

those enterprises which the corporate sector would not want to purchase. The taxpayer would end up supporting those enterprises that are not profitable. Nevertheless they would probably serve a very important social function in communities in Atlantic Canada. That is one of the reasons this Party has serious reservations about the Bill. We had an amendment that was unnecessary. It was an amendment to satisfy the free enterprise spirit of the Liberal Government and the Progressive Conservative Opposition in spite of the failure of free enterprise in those major corporations which has led to this mammoth bail-out of the banks and the fishing industry.

We cannot see the rationale of putting an amendment in a Bill which gives the opportunity in the future if it were feasible, to see some privatization. To put in a Bill the words that the Minister shall dispose of such assets of fishery enterprises or portions of that enterprise really begs the whole concept of public ownership and the support of the fishing industry in Atlantic Canada.

The Bill itself is not all that long. Our Party in committee attempted to remove from Clause 3 in the Bill the aspect of private ownership. That was simply in order to give some confidence that the fishing industry could continue to be supported if necessary. We in this Party are hopeful that the economy of the fishing industry will turn around as those markets improve and that as our fishery techniques and marketing skills improve, we will find a viable and profitable fishing industry for the communities of fishermen and the owners of these enterprises.

The other information we received in committee, which again puts a different light on this whole Bill, is the aspect of the refinancing itself. We have all suspected that the fishing industry was in serious financial straits, but this was confirmed when the task force was given a letter of agreement between the Bank of Nova Scotia and the Kirby Task Force on Atlantic Fisheries. We found that the total debt in the industry owing to the Bank of Nova Scotia as of December 31, 1982 was \$276.9 million. Of course there were many reasons for the size of the debt owing to that bank, however it pointed out the inability of major fishing enterprises and the banks to manage the fishery adequately. Also it pointed out their inability to predict adequately the ability of the processors or the amount of available stock for the processing plants. As well, it indicated the inability of provincial Governments to control the number of processors and the inability of the Bank of Nova Scotia to conduct an adequate assessment of loans to the corporate sector. However, once again the bank is the one enterprise which will be immune from major losses.

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In order to recoup some of that \$276.9 million, the Government will have the bank convert \$143.8 million of debt into equity. Also, to reduce the debt owing to the bank, the Government will give the company \$25 million. Also the bank will receive in holding company X, which is the Nova Scotia company, \$70 million in preferred shares. It will also receive

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class A and B preferred shares in both the Newfoundland and the Nova Scotia companies.

What will occur over the next five years is that the Bank of Nova Scotia will be able to claim those shares. The Government of Canada will pay a 5 per cent dividend on the shares regardless of the viability of the fishing industry. Also it will be paid \$14 million per year for five years to reclaim the preferred shares. In other words, it will receive its \$70 million back and a 5 per cent dividend in the first five years and will be able to sell off the class A shares. It will receive a great deal of the money owing in that way. Also, \$107 million will be left in the industry as loans outstanding. Now that the companies will be supported by federal and provincial funds, as well as provincial agreements, it is almost like guaranteeing a \$107 million loan to the companies.

Perhaps this was necessary. We are not denying that. We knew there was a crisis in the industry and that it would take strong medicine to resolve it. However, it would appear that those who get into the most economic difficulty, those with the highest debt, always have Governments to come along and bail them out.

We have some severe reservations about the mechanism by which Parliament and the Standing Committee on Fisheries and Forestry have been used in dealing with this Bill. For many months in committee we asked for some information on the restructuring. We asked what was happening in the negotiations among the federal Government, provincial Governments, banks and major companies. We were always told that it was confidential. We appreciate that some of these negotiations are very sensitive. Certainly in committee we saw how the Province of Nova Scotia did not agree with the federal Government. I am sure it does not agree with the sharing of stock between Nova Scotia and Newfoundland. Why that should be part of the discussion of this Bill rather than part of the normal negotiations between federal and provincial fisheries officials in terms of establishing quotas, I fail to understand. However, it was a major concern of the Province of Nova Scotia. It is not a red herring; it is the redfish stock in the gulf. In the ongoing negotiations between the federal and provincial Governments, particularly the Government of Nova Scotia, that Province does not want to look as though it wants to enter into this agreement. It wants to scream and kick so that it indicates to the public that it is the free enterpriser in Atlantic Canada and that it wants the federal Government to stay out of it. The federal Government cannot stay out of it and still have a viable industry in Nova Scotia.

There is no private capital available, and again Canadian taxpayers come to the aid of major companies which have gone bankrupt, partly through their own fault and partly through the economic conditions of a world recession. Nevertheless, we do not see the kind of co-operation required to maintain a viable fishery in Atlantic Canada. It is ironic that the super companies, because of greater marketing skills and better management skills, along with the co-operation of the community, fishermen and plant workers who now have a real stake in the companies that have been formed in Nova Scotia, New-