

lowed. The only way of getting results quickly was by accepting the honesty of claimants. Claimants had to sign an affidavit stating how much gear they had lost and place a value on it. Arrangements would then be made for them to get new gear from suppliers and payment would be forthcoming from the government. Compensation was at the rate of 100 per cent.

Well, Mr. Speaker, in my opinion, both then and now, the program was too generous. A certain percentage should have been made deductible. Many of those who tended to be dishonest would have been discouraged if they had been obliged to put up, say, 25 per cent of the amount themselves. It was known that there would be considerable abuse of the scheme by a minority of the people. On the other hand, measures of this kind had to be taken because in their absence nobody would have been fishing on the northeast coast of Newfoundland that year. The gear they had lost in June, July and early August had to be replaced.

It was not possible to take along chartered accountants and lawyers to check every claim. Many people made claims. Incidentally, it was possible for part-time fishermen to make claims. There was no requirement for the registration of gear and there was no way of checking whether applicants actually owned gear, or if they did, how much they owned. It was an impossible program to administer because it was necessary to depend upon the honesty of the people concerned. Many people made exaggerated claims concerning their losses. Others, who had lost nothing at all, nevertheless made claims and were prepared to sign false affidavits. Schemes were cooked up with gear suppliers under which their accounts at the stores would be credited as paid. They never got gear. They would go through the process of claiming for lost gear. If a man owed the gear supplier, say, \$2,000, the store would get the \$2,000 from the government and the account would be paid off; no further gear would be issued from the store. And so on.

A sizeable number of people abused that program, we do not know how many, and eventually it cost \$7.2 million. Seven thousand fishermen received compensation—I am including now compensation for lost lobster pots, salmon nets, codtraps and the like. There were 6,500 claims. The scheme was administered primarily by the provincial government but the guidelines were set by the federal government; it was agreed to by the federal government and the federal people assisted where they could. So the scheme eventually cost twice the amount estimated. How much of that amount went to pay off false claims no one knows.

I notice that the Minister of Fisheries and the Environment is not here today and neither is his parliamentary secretary. Yet here we are discussing fisheries legislation. I assume they will read *Hansard*. The minister has not met his obligations to the government of Newfoundland in connection with the 1974 program. Ottawa should pay \$5.1 million toward the cost of that program under the disaster formula, but so far \$3.7 million is still owing. In other words, the federal government has paid only \$1.4 million to the Newfoundland government. It has welshed on its agreement and is pressing the poor little

Fishing and Recreational Harbours

government of Newfoundland by saying: "We can't pay because there was some fault in the program; we need to find out all about this fraud before we pay".

They knew at the time what was happening just as well as the province did. They agreed to the program and to the guidelines. The ministers who are present in the chamber should see that this injustice is corrected before the month is out and that the federal government turns over to the province the \$3.7 million not yet paid without further malingering. This money has been owing for two or three years. Let the government stop welshed on its deals.

I might point out, also, that the federal government owes the government of Newfoundland \$935,000 in connection with the building of a trawler at a cost of \$4.2 million. When the Newfoundland government commenced construction it did so on the word of the Secretary of State for External Affairs that the province would receive a 35 per cent subsidy on the vessel, 22 per cent from the Department of Fisheries and 13 per cent from the Department of Industry, Trade and Commerce. On the strength of that assurance—the shipyard concerned was in his district—the government of Newfoundland went ahead and built the trawler.

The Minister of Fisheries and the Environment has reneged on the undertaking to pay a 22 per cent subsidy under the fishing vessels assistance program. He has defied the Secretary of State for External Affairs, who admits he was involved in the affair from the beginning. He says he cannot pay the money over because there is some legal impediment in the way of his doing so. He tells us he is looking for other ways of doing it. I say to him, now: "Pay up. You are welshed on a promise. Pay the \$3.7 million which is owing on the gear program, pay up the \$935,000 you are welshed on this trawler, and pay up on the 55 to 65 vessels which the province is now building to assist the inshore and mid-shore fishermen under a program which will cost \$35 million over five years." Let the ministers start paying the 35 per cent subsidy on those vessels which the government refused to pay this year.

[*Translation*]

Mr. Béchard: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Ethier): The hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard) on a point of order.

Mr. Béchard: Mr. Speaker, before consideration of private members' business, I would like to correct the erroneous impression left by the hon. member for St. John's West (Mr. Crosbie) who seemed to imply that the Minister of Fisheries and the Environment (Mr. LeBlanc) could not care less about Bill C-2 because he is absent from the House today. I would like to inform hon. members that the minister has left today to defend the interests of fishermen, specially those on the east coast, in a follow up on the conference which was held last December in the Conference Centre in Ottawa. As for the parliamentary secretary, it was just normal and reasonable