONG:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Gander.

MR. BAKER:

I will yield to my colleague, Mr. Speaker.

MR. LONG:

Mr. Speaker.

MR. SPEAKER:

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

MR. LONG:

Thank you, Mr. Speaker. My question is for the Minister of Health (Dr. Twomey), and it concerns a situation I have spoken of in the Legislature in the past couple of weeks which is coming to a head. For six years now private ambulance operators in this Province have been consulting with the government and waiting for some initiative on their behalf. They have now given notice that this coming weekend, the long weekend -

MR. SPEAKER:

Order, please!

MR. LONG:

- they will be withdrawing services if they do not receive a

commitment from the minister.

MR. SPEAKER:
Order, please!

MR. BAIRD:
Sit down, boy!

MR. SPEAKER:
The hon. member is making a speech. I would ask him to direct a question.

MR. LONG:
My question to the Minister of Health is does he intend to meet with the representatives of the private ambulance operators before Friday of this weekend to prevent a withdrawal of services during the long holiday weekend?

DR. TWOMEY:
Mr. Speaker.

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

DR. TWOMEY:
Thank you, Mr. Speaker.

For the information of gentleman who asked the question, I can say that I spoke with the president of that organization last Friday. Prior to that there were meetings with that organization and senior members of the Department of Health. We have outlined in a very careful way what we are going to do if we do not meet all the demands to satisfy them. I do not know when we can meet the demands. Thank you.

MR. LONG:
A supplementary, Mr. Speaker.

MR. SPEAKER:
A supplementary, the hon. the member for St. John's East.

MR. LONG:

The Minister of Health has refused to take any initiative on this matter. I would like to ask does the minister intend to give a commitment to the ambulance operators, and hopefully to give that commitment before this weekend, that he will be introducing legislation into the House this session to bring in an ambulance act and to address the other concerns that they have been bringing forward concerning safety and finances for the ambulance operators?

DR. TWOMEY:
Mr. Speaker.

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

DR. TWOMEY:
Thank you, Mr. Speaker.

For your information I have communicated all these facts to the president, that we will bring in legislation, that we will write legislation, one; that they will be consulted, two. We will consult with the hospital administrators and with the community ambulance operators. We have committed ourselves to that. And when legislation is introduced there are other things that follow as a result. That I have told them, that I have committed to do.

SOME HON. MEMBERS:
Hear, hear!

MR. LONG:
A supplementary, Mr. Speaker.

MR. SPEAKER:
A final supplementary.

MR. LONG:
I would like to ask has the Minister of Health any contingency plans, in the event of a

withdrawal of services by the private ambulance operators, to deal with the question of safety on our roads for the holiday weekend? What contingency plans does the minister have?

DR. TWOMEY:
Mr. Speaker.

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

DR. TWOMEY:
Mr. Speaker, obviously we have contingency plans.

MR. W. CARTER:
Mr. Speaker.

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

MR. W. CARTER:
Mr. Speaker, my question is to the hon. the Premier. Mr. Speaker, a moment ago in reply to a question from the Leader of the other party, the Premier suggested that maybe vested interests were deliberately trying to scuttle - in as many words - the hydroponic project because it might be competing with them. The Premier also suggested that this project at some point in time would probably involve other crops, not just cucumbers or tomatoes. Has he given any thought, Mr. Speaker, to the impact? Let us assume that that company does in fact broaden their scope and start growing strawberries and other crops, has he thought of what effect that might have on the farming industry in this Province?

MR. SPEAKER:
The hon. the Premier.

PREMIER PECKFORD:
Mr. Speaker, all of the products I

am talking about -

MR. R. AYLWARD:
We produce 1 per cent of the strawberries that are eaten in the Province.

PREMIER PECKFORD:
We produce 1 per cent of the strawberries that are eaten in the Province, the Minister of Rural, Agricultural and Northern Development just said. All of the products that we are going to be getting into are products that we cannot grow in Newfoundland. Green peppers, red peppers, limes and lemons, are they grown in Newfoundland anywhere? Not to my knowledge. They are all brought in. We will be producing them, if the technology works out for those products, not only for the Newfoundland market but for the Canadian market and the American market. So we are not going to interfere with the traditional farming industry of root crops and the things that we can do. Even in those we are not getting near to the market at all. But it is in those kinds of fields, of red peppers, green peppers, limes and lemons where the company wishes to do additional experimentation. They have already a lot of experimentation, but they are going to be doing more through this facility. So there is no danger that the farming industry as we know it in Newfoundland will be negatively impacted. There is a real grave danger, a more important graver danger for the hon. members opposite, that we are going to be able to put up other facilities around the Province and in Labrador and create more jobs. That is the danger, that we might get prosperous.

MR. SPEAKER:
Order, please!

The time for Oral Questions has elapsed.

SOME HON. MEMBERS:
Oh, oh!

MR. SPEAKER:
Order, please!

Answers to Questions
for which Notice has been Given

PREMIER PECKFORD:
Mr. Speaker.

MR. SPEAKER:
The hon. the Premier.

PREMIER PECKFORD:
I wish to table this because questions have been raised on the electricity thing. I want to put it in writing because there are some people in the press who do not believe me unless I put it in writing.

I also want to table, relevant to yesterday's question and answer period, the quotes from the House Royal Commission which support what we are doing with the Sprungs.

Orders of the Day

DR. COLLINS:
Order 23, Mr. Speaker.

Motion, 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. TOBIN:
Question! Question!

MR. SPEAKER:
If the hon. minister speaks now,

he closes the debate.

MR. FENWICK:
Mr. Speaker.

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

MR. FENWICK:
Mr. Speaker, I am not going to have a lot to say on it because quite frankly, in principle, I disagree with the selling of FPI at this time. That is basically what I am going to be saying today.

MR. MATTHEWS:
You are against everything.

MR. TULK:
A point of order, Mr. Speaker.

MR. SPEAKER:
A point of order, the hon. the member for Fogo.

MR. TULK:
I know that the member for Menihek has been recognized by the Chair but yesterday evening, if Your Honour will recall, the member for St. Barbe adjourned debate and I think he had ten or fifteen minutes left. He was out of the House when Your Honour called the bill, so I wonder if the member for Menihek would consent, without losing his place, for the member for St. Barbe to continue his remarks.

MR. FENWICK:
To the point of order, Mr. Speaker.

MR. SPEAKER:
To the point of order, the hon. the member for Menihek.

MR. FENWICK:
I have no objection whatsoever to allowing the member for St. Barbe to finish off his time period, as long as they have no objection.

DR. COLLINS:

To that point of order, Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Finance to that point of order.

DR. COLLINS:

I understand that the House Leader opposite is asking leave of the House.

MR. TULK:

Well, I am asking (inaudible.)

DR. COLLINS:

No, he is asking leave of the House. Your Honour has recognized a speaker and the leader opposite wants to have that changed, so he is asking for leave of the House. Now if the hon. House leader opposite wishes that, I think that he should express it in those terms. If he does express it in those terms, we wish to be co-operative, we have always been co-operative. We will quite agree to give leave that the order of speaking be adjusted, because the order of speaking is already set by Your Honour, that the order of speaking be adjusted to allow the hon. member for St. Barbe to have some concluding remarks. So we would agree to give leave of the House for that purpose.

MR. SIMMONS:

To that point of order, Mr. Speaker.

MR. SPEAKER:

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

MR. SIMMONS:

Mr. Speaker, I submit the issue is a little different than that, if we want to go the route of leave, that is fine, but I submit to you, Sir, there is another concern

here. I submit that it is normal in this House for and it has become traditional for Mr. Speaker, when he calls an order which been dealt with on the floor in previous days, to inform the House who adjourned the debate. That has been the practice, I think Mr. Speaker will agree, that he has done on occasion. Today, unwittingly I am sure, he omitted to do that and proceeded to recognize the first member standing - and that is understandable too - but I submit that had Mr. Speaker drawn it to the attention of the House that it was the member for St. Barbe (Mr. Furey) who had adjourned the debate, he was standing right behind his seat here at the moment, right in the doorway, he would have been in his position. I would hope that we could proceed in that particular fashion to allow him to continue his speech.

DR. COLLINS:

Mr. Speaker, to that point of order.

MR. SPEAKER:

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

DR. COLLINS:

Mr. Speaker, I do have some difficulty with the implied criticism of the Chair. The Leader opposite is putting blame on Your Honour that he did not ensure that the hon. member for St. Barbe continued his place in this debate. I do not think it is the responsibility of Your Honour. Your Honour asked for order and Orders of the Day. The Order of the Day were given. Now, it is not the responsibility of Your Honour to scour the corridors asking if someone wants to speak on a particular bill. He calls the Order of the Day and

then hon. members, if they want to speak, stand up, and if they are recognized, they are allowed to speak. I do not want to belabour this too much, Mr. Speaker.

Mr. Speaker, if it is by leave of the House, we will be glad on this side to give leave for the hon. member for St. Barbe to have a few concluding remarks.

MR. SPEAKER:
Order, please!

To that point of order, there is no point of order. The Chair recognized the hon. member for Menihek. If he yields, the hon. member for St. Barbe can speak but only by leave of the House.

MR. FENWICK:
I yield, Mr. Speaker.

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

MR. FUREY:
Thank you, Mr. Speaker.

Mr. Speaker, I beg forgiveness of the House for not being in my place when you called that order but I do thank the hon. members opposite and members to my far right for giving me a few minutes to conclude my remarks.

Mr. Speaker, I was saying yesterday with respect to the privatization of Fishery Products International that we, on this side, are certainly not against the private sector. We do not see the private sector as a poisoned place and we certainly do not believe it to be immoral to take a profit where hard work, time and energy is involved, unlike some parties in this House.

So, Mr. Speaker, what is our problem with moving this huge multimillion dollar fish corporation back into the private sector? Our problem is that we do not believe that there has been sufficient time to allow for a proven track record. Yes, there were profits last year of \$10 million; yes there were profits again this year of \$40 million; but we are saying, let us have a five year period where we can examine in succession just exactly where this company is going so as to have the ability to track the performance of this company.

I know that nobody has a magic wand or a crystal ball and we cannot predict the future; we cannot predict fish prices; we cannot predict gluts in the marketplace; we cannot predict TACs for the offshore fleets and all of these kinds of things. What we can do it say to ourselves, 'Let us lock in for a five year period. Let us check out what that track record will be consistently over that five year period and then let us ease it back into the private marketplace.'

The socialists would have us believe that it is immoral to deal in the private sector. They would have us believe that there is something wrong with taking a profit out of hard work. That is just so illogical, Mr. Speaker, and we blew that argument away I think fairly successfully yesterday. The Minister of Fisheries in the doorway nods approval. You cannot have a communal style like that because what happens within those communal styles is that certain layers manage to come to the top. Instead of all people being equal we see that all people are equal but some are more equal than

others and that is not fair either, Mr. Speaker.

Let me return to a specific clause in this restructuring agreement which has given me great trouble since I was first elected two years ago, Mr. Speaker, and it is clause 15. Clause 15 deals with the concept of the Northern Fisheries Development Corporation. The Minister nodded awareness of it yesterday and told me that he would gladly speak on it in his concluding remarks.

To reiterate, there was \$15 million put on the table. It was \$15 million put on the table to be injected into the Great Northern Peninsula. It was put on the table to help beef up facilities, to help strengthen the North, because the North was, what Senator Kirby referred to as one of the most grossly underdeveloped areas, not in Atlantic Canada, not in Eastern Canada, Mr. Speaker, in all of Canada. The Great Northern Peninsula and the Coast of Labrador was, what Senator Kirby and the other Commissioners called, the most grossly underdeveloped area in the country.

So, what happened, Mr. Speaker, between 1984, 1985, 1986 and 1987. Somewhere along the way, when governments changed hands, the \$15 million that was put there by the previous Liberal Government under Kirby's "Navigating Troubled Waters" disappeared when the new regime took over, because what was important to them was not people and their lives, and how can we make life better, a little more tolerable in these rugged Northwest Coast conditions - that was not important - but how can we trim this massive national deficit, and who cares if we trim it on the backs of these people

who hurt the most somewhere on that Coast of Labrador and on the Northern Peninsula, somewhere in Atlantic Canada, somewhere in Newfoundland and Labrador. Now, that was the attitude that came out of that.

Mr. Speaker, what could we do with that \$15 million injection from Term 15 of the Restructuring Agreement provided and signed for by the Province and the federal government? Well, let me tell you. On the Northern Peninsula, the fishery in total accounts for in excess of 135 million pounds of fish. Now, these statistics come from the year 1983. The total value of these landings was something over \$28.3 million. But there is a sad reality attached to these rather high numbers which look lucrative, which look good for the North because it is such a volume and it is matched with such a high price tag, \$28.3 million. The sad reality, Mr. Speaker, is of this 135 million pounds of fish landed on the Northwest Coast and the Northern Peninsula in general, some 65 million pounds, I think, was trucked off the coast untouched. Now, Mr. Speaker, put that in perspective.

You know, the people who live in the communities of St. Paul's and Cow Head and Hawkes Bay and Barr'd Harbour, and the Northern section, Foresters Point and River of Ponds and these areas, Mr. Speaker, they are not watching transport trucks move fish from the North to the South, move that 65 million pounds of fish along that coastline to other plants. They are not watching fish being trucked away. They are watching jobs being trucked away, their jobs, their resource, their fish from their communities, trucked by their plants. That is not fair, Mr.

Speaker.

There is something fundamentally and morally corrupt about a system that allows a people to go out and extract a resource, in this case fish, to harvest it, to land it, and to watch it being trucked away. There is something wrong with that. Senator Kirby suggested there was something wrong with that.

In this new report, "From The Ground Up," which is a discussion paper towards evolving a Northern Peninsula fisheries development strategy, which, as I mentioned yesterday, would be an integrated framework for maximizing potential jobs on the Great Northern Peninsula, this new concept has sprung up and has been born and is in place because the Northern Fisheries Development Corporation was ignored. It was a concept designed to help the poorest of the poor and it died on the table, it died in a book. It is on a shelf somewhere gathering dust. Why? Because they could not get the finances to make it worthwhile, to make it happen, so that people could take, for the first times in their lives, their own destinies and their own futures into their own hands and make it happen for themselves. So, Mr. Speaker, all of which brings me to this document, "From The Ground Up," a document prepared by David Simms who was one of the chief researchers for the Royal Commission on Employment and Unemployment in this Province.

Mr. Simms has prepared a very valuable document, a document that puts in place the pillars for progress, a strategy designed to help people help themselves. I want to refer to another section

of this particular document, Section 3 (2) talking about increased fish processing.

He said, "The greatest opportunity for further development in the Northern Peninsula fisheries exists in the fish processing sector. Significant potential exists to increase processing activities by moving forward with existing products toward full-fledged secondary processing and using species which are presently under-utilized."

The minister will know that there are all kinds of under-utilized species in the North from male caplin to eels that come down through the rivers up there. There is an interesting eel catching operation underway now in the Hawkes Bay area. The minister will know that there is also a mussel farming operation underway there as well. I think his department, in fact, to his credit, contributed some money towards that particular project and it does look very successful. I want to tell the minister I visited it and it is coming along just nicely.

"Approximately 50 per cent of existing groundfish products are filleted and sold fresh." Why are we not taking these products and finishing them off? I had the great fortune of enjoying a cod au gratin recently that was prepared, I believe, in Trinity Bay somewhere. Maybe the minister would know about that. Is it Hants Harbour that prepares this or Janes? What a fabulous product! They took the product from its raw state to a supermarket shelf. I do not know what the overhead and the costs are. Perhaps the minister will talk a little bit about that.

AN HON. MEMBER:
(Inaudible).

MR. FUREY:

That is right. It is fabulous! It is great to see! This is what we are talking about, taking our own raw resources and maximizing the potential for our people everywhere. That is the kind of stuff we need to do and do more of. I say to the minister that along the Northern Peninsula we even have to catch up just in actual fresh fish processing. We are losing all kind of jobs, 50 per cent of our fish is trucked from the North. I know he is aware of that.

Let me conclude, Mr. Speaker, by saying one other thing about this report, "From The Ground Up." It does tie directly into Senator Kirby's report, "Navigating Troubled Waters," because I am dealing with Section 15 of the Restructuring Agreement and it too has ramifications for the marketplace. This study is an integrated organizational framework for the development of the Northern Peninsula fishery. It takes in six development associations, Bonne Bay, Central Development, St. Barbe Development Association, The Straits Development, White Bay North and White Bay Central, and all of these associations come under that umbrella called the Great Northern Peninsula Development Corporation, a quasi-co-operative, private sector, hand-in-hand framework.

What we are saying, and what he is saying, and what I agree with, is that we must take our resources, whether it be trees, minerals, fish or whatever, and we must say to people, 'It is not good enough just to take it and run, but let us take it and create with it.

Let us be innovative. Let us maximize and stretch out to the last end every possible job.' Mr. Speaker, it is very important that we do that in an area where there are pockets of unemployment as high as 80 per cent.

Mr. Speaker, in conclusion, I know that I only have a minute or so, let me say that we in the Liberal Party are not against the privatization of Fishery Products International. We want to see it done orderly over a period of time whereby a track record can be looked upon and we can say confidently, this is a success story. It is not just a blip; it is not just a quick occurrence or a knee-jerk reaction. Two years is hardly enough to judge, Mr. Speaker. We make that submission to you, two years is hardly enough. What was profit this year may be a loss next year.

We have to watch the marketplace. We have to keep an eye on this company and we always have to keep in mind that this restructuring happened when it was in the private sector. When the private sector lost control of it, when these companies, Fishery Products, National Sea, Nickersons, and all the rest of them, lost control and went bankrupt, we have to ask, why? Why, why, on all of those questions. Mr. Speaker, we have to get answers and, once we have answers, we have to look to the private sector and look at this company's track record and say, 'Okay, it is good enough, let us ease it back into the private sector.' But we do not subscribe to the socialist view, Mr. Speaker, that there is something immoral about private enterprise; that there is something immoral about people working hard; that there is something immoral about

taking a profit where sweat has been left in its place. No, we do not subscribe to that kind of social theory, Mr. Speaker, that all people are equal, but some are more equal than others. We do not subscribe to that version at all.

So, Mr. Speaker, in conclusion, we will be keeping an eye on this movement back to the private sector. We will be keeping a close vigil. We will be watching, Mr. Speaker, closely to see how this performance continues, whether it goes up or whether it goes down. We want the record to be clear that we would of rather had we had our druthers to see a five year proven tract record before it was passed back into private hands once again.

SOME HON. MEMBERS:

Hear, hear!

MR. FENWICK:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Menihek.

MR. FENWICK:

Thank you, Mr. Speaker.

Mr. Speaker, as I said before, we were opposed to the selling of FPI. We were opposed to it because we think it is probably one of the stupidest things this government has done. Well, actually I said that last week and I take it back. It is now the second stupidest thing that this government has done. The Sprung project now seems to me to have edged it out by a considerable margin. But it is certainly a stunned thing for a government that sits over there and says again and again, 'We must have control over resources,' Mr. Speaker.

For a government that says it again and again, 'We must control our resources, we must direct them with our own,' and then to take the largest company in our largest industry that we have some degree of control over and to virtually abandon it to the international financial markets, Mr. Speaker, is the example of the kind of hypocrisy that seems to be coming out of this government over the last number of years. I suggest to you, Mr. Speaker, that is not particularly good enough for the thousands of people who have worked for FPI.

Why are they selling it? The biggest question which we have is, why is it being sold now? Is it being sold because, after the restructuring in the last couple of years, all the problems of the fishery have been overcome, and we are now back into calm waters where things will go on to broad sunlit uplands and all the rest of the expressions that we get out of the orators? Is it because of that? Is it that we have an assured future? Is it that these things are going well? The answer, no. To answer it quite simply, Mr. Speaker, it is because we could get big bucks for it. That is what the minister said when he announced it, 'We can get a good market for it. There is a good market out there.' Well, Mr. Speaker, there is a number of reasons for a good market out there, and I would like to attack them first.

What is the first one? An incredible demand for fish in the United States and in Europe. Why? Well, because the Americans are food junkies. They are people who go on food crazes, food fads. What happened was a study was done on the Eskimos in Greenland and

showed a very low incident of heart disease, and they traced it to the consumption of fish. So all the health junkies in the United States are now eating fish. It is gone up a couple of pounds per person over the last number of years. There is a tremendous demand for fish.

What is another reason for the increase in the demand for fish? Mr. Speaker, another reason is the Chrynoble nuclear disaster! I ask you, talk about an ill-wind that does not blow somebody some good! In Europe the consumption of red meat is dropped like a rock because everybody is quite rightly frightened to death that they are eating radioactive meat. Of course, I am not sure what happens with all the radioactivity that goes into the oceans, whether it affects fish or not, but the fact is that the consumption of fish in Europe has sky-rocketed as well. When you are the largest company and the largest industry in our Province and it produces fish, and then the price of fish goes up, as a result your bottom line increases tremendously.

But, Mr. Speaker, have all the basic problems of the fishery been attacked and solved? Is this company going to continue on on smooth sailing? I suggest to you, not whatsoever.

What they have done is sold off half their plants. They have a smaller number of plants, although the seasonal all year round plants they have kept. They have also kept the ones with the high level of productivity. In other words, Mr. Speaker, these are the jewels in the crown of our fishing industry that they have kept, the ones that are likely to do the best on a year in, year out

basis. That is probably one of the great evils of this particular sell off. We are selling off our best plants not our worse plants. If they were selling the worse ones, well maybe I would not be objecting to it, but to sell all the best ones just has a degree of stupidity to it that is mind boggling.

So what we have, Mr. Speaker, three years after the Kirby Task Force delineated clearly the problems in the offshore sector and talked about the problems in the inshore sector, is no real substantial change in it. All we have is an increase in the demand for fish, which may continue. I hope it continues for the next thousand years, but it also may be a bust that next year at this time may drive the cost of fish down so low that virtually our entire industry is crippled.

In other words, Mr. Speaker, some of the structural problems with the industry are not solved. It is just a temporary bubble that we are in, and this is the reason given by this particular government in order to sell it.

By the way, Mr. Speaker, I should mention right now that there is an incredible amount of indecision on the part of our Liberals to the left of us here. I speak, of course, physically because psychologically nobody is particularly sure where the Liberals are from day to day, but we now have a remarkable situation. The Liberals are not sure whether they are going to either vote for or against this legislation. They are not sure whether they are for the selling of the operation right now. They have some questions about it.

Mr. Speaker, on another issue, several months ago we raised questions about something that was just as important to this Province and we were shellacked by the members opposite, and the members on this side, because we had questions and we were refused to allow to ask the questions or even to do any kind of investigation into the situation. Here we have the Liberals in the same situation.

Mr. Speaker, I think it should be pointed out that if that is the reasonable thing, fine, but the fact of the matter is, they are in the middle as well. They have questions and they have no answers to them, so it should be quite adequately pointed out that they are in the same mess, if that indeed is what the situation is. I would suggest that that is, by the way, not a wholly unreasonable position, not knowing everything that is going on, there are some legitimate aspects to it. But I say that because I honestly believe that doubt, and not knowing everything, is a human condition and it should be respected when you do not have all the answers.

Well, Mr. Speaker, the thing that is worse about the selling of the FPI is the symptom of the attitude of this government. This government has lost its faith in the people of Newfoundland. It has lost its faith that we can do anything -

MR. TULK:
A point of order, Mr. Speaker.

MR. SPEAKER:
A point of order, the hon. the member for Fogo.

MR. TULK:

Mr. Speaker, I understand, if I heard the hon. gentleman correctly from the Common Room, that he made the point that the Liberals do not know whether they are against or for this bill. Did he make that point? I believe he did, Mr. Speaker. If he did I want to tell him that when the vote is called he, like everybody else, will find out where the Liberal Party stands on this issue, unlike the hon. gentleman who sat in his seat and got ejected. It has not been said in this House whether we are going to vote for or against the bill. When the vote is called, unlike the hon. gentleman, we will make our point quite clear. We will not sit in our seat and abstain and get kicked out of this place.

MR. FENWICK:
To that point of order, Mr. Speaker.

MR. SPEAKER:
To that point of order, the hon. the member for Menihek.

MR. FENWICK:
I do not think I have to say anything to it. Would you please rule it out of order so I can get on with my speech?

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

The hon. the member for Menihek.

MR. FENWICK:
Thank you very much, Mr. Speaker.

Why are we against it? First of all, it happens to be the largest company in our largest industry and we feel, truly feel, unlike the sham feeling that we are getting from the Tories opposite, that we should have control of our major resources and our major

industries. We believe that it is important to have an equity interest in it. What we have said, as it is being sold, as soon as we form a government in this Province, we will buy back the 26.2 per cent interest that we threw out and get it back so that we can do something about making sure that we have some sort of input into that particular organization.

Mr. Speaker, why do you want control of that industry? Why do you want an input into it? Well, Mr. Speaker, you want a window into it. You want to be able to see what is going on in the industry in a hands on way. You want to know what the markets are like. You want to know what the problems are. That window, which is the same argument put in for Petro-Can, one of the great Crown corporations that Canada has ever produced, that same argument is a legitimate and logical argument for here with our biggest company and our biggest industry.

At the same time, Mr. Speaker, we have another aspect of it that has to be addressed and that is the influence on the several hundred communities in this Province that have fish plant operations and places where they land fish. These operations are truly at risk with the privatization of FPI. As long as FPI had a social side to it, as long as it had two levels of government owning shares in it, its predatory nature was curbed, so to speak. It had to operate within legal bounds. Mr. Speaker, that is gone now.

The marketplace is, by its very nature, a competitive one. It has often been described as a jungle where the survival of the fittest is the only thing that goes on.

Well, Mr. Speaker, through the money that we have given this company and the way it has been set up, it is an extremely fit animal indeed. That animal, I would suggest to you, will be a major predator on the other fishing companies in this Province. It will end up, in the long run, to be at the detriment of all the other companies where it operates. Decisions it would make would be primarily bottom line decisions on whether it is profitable or not.

The other arguments I advance for not abandoning it now is the fact that there are so many lost opportunities that have occurred as a result of this. We have a situation, Mr. Speaker, where FPI, because of its strength and its size, could have been a marketing arm, worldwide, for all the fishing industry of this Province. It could have done that function for the other 175 fish plants or so that exist in the Province and do not have the expertise to develop markets all through the country. That is abandoned. That is gone now. We are not going to see that again. As a result, when the market drops down, as it inevitably will at one point, a lot of these small companies will close up and people will lose their employment as a result of it. The markets that we want to develop all over the world will not have been developed. Mr. Speaker, that is a tremendous shame.

Another area, Mr. Speaker, that FPI should be moving into, however tentatively at the beginning, is in the fantastic industry that produces the machines that process fish. Right now we buy them from Sweden and West Germany and other countries in the world. We

produce virtually nothing of the high tech materials ourselves. With a company like that, we would be in a position to start looking at the production of the production machinery, to go into the linkages, the reverse linkages and forward linkages. That goes with this company, and if we want to do that in the future we have to look at other vehicles for it. But it is obviously an opportunity that has been lost by the short-sighted actions on the part of this provincial government. So, Mr. Speaker, those are the reasons we are against the selling of it, to be as quick as I can on it.

Let us look at what the government has put in place in order to protect it. Mr. Speaker, the government has put in place a restriction of 15 per cent on share capital. Well, they should go and talk with Conrad Black. Conrad Black and Argus Corporation has gotten control of Dominion Stores with less percentage of the shares of it. It has control of a whole bunch of other companies with much lower than 15 per cent interest in it. Mr. Speaker, we are still very vulnerable to somebody who comes in from Canada Packers or some other organization and buys 15 per cent. At that point, we are starting to look at the end of any kind of control at all, any vestage of it that the Fisheries Minister says still exists.

Mr. Speaker, what about the Board of Directors? Fifteen members on the Board of Directors and the legislation says a majority must be residents of this Province. We have had the minister himself, when he introduced this bill, stand up and say that the legal opinions are divided on whether or

not that is constitutional. I would suggest to you that if he says they are divided, what he is saying is the lawyers are telling him it will not work, that if there is a Newfoundland resident on the Board of Directors now, like Harry Steele, for example, or Collingwood or Crosbie or whoever these people are, and they decide that the grass is greener in Halifax or in Vancouver or in the Bahamas, wherever, and they move and they attempt to remove them from the board, I would suggest to you that as long as he moves within the country, the economic unit, there is not going to be any way whatsoever to stop him from moving. Eventually, the Board of Directors, Mr. Speaker, could be totally dominated by non-residents.

The other thing is: What is the definition of a resident? That is a part that we have not even discussed yet, because the minister has not even told us what the criteria is. He said something about, 'Well, if he is eligible to vote.' I think that is thirty days in the Province. In that case, if he stays for thirty days here in the Summer, lives the rest of the time in Florida for ten months of the year, that is a Newfoundland resident. I am not entirely sure how resident that resident really is. But that is beside the point. It shows, Mr. Speaker, the kinds of filmy cobwebs that are trying to be used in order to give the appearance, because that is all it is, the appearance that there is some control over this organization in this Province. The fact is, Mr. Speaker, there is no control whatsoever. We have sold it off and this animal is going to do what it wants and that will be primarily to maximize its profits. If our interests are

well served, it will be completely a miracle.

Mr. Speaker, the worst thing I see in this is there was an opportunity to do things here. I want to put forward at least one particular way in which I thought it should have been done. There have been organizations elsewhere that have insisted on maximum ownership, like Western Pacific Airlines when it was sold by the Alberta government. Instead of saying that there be a little of an edge for Newfoundlanders, Albertans in their case, they mandated that 40 per cent of the shares had to be sold in Alberta and 40 per cent were. Of course what we ended up with here, Mr. Speaker, is about 11 per cent being owned within the Province. I am not sure if that is good, bad or indifferent but certainly, if it was 40 per cent or 50 per cent owned within the Province, we would have a feeling that there was some sort of ownership claim to it as well, but now with over 80 per cent or 85 per cent of it being owned outside the Province, then we are in a severe situation where we do not particularly own it.

Other models that you could put forward, there have been worker co-operative organizations, not necessarily totally owned by the worker cooperatives but with a dominant interest. Why not take 50 per cent or 51 per cent of the shares, put them in a corporation that then it is owned by the people who work in the plants who are the inshore fishermen or the trawlermen? Why not have them have some direct say in what is going on? Mr. Speaker, it is not owned by the Province anymore or by the federal government but at least, at the same time, it is

controlled by the people who have the biggest stake, the people whose jobs are depended on the organization, the communities that Fishery Products International operates in.

Mr. Speaker, what it is is a symbol of the lack of faith of this government in the people of this Province. The selling of FPI is part of a pattern. It is a pattern that has been repeated by the incident down in Bay d'Espoir where National Sea was brought in in order to do the first commercial fish farming in the area. Mr. Speaker, it was an example of a loss of faith in ordinary Newfoundlanders and it is completely typical of the way in which this government operates. They have lost the faith that they should have in the people of this Province.

Mr. Speaker, I have got in front of me a whole bunch of junk from the Premier there saying that the massive greenhouse project is in line with the House Royal Commission. In that case, he has not read it if he thinks it is in line because the House Royal Commission said one thing, it said have faith in the people of Newfoundland! Have faith in the initiative of rural Newfoundlanders! That is completely against it, Mr. Speaker, and so is the selling of FPI, so is the National Sea deal on the South Coast by allowing one large corporation to go in there and develop the first of the fish farming.

Mr. Speaker, the Sprung greenhouse project is another example of a lack of faith in Newfoundlanders. There is a possibility for a greenhouse industry in this Province, but it is not this kind

of thing. Mr. Speaker, I absolutely guarantee you they will grown tomatoes and cucumbers in the Sprung greenhouse, I know they will, just as they will be able to deliver tomatoes and greenhouses to market in a cadillac, but who would do it? It is crazy. It is senseless. It is stupid. You take a truck and you deliver tomatoes and cucumbers to market. You take an appropriately economically designed structure in order to produce it! You take operators who have been there for decades and know the problems! You do not take some fly-by-night fellow who has only been producing them for a year and a half to two years and all his tomatoes died! You do not go and give them an operation like this where there is tons of money in it but it is a symptom, Mr. Speaker, of the same kind of lack of faith in Newfoundlanders to develop their own future, as the FPI sale is as well! It is part of an entire pattern and, Mr. Speaker, that is the reason it is wrong.

But, it was not invented by the Yahoos opposite, Mr. Speaker, it was a tradition that has gone back to about 1900. When the A & D Company set up the mill in Grand Falls, we started on the path of putting in foreign capital and foreign expertise to develop our Province, our country at the time, and we have continued on with it ever since! The Bowater Company, the Kruger operation, virtually every mine we have ever had, has always been foreign money. There has never been any faith whatsoever that we could do anything and, Mr. Speaker, I am not surprised when they go and sell our major resource because they have never had any faith in the Province. Why should the manifest it now?

So, Mr. Speaker, we are foursquare against the selling of FPI! We are foursquare against the privatization of the operation! We believe that in years to come it will become manifest that it was a stupid idea on the part of the government of this time. When we have to go in there a year or two or three years from now and bail out the whole operation again and restructure it for the Nth time and this time we will be putting the money into capitalists all over the country.

So, Mr. Speaker, it is a lousy idea and we are against it.

MR. LONG:

Hear, hear! Well said, well said.

MR. SPEAKER:

Order, please!

MR. GILBERT:

Mr. Speaker.

MR. SPEAKER:

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

MR. GILBERT:

Thank you, Mr. Speaker.

SOME HON. MEMBERS:

Oh, oh!

AN HON. MEMBER:

Foolish, Russian friends!

MR. SPEAKER:

Order, please!

Could we have order on my left side please?

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

MR. GILBERT:

Thank you, Mr. Speaker.

SOME HON. MEMBERS:

Oh, oh!

MR. WARREN:

That is right, you do not know. You do not even know yourselves.

MR. SPEAKER:

Could we have silence please?

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

MR. GILBERT:

Mr. Speaker, it is hard to talk when you have to listen to this.

Mr. Speaker, there is no doubt about my position on the privatization of FPI. I think the hon. gentlemen to my physical right and political left will have no doubt about my position on the privatization of FPI. My concern, Mr. Speaker, is why are we in such a hurry to do it.

I have talked to many people, accountants, and people involved in business. I have been involved in business in Newfoundland for the last thirty years so I have some ideas about how to run a private business. The concern that I have is that the government moved too quickly on the privatization of FPI. That is the situation, Mr. Speaker, that has happened here. We find that again the government rushed blindly into something without giving it the thought that they should, and I feel that they will live to rue the day again that they have acted so quickly.

The principle of privatization was certainly there right from day one when the Fisheries Restructuring Agreement was signed. I am sure that everybody in Newfoundland who was clear thinking was looking forward to the day when Fishery

Products International would be again privatized. But, after a track record like the one that we have seen from FPI, I have some grave reservations about privatization at this time.

Two years ago this same company that we are so proud of right now lost \$40 million. One year ago it lost \$20 million. Last year it made a profit. We have heard everybody talk about the reasons for the profit, the increase in the market in the United States, the dietary habits changed in the United States, and, of course, there is another thing that we, in Newfoundland, should be only too aware of that caused FPI to show a profit last year. It was the fact that the world price of oil dropped rather drastically. As I understand, a lot of this \$40 million is reflected in the drop of the world price of oil. These are the concerns that I have.

All of a sudden, one year of success and the company is now a success, not because of anything that management had to do. I am not saying that there was not adequate management. Maybe there was but there is nobody knows for sure if this management had the expertise to turn this company around, because it was situations outside of their control that caused a profit last year, as I have already said, the drop in oil prices which, you know, had some drastic affects on the economy of Newfoundland and otherwise. But, what is bad for one thing is good for another.

Fishery Products International made a profit last year because of situations that management had no control over. It was not management decisions. It was not the sound management of that

company that made a profit last year. It was world situations, Mr. Speaker. That is the thing that I am very concerned about when I see this company sold off this year.

I am a little bit concerned about the way it was done. I would have liked for more shares to have been made available to Newfoundlanders. I think this was one of the things that the members opposite and the government were remiss in, not making more shares available to Newfoundland and Newfoundlanders in the event that we all hope will happen, that it will be a success. I think that the ordinary Newfoundlander who has suffered at the hands of big business all his life, particularly the inshore fishermen. The down trodden inshore fishermen in Newfoundland have suffered because of an economic system that has been set up in Newfoundland. He is the fellow who should have been given the chance to buy more shares.

This is the type of person who should have been given the opportunity to invest in a company which members opposite now say is going to be a howling success. This to me is what we, all members of this House, I am sure, want to see happen is that Fishery Products become a success, all except the members to my physical right and political left. They would not want to see it become a success because the only thing that they would like to see become a success is something that the government is in, and something that they have their dirty red hands in, and something that never worked. Everyone is aware of the economic philosophy of our members to the right of me there, and left in their political thinking. They

are not concerned about anything being a success, because they have discovered that you print money and that solves all the economic problems in the world. Let them print their money. I suggest they should look at Russia sometime if they think that their situation is as successful as they would leave us to believe when they talk about government involvement in business.

But I am concerned about the fact that there was not enough shares made available to ordinary Newfoundlanders. I have another very serious concern about the share package that was offered at the sale of Fishery Products International. I am concerned about the number of shares that were made available to the management people at Fishery Products International, the options that were made available to pick up shares at the price as of April 15 this year. This I am very concerned about. I again, believe me, feel management should be rewarded for a job well done.

Somehow I feel that the reward that was offered to the management people of Fishery Products International was a little too much for the work they had performed. As I pointed out when I started, Mr. Speaker, management had very little to do with the success that was shown by Fishery Products International in the three years of its operation. As I said, the success was really not there when you had two years with horrendous losses and then we have one year that showed a profit because of a condition, a turn around in the world market for fish, and a drop in the world price of fuel oil.

All of a sudden this government, in its generosity, decided to

reward the top management of Fishery Products International by leaving an option to buy a block of shares at any time down the line. As I understand it, the Premier said in this House that there was no time limit on the option for these senior management people of FPI to pick up their shares. This to me, Mr. Speaker, is wrong. I consider it to be unfair, unjust and again I feel that Newfoundlanders are being ripped off because of the attitude and the ideas put forward by the government.

Remember that in the sale of Fishery Products International, Newfoundland taxpayers subsidized the sale. There was a loss in the price that was realized for the privatization of Fishery Products International. This is on the backs again of the Newfoundland taxpayers and I think it is unfair that the senior management, who were lucky enough to be there - they might have all the skills of management, we will find out one of those days - but the fellows who were lucky enough to be there for the last three years and were able to take advantage of a world situation when this company showed a \$40 million profit without any management skills having to be used, Mr. Speaker, now we see those people, and for sometime in the future, if Fishery Products International is the success that we all hope it is going to be, this small group are going to make, again, a whopping profit, a tremendous profit without really putting any investment in.

Remember, the management people in FPI are people who worked with government most of their lives. They have never really put to much effort into business in Newfoundland and were fortunate to

be running a company that had been taken over by the government. They put their own people in, so to reward them with this kind of an award, I think, it unfair to Newfoundland, Newfoundlanders and the taxpayers in Newfoundland, the people who underwrote the loss that was realized in the sale and the privatization of Fishery Products International. This, I think, is a crime and a shame, Mr. Speaker. I think the scheme is one that should not have been put in place until such time as we were sure that in a few years time we are not going to have to put Newfoundland taxpayers back into the operation of Fishery Products International.

The one thing that we have found now and we see in the comments relative to the changes that the government put out is a realization that there is a problem and a problem could develop that some of the plants that were designated as social plants in the restructuring of Fishery Products International. They are still in the private company Fishery Products International, mainly the ones on the South Coast. We know that some of the fish plants were sold but we know now that thirteen or fourteen were left. I know in the Fishery Products International magazine, which came out in December or January, they said that all the plants they had left now were equal, first among equals. The word social plant was not going to be considered anymore and now you had every plant equal, all of them vibrant and successful.

The only thing about that is again we are into a situation where it is a private company. We have fish plants, and we can take the

one in Ramea in my district, where there are serious problems with supply. We all knew about the problems with supply in January or February of this year when we heard of French over fishing and the cutback of 10,000 metric tons in our quota for this year. We all knew about supply at that time and we all knew about the serious problems along the South Coast.

The strange things about that, Mr. Speaker, is we have not heard much about French over fishing for a few months now. It sort of died away when the polls said that it was not a good time to win an election maybe, or it was not an issue on which we could win an election. Maybe that was the reason why it died away.

But, Mr. Speaker, I would like to point out that the French are still over fishing. St. Pierre is still there. It might not be Metropolitan French right now but remember that St. Pierre has seven or eight wet fish trawlers that are out there right now. They are fishing and at the rate of 5,000 metric tons a year from each trawler. It does not take long to do the job on the St. Pierre Banks and the Gulf of St. Lawrence where the fish from the South Coast plants are coming from.

FPI is now a private company again. We all know that in business efficiency is one of the things that we have to look at, So the plants that are nearer to the source of supply, and the supply is Northern cod right now, those plants that are on the East Coast are much nearer now than the plants on the South Coast.

Another thing that has happened on the South Coast this last year, and I am sure the minister is

aware it, is the size of cod fish that are landed on the South Coast has dropped by two inches, the average size of a cod fish has dropped by two inches. Last year it used to take thirty-eight cod fish to make a hundred pound from the cod fish that they were bringing in from 3Pn and 3Ps in the Gulf. Right now it is taking forty-eight fish to make that same hundred pound. So I can assure you, Mr. Speaker, that if FPI is privatized and it is a business, you are going to be looking at the efficiency of the operation.

The government over there is well aware of the efficiency. I talked to the Minister of Energy (Mr. Ottenheimer) in the Energy Committee on Thursday morning, and one of the points that he made to me, Mr. Speaker, is that they were moving the control centre for Newfoundland Hydro out of Bay d'Espoir, and they were moving it out, Mr. Speaker, because of the fact that it was more efficient to operate it from St. John's. He did not tell me that they were going to save any more money because this is a Crown corporation, and they really do not have to save money, this is a Crown corporation. But, he said that Crown corporations did operate like a business so they were moving jobs out of Bay d'Espoir to bring them into St. John's to make it more efficient.

He also said that they could have that control centre in Halifax, but it would not be as efficient, but he could have it. But he did not tell me how much money he was going to save the Newfoundland taxpayer, how much lower our hydro bill was going to be by moving those jobs out of Bay d'Espoir.

When we have government thinking

like that, just imagine, what is going to happen to a private company when all of a sudden you find the serious problem that we have known for years and years has been there, the overfishing on the St. Pierre Banks? Overfishing has gone on all along the South Coast in the main source of supply for those plants on the South Coast. When all of a sudden this becomes a problem, what is going to happen to the plants on the South Coast? I am sure the Speaker is well aware on how dependent the plants on the South Coast are on the fish that comes from that St. Pierre Bank and the Gulf.

To run a private business and private business FPI is again now, even though the Newfoundland taxpayers underwrote the privatization again, we know what is going to happen, Mr. Speaker. There are going to be serious problems in those South Coast plants unless the government is prepared to do something immediately. The French overfishing cannot be let to go away now that it is not a threat for an election. They know that it is not a reason to call an election any more, but French overfishing is still a problem, Mr. Speaker, and it is one that this government has to sit down and come up with a solution to in conjunction with their counterparts in Ottawa.

My feeling again is that the government jumped, members opposite jumped into this as they have in so many things without really putting any great plan into place to look at the future and just say, 'We have a chance now to bail this out. Let us get out of it. Let us give our friends a chance to make some money and let us go.'

I think of some of the other projects that this government has sponsored. The aquaculture one in Bay d'Espoir has been going on for five years. We are down to the point that it should now be about ready to go into production, and yet the government cannot make up its mind as to which way it should go. This again is something that should have been done two years ago, Mr. Speaker. The plan should have been there and the risk money made available to Newfoundlanders who wanted to get involved and invest in this to make aquaculture a vibrant part of the economy of Newfoundland.

Now we hear of hydroponics. Again I feel, and we feel, that the Premier is grasping at straws. He is jumping into something very quickly hoping against hope that he can convince the people of Newfoundland, 'Yes, he has an idea, a vibrant idea.' I do not think that Newfoundlanders will be fooled by that. Again, it is the type of attitude that this government has. It is the knee jerk form of government. You know, 'What can we do today to try and let the people know that we have a plan for governing?' As I have said many times in this House, I think that government has lost the will to govern. They were elected to govern but they have lost that will.

I think the privatization of Fishery Products at this time is a part of the lost will to govern. I agree Fishery Products International should have been privatized. I am asking, 'Why so soon?' It should not have been done at the present time. It should have been given a chance to prove itself in the market with a proven track record. Not just one year of a profit when they had no

control over the conditions. The management of FPI had no control over what happened last year. I think again a knee jerk reaction and a government without a plan. In that, Mr. Speaker, I feel that there are serious problems and I think that this government has jumped into a situation again without planning.

We just heard the Premier last week come back from Ottawa and say that he now felt as if he were almost a Canadian. We wonder why he said he was almost a Canadian. He had been to Meech Lake and he had heard that the Constitution was now finally going to be solved and we were all going to benefit from it. I do not know if that is going to be true or not, Mr. Speaker. I am of the strong opinion that Newfoundland is best protected in Confederation when we have a strong central government. I do not think that with the Constitution that has been amended and talked about at Meech Lake, that they are going to hold a meeting early in June of the Premiers and the Prime Minister, that Newfoundland's interests are going to be protected. I think again it is another form of a knee jerk reaction. Anything to change the peoples' minds; anything to get the peoples' minds off the real problems that we have in Newfoundland; let us give them cake because we really do not have bread to offer.

He came back and he talked about how he finally felt that he was now half a Canadian. One of the reasons why he said he was half a Canadian, Mr. Speaker, was that now he says he has control. Finally, the federal government is going to discuss giving Newfoundland control of the fisheries. Finally, after 500

years, Newfoundlanders are going to control their own destiny. I heard that before when we were talking about control of the offshore and ownership of the offshore. You notice that these words disappeared in the Atlantic Accord which was signed. It was put aside because the Premier went to court and lost his case there. Now he is saying that he is going to have control of the fisheries. Our destiny is finally going to be assured.

The only thing about it, Mr. Speaker, is he did not say, by my reading of the comments that came out of Meech Lake, is that every province will have a veto as to who has control. The other thing about it is that I understand Nova Scotia is dead set against any discussion whatsoever on control of the fisheries. I would think the Premier again is a little premature when he is talking about control of the fisheries.

Finally, Mr. Speaker, if he was going to get control of the fisheries, there is another little interesting comment we might make. Good God, how fast does time goes. But there is another little interesting point that we could make, Mr. Speaker, when we talk about the Premier finally feeling like he is half a Canadian. We wonder where the money would come from if the Premier was to get control of the fisheries. Where would the money come from to exercise this control? It is a great pipe dream, you know, sort of like hydroponics. We can now have control of our fisheries, but control of anything, Mr. Speaker, I submit to you, means that you must have the wherewithal to do it. I have some grave doubts about the ability of Newfoundland

at this time to be able to control their destiny as far as the fisheries is concerned because it is going to take money.

Now, within the last month and a half we have heard the Premier first get up and say that Newfoundland was almost back to the thirties, back to the depression days. We were broke. Then we heard the Minister of Finance (Dr. Collins) come in with the kick-start budget, which was supposed to solve all our problems. That was going to be the thing. In this new spirit of Confederation they were going to go to Ottawa and with every project they had up and really get down and work with Ottawa in developing a partnership that was going to carry Newfoundland forward into the twenty-first century.

MR. TULK:

(Inaudible) loved that.

MR. GILBERT:

That was a month and a half ago, a month ago. The only thing about it, Mr. Speaker, is now we see another example of the kick start budget. We heard the Premier stand in this House last week and announce that he was going to spend \$16 million or \$18 million. It really does not mean much to the Premier when he is talking about spending it, and obviously he has a reason for it. I do not know if an election had anything to do with it or the thoughts of an election. It is like Christmas, dreams of an election or maybes and maybe he can fool the people again that he is going to create 120 jobs, or 300 jobs in construction.

The only thing I say to the Premier, well, first of all in his

kick start budget he went a little bit askew. He said he went to Ottawa but they turned him down, so now he is in it on his own. The other thing I say to the Premier about his hydroponic industry is that the people out there in Newfoundland, the people in rural Newfoundland are a little concerned when they see an industry that is announced again for St. John's or environs when, again, it is against everything that was ever said in the Royal Commission that the Premier asked to have instituted two years ago when he went out to try and fool the people again. He wanted to form the government because he was going to create jobs. He created this Royal Commission which was supposed to solve our problems, yet this royal commission came back and recommended a decentralization outside of St. John's of jobs. Then we heard him announce this super hot house, or super greenhouse project for St. John's, to create 120 jobs in Mount Pearl.

Now, Mr. Speaker, we all know if there is any bright spot in Newfoundland it is in St. John's.

The Minister of Energy (Mr. Ottenheimer) talked to me last week and he told me that the reason that he took -

MR. SPEAKER:

Order, please!

The hon. member's time has elapsed.

MR. GILBERT:

In conclusion, Mr. Speaker.

MR. SPEAKER:

Do we have leave?

SOME HON. MEMBERS:

By leave.

MR. SPEAKER:
By leave.

MR. GILBERT:
I heard the Minister of Energy tell me last week that the reason that he took the jobs out of Bay d'Espoir was to make it efficient. I have a feeling, Mr. Speaker, that this government feels that it would be very efficient if they moved everybody outside of St. John's to the Avalon Peninsula, and they let the fishermen go out for two weeks to fish, and they let the miners go out for two weeks to mine and bring them back to St. John's. It would be much more efficient. I believe, Mr. Speaker, that that is the policy of this government. Again I say, a knee jerk reaction to a government that has lost its ideas and its will to govern.

MR. RIDEOUT:
Mr. Speaker.

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

The hon. the Minister of Fisheries.

MR. RIDEOUT:
Thank you, Mr. Speaker.

Mr. Speaker, let me begin by thanking all hon. members who participated in the debate for their contribution on Bill 34, the act to return FPI to the private sector. By and large, Mr. Speaker, I think it can be said that the comments and the observations of hon. gentlemen were worth-while. It certainly was, I believe, beneficial. Even though reservations were expressed and legitimate questions raised, to a large extent I think it is fair to say that the comments were not all that derogatory towards

the company and the privatization process as such, especially in terms of the official Opposition. I will try to respond in as much detail as time will permit to each of the issues raised by the various members who spoke over the last three or four days in this debate.

Let me first of all start off with the comments from the socialist group down in the corner, because their comments, Mr. Speaker, in the context of the Opposition comments, which were pretty intelligent, down to earth, good debate on the issues related to privatization, but the comments from the socialists, from the NDP, were dogmatic in nature, Mr. Speaker.

It is not a problem of privatization as far as the socialists are concerned, it is a problem of philosophy. It is philosophy, it goes to the depths of their soul, Mr. Speaker, that you must control everything as a government, there is no room in this society for private enterprise, there is no room in this society for profit, profit is a dirty word, Mr. Speaker, in the socialist context, there is no such term as clean profit in the socialist grammar and that is their problem.

Mr. Speaker, the hon. gentleman for St. John's East (Mr. Long) even went so far as to say - and God forbid they ever form the government, whether it be in the year 2500 or in the year 3500 or whenever it might be, but it certainly will not be in this century or in the next number of decades - 'when we form the government of this Province FPI will be brought back under government ownership.' Now, Mr.

Speaker, that is an irresponsible comment from an irresponsible gentleman. Just let your imagination run wild and think that for some strange reason the electorate of Newfoundland and Labrador might place their trust in that kind of irresponsibility, let your imagination run wild and dream that that could happen: How would you go about doing it, Mr. Speaker? Here is a company with shares of \$177 million just sold to the private sector, 20-odd percent of whom are Newfoundlanders, by the way, who never had a chance to participate, according to the hon. gentleman, with \$7 million worth of shares given to his union buddies free gratis, a gift, Mr. Speaker, which today is worth \$11 million in cool cash. That is the dirty profit, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. RIDEOUT:

Mr. Speaker, have you heard a fish plant worker from Ramea or a fish plant worker from Marystown or one from Port aux Choix saying, 'I do not want my \$11 million worth of shares'? Have you heard them, Mr. Speaker, say that about their free shares, paid for by the taxpayers of Canada and Newfoundland and by the sweat and blood and productivity of those people who worked in that company? That is who he is slapping in the face, Mr. Speaker, the 8,000 workers, the 8,000 men and women who make up the corporate family called FPI. That is the dirty word profit that he is talking about, those people who had \$7 million worth of shares given to them that today are worth \$11 million in cool cash.

Did he talk about the 'profit

sharing programme, Mr. Speaker, that the unionized employees of that company have? Did he degrade that? Did he say there was any discontent or malcontent in Marystown, Ramea or Gaultois because 10 per cent of the profits of this company are given directly to the employees of that company? Did he talk about the subsidized share option plan whereby the employees of the company can buy further shares through pay roll deduction, subsidized 10 per cent by the profits of the company? Oh, the dirty word 'profit', Mr. Speaker, shines out of the hearts of the socialists. Now, that is there position. Their problem is philosophy.

MR. TULK:

That is their position today.

MR. RIDEOUT:

That is their position today. They will vote on this Bill, I project, Mr. Speaker. I suspect they will stay in the House and vote on this one, but they will not vote on 1000 or 2000 jobs for Goose Bay or some other part of Newfoundland and Labrador. They will vote on this one because it fits their dogmatic social philosophy. That is why they will vote on this one.

But, let us go back, Mr. Speaker. You have not heard too much in the way of malcontent and discontent about that great socialist Richard Cashin on this privatization deal, have you, Mr. Speaker? You have not heard much discontent, you have not heard much public debate, you have not heard much ranting and raving about that great Christian socialist Father Des McGrath, on this privatization deal, have you, Mr. Speaker?

SOME HON. MEMBERS:

Hear, hear!

MR. RIDEOUT:

No, Mr. Speaker. The discontent and the malcontent is in the minds of the socialists, the communists, Mr. Speaker, of politics in Newfoundland and Labrador, who have now -

SOME HON. MEMBERS:

Hear, hear!

MR. RIDEOUT:

- made it a plank in their political platform to take to the people of Newfoundland and Labrador - it is in the records of this House now - that as soon as they become the government - about the year 3095 - they are going to buy back the shares. Are they going to buy them back, Mr. Speaker? There was \$177 million worth on April 15 and today it is well over \$200 million worth, Mr. Speaker. In the year 3095 they might be worth \$2 billion. Are you going to buy them back through the taxpayers' dollars? Are you going to expropriate? That is the NDP philosophy, Mr. Speaker. The hon. Leader of the NDP then gets up with such righteousness and he says that control is the argument. Control, Mr. Speaker, is the essence of stupidity. A company that the taxpayers of Newfoundland and Labrador had 26 per cent control of and the hon. Leader of the NDP gets up and says because you returned it to the private sector with a share restriction, with a guaranteed gift of \$7 million worth to the employees, with purchase benefits, with all of that, you committed that crime of returning it to the private sector and you lost control. Mr. Speaker, the essence of stupidity! We control the processing sector of the fishing industry of this Province today

just the same as we did yesterday and just the same as we will tomorrow through the constitutional legitimacy of this Legislature. Part of the constitutional legitimacy of this Legislature is to control the processing sector of the industry in this Province. But because we own 26 per cent of that company could we somehow or other control the quotas? We never had that constitutional right even with 26 per cent of the company. If we had expropriated the Government of Canada's shares and owned 100 per cent of the company we still would not have the right to control the quotas. We would not have the right to say to FPI that you cannot fish anymore in 3L or that you have to go to 3J. These are management decisions, control decisions that we have some input into as a Province of Canada, but no control over and never will have any control over until there is an legitimate constitutional amending process in this country to give this Province legitimacy in the fishery. So much for the stupidity of the socialists, Mr. Speaker, from St. John's East and Menihek.

MR. WARREN:

Are you learning anything?

MR. SIMMS:

A good job.

SOME HON. MEMBERS:

Hear, hear!

MR. SIMMS:

Do not slack off now.

MR. RIDEOUT:

Now, Mr. Speaker, there were some legitimate observations made by a number of speakers on the other side of the House. I must admit, Mr. Speaker, that it is legitimate

to ask, when you are only two or two and a half years into a five year business plan, has enough of a trend been developed? That is a reasonable, legitimate question to ask. And we had to soul-search ourselves, Mr. Speaker, as a government, because I have said publicly before and I have no hesitation in saying in this Legislature, that we did not rush into the privatization of FPI for the sake of privatization. I could not care less, as the minister responsible and holding the shares on behalf of the Province of Newfoundland, whether we did it today, whether we did it tomorrow or whether we did it in five years time. The question you had to make a judgment call on, on the best fiscal advice available to you, is what is the future of this company? I believe I tried to address that, Mr. Speaker, in a meaningful way when I introduced this bill, that we are reasonably comfortable; we are not 100 per cent certain, but we are as comfortable as you can be. I believe the gentleman from Twillingate referred to it when he said, "The minister will say, 'You cannot stare into a crystal ball'," and that is true.

But with the best fiscal advice available to us we are reasonably comfortable that this company, with practically nil of a debt load because they have privatized themselves by going to the public and getting public investment - it was not a borrowing - so with a good, sound debt free balance sheet, I believe and this government believes that this company is dynamic and strong enough to be able to go with the good times and survive the downturns in the fishing industry. Because as everybody knows in this House, Mr. Speaker,

as sure as we are here today, we may continue to have upswings for the next two, three, four or five years - we hope we do, we have it is for the next twenty years - but sometime or another, due to the cyclical nature of this industry, there will be again downturns.

And that brings up another legitimate point raised by a number of speakers from the other side: Why did the companies fail in the first place back in the early 1980s? Why did we have to get into restructuring?

MR. BAIRD:

The previous administration.

MR. RIDEOUT:

Mr. Speaker, the biggest problem that caused the failure of the offshore companies in the early 1980s was this great rush toward expansion following the implementation of the 200 mile limit in 1977. And that was bad enough, but it was all financed on debt. The banks were just as much a culprit as the company, but the Nickersons, the Monroes and the Lakes, a whole bunch of those involved in the fishing industry in Newfoundland and in Atlantic Canada, participated in a mad rush to expansion; not a mad rush to expansion based on equity or on capital generated from the business or from cash flow, but a mad rush to expansion based on debt. And, of course, right after that took place we know what happened in terms of interest rates. The interest rates took off, they went up to - what? - over 20 per cent, I believe, at one point in time. You had the fish companies out there who had financed this massive expansion based on debt alone without any equity and, of course, you had the ingredients for a house of cards

coming down around your ears. Added to that, Mr. Speaker, of course, was a real serious downturn in the market place. All of those factors, Mr. Speaker, are not in place now, do not apply to FPI, because FPI has financed its privatization not based on debt but based on equity through the capital market, and they do not apply anymore to the restructured National Sea because they have done the same kind of an approach. So I believe -

MR. TULK:

The problem with marketing can reoccur.

MR. RIDEOUT:

Oh, yes. The problem with marketing can reoccur. The problem with increased fuel costs can reoccur. The problem with an increased valuation of the Canadian dollar can reoccur. All of that can reoccur. But because of the other positive factors on the balance sheet of this company, we firmly believe, as a government, that they can withstand the worst case scenarios of the reoccurrence of a whole combination of all those negative factors. So, therefore, Mr. Speaker, if you believe that, then the time has come to privatize in the spirit of the restructuring agreement, 1983. It was after months and months of soul searching, months and months of careful review, months and months of careful research, months and months of very detailed negotiations involving the federal government, the company, and the Bank of Nova Scotia, that this government finally decided to give our blessing to the privatization proposal that was put before us.

Mr. Speaker, if you are going to privatize - and generally the

Opposition have said they have no difficulty with privatization, it is the trend, it is the time, it is all those things - this is the most innovative privatization scheme that I have heard tell of. The socialists will not agree, Mr. Speaker, but their friends, who are the day to day workers in the union movement in those fish plants, will agree, by and large. I mean, this privatization proposal, Mr. Speaker, has something for everybody, including the ordinary men and women who are so important to this corporation.

Mr. Speaker, there were some points raised by the hon. gentleman from Mount Scio - Bell Island (Mr. Barry) that I think as well were legitimate. I remember him raising this point with me when we debated the merits of privatization on an On Camera programme a number of months ago, on which, by the way, the socialists were represented by Mr. McCurdy, who was pretty supportive of privatization at the time, if I recall the debate.

The hon. gentleman from Mount Scio - Bell Island, Mr. Speaker, raised the question of quotas, that because this company is now privatized, somehow or another - when it was not privatized, when government had control, the same pressures would not be there - in our management plans there is going to be more pressure to guarantee this company a larger allocation of fish even though the scientific advice might be to reduce the TAC.

Now, Mr. Speaker, that has been made abundantly clear in this document called The Perspectus that this company had to file with the Security and Exchange Commissions across Canada, North

America and Europe. The document makes it abundantly clear that the quota, the allocations of resource of fish available to this company, is given to it on an annual, a-n-n-u-a-l, basis. So every investor out there who has chosen to invest one cent or \$1 million into FPI, knows from this document that they have the resource availability given to them on an annual basis. In fact, this document, Mr. Speaker, to further allay the fears of the hon. gentleman, goes out of its way to point out that in 1987 their offshore allocation was actually reduced by 5.2 per cent, I believe, FPI's share of it. It gives no indication or false information anywhere in the document. In fact, it says very plainly that there may be further reductions in future years, Mr. Speaker. So there is absolutely no signal whatsoever sent to the investment community that the quotas to FPI are guaranteed. What is guaranteed to FPI is the same that is guaranteed to National Sea, is the same that is guaranteed to IOG, the Independent Offshore Operators, that there will be a quota of some sort and you, FPI, get about 55 per cent of that quota and National Sea gets 30-something per cent of that quota, and the IOG gets 12 per cent or 13 per cent or 14 per cent, whatever it is, of that quota. That is what is guaranteed, Mr. Speaker, and that is the essence of the enterprise allocation system. The size of the quota is not guaranteed, nor is there any indication in this document that it will be guaranteed.

Mr. Speaker, there were a lot of other points made. The official spokesman on Fisheries for the Opposition talked about the

resource-short plant programme and foreign allocations. As I said to the hon. gentleman in Committee, I could not agree more, and we are trying by incentives, hopefully, to address some of those problems. It seems to me that we have to encourage Canadian operators, Newfoundland operators to take all the fish that is available to be taken within the 200 mile limit. Whether that is in 2G or 2Gh or 2J&3KL is immaterial. We have to encourage that. He talked about the resource-short plant programme and in fact last year there was 1,000 tons of cod in 2Gh allocated to the resource-short plant programme but it was never taken by Canadians, and we have to somehow or another get around that and entice them to go further North, even though we understand that the climatic conditions and the harvesting conditions are not as ideal in those further North regions as they are in areas further South.

But the proof of the pudding, Mr. Speaker, is in the eating, in that this year under the management plan it was made mandatory that the offshore companies had to spread out their harvest over 2J&3K&3L by one third and one third and one third. They said it could not be done and they said it could not happen but the fact of the matter is that today FPI has already caught its one third in 2J, so they have proven if push comes to shove they can do it. I am just talking about what they have in 2J&3kL. There is an allocation up there but they are not fishing.

MR. W. CARTER:

What was their reason for not taking 1,000 tons up there last year?

MR. RIDEOUT:

Their reason basically was it is too expensive to fish up there, the harvesting is difficult, it is not economic. I can give you 1,001 reasons that they give us.

Mr. Speaker, I know there was a number of points made, I do not want to leave out the most important ones, but I want to refer to some comments made by the hon. gentleman for St. Barbe. I just got, over the last day or so actually, Mr. Speaker, the proposal from the Northern Peninsula Development Corporation that he referred to. We are now going through that and I hope that we will be able to work with the three development associations in that area so that we can hopefully do a number of things to further fisheries development in that part of the Province, Mr. Speaker, where there is still room. In a lot of regions of the Province, probably for resource reasons or overcapacity reasons or whatever, there is not a lot of flexibility any more, but certainly in that region of the Province, and Labrador there is a lot of room yet to do a lot of other things in terms of fisheries development.

Mr. Speaker, I think I have, by and large, responded to most of the issues raised by the hon. gentlemen opposite. I would like to, again, thank all hon. members, particularly the Official Opposition, for their meaningful and productive input into this debate. Having said that, Mr. Speaker, I am delighted and pleased to move second reading of Bill 34.

On motion, a bill, "An Act Respecting The Return Of The Business Of Fishery Products International Limited To Private

Investors," read a second time, ordered referred to a Committee of the Whole House on tomorrow. (Bill No. 34)

DR. COLLINS:

Order 3.

MR. FENWICK:

A point of order, Mr. Speaker.

MR. SPEAKER:

The hon. the member for Menihek.

MR. FENWICK:

Mr. Speaker, on second reading of the motion to privatize FPI my colleague and I would like to stand up and have a recorded vote on the issue itself. If the rest of the members of the House are too cowardly to go on record as to how they are voting, well, that is up to them.

MR. RIDEOUT:

To that point of order, Mr. Speaker.

MR. SPEAKER:

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

MR. RIDEOUT:

There is obviously no point of order. Obviously, everybody on this side of the House is voting in favour of the bill. If the hon. gentleman is ever lucky enough to get a third person, then he can stand in his own right and call for a vote. But there have been other standing votes that he has never stood for, Mr. Speaker.

MR. SIMMONS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. SIMMONS:

I hear what the gentleman from Menihek is saying and we are quite agreeable. We will give him the numbers he needs to vote as long as he makes a commitment to me in the presence of everybody that he will only vote on one side of the issue.

Division, Mr. Speaker.

MR. TULK:

'Peter' are you going to stay?

MR. SPEAKER:

Call in the members.

Division

MR. SPEAKER:

Order, please!

All those in favour of the motion please rise:

The hon. the Minister of Transportation (Mr. Dawe), the hon. the Minister of Health (Dr. Twomey), the hon. the Minister of Fisheries (Mr. Rideout), the hon. the Minister of Mines (Mr. Dinn), the hon. the Minister of Consumer Affairs and Communications (Mr. Russell), the hon. the Minister of Finance (Dr. Collins), the hon. the Minister of Forest Resources and Lands (Mr. Simms), the hon. the Minister of Public Works and Services (Mr. Young), the hon. the Minister of Culture, Recreation and Youth (Mr. Matthews), the hon. the Minister of Education (Mr. Hearn), the hon. the Minister of Labour (Mr. Blanchard), the hon. the Minister of Rural, Agricultural and Northern Development (Mr. R. Aylward), Mr. Baird, Mr. Patterson, Mr. Reid, Mr. Carter, Mr. Tobin, Mr. Peach, Mr. Parsons, Mr. Hodder, Mr.

Mitchell, Mr. Woodford.

MR. SPEAKER:

All those against the motion please rise:

The hon. the Leader of the Opposition (Mr. Simmons), Mr. Tulk, Mr. Barry, Mr. Lush, Mr. Carter, Mr. Gilbert, Mr. Aylward, Mr. Efford, Mr. Furey, Mr. Fenwick, Mr. Long.

MR. SPEAKER:

I declare the motion carried.

MR. TULK:

A point of order, Mr. Speaker.

MR. SPEAKER:

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

MR. TULK:

Now that we have settled where everybody stands on FPI, perhaps the hon. gentleman from Menihek, the Leader of the NDP, since he was so adamant in abstaining a short while ago -

MR. SIMMONS:

And adamant on voting today.

MR. TULK:

- and adamant on voting today, might like for somebody to put forth a motion that we support the NATO base in Goose Bay and we could have a vote on that.

SOME HON. MEMBERS:

Hear, hear!

MR. SIMMS:

To that point of order, Mr. Speaker.

MR. SPEAKER:

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

MR. SIMMS:

Mr. Speaker, I am sure I speak for members on this side when I say that we would have no objection to putting forward the motion. We remember it as motion 1. I am sure we would not need to repeat all the words. The Clerks could get the wording correct.

One of the difficulties was that the NDP members were not around at the time of the vote, they were not in the House. Now, Mr. Speaker it is very clear that they are in the House and we are perfectly willing to co-operate and recall that motion, if hon. members opposite are prepared to agree.

SOME HON. MEMBERS:

By leave!

MR. SIMMS:

By leave! In that case, Mr. Speaker, we call the former Motion No. 1 with respect to the NATO base.

SOME HON. MEMBERS:

Hear, hear!

MR. SIMMS:

Question! Question!

MR. FENWICK:

Further to that point of order.

MR. SPEAKER:

Further to that point of order, the hon. the member for Menihek.

MR. FENWICK:

I could say it is not a point of order, but the Speaker clearly knows it is not a point of order. Mr. Speaker, I do not think there is any reason to go through all this nonsense. It is clearly not a point of order. We will just ask the Speaker to rule on it. We do not give any leave to change

the Order Paper. The Order Paper is good enough for us. We will continue on with it.

DR. COLLINS:

Let it be so recorded.

MR. SPEAKER:

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

MR. SIMMS:

Mr. Speaker, just for clarification.

MR. SPEAKER:

The hon. the Minister of Forest Resources and Lands.

MR. SIMMS:

Practices in the past on concurrence debates have been that the Chairman and the Vice-Chairman, I think, from the Opposition, would speak fifteen minutes each and then ten minutes debate back and forth until the three hours that are allotted are used up, so that all hon. members are aware of it.

MR. TULK:

Mr. Speaker, that has been done by agreement, I think, ever since the Estimates Committees came into place, ever since we have had concurrence debates in the House. We have no problem with that. As a matter of fact, we prefer that type of debate because it gives us a chance to get into more points and ask more questions, especially of the man over there who controls the purse strings, that great member from St. John's South (Dr. Collins).

MR. FENWICK:

Mr. Speaker, a point of order.

MR. SPEAKER:

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

MR. FENWICK:

I am sorry. It was a little bit noisy in the House when the Minister of Forest Resources and Lands rose to make the proposal he did and we did not hear it. Would you please repeat it again so we will know what you are talking about?

MR. SPEAKER:

The hon. the Minister of Forest Resources and Lands.

MR. SIMMS:

Mr. Speaker, it was not exactly a proposal. I was refreshing members' minds to the fact that the practice on the concurrence debates has been, since the Estimates Committees have been established, that the Chairman speaks for fifteen minutes introducing it, the Vice-Chairman speaks for fifteen minutes, and then all members in the House have an opportunity to participate in debate by speaking for ten minutes at a time until the three hours allotted have been used up, rather than the normal thirty minutes allotment. That gives more members more opportunities. It was not a request for leave, because it has been the practice in any event.

MR. FENWICK:

Further to that point of order.

MR. SPEAKER:

Further to that point of order, the hon. the member for Menihek.

MR. FENWICK:

Mr. Speaker, I am going to ask the Speaker to take that under advisement and give us a ruling on it mainly because several months earlier the Speaker made a ruling that there are not just the government and the official Opposition, there are now three

caucuses in the House and, on the basis of that, we were given representation on some of the Committees. So it would be my argument that if the Chairman of the Committee is allowed fifteen minutes and the Vice-Chairman is allowed fifteen minutes, there should also be fifteen minutes for a representative of the third part of the House, as well. I would ask the Speaker to take that under advisement.

MR. SPEAKER:

Order, please!

MR. SIMMONS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. SIMMONS:

Mr. Speaker, in the last moment or so, on the previous matter, when it was convenient to do so the gentleman from Menihek hid behind the rules. Now, he has demonstrated he does not know what it is he hid behind. Because the rule in this House and the procedure in this House on the concurrence debates is quite clear, that two officers of the House, the gentleman from Carbonear (Mr. Peach) in his capacity as an officer of the House - not as a member of the Tory caucus, but as an officer of the House - Chairman of a House Committee, and the gentleman from Twillingate (Mr. W. Carter) in his capacity as officer of the House, Vice-Chairman of a House Committee, those two, who may well be - for example, in the case of the Public Accounts Committee, the Chairman is in the official Opposition. I remember visiting the Ontario Chamber one time when they were in a minority situation

and the Chairman of one of the committees was a member of the NDP, which was the third party at that particular time.

What the member for Menihek has got to grasp, and I understand he may need sometime to do this, what he has got to grasp is that we are dealing here with two officers of the House performing their functions as officers of the House not as members of a particular caucus. When and if, God forbid, a member of the NDP becomes an officer of the House, we will then expect him to perform his duties as an officer of the House despite the fact that as members of the House they have been very slack when it comes time to vote on certain issues.

SOME HON. MEMBERS:
Hear, hear!

MR. SIMMONS:
So until he becomes an officer of the House, he should not peddle his third party status in this Chamber as an excuse to also now be admitted as an officer of the House. He is not that. The gentleman for Carbonear (Mr. Peach) is, the gentleman for Twillingate (Mr. W. Carter) is, and I would suggest that we go along with the traditions so well outlined by my friend from Grand Falls (Mr. Simms) and proceed and invite the two officers of the House to perform their duties.

SOME HON. MEMBERS:
Hear, hear!

MR. SPEAKER (Greening):
To that point of order, there is no point of order. The Chairman of the Committee will speak for fifteen minutes and the Vice-Chairman. All other members have the opportunity to speak for

ten minutes each.

The hon. the member for Carbonear.

SOME HON. MEMBERS:
Hear, hear!

MR. PEACH:
Thank you, Mr. Speaker.

I am sure the member of the NDP or the socialist party will, both of them, get the opportunity to speak as well as everyone else will for ten minutes. I am sure when I am finished my good friend from Twillingate will want to speak for fifteen minutes as well.

Mr. Speaker, it is indeed a pleasure to rise in the House this afternoon and to report to the House, as was done several days ago by the House Leader (Mr. Ottenheimer), in my absence, that the Estimates of the Resource Committee's departments have been carried and done so several days ago. I would also note, Mr. Speaker, I think it is the third time since I had the privilege of chairing the Resource Estimates Committee that we finished before the other two committees. I am pleased to report that to the House.

However, at this time, I would have to say that we did, Mr. Speaker, have ample time to discuss the estimates of all of the departments. I have to thank the members opposite, both parties, for their co-operation in getting the estimates through. We did, Mr. Speaker, pass the Estimates of Department of Mines, and the Department of Development and Tourism, those two departments, in one sitting of three hours. With the other departments, we had to come back and sit for the second sitting

day, however, in the other four cases, we did conclude and complete them all, I think, it was four and a half hours approximately, I refer, of course, to the Department of Forest Resources and Lands, the Department of Fisheries, the Department of Rural, Agriculture and Northern Development, and the Department of Energy. We concluded those in approximately four hours.

The Vice-Chairman of the Committee, the member for Twillingate, I have to say co-operated in an excellent manner in arranging those meetings with me on times, of course, that sometimes meant only one day's notice when we had to try and schedule some of the others in, as we have this year only sat on one committee at one time, whereas last year we had two committees sitting and it was not convenient.

Mr. Speaker, if we took each of the departments and went through them I am sure I would not have time to deal with them all and to make a comment on what was discussed at all of the sittings. However, I think, there were a couple of matters that we discussed at great length, particularly at the first couple of sittings, and it applied really throughout our sitting days for all of the departments.

I think all members on the committee, whether they be on the government side or on the Opposition side, had some questions and the ministers themselves also agreed that there was, I guess, some room for questioning the categories that some expenditures were put in. It was not a matter that the expenditures were not properly

accounted for, but it was some question that if they were under the correct subheads.

I think on the first day, Mr. Speaker, the topic came up. In each of the departments under the Minister's Salary, we have Purchased Services, Professional Services, and the subhead of Services. In many cases those Purchased Services were considered to be, I guess, somewhat high. In all cases, I think, when the ministers explained them to the committee we saw very readily that was a very wide range of areas that were put in under the Minister's Office and under the subhead of Purchased Services. It could go all the way from advertising within the Minister's Office to advertising and promoting various programmes of that department, to some expenditure, I guess, for accommodating ministers conferences that were probably held in the Province. It depended on which department was concerned.

So, without delaying the proceedings any further, I think I will leave that topic, but it was an area of note and one that was expressed as a matter really of concern. Perhaps some other subhead should be used in accounting for some of the things that would come under the Minister's Office. I am sure my good friend from Twillingate (Mr. W. Carter) will probably comment further on that.

With regard, Mr. Speaker, to the Department of Fisheries, I guess most of our discussion in fisheries centred around FPI. I am not sure what other comments could be added to what our Minister of Fisheries (Mr. Rideout) has already stated this

afternoon in the reading of his bill.

The Opposition members were there and particularly our good friend, the Vice-Chairman of Committee on the fisheries one in particular. It was probably one of the departments when pretty well all members were present. However, I cannot say that for all sittings that we had that we had a full committee. We did have a quorum, of course, each time but on many occasions the quorum consisted of four members from the government side.

I guess it was understandable that some of the members opposite were around the Province campaigning with the three people now who are in the campaign race for the leadership of the Liberal Party. They were either out campaigning for Mr. Noseworthy or Mr. Baker, of course, the member for Gander, and of course for Mr. Wells. Quite often there was a very great deal of difficulty in the members opposite having any more than one member present at a given time.

I guess that is part of the price that they have to pay when they go through eight leadership reviews or eight leadership conventions in eight years. However, on all occasions, Mr. Speaker, the co-operation was there and we got through them, as I have already said.

The divestiture programme and package of FPI, some of the new initiatives that have been started by the Minister of Fisheries, like the Fisheries Loan Board, were discussed. It was indicated by the minister that a committee of the Fisheries Loan Board are to pursue some better ways of accommodating fishermen and will

sort of have a review of the actual functioning of that particular board.

Aquaculture, of course, was a topic that was discussed at not great length but I think the minister indicated that he was bringing some things before the House, hopefully before the House closed. The Resource Short Plant Programme, the mid-distance fleet which some comments were made on today in a Ministerial Statement by the minister, and of course I think one of the matters that was raised by my friend from Twillingate was the fish plant licencing system. I am sure that is probably an area that he would want to concentrate on because he was quite concerned with that in his area.

The Department of Forest Resources and Lands, Mr. Speaker, was the first department that we dealt with. It was noted that one of the topics of contention is the spray programme, and the discussions centred around the chemicals that are used, fenitrothion and the use of Bt.

I guess, Mr. Speaker, it is a known fact and I think the minister himself very clearly indicated to the Committee that the most practical chemical to use, despite the, I guess, confusion that exists in the Province today, mainly because of the misinformation that is given out by the media, the most effective chemical that can be used to fight the hemlock looper is fenitrothion. Some of our alarmist friends on the opposite side, I think the member for Gander (Mr. Baker) is one who falls into that category, say we should protect the forest but they are not sure what we should

protect it with. The minister gave very clear evidence and showed clearly to the Committee that his department, the Department of the Environment and indeed this government, is committed to protecting the forest of the Province. With the type of insect that we have, the hemlock looper, it has to be a spray programme and, to be effective, it has to be fenitrothion. I think that matter should be put to rest once and for all. We should get on with the programme that we need to protect the forest and protect some 14,000 jobs that we have in the forest industry.

In addition to that, forest access roads was a topic of great discussion. I guess we all, in our districts around the Province, no matter where we live, there is always a demand for forest access roads whether they be for commercial cutting or for domestic cutting. I guess in many of our places on the Avalon of course it is by and large for domestic cutting. With the increase of residents now using wood as a source of heat, the demand on forest roads and roads to timber that can be used for that purpose is becoming more pressing. The minister did indicate on Crown lands applications and the application for grants to Crown lands are becoming more efficiently put out through his department. I think a new computer programme system is coming in place that makes the turn around much quicker because it used to take months and months for applications to be processed in the Crown Lands Branch of that department but today that is not so. It is much, much faster.

The surveying and the mapping programme is to continue this

year. I think six contracts have been let or will be proceeded with over the course of the Summer.

So I guess in total, Mr. Speaker, the Department of Forest Resources and Lands appears to be in very capable hands indeed with things proceeding on track. Although we came back on the second sitting, it was to clear up some questions that our members opposite had and the minister did that in the hour and a half on the second sitting day.

Moving along, Mr. Speaker, to the next department, the Department of Mines and Housing. That department, Mr. Speaker, one of the topics that was discussed at great length again was the one of Purchased Services and Professional Services. The minister did indicate and confirm that this year, of course, the peat study is to continue on the Burin Peninsula.

There are some part-time inspectors put in place for the use of quarries or the use of gravel pits. I think that to many of us, around in rural Newfoundland, that quite often quarries along the roadside, gravel pits if you want to call them that, are used by contractors and quite often left in a state that needs much to be desired. The minister did indicate, Mr. Speaker, that this was to be sort of controlled with some part-time inspectors.

MR. SPEAKER:
Order, please!

MR. PEACH:
Is my time up, Mr. Speaker?

MR. SPEAKER:
Yes.

SOME HON. MEMBERS:

By leave.

MR. PEACH:

I can clue up in a couple of minutes if the members so wish.

MR. SPEAKER:

Does the hon. member have leave to continue?

SOME HON. MEMBERS:

No leave.

MR. PEACH:

Mr. Speaker, I am sure my other friends here will get a chance to make some comments.

MR. W. CARTER:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Twillingate.

MR. W. CARTER:

Mr. Speaker, we, on this side, had no objection to granting leave to the hon. member. We thought his speech was very informative. The member for Carbonear made some reference to the obvious lack of interest that appeared in terms of attendance at some of the Committee meetings. I think, Mr. Speaker, that is pretty symbolic of the problem, maybe indicative of the problem, in that we, on this side, are not too impressed that the committees are functioning as well as they should. We are not opposed to the principle of having Standing Committees study the estimates of the various departments of government, but we are not convinced, Mr. Speaker, that the ministers are co-operating to the extent they should. We do sense in the committee meetings an attempt on the part of the ministers, and some of the

government members who sit in on these meetings, to obstruct.

I can refer the House to the Committee meeting that was held here one day last week when the member for Waterford - Kenmount (Mr. Ottenheimer), the Minister of Energy, was the chief witness there, defending the estimates of his department. Of course, in the estimates, as we all know, there is a very substantial amount of money set aside this year for studies and things of that nature, public relations, people who are being engaged in advisory capacities. In fact, there are very substantial sums of money voted this year in that department for those purposes. We were unable to extract from the minister any meaningful information, for example, as to how the former Premier of Alberta, Mr. Lougheed, and his law firm Bennett-Jones earned the \$450,000 that were paid to them last year. The minister, of course, used the argument that to table in the House a detailed account of what advice that law firm gave the government would, maybe, jeopardize the negotiations that were ongoing with respect -

MR. J. CARTER:

Would the member permit a question?

MR. W. CARTER:

I only have twelve minutes, Mr. Speaker, but if you want to, go ahead.

MR. SPEAKER:

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

MR. J. CARTER:

Does the hon. member feel that the committee system is at fault for his not getting the information that he requires? Can he not get

the information by using the Committee system as well as any other system? Those are the only questions I have.

MR. SPEAKER:

The hon. the member for Twillingate.

MR. W. CARTER:

Mr. Speaker, I said when I started my few remarks that there is a lot to be said for the committee system but the system will only work if ministers who are required to appear before the committees to explain to the House the necessary information on their respective departments are willing to co-operate and not attempt to obstruct. I view the performance of the Minister of Energy at the committee as an attempt to obstruct and to withhold information from the committee, certainly information relative to the amount of money that was paid to the Bennett-Jones firm. I might add, Mr. Speaker, the amount that was paid to Cabot Martin, who we all know was hired for a very substantial per diem as an advisor to the government, it came to light in the course of questioning the minister at that meeting, was \$105,000, allegedly for advice and for services rendered.

Now, at \$150 an hour for a forty-hour week would mean that the hon. gentleman worked seventeen weeks for which he was compensated to the extent of \$105,000. That is not chicken feed, Mr. Speaker, in anybody's language.

MR. BARRY:

Did they ever give us the information as to how much they spent this year, or how much is provided in the estimates? Has that undertaking been complied

with?

MR. W. CARTER:

My colleague from Mount Scio - Bell Island reminds me that there was an undertaking, I believe by the minister, to provide certain information explaining in more detail the amount of money that was spent or that is going to be spent in the coming year. Because when the Premier last year - I think it was the Premier - announced the appointment of Mr. Martin as a special advisor to the government the question came up, Would there be a ceiling on the amount that that gentleman could earn as an advisor? At that time, we expressed the concern that maybe we were giving the hon. gentleman a signed blank cheque. It appears now that that is exactly what happened. Because I do not think anybody envisaged last Spring would be paid \$105,000, not to mention, of course, the fact that the former Premier of Alberta, the other gentleman who is very friendly with the administration, was paid an amount of almost \$500,000 altogether.

DR. COLLINS:

That is not true.

MR. W. CARTER:

Oh, yes, it is true. Mr. Speaker, the hon. Minister of Finance says it is not true. Well, \$450,000 was paid Bennett-Jones and \$40,000 was paid the former Premier, and that, in my view, would amount to \$490,000, almost \$500,000.

DR. COLLINS:

That was Bennett-Jones. Mr. Lougheed did not get all that.

MR. W. CARTER:

Mr. Lougheed! Look, if the minister wants to start splitting

hairs, he is not kidding anybody. I suspect he is not even kidding himself, because we all know that Mr. Lougheed, who is the former Premier of Alberta, who is a very close friend of the Premier of this Province, is, I suppose, a senior partner of the law firm Bennett-Jones, a law firm operating in Calgary.

MR. BARRY:

I remember what the minister said. If I could, on a point of order, just clarify something?

MR. SPEAKER:

A point of order, the hon. the member for Mount Scio - Bell Island.

MR. BARRY:

The Minister of Energy committed to seek from the Minister of Finance information on the amounts that are being provided for this fiscal year for the payment of Mr. Lougheed.

MR. SPEAKER:

Order, please!

That is not a point of order.

MR. BARRY:

Well, it is a matter, Mr. Speaker, where a commitment was given by a minister of the House and it should be followed through. I think it is appropriate to give ministers an opportunity of indicating whether or not they intend to follow through with their commitments, because it will come up during the concurrence debate.

DR. COLLINS:

Mr. Speaker, to that point of order.

MR. SPEAKER:

To that point of order, the hon.

the Minister of Finance.

DR. COLLINS:

I suggest it is not a point of order, but I would have to point out that we are now dealing with the Resource Committee and the estimates in that. The monies that the hon. member is referring to are in the Department of Finance, which is in the Government Services Estimates Committee, and that will come up in due course.

MR. SPEAKER:

Order, please!

That was not a point of order, it was a point of clarification.

MR. W. CARTER:

A commitment was made, Mr. Speaker, plus the fact that during the Department of Energy hearings, while we were discussing the activities of Mr. Peter Lougheed and his connection with the present government, it came to light that the stipend that was being paid the minister last year was \$40,000, and this year that retainer has been increased to \$60,000. While we quibble over paying old age pensioners and others a 3 or 4 or 5 per cent increase, we can increase the gentleman's stipend from \$40,000 to \$60,000 without an explanation. I think the minister did offer to enlighten the Committee as to why that increase. In fact, I am sure he did not.

Mr. Speaker, the estimates of the Department of Fisheries drew a lot of attention and interest. I think, as the member for Carbonear pointed out, we had full attendance at that committee meeting. The reason for that is obvious, I suppose, in that I

believe most members, most Newfoundlanders view the fishery and the fishing industry and the Fisheries Department as probably one of the most, if not the most, important resource sectors of the economy. For that reason, of course, the committee meetings did attract a lot of attention.

At the committee meetings we did question the minister on the mid-distance fishery. We expressed some concerns as to its possible effect on the inshore fishery. We expressed some concerns as to the viability of that particular sector of the Newfoundland fishery. We still have some concerns, as we pointed out here today in replying to the minister's statement concerning the disposition of the catches by these mid-distance vessels.

We do have some concerns, as we expressed at the committee meetings, with respect to the licencing system that is now employed by the present government. We believe that it is all very well to put a freeze on the issuing of further processing licences and maybe, Mr. Speaker, in some areas indeed a freeze is necessary, but we believe, too, that there has to be some flexibility, the minister must exercise some discretion. In cases where it can be shown that a processing licence is necessary and would make an operation viable, then I do not think we should allow bureaucratic red tape or freezes to stand in the way.

In discussing the estimates of the Department of Fisheries and other resource departments' estimates, we brought to ministers' attention the fact that the vote for transportation, for example, in all cases last year exceeded quite

a lot the amount that was voted. Regretfully, again the ministers could not satisfy certainly members on this side of the House, who sat on that Committee, that the increases were justified. No details were provided, we were expected to take the minister's word that the money was well spent and that every possible attempt was made to keep travelling costs down.

Another criticism I have of the Committee system, Mr. Speaker, and I do not think this one is too difficult to get around, is that it is traditional now in the National Parliament and here that Wednesday morning there is a caucus. In both the House of Commons in Ottawa and the Legislature here we have a caucus on Wednesday mornings. Well, unfortunately, certainly this year, Committee meetings coincided with the Wednesday morning caucus and that might account for the lack of attendance sometimes. As Opposition members, we have a greater need for caucus, we have more reason to get together to plan strategy for Question Period and legislation coming into the House. It might be all right for a government member to miss caucus, but certainly for an Opposition member the Wednesday morning caucus is an important part of the whole proceedings.

Mr. Speaker, I think it is six o'clock. I believe my allotted time has expired, but we will be having more to say on this.

MR. SIMMS:
Adjourn the debate.

MR. W. CARTER:
No, that is fine. I have said pretty well all I wanted to say.

I would like to say a few words about the resource short-plant policy.

MR. SIMMS:

I wonder if the hon. member would adjourn the debate until next day, when he can finish it?

MR. W. CARTER:

I move the debate be adjourned.

MR. SPEAKER:

The hon. member has about a minute left.

MR. SIMMS:

Mr. Speaker, before moving the adjournment I want to advise hon. members that the remaining meetings of the Estimates Committees will be as follows: Tonight the Social Services Estimates Committee will examine the estimates of the Department of Justice at 7:30 p.m.; tomorrow, Wednesday, the Government Services Estimates Committee will meet at 10:00 a.m., by the way, a little later than usual by agreement, I presume - 10:00 a.m. tomorrow morning - and they will examine the estimates of the Department of Municipal Affairs; then finally, Thursday morning, at 9:30 a.m, the regular time, the Social Services Committee will examine the estimates of the Department of Social Services.

Furthermore, just to advise hon. members, tomorrow is Private Members' Day and we will be concluding the debate on the motion put forth by the member for Bonavista North. On Thursday it is our intention to continue with the concurrence debates. In consultation with my colleague here we have decided to continue, we will conclude the Resource Estimates and then go on to the next one that might be tabled.

Having said that, Mr. Speaker, I move that the House adjourn until tomorrow, Wednesday, at 3:00 o'clock and that this House do now adjourn.

On motion, the House at its rising adjourned until tomorrow, Wednesday, May 13, at 3:00 p.m.

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**Answers to Questions
tabled**

May 12, 1987

EXCERPTS FROM THE
REPORT OF THE ROYAL COMMISSION
ON EMPLOYMENT AND UNEMPLOYMENT

"BUILDING ON OUR STRENGTHS"

- Page 18 - "We need a new thrust for economic development and employment generation, and that means that we need a renewed commitment from all Newfoundlanders and a new, shared sense of purpose."
- Page 19 - "Our vision is of a balanced, multi-sectored society, with strong, sophisticated urban and rural communities, with both goods-producing and service industries, all linked together in an integrated society which will itself be integrated with the larger Canadian society."
- Page 21 - "Too many opportunities for productive enterprise are being lost; too few people are being properly trained to take advantage of the opportunities that do exist; too little effort is being devoted to the creation and fostering of new opportunities throughout every region of the province."
- "The recommendations we make will require confidence, imagination, a positive attitude and sheer hard work from policy-makers and Newfoundlanders in all walks of life. But there is much that **can** be done and much that **should** be done. While there is no one solution, there are many solutions, many ways in which enterprise can be encouraged and employment opportunities thereby fostered.
- Page 24 - "Not burdened with the trappings and inertia of more heavily industrialized regions, rural Newfoundland has the potential to achieve the kind of social and economic development that is in keeping with the spirit of the twenty-first century. Today, that potential is not being realised; Newfoundland still languishes in the throes of severe unemployment, hampered by its role as a marginal province of industrial Canada."
- Page 27 - "Nevertheless, a major finding of this Royal Commission is that neither oil and gas nor the resource sector as a whole can be relied upon to solve Newfoundland's unemployment problem."
- "Small-scale projects can be of many types in all sectors of the economy. In the resource sector, agriculture, aquaculture, secondary fish processing, alternative energy sources such as peat and wood chips, all offer exciting possibilities.
- Page 29 - "We need to work **hard** at promoting stronger linkages within and between all sectors of our economy."

- Page 123 - "The Commission advocates as well that new resource industry initiatives be taken in agriculture, animal products, aquaculture, and alternative energy sources such as peat and wood chips."
- Page 160 - "Over the long term, whatever potential for new opportunities may exist is most likely to be found in small-scale secondary manufacturing for local markets or in specialty products."
- "For this to happen, government will have to play the role of facilitator."
- Page 161 - "To overcome these constraints, the province must broaden the scope of its technological development, and gear manufacturing operations to the kinds of technology which are appropriate to the levels of production and type of labour required."
- "Therefore, we suggest government provide support, in all senses of that word, to local firms for appropriate innovation, technical development and technology transfer."
- Page 167 - "In the Introduction to this Report, we identified agriculture as one area where we believe the development of small-scale activities offers exciting possibilities."
- Page 169 - "Yet this is not a fair comparison if one sees agriculture as an 'infant' commercial industry, compared with 400 years of fisheries development. In building up a small but viable commercial agrifoods industry, initial costs will be high and several important constraints have to be overcome."
- Page 171 - "The agrifoods industry in the province, by contrast, is substantially underdeveloped in all its aspects, and therefore opportunities for employment are in terms of new, additional jobs as opposed to employment 'offsets'."
- Page 397 - "The provincial and federal governments should negotiate and sign a long-term cost-shared subsidiary agreement under the Economic Research and Development Agreement on Small Enterprise Development. The major components of this should provide stimulation for all kinds of enterprises and should allow sufficiently long term capitalization assistance to ensure that such enterprises are financially stable in their formative years."

- Page 447 - "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 could take place in Newfoundland, and companies would be more likely to develop long-term commitments to this province."
- Page 449 - "Agriculture is a prime example. While Newfoundland can never hope to compete with the prairie provinces, southern Ontario or Prince Edward Island in agriculture, we can produce much more than we do at present for our domestic needs. We should aim for an agrifoods industry which integrates various components in agriculture: land tenure considerations, developing local sources of feed and fertilizers, producing food products for Newfoundland's industries and public institutions and devising a sound marketing and promotional campaign for local produce. In the process of establishing such an industry, many jobs would be created."
- Page 455 - "At its public hearings, in every part of the province, the Commission was told about local opportunities for small-scale enterprise. Examples included small-scale resource projects in aquaculture, farming, peat and wood chips; small-scale manufacturing of wood and fur products, and small-scale opportunities in tourism and several other service industries."
- Page 457 - "It can continue on its present course, which will mean that it will continue to suffer from high unemployment and dependency in the foreseeable future. Or it can embark upon a bold new course directed towards creating a balanced, multi-sectored economy, more self-reliant communities and more productive, better-employed people."
- "Most important of all, if the new vision of this Commission is to become a reality, we must have the political commitment and the popular will to insist upon, and work hard for, the changes we envisage."