

be distributed on a formula that will take into account salary and years of service. In addition, the employees will have an opportunity to buy shares on an ongoing basis through payroll deduction.

FPI will also continue with its declared corporate policy to share profits with employees. In 1986 the company paid 10 per cent of its pre-tax earnings in cash payments and other benefits to company employees.

In order to favour broad ownership, no individual or corporation in this privatization will be able to own more than 15 per cent of the shares of FPI. The privatization plan ensures that the majority of the members of the board of directors will be composed of Newfoundlanders and that FPI will continue to be a major force in the development of the Newfoundland economy.

It is anticipated that the return of FPI to the private sector will be completed during the first part of 1987, depending of course on market conditions. The net proceeds of this share issue are not certain at this stage, but the Government expects to recoup a substantial portion of our investment, and the corporation will be in a strengthened financial position.

[Translation]

Mr. Speaker, I am very proud to announce this step which makes this company the tenth to be privatized by this Government since 1984. This sale again confirms the commitment of this Government to economic renewal and better management.

The sale of Fisheries Products International demonstrates that our privatization program is well on track. The program is creating new economic opportunities for Canadians and employees. It is conducted in a manner that is sensitive to the needs and interests of all parties concerned.

● (1230)

[English]

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the federal Government has announced to everybody in the fish business that it has taken action in the offshore stocks to conserve the stocks, and to be nice to foreign countries in the offshore. This is mainly an offshore company that we are dealing with today. In one area where this company fishes this year the Government has banned Canadian boats from fishing, an area off the Grand Banks of Newfoundland. This very day the nose of the Grand Banks is being fished by boats from the United States, France, Korea, Spain, and Portugal, but Canadian boats would be arrested if they went into the zone. That is the nose of the Grand Banks of Newfoundland.

The Minister says that the reason Americans can go in is that they are not a member of NAFO. But we say, "Yes, the other countries are members of NAFO." The Minister of Fisheries and Oceans (Mr. Siddon) says, "Yes. But in NAFO we have a rule that if a member country objects, in this case the EEC, then they are allowed to go in and fish in that area."

Statements by Ministers

So point one to keep in mind is, we have a section of coastline close to where most of these fish plants are located where Canadian boats are not allowed to even prosecute the fishery, namely, the nose of the Grand Banks, which is the best fishing grounds in the area.

Point two, which everybody in Canada knows about, is the Canada-France agreement, the granting of nine factory freezer trawler licences to the French metropolitan fleet to fish where most of these plants are located, off the coast of Newfoundland.

We would have to say that it is a great time to offer this for public sale, because perhaps next year we would not be able to sell a share. On the stock market today the best buy in the fishery is National Sea Products. Its shares have gone way up. I must admit that part of the reason is that this Government caved in to a request by Mr. Cummings, the President of National Sea Products, to give them a factory freezer trawler licence. Part of the reason then is due to the Government caving in to this company against the wishes of the Newfoundland Government.

When it is all added up, this Government is taking fish away from Canadian companies. There is no future for the inshore-offshore fishery if this Government remains in power, and now the Government is going to offer this company for public sale. Yes, it will be a good sale. I am sure that this company, a portion of which is private, will take advantage of the three factory freezer trawler licences, thereby reducing the number of people working on shore in these plants. The Government has offered these three licences to the company which to date this company has refused to take advantage of.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I wish to begin by saying that, in spite of the Minister's comments, the Government now has privatized 10 Crown corporations. The implication is that there is less federal public ownership in the country than there was at the beginning of the Government's administration. I wish to put on the record that in terms of value there is now more federal public ownership than ever before in Canadian history. There is significantly more than on September 4, 1984. I mention that to keep the record clear, and stop the myth building with this particular announcement today.

Mrs. McDougall: Good management.

Mr. Riis: The Minister of State for Privatization (Mrs. McDougall) states that is good management. It has been said in this case, that that has been the case. Under the private sector they could not make a profit and were unsuccessful. The reason this Crown corporation began was that seven private sector companies went bankrupt. The Government of Newfoundland and the Government of Canada, with assistance from the Bank of Nova Scotia, put together a Crown corporation which has been quite remarkable. In 1984 it lost \$35 million after taking over the disastrous situation of the seven companies. But by 1985, as a result of a whole new approach