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Speaker: Honourable Patrick McNicholas

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The House met at 3:00 p.m.

MR. SPEAKER (McNicholas):

Order, please!

Before calling Statements by Ministers, I would like to welcome to the gallery a long-standing member of this House, Mr. Pat Canning.

SOME HON. MEMBERS:

Hear, hear!

Statements by Ministers

MR. SPEAKER:

The hon. the Minister of Forest Resources and Lands.

MR. SIMMS:

Mr. Speaker, I have a brief statement. Today I want to inform the House about the results of the 1985 spray programme against the hemlock looper and the spruce budworm. First of all, I am pleased to indicate that the programme against both of these destructive forest pests has succeeded in reducing the numbers of insects and in protecting foliage.

We were pleased at the outcome of the spray programme overall, given the difficulties that were created by high winds, fog and other unsuitable weather during the height of the programme against the hemlock looper. These weather conditions required us to make a number of modifications as to the size of the area treated and the amounts of insecticide applied in several cases.

Mr. Speaker, as hon. members will recall from my statement on the spray programme, that I delivered in the Legislature last Spring, it

had originally been intended to combat the Island-wide looper infestation by using the chemical insecticide fenitrothion to spray in excess of 500,000 acres, and B.T. on another 9,000 acres. However, we found that we were able to reduce those acreages on the basis of an early Summer field study which showed a lower than expected insect population in some spray blocks.

As a result of some weather interruptions, there were also instances when some spray blocks received only one treatment instead of two as originally scheduled. In the end, we succeeded in spraying fenitrothion on just over 300,000 acres and B.T. on 5,842 acres.

Information collected after completion of the programme, Mr. Speaker, has now been analyzed and shows that insect mortality ranged from 30 per cent in some areas up to 82 per cent in others as a result of spraying. In addition, defoliation was observed to be lower in the sprayed areas.

Preliminary reports from two studies carried out by my department on the impact of fenitrothion indicate that there was no detectable mortality or behavioural abnormalities among birds in the treated areas. The studies also showed there was no indication of any definite impact on pollinators, such as bees, or on berry production.

Our original plans to spray the chemical insecticide matacil and B.T. over 34,000 acres against the budworm, a small scale programme to begin with, were further cut back when it was found that budworm population levels were much lower than expected.

Consequently, Mr. Speaker, the budworm programme consisted only of B.T. spray over 8,500 acres, consisting of two blocks in the Noel Paul's Brook area.

Meanwhile, we sprayed matacil on two blocks in Central Newfoundland, covering a total of 7,274 acres, as part of a continuing study by the Department of Environment on the effects of the chemical.

From our point of view, Mr. Speaker, the entire spray programme was a success, despite the difficulties imposed by weather during the looper programme.

I can inform the House that a decision on what, if any, protection programmes are to be carried out in 1986 will be made known within a few weeks, following consideration by Cabinet.

MR. GILBERT:
Mr. Speaker.

MR. SPEAKER (McNicholas):
The hon. the member for Burgeo - Bay d'Espoir.

MR. GILBERT:
Mr. Speaker, I would like to thank the minister for giving me this statement three minutes before the House opened. I am glad he considers it a success. There are a lot of people in Newfoundland who, I am sure, would not consider it a success, they would much rather that the only spray used in Newfoundland was that which the minister uses in his hair. I am sure there are people out there who are very concerned about the spray programme, and I am glad that the minister considers it successful.

We are concerned about the success of the forestry in general, and I have to say that we would much rather see you come in and make a statement today if you had a new forestry agreement signed saying that we had some money to spend on other aspects of forest management besides spraying. As it stands right now, we do not have that. I am sure there are people who would like to hear the minister make a statement saying there is a new federal forestry centre going to Corner Brook.

MR. BARRY:
That is right.

MR. GILBERT:
I would like it to come to Newfoundland, to Corner Brook in particular.

MR. SIMMS:
There is one here.

MR. GILBERT:
The new one you talked about. But I am sure that the 120 people down in Bay d'Espoir, who are in fear of their jobs because they have cancelled the F.E.S.P. programme, would like to see the minister come in and make a statement relieving the suffering and misery that is down in Bay d'Espoir right now.

Overall, Mr. Speaker, it is nice that the spray programme was successful. I would like to see the rest of the forestry programmes be successful, and those are the kinds of statements we are looking forward to getting from the minister. Thank you very much.

SOME HON. MEMBERS:
Hear, hear!

Oral Questions

MR. SPEAKER (McNicholas):

The hon. the Leader of the Opposition.

MR. BARRY:

Mr. Speaker, I would like to address a question to the Minister of Career Development and Advanced Studies. I would like to ask the minister whether now that we have the results in from the various applications - we should know by now how many people are working under these Canada Works projects - is the minister still confident that there have been jobs created by the administration of which he is a part, that there has been a net increase in jobs created over the past year? Is the minister still as confident as he was before the House closed?

MR. SPEAKER:

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

MR. POWER:

Mr. Speaker, I am quite confident and quite able to prove to anyone in this Province that there were 7,500 jobs or so created under the make work projects that we have in this Province, which are funded jointly by the federal and provincial governments. Those jobs were created in this Province, those people are working today in many communities around Newfoundland. Obviously, the make work projects are not meant to employ every single person who is without employment on any given day. There are over 7,000 people working today on those make work emergency projects, both in the Fisheries sense and in the many other community development type projects around this Province, but that is not as many as we would

have liked.

Obviously, it is the statistics. Some of the problems with the statistics is the fact that some persons enter the work force for the first time, or re-enter after being out for a while, and the statistics may not drop by showing that 7,500 people are employed; it does not come off your percentages to that degree. But there are 7,500 people or so working on those projects, they are there today. It has been a reasonably successful project and we are now negotiating with the federal government for make work types of projects for Summer students and for other persons in the Province, for 1986/1987.

SOME HON. MEMBERS:

Hear! Hear!

MR. BARRY:

A supplementary, Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. BARRY:

Mr. Speaker, I address the supplementary to the Minister of Finance. The Minister of Finance has been listening with rapt attention to the statements by the Minister of Career Development and Advanced Studies here today, but he has also heard that minister stand up in this House, in the Fall sitting, and say that the Peckford administration had been engaged in seeing that there was a net increase of employment in this Province. I would like to refer the minister to his speech to the Board of Trade in the past few weeks, and I would like to ask the minister whether he can reconcile his statement, 'that the numbers working in 1985 remain the same as

in 1984, no increase', with the statements that have been made by the Minister of Career Development and Advanced Studies?

MR. SPEAKER:

The hon. the Minister of Finance.

DR. COLLINS:

Mr. Speaker, I would remind the hon. the Leader of the Opposition (Mr. Barry) of a remark made at one time by Lyndon Johnson, I think it was, when, in referring to a certain gentleman, he said, 'He could not walk and spit at the same time'. I assure the hon. the Leader of the Opposition that I can read and listen at the same time, I am not like the gentleman Mr. Johnson referred to.

In regard to the rather garbled question asked, I think I will just re-read my speech to the Board of Trade and then I will come back, if there is any seeming problem with it. I can assure the hon. the Leader of the Opposition that the facts I gave were facts, which were investigated by the appropriate arm of government, as to the truth of the employment situation in the Province. It did show that we have an increasing labour force. We have one of the highest increases in the labour force in the country, and that is one of our problems. We wish we were creating more jobs than we are, but we are creating jobs in this Province but we are having difficulty keeping up with the very rapid increase in our work force.

MR. BARRY:

Another supplementary to the Minister of Finance.

MR. SPEAKER:

A supplementary, the hon. the Leader of the Opposition.

MR. BARRY:

The minister should go back and re-read the speech that he presented, which obviously he could not have written, Mr. Speaker, or he would know what he is talking about today. The minister said that the number employed in 1985 was 176,000 and that that was the same as the number employed in 1984, 176,000. It does not matter how many new people we had coming into the work force. The minister referred to the numbers going into the work force and said that that actually put the unemployment rate up to 21.2 per cent from 20.5 per cent. Now, I would ask the minister whether he was correct: Were there no new jobs created, as he stated to the Board of Trade, in 1984? And further, his statement that the same will be the case for 1986, is that statement correct, as well? If so, when can we expect to see the implementation of the Peckford Administration's mandate to create jobs?

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the Minister of Finance.

DR. COLLINS:

Mr. Speaker, I can assure the hon. the Leader of the Opposition that I did write the speech. I always write my own speeches. I do not have to go back to re-read it to recall what was in the speech. What I want to do is re-read the speech to see how it compares with what the hon. the Leader of the Opposition is purporting as being in the speech, because I think the hon. the Leader of the Opposition has on occasion, shall we say, slanted certain things to his own partisan advantage. I am glad that the hon. Mr. Speaker will

allow us to review what is said during Question Period in a very quick manner, because I want to see how what was said in this House compares to what in actual fact I did say at the Board of Trade.

Mr. Speaker, in regard to when will we create jobs, as I have already said, we are creating jobs. Our work force is expanding rapidly. We have many prospects coming before this Province not only in the offshore area, that we all know about, but in terms of the fishery. The fishery is looking up. The mining industry is beginning to improve in certain sectors, although in other sectors it is not doing so well. The newsprint industry is improving. The service sector is improving in this Province. All the figures show this. So we have come out of the recession. That is the message: We have come out of the recession, things are improving. We have been slow in coming out of the recession because of the nature of our economy. Things will improve more rapidly because of the efforts of this government. I can assure the hon. Leader of the Opposition that the people of this Province, if not overjoyed with the way the recession hit us, are, nevertheless, very satisfied with the way this government and this administration dealt with it and will continue to deal with the governing of the Province.

MR. SPEAKER:

The hon. the member for Stephenville.

MR. K. AYLWARD:

Thank you, Mr. Speaker.

I would like to address this question to the Minister of

Culture, Recreation and Youth (Mr. Matthews). We have just been informed that the Katimavik programme has now been cancelled.

AN HON. MEMBER:

The what?

MR. K. AYLWARD:

The Katimavik programme. You probably do not know how it is spelt. You do not know how to pronounce it, anyway, because you probably do not know much about it. Were you, as Newfoundland's Minister of Youth, a participant in the decision to cancel the programme? If you were not, were you informed beforehand that the programme was to be cancelled?

MR. MARSHALL:

A point of order, Mr. Speaker.

MR. SPEAKER:

Order, please!

A point of order, the hon. President of the Council.

MR. MARSHALL:

Mr. Speaker, very clearly in the rules it is provided that one can only ask a minister a question on a matter for which he is responsible. The Katimavik programme, as everybody knows, is a programme of the federal government. It is completely out of order for the hon. gentleman to be asking questions of the Minister of Culture, Recreation and Youth with respect to the matter when it should be asked of a federal minister in the House of Parliament.

MR. TULK:

To that point of order, Mr. Speaker.

MR. SPEAKER:

The hon. member for Fogo to the

point of order.

MR. TULK:

I suspect that the hon. gentleman has now gone back to the Green Book again of 1945. I would suggest to him that what he should do, Your Honour, is let the hon. gentleman for Stephenville (K. Aylward) finish his question and then he will see that he is questioning the minister about something which he may not know the minister is responsible for, but he is, the youth in this Province.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

To that point of order. The hon. member knows that his question should be directed to something that concerns the hon. minister and if that is the point of his question, I would ask him to carry on.

MR. K. AYLWARD:

Thank you, Mr. Speaker. I will ask the question again. The Katimavik programme is cancelled. It is for youth in Newfoundland, for whom I would assume you are responsible in your portfolio. Were you as Newfoundland's Minister of Youth a participant in the decision to cancel the programme which affects youth in Newfoundland and, if you were not, were you informed beforehand that the programme was to be cancelled? That is a simple question.

MR. SPEAKER:

The hon. Minister of Culture, Recreation and Youth.

MR. MATTHEWS:

Thank you, Mr. Speaker. I would like to thank the hon. member for

his question and, as well, thank him for the promotion, because now I am responsible for Katimavik in Canada. During the last session of the House, Mr. Speaker, the hon. member asked about the Youth Services Division of my department a number of times. I explained to him very thoroughly the mandate of our Youth Services Division. It is obvious that the answers which were provided the hon. member did not sink in, so I would be willing to give him a few tutoring classes to update him on the responsibilities that I have as minister in this Province. I am not responsible for Katimavik. As the hon. House Leader (Mr. Marshall) has pointed out, that is a federal responsibility. To be very honest with you, I do not know why I should comment on a federal matter here in this House of Assembly.

MR. K. AYLWARD:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for Stephenville.

MR. K. AYLWARD:

Thank you, Mr. Speaker. Co-operation and consultation, that is all I have heard. Now, another question to the minister: The Katimavik programme has been of extreme significance to youth in Newfoundland over the last number of years. As the Minister of Culture, Recreation and Youth - the Youth Services Division deals with youth in this Province - I ask you, since the decision has been made by your Ottawa counterparts, which you say you have had nothing to do with, supposedly, do you disagree with it or do you agree with it? If you disagree with it, have you sent a protest?

MR. SPEAKER:

The hon. the Minister of Culture, Recreation and Youth.

MR. MATTHEWS:

Mr. Speaker, we on this side of the House would like to deal with things in a more diligent manner than to always be protesting about items that we have concern for. I would like to go on record in this House as saying that the Katimavik programme was a very beneficial one to the young people of this Province. The federal government has decided to eliminate Katimavik but it is their intention, as I am sure the hon. member knows, as do all hon. members of this House, to substitute the Katimavik programme with another which will be to the benefit of the young people of this country.

MR. LUSH:

Mr. Speaker.

MR. SPEAKER:

The hon. member for Bonavista North.

MR. K. AYLWARD:

A supplementary.

MR. SPEAKER:

The hon. the member for Bonavista North is recognized.

MR. LUSH:

Mr. Speaker, I yield to my friend.

MR. SPEAKER:

The hon. member for Stephenville, a final supplementary.

MR. K. AYLWARD:

With 40 per cent youth unemployment, the Minister of Culture, Recreation and Youth does not want to have anything to say about a programme that is going to deal with youth in Newfoundland. Can he tell me if he has made any

recommendations or any representation to Cabinet on the report that was produced in 1982, to deal with youth unemployment in the Province, by the Youth Advisory Council, which is under his department?

MR. MARSHALL:

A point of order, Mr. Speaker.

MR. SPEAKER:

A point of order, the hon. the President of the Council.

MR. MARSHALL:

That question is totally out of order. It is not in order for a member to ask whether a minister has made representations in Cabinet. Cabinet operates from the point of view of collective responsibility. From that point of view, individual ministers' positions in Cabinet are not a matter of conjecture or examination in Question Period, and the hon. gentleman's question is obviously completely out of order.

MR. SPEAKER:

To that point of order, that question is out of order.

MR. K. AYLWARD:

A supplementary.

MR. SPEAKER:

A final supplementary.

MR. K. AYLWARD:

Has the Minister of Culture, Recreation and Youth made any representation to his federal counterpart in Ottawa protesting the cancellation of the programme? That is a simple question.

MR. SPEAKER:

The hon. the Minister of Culture, Recreation and Youth.

MR. MATTHEWS:

Mr. Speaker, I already told the hon. member that we on this side like to co-operate, not protest. The situation is that there was about \$20 million being expended on the Katimavik programme in this country and it was affecting roughly 2,000 people, who were benefiting. What the federal government is attempting to do, Mr. Speaker, is use this approximate expenditure, some \$20 million, for more effective job creation programmes in this country. I think we would all agree, if we put our partisan politics aside, that the Mulroney Government has created far more jobs in this country than the Liberal Government before them did.

SOME HON. MEMBERS:

Hear, hear!

MR. LUSH:

Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. member for Bonavista North.

MR. LUSH:

Thank you, Mr. Speaker.

Mr. Speaker, I have a question for the Minister of Social Services (Mr. Brett). In a recent public statement, the minister made a most unusual and unique observation: He stated that the Canada Job Strategy Programme was working in reverse, that instead of increasing employment in this Province it was increasing unemployment, it was increasing the numbers of people unemployed in this Province.

But even more significantly, the minister said that the wrong kinds of people were being hired on these programmes, namely, people

who had never been in the work force, that is new entrants, and, secondly, people who have been out of the work force for a long time, the discouraged workers, and that these two types of people should not have been hired. My question to the minister, therefore, in making this statement was the minister enunciating, articulating a new policy, the Brett policy, by which we reduce unemployment in this Province by excluding large numbers of people from the work force? Was it a new policy? Was the minister announcing a new policy of government by which to reduce the levels of unemployment in this Province, by excluding large numbers of workers from participating in the labour force in this Province?

SOME HON. MEMBERS:

Hear, hear!

MR. BRETT:

Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. the Minister of Social Services.

MR. BRETT:

Mr. Speaker, I believe the hon. member has twisted my statement somewhat.

SOME HON. MEMBERS:

Hear, hear!

MR. BRETT:

However, Mr. Speaker, it is a good question and I am very pleased that he has given me the opportunity to answer it. By the way, I would have been surprised had my hon. friend not asked that question this afternoon. Exactly what I was referring to, Mr. Speaker, was the fact that people who have never been in the work force and who have no intentions

of ever going into the work force should not be employed on those job strategy programmes.

A case in point -

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER (McNicholas):

Order, please!

MR. BRETT:

- Mr. Speaker, was a married woman, at the age of fifty-four, who had never been in the work force and, as I said, had no intention of going into the work force, being given a position which she could not physically handle. The position was to work on repairing a wharf, so the fifty-four year old lady in question would have had to cut wharf sticks or handle a thirty pound maul. In my estimation, the lady could not physically do the job. In any case, since she had never been in the work force, the need was not there. Because there was no need in the family, Mr. Speaker, I do not think that she should have been given the position because there were people, and there are people, out there who are unemployed, people who want to get into the work force for the first time, people who have been in the work force for a period of time and cannot now get a job, and these people are not being hired.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER (McNicholas):

Order, please!

MR. BRETT:

Mr. Speaker, the need just did not exist. I believe that that type of person going into the work

force does, in fact, inflate the unemployment statistics. The only place that person is going to go to work is on a job strategy programme, whether it be a community development or the federal one, and he or she has no intention of going to work again once the project is over. And if the hon. member is suggesting that I am going to lose on this politically, then I think he is wrong.

MR. LUSH:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for Bonavista North.

MR. LUSH:

Mr. Speaker, a question to the Minister of Career Development and Advanced Studies. I do not know if the Minister of Social Services (Mr. Brett) is aware of the significance of the statement that he has made, the fact that we are denying the right to Newfoundlanders to work. So in view of the excessive praise of the Minister of Career Development and Advanced Studies for this Canada job strategy programme, and in view of the sharp criticism levelled at the programme by the Minister of Social Services, and in view of the fact that this programme is a joint partnership between the Province of Newfoundland and the federal government, is the Minister of Social Services enunciating and articulating government policy with respect to excluding large numbers of people from the work force in this Province? Is the Minister of Social Service enunciating government policy or is he just running off at the mouth?

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

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

MR. POWER:

Mr. Speaker, the Canadian job strategy programme, which last Fall was so resoundly criticized by members opposite, today seems to be getting some praise and some credit for creating jobs in this Province and now the Opposition wants to get on some kind of bandwagon they think is popular. The Canadian job strategy programme is designed, in consultation between the provincial and federal governments of this country, to get people working. There is no discrimination on age, sex, religion, colour or any other kind of discrimination on those jobs. If there is any discrimination at all, it is in the sense that it is designed to assist young people in particular, to assist women re-enter or enter the work force for the very first time. If anything, they get priority on some projects rather than any kind of negative discrimination. Those projects are wide open to everyone. We are delighted we have 7,500 jobs in this Province and this government really does not care a whole lot, Mr. Speaker, whether they are young or old, male or female, what religion those persons have or what colour they happen to be. We have created 7,500 jobs. And the politics we do not care about either, nor do we interfere, Mr. Speaker, in who gets hired on those projects. It is done through the CEIC offices and that is the way it is going to continue to be done. We are proud of the fact we have created that many

jobs. As the Minister of Finance (Dr. Collins) said earlier, we would like to have created an awful lot more, and maybe in the programmes we are negotiating for 1986/87 we will have more jobs for all residents of this Province.

MR. LUSH:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A final supplementary, the hon. the member for Bonavista North.

MR. LUSH:

Mr. Speaker, the Minister of Social Services, in trying to squirm out of this hole he made for himself, again identified a specific woman. There are thousands of women in that particular woman's circumstances in this Province and he was saying that women in these circumstances, who have never been in the work force, should not have the right to work in this Province, that women who have never been in the work force should not have the right to work in this Province. I ask the Minister of Justice (Ms Verge) to stand and say today whether that is government's position, or whether it is her position, for all of the thousands of women in this Province to put their minds at ease, to know that they are not denied the right to work in this Province?

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the Minister of Justice.

MS VERGE:

Mr. Speaker, obviously this does not have to do with my particular portfolio but I do have responsibility for the Human Rights Code and the Human Rights

Commission and I am proud to say, as a member of this administration, that we have an affirmative action policy for women that is unequalled in the whole country.

MR. LUSH:

The minister is all wrong. She should resign.

SOME HON. MEMBERS:

Hear, hear!

MR. DECKER:

Mr. Speaker.

MR. SPEAKER:

The hon. member for the Strait of Belle Isle.

MR. DECKER:

Mr. Speaker, my question is for the Minister of Transportation (Mr. Dawe). Speaking of jobs, Mr. Speaker, if this administration is not going to live up to its mandate to create jobs, then perhaps they will attempt to keep some of the jobs we already have. Will the minister confirm that he is considering trading off the railway for a roads agreement, or will he confirm whether or not an agreement in principle has already been reached?

MR. SPEAKER:

The hon. Minister of Transportation.

MR. DAWE:

Mr. Speaker, it is very difficult for me to confirm two things that are not in fact true. I will just point out to the hon. member that this Province's position and this government's position relative to the retention of the railway is consistent with what it has been over the past number of years, as it was last week, last month and today, as a matter of fact. I

cannot speak for the future, Mr. Speaker, I do not have a crystal ball or I cannot foretell what will happen down the road in the next number of years, but certainly the position of the government is exactly the same as it was, relative to the railway. We have had a number of studies done which indicated that as far as freight movement in Newfoundland is concerned the railway has a very important role to play in that. It now occupies one third of the freight movement in the Province and, from a provincial perspective, that is a very desirable split among freight movement, that each of the major modes carry about one third. There are two of the modes that require a subsidy arrangement, either directly or indirectly, from the federal government in order to maintain that balance. The studies that we have had done to date indicate that that is the most effective way to proceed. This administration has, in conversation with the federal government, in conversation with CN, the major corporate body, in conversation with TerraTransport, indicated to them that that is the direction in which this Province wants to go. In a meeting that was held last November with the federal Minister of Transport (Mr. Mazankowski), here in St. John's, we reiterated that position and the federal minister noted our concerns as it related to what the Province considered the status quo, not the status quo in the sense that the railway should be as it is now as far as the capital infrastructure is concerned, but the status quo in that we wanted the necessary finances put into the railway to make sure that it continued to be a viable alternative freight transportation link and mode in this Province.

That has been our position, that continues to be our position, so it is very difficult for me to confirm to the hon. member that anything else has transpired because it has not.

MR. DECKER:

A supplementary, Mr. Speaker.

MR. SPEAKER:

The hon. member for the Strait of Belle Isle.

MR. DECKER:

I take it then there is no agreement in principle.

Again, Mr. Speaker, to the hon. Minister of Transportation (Mr. Dawe). Concerning jobs, I would refer the hon. minister to Structure 90, which refers to the re-organization of Transport Canada, which would see Newfoundland downgraded from region status with a potential job loss of 1000. Last Fall, the federal minister said that Structure 90 was cancelled. Is the minister satisfied that the whole programme that Structure 90 stood for is indeed cancelled or have we seen, in effect, a name change, that the programme is continuing and only the words 'Structure 90' has been deleted, that the Coast Guard in Newfoundland will be deleted and will not be one of the new regions.

MR. SPEAKER:

The hon. the Minister of Transportation.

MR. DAWE:

Mr. Speaker, as the hon. member indicated, in conversations with the federal minister and with other people in the federal government, it was indicated at that time that the so-called Structure 90 was an internal

working document that provided a number of options. The basic thrust of that particular document was to identify areas of Canada that could be designated as regions for the development and operations of various modes of transportation in the Province. I might point out, Mr. Speaker, that the only area where Newfoundland is considered to be a region unto itself is in the Coast Guard and the marine area. In the areas of air transportation and so on, we operate now under a regional office in Moncton. If that particular concept of regionalizing parts of Canada was put forward and was continued, we indicated to the federal minister that it was not only our intention to make sure that the Coast Guard and the marine activities of Newfoundland remained a region, but to push for expanding that into making sure that Newfoundland became a region as it related to air transport and air matters and any other activities that involved Transport Canada. I am not aware that that process is continuing on passed that particular discussion stage, because I have not been involved in any passed that date, and my understanding is that it is still just a working document.

But should we have the opportunity to pursue that concept, I think it is to Newfoundland's advantage and we will be able to take advantage of indicating to the federal government, to the federal administration, that we want Newfoundland to continue - it is a given, Mr. Speaker, as far as we are concerned on this side, that Newfoundland will retain its regional status as it relates to the Coast Guard, but what we want to do, if that concept continues, is to make sure that Newfoundland is recognized as a region in other

areas of Transport Canada.

MR. FENWICK:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Menihek.

MR. FENWICK:

Thank you very much, Mr. Speaker. My question is also for the Minister of Transportation. It has to do with the proposed request by Air Canada to move its flights from Gander to St. John's. I regret that the member for Gander (Mr. Baker) is not here, because I am sure he would have brought it up. My question to the Minister of Transportation is: Given that the issue is now being debated, and given that if the provincial government says nothing it is very likely the federal government will allow the move to take place and therefore the position of doing nothing, which initially was taken by your government, means you acquiesced in the change of these flights, I would like to know, in view of the conversations and meetings that the minister has had over the last little while, what is now the current position of the provincial government with regard to the moving of these flights from Gander to St. John's?

MR. SPEAKER:

The hon. the Minister of Transportation.

MR. DAWE:

Mr. Speaker, I am somewhat amazed at the hon. gentleman and others who have tried to indicate that the provincial government or the Department of Transportation has been silent on this issue. As a matter of fact, Mr. Speaker, some months ago, when the member for Gander raised this very question

in the Legislature, we pointed out to him at that time that it was the Province's intention to do everything it could to make sure that Gander remained a very active, viable and growing community in this Province.

In order for that to happen, it had to base its economic stability on an international airport. We are going to do everything that we can as an administration to make sure that Gander continues to grow and develop based on its major industry, the international airport.

SOME HON. MEMBERS:

Hear, hear!

MR. DAWE:

That is our position, it has been our position, it has been the position of successive administrations on this side of the House, both parties, and we will continue to do that. We have continued to do that in conversations that I have had with the people involved in all aspects of this debate. As it relates to Gander, as it relates to Air Canada, as it relates to the Minister of Transport, as it relates to anybody else, I have carried on conversation and dialogue with everybody I could to make sure that the position of the Province could be consistent, as it has been. I would like to go on record in telling the House, Mr. Speaker, that our position is consistent. We are committed, as we have been, Mr. Speaker. There is a long list of examples of how this particular administration has moved in and assisted single-industry towns. We are a Province of single-industry towns. We have moved into places like Baie Verte, the Burin Peninsula, Corner Brook, Grand

Falls, Stephenville, and the list goes on, where this administration has supported single-industry towns.

SOME HON. MEMBERS:

Hear, hear!

MR. DAWE:

And for the hon. member to say that the provincial government has been silent on this particular issue is not true and it never has been true. We are very supportive of the town of Gander. We are very cognizant of the importance of the international airport status in Gander and we will continue to fight to make sure that that continues to happen, that Gander retains its international status, that it retains the ability to grow and prosper and become a vital contributor to this Province's economy.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

Order, please!

The time for Oral Questions has elapsed.

SOME HON. MEMBERS:

By leave! By Leave!

SOME HON. MEMBERS:

No leave, no.

MR. SPEAKER:

Order, please!

Notices of Motion

MR. MARSHALL:

Mr. Speaker.

MR. SPEAKER:

The hon. the President of the Council.

MR. MARSHALL:

Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a bill entitled, "An Act To Implement An Agreement Between The Government Of Canada And The Government Of Newfoundland And Labrador On Offshore Petroleum Resource Management And Revenue Sharing."

SOME HON. MEMBERS:

Hear, hear!

MR. MARSHALL:

And, Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a bill entitled, "An Act To Amend The Petroleum And Natural Gas Act."

SOME HON. MEMBERS:

Hear, hear!

Petitions

MR. GREENING:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Terra Nova.

MR. GREENING:

Mr. Speaker, I rise to present a petition on behalf of sixty-eight residents of the community of Clarke's Head in the district of Fogo.

SOME HON. MEMBERS:

Hear, hear!

MR. GREENING:

The prayer of the petition reads: "In lieu of promises made to have this road paved during the past two provincial elections; and in lieu of the deplorable condition

of the present gravel road; and in lieu of the imminent danger to health from dust as the road is extensively used by tractor trailer and stake-bodied wood trucks for the major paper companies; and in lieu of danger to our children as these large vehicles travel in dusty conditions; and in lieu of the need to construct modern paved roads throughout all Newfoundland communities; we, the undersigned, do humbly petition the Government of Newfoundland and Labrador to pave our 1,250 metre section of road at Clarke's Head during the 1986 construction season."

MR. TULK:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Fogo.

MR. TULK:

Let me say to the hon. gentleman that I am glad that that petition originated from where it did. I know where it came from. Let me say to him that the people of Clarke's Head have indeed been promised that the road would be paved in the last two provincial elections by the Tory candidate in Fogo district.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

MR. TULK:

Of course, this government, as with all its promises, has not kept that particular promise. I would support, Mr. Speaker, the petition and I would encourage the member to try to get some sense into the Minister of Transportation (Mr. Dawe) and into the Premier to indeed keep their

election commitments. Unlike the Premier, I would not make that type of commitment, except to say that I would work at it. I am glad that the hon. gentleman has given me the opportunity work at it. I am glad indeed that he has done that because now I know, Mr. Speaker, that indeed that piece of road will be paved. Obviously, the very member who said he was supposed to get one-forty-fifth of the budget can get 416 metres of road paved. That is no problem for him. So we will look forward to seeing it done this Summer.

We also look forward to seeing the hon. member, who rarely speaks in this House, to get up and talk about roads in his own district, the roads that were all going to be paved when he got elected in a by-election, such as the road to Bunyan's Cove, such as the road from Bloomfield across to Port Blandford. We would ask him to have that done.

MR. MARSHALL:

On a point of order, Mr. Speaker.

MR. SPEAKER (McNicholas):

Order, please!

A point of order, the hon. the President of the Council.

MR. MARSHALL:

I know the hon. gentleman is upset because his constituents have no confidence in him any more, but the fact of the matter is, Mr. Speaker, he addresses the petition that is before the House, which is a road in his own district. There is another time and place for him to talk about roads in other districts in the Province. He is entering into general debate. I understand his embarrassment, Mr. Speaker, and I understand why the people of Fogo have lost

confidence in him, but he is not allowed to enter into a general debate.

MR. TULK:

To that point of order, Mr. Speaker.

MR. SPEAKER (McNicholas):

To that point of order, the hon. the member for Fogo.

MR. TULK:

Let me tell the hon. gentleman for St. John's East, the Government House Leader, that I am not at all embarrassed. I recognize that when you hurt that government over there they have people come in and try to make little digs at you. But I wish they would get somebody better than the member for Terra Nova (Mr. Greening). I feel embarrassed about the fact that they are putting up the underlings that they are putting up over there.

SOME HON. MEMBERS:

Hear, hear!

MR. GREENING:

On the point of order, Mr. Speaker.

MR. SPEAKER (McNicholas):

A point of order, the hon. the member for Terra Nova.

MR. GREENING:

I would be more than pleased to let the hon. member for Fogo (Mr. Tulk) know how many kilometers have been paved in Terra Nova in this past twenty-six months.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER (McNicholas):

Order, please!

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER (McNicholas):

Order, please! Order, please!

There is no point of order.

Are there anymore petitions?

MR. WARREN:

Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. the member for Torngat Mountains.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER (McNicholas):

Order, please!

MR. WARREN:

Mr. Speaker, before you call Orders of the Day, I would like to ask you, Sir, as Speaker of this House, to send a congratulatory message to Mrs. Doris Saunders, Editor of Them Days magazine on being awarded the Order of Canada.

SOME HON. MEMBERS:

Hear, hear!

MR. WARREN:

Doris' contribution to heritage conservation and cultural participation all her life, in my opinion, is unparallel to any other individual in this Province. When talking about Labrador, its people, its problems, its friendliness and its love for mankind, the name of Doris Saunders is synonymous. Although, Mr. Speaker, Doris may be small in stature, she has a heart of compassion. She has love for native people and her Province.

SOME HON. MEMBERS:

Hear, hear!

MR. KELLAND:

Mr. Speaker.

MR. SPEAKER (McNicholas):
The hon. the member for Naskaupi.

MR. KELLAND:
Thank you, Mr. Speaker. This side of the House is certainly very pleased that the hon. the member for Torngat Mountains (Mr. Warren) raised this question and we fully support the type of congratulatory missal that he wishes to send from the House. It should be done in a unanimous way.

I would like to point out, if I could Mr. Speaker, that we recognize, and obviously the hon. member and other members on the government side recognizes, the very significant contribution that Then Days magazine has made to preserving the culture and heritage of Labrador. So along with the congratulatory message to Mrs. Saunders, why not find within the coffers of the government some funding or a sustaining grant of some sort to keep this very, very worthwhile publication going so that Mrs. Saunders and the other staff members can continue the fine work they are doing.

SOME HON. MEMBERS:
Hear, hear!

MR. SPEAKER (McNicholas):
Order, please!

Are there any further petitions?

MR. BARRY:
Mr. Speaker.

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

MR. BARRY:
Before we move on to Orders of the Day it might be appropriate at this time to ask all members of the House to join in a unanimous

message of condolence to the families of the astronauts who were lost on the Challenger through the unfortunate accident that took place during the last Shuttle launch. Also, although it has been done by the leaders of the various parties, I understand it might be appropriate, at the same time, to have a message go from the House to the Government of the United States expressing our condolences to the families of those who were lost in the crash at Gander.

SOME HON. MEMBERS:
Hear, hear!

MR. MARSHALL:
Mr. Speaker.

MR. SPEAKER:
The hon. the President of the Council.

MR. MARSHALL:
Your Honour, that would certainly be an appropriate motion that we would associate ourselves with and particularly in this Province, when we have such deep connections with the United States government, especially in the past with their armed forces, with which these particular programmes were associated. So we will certainly associate ourselves with that.

Orders of the Day

MR. LUSH:
Mr. Speaker.

MR. SPEAKER:
The hon. the member for Bonavista North.

MR. LUSH:
I wish to move a resolution under Standing Order 23 but before

stating the resolution, Your Honour, I would like to give Your Honour a little background so that he would be in a position to say whether or not this motion can be debated.

Mr. Speaker, the matter I raise is one of grave and profound importance to every Newfoundlander and every Labradorian, young and old, to everyone in the Province of Newfoundland and Labrador. Hanging over and hovering over our heads - every member in this House of Assembly and every Newfoundlander - is a problem which is rapidly destroying this Province and a problem which is rapidly destroying the people of this Province.

We have, Mr. Speaker, at least 79,000 Newfoundlanders and Labradorians unemployed today. That number, Your Honour, that proportion, 33 per cent or one-third of the work force of this Province, represents an emergency, an emergency the likes of which we have never seen in this Province.

MR. SPEAKER:
Order, please!

I would like to point out to the hon. member in Standing Order 23 (b): "The member desiring to make such a motion rises in his place asks leave to move the adjournment of the House for the purpose of discussing a matter of urgent public importance, and states the matter."

I think the hon. member now is making a speech rather than stating the matter. He should come to the point.

MR. LUSH:
Mr. Speaker, in moving the motion

under Standing Order 23, I just wanted to give Your Honour some background. Mr. Speaker, I will just conclude and introduce the resolution by saying that the emergency element in the situation to which I refer is manifested and evident by the large number of demonstrations that we have had throughout this Province in recent months by people trying to get jobs on Canada Works Programmes, where there was not sufficient jobs for them, Mr. Speaker. Communities are being divided with families against families all trying to go after a few jobs. I think, Mr. Speaker, these limited number of jobs have divided communities.

MR. SPEAKER:
Order, please!

The hon. member is making a speech and I ask him just to state the matter that he is taking up under this Standing Order.

MR. LUSH:
Mr. Speaker, in view of the grave circumstances that I have talked about, in view of the tremendous circumstances with respect to unemployment in this Province, I therefore ask leave to move, under Standing Order 23, the adjournment of this House for the purpose of debating a matter of urgent public importance, namely the social crisis that exists in Newfoundland as a consequence of at least 79,000 Newfoundlanders being out of work.

SOME HON. MEMBERS:
Hear, hear!

MR. MARSHALL:
Mr. Speaker.

MR. SPEAKER:
The hon. President of the Council.

MR. MARSHALL:

Mr. Speaker, the motion is clearly, absolutely and obviously out of order. I refer Your Honour to Page 91 of Beauchesne, paragraph 286 referring to this Standing Order. "The Standing Order appears clear that the question be specific and must require urgent consideration." It then goes on to say on the next page, paragraph 287, "'Urgency' within this rule does not apply to the matter itself, but means 'urgency of debate', when the ordinary opportunities provided by the rules of the House do not permit the subject to be brought on early enough and public interest demands that discussion take place immediately."

In the first place, Mr. Speaker, the hon. gentleman's motion is general in nature, and in the second place, Mr. Speaker, even though unemployment and employment is a matter of real concern to everybody in the Province and certainly to this government, which is doing a better job than any other government ever has before, the fact of the matter is, Mr. Speaker, that it is not a matter that is of urgency to debate. The Address in Reply is on the Order Paper and there are financial bills which are going to be considered in the next few moments - as a matter of fact, it is the first call of business - and there is plenty of opportunity for the hon. gentleman to address that question in those debates.

MR. SPEAKER:

The hon. President of the Council (Mr. Marshall). What were the references in Beauchesne?

MR. MARSHALL:

Pages 91 and 92, Mr. Speaker, paragraph 285. The second

sentence there says, "The Standing Order appears clear that the question be specific and must require urgent consideration." Then, on the next page you have paragraph 287, "'Urgency' within this rule does not apply to the matter itself, but means 'urgency of debate', when the ordinary opportunities provided by the rules of the House do not permit the subject to be brought on early enough and public interest demands that discussion take place immediately."

Quite obviously, Mr. Speaker, this general question can be discussed and debated in this House under just about every single order and motion that stands on the Order Paper today.

MR. TULK:

To that point of order, Mr. Speaker.

MR. SPEAKER:

The hon. member for Fogo.

MR. TULK:

Mr. Speaker, the Premier, I understand, has referred to the hon. gentleman as a superman. I must say this afternoon to me on this side of the House he looks more like Clark Kent when it comes to governing this Province.

We know that the hon. gentleman does not regard the seriousness of 79,000 people unemployed in this Province as a matter of urgency. We have seen that from the hon. gentlemen opposite. We know that he will stand up and he will use anything he can to keep a debate of this nature from coming before the House. Mr. Speaker, my hon. friend is right. It is a matter of urgent and public importance that people in this Province today are hungry and they have no jobs.

Mr. Speaker, with regards to the debate under the Speech from the Throne, the hon. gentleman does not have the nerve to call that. He does not have the nerve as the Government House Leader to call that item on the Order Paper and, therefore, the hon. gentleman will see, as the Government House Leader, that we never get an opportunity to debate the massive unemployment and the suffering that is in this Province. That is the reason that Standing Order 23 was put there in the beginning, to allow people like the Opposition and to allow people like the member for Bonavista North, who is concerned about the terrible problems that exist in this Province regarding unemployment, to speak. It is probably more like 100,000 than 79,000, the number of people that are unemployed. It has reached a disastrous proportion and therefore the urgency of debate is very clear. But the hon. gentleman will use everything he can to block the Opposition from bringing those points to the fore.

The Minister of Finance (Dr. Collins) and the Minister of Career Development and Advanced Studies (Mr. Power) cannot even agree on whether they have created any jobs or not in this Province. What a state, Mr. Speaker! They should hang their heads in shame rather than using little technicalities to block the process of debate in this House.

MR. SPEAKER:
Order, please!

Standing Order 23 refers to a specific item for debate and not a general one like unemployment. I know we all realize that unemployment is a major problem but it is not a specific one that

has occurred right now and needs urgent debate today. On top of that, there is the Address in Reply and the various money bills where this matter can be discussed. I must rule that it is out of order.

On motion, that the House resolve itself into a Committee of the Whole, Mr. Speaker left the Chair.

Committee of the Whole

MR. CHAIRMAN (Greening):
Order, please!

DR. COLLINS:
Mr. Chairman.

MR. CHAIRMAN:
The hon. the Minister of Finance.

DR. COLLINS:
Mr. Chairman, in Committee we will be considering Bill No. 50 which will be introduced pursuant to this resolution. To start the discussion I might just mention that this, of course, has to do with the taxation on cigarettes and other forms of tobacco.

Mr. Chairman, I do not have to, I suppose, point out that every tax source is important to us in this Province. We had an expenditure in the budget of about \$1.8 billion and the tobacco tax brings in approximately \$43 million. Of our total budget, that is something over 2 per cent. If we just look at the provincial sources of taxes, in other words, without transfers from the federal government and that type of thing, it brings in something over 4 per cent of our taxes. That amount of money, \$43 million from the tobacco tax, is a very significant amount.

If you look at the departmental expenditures that we are faced with, that is a greater amount than is expended on such departments as the Department of Finance, a very important department of government. It is more money than is spent in the current account expenditures of Public Works and more than on Fisheries, Labour and a number of other departments. So it is an important, although not the most important, source of revenue for us.

Mr. Chairman, as I have indicated, we need the revenues for our expenditure programme. In other words, our revenues have to be collected if we are to give the services that the people of the Province require.

MR. EFFORD:

A point of order, Mr. Chairman.

MR. CHAIRMAN:

Order, please!

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

MR. EFFORD:

Mr. Chairman, while some of the members on the other side keep going on in the public news media and saying that the House of Assembly is a very boring place to be, I find it very interesting. While the hon. the Minister of Finance is making his speech, I would like to be able to listen to it. There is quite an amount of noise coming from the corridors over there. While those members do not have enough interest to sit in the House, at least they should have the courtesy to be quiet out in the corridors.

MR. CHAIRMAN:

To that point of order, there is

no point of order.

The hon. the Minister of Finance.

DR. COLLINS:

Mr. Chairman, it is not only the fact that you need the tax that is important, of course, the rate of tax is also important and the rate is, to some extent, related to how much the people of our Province will put up with in terms of that particular source. I do have to admit that our tax on tobacco is at a very high rate. I think it is the highest rate out of all of the Provinces. We also have to be able to collect efficiently and this is what the Tobacco Tax Bill is very largely directed towards, trying to improve the efficiency and the efficacy with which we collect tax on tobacco products.

If you look at it in a dispassionate way, it would be best if we collected tax on tobacco products in an indirect fashion. In other words, if we could collect the tax at perhaps the manufacturer level or the wholesale level, that type of level but, the Province is constitutionally precluded from indirect taxation of that nature. We have to collect it directly, that is we have to collect it from the consumer at the retail level. That is one of the problems of putting in place a very effective and efficient type of system.

If hon. members have read the bill, and I am sure that they have read every word of it, they will know that we have had to bring into this act certain things that will allow us to get at the tax, even in the face of the difficulty that we cannot really apply it constitutionally at the wholesale level.

Mr. Chairman, every member knows that there are certain dodges we use, if you want to call them that, to collect the tax and make sure it is sufficiently collected. We license wholesalers. I might say, just for clarification about this whole system, there are two types of wholesalers. I do not want to get too technical on this and perhaps you really need to be a tax expert to be sure that you understand all the nuances in the system but, generally speaking, there are two types of wholesalers.

There is the wholesaler who is usually the big person, the big enterprise, and he is also a registered collector. We have an agreement with him to collect tax and that is one of the arrangements that we have to employ because, constitutionally, we cannot really get at taxes in an indirect fashion but, we can reach it to some extent by putting into effect a collector's agreement with the wholesalers. There are other wholesalers who are more or less the jobber type of wholesalers, a smaller level type of thing, and these are wholesalers also but, we do not have collection agreements with there. That is one mechanism we use.

Another mechanism we use, of course, is that the retailers of tobacco products must be registered with the Department of Finance. They are registered, actually, under the Retail Sales Tax Act but, you cannot sell tobacco products unless you are a registered retailer and obligated by registration to collect the tax and to remit the tax.

Mr. Chairman, again it is a truism to say that our tax system in our

type of government is a voluntary system. We depend on the people who have to pay taxes to make returns voluntarily and to make declarations as to their liability for taxes. It is a voluntary system. However, Mr. Chairman, it is clear that we just cannot only leave it at that. We have to bring in other mechanisms. That is what this bill is very largely about.

Mr. Chairman, on that point I must just quote the remarks made by a Judge in the Supreme Court of New Brunswick recently in regard to this whole matter. Mr. Justice Ronald J. Stephenson of the Queen's Bench in New Brunswick said, 'when a tax is imposed on the consumption of a commodity there are always those who will attempt to evade the tax and profit by the evasion. Bootleg or black market operations are an inevitable feature of such evasion.' Then he goes on to say, 'In my view the enactment of provisions creating an offense of the possession of goods aimed at illegal trafficking of those goods for the purpose of evading tax is a legitimate way to put teeth into a taxing statute.' He makes that very strong point and this is what our statute is very largely, not totally, but very, very largely directed towards.

He concluded, as a matter of fact, by saying, 'Taxing statutes require strong enforcement provisions to deal with those who want to reap the benefits of society without paying for them.' So it is an injustice on society generally -

MR. TULK:

Mr. Chairman, on a point of order.

MR. CHAIRMAN (Greening):

Order, please! On a point of order, the hon. the member for Fogo.

MR. TULK:

I guess it is a point of privilege, more or less. I would like to point out to Your Honour that when the member for Terra Nova (Mr. Greening) presented a petition in this House from the people of Clarke's Head, he gave some wrong information. I suspect it was unwittingly done and he really did not know what he was doing. It came about as a result of his saying in the prayer of the petition - obviously the people who signed the petition said - "our 1,250 meter section of road at Clarke's Head."

I have to point out that that "our" does not refer to the 1,250 meter section of road at Clarke's Head. It obviously is not a road that all of the people in that petition have to drive over. I have to say to him that the first name on that petition is the name of the Tory or P.C. candidate in Fogo district during the last election, and he is a resident of Fredrickton, rather than a resident of Clarke's Head. I suspect the member for Terra Nova (Mr. Greening) was sucked in by the former P.C. member who now wants to take a little slap at the member for Fogo. He did present wrong information.

DR. COLLINS:
Mr. Chairman.

MR. CHAIRMAN:
To that point of order?

DR. COLLINS:
Mr. Chairman, I am not quite sure if the hon. member opposite did bring in those remarks as a point of privilege. I am not quite sure

whether he mentioned -

MR. TULK:

I wanted to tell the hon. member for Terra Nova he got sucked in.

MR. CHAIRMAN:

Order, please! The Committee of the Whole cannot deal with that point of privilege.

DR. COLLINS:

Right. Certainly.

MR. CHAIRMAN:

The hon. the Minister of Finance.

DR. COLLINS:

Mr. Chairman, as I was just saying therefore, it is an imposition, at the least, and it is actually an injustice on the rest of society, on the tax-paying bulk of society, for individuals to evade tax to which they are liable.

I think that we have to be sure that we are on correct grounds and all that sort of thing in enforcing the act. But I would say we should have no hesitation in, first of all, putting teeth into our enforcement and secondly, that we, at the administrative level, implement the enforcement with due vigour, because it is something that I do not think that any society can condone when people evade tax to which they are quite legitimately liable.

MR. BARRY:

On a point of order, Mr. Chairman.

MR. CHAIRMAN:

On a point of order, the hon. the Leader of the Opposition.

MR. BARRY:

I think the minister is limited to ten minutes. I have not been doing a close count.

SOME HON. MEMBERS:
By leave! By leave!

MR. BARRY:
Yes, we would be prepared to give leave, but we do not want to have a precedent established where the minister would be entitled to go on with unlimited time in the Committee stage.

MR. CHAIRMAN:
The hon. minister's ten minutes are up.

DR. COLLINS:
By leave?

MR. CHAIRMAN:
By leave?

MR. BARRY:
Yes, finish your introductory remarks.

DR. COLLINS:
Mr. Speaker, I think the need in this particular instance for good and vigorous enforcement measures are something that hon. members are aware of. I think the fact that there is smuggling and bootlegging of tobacco products going on is nothing new and it is not something that people will really question. Even though it is very difficult to prove in specific instances, it is quite clear that it is going on.

We ourselves in the Department of Finance have tried to get a handle on how much revenue we are losing by this type of activity. By its very nature, the fact that smugglers really do not submit any forms, they do not readily give up information, is hard to be specific about it, but we estimated something in the order of \$5 million to \$6 million a year is lost to the Public Treasury through this sort of activity.

That is a good percentage of the total amount we collect, the total amount being \$43 million, so we have put efforts into consolidating, clarifying and improving the act. That is why this rather large act is before the Committee.

Mr. Speaker, I have a number of points to make about the major items in the bill and it is going to take me a little while to go through that so I ask the leave of the House to spend a little time on it.

In Section 4, for instance, it is intended that those who import tobacco products into the Province through our main surface entry, that is through Port aux Basques, be required to make a declaration at the port of entry whether or not they are importing tobacco. At the present time, of course, they have to have a manifest and a weigh bill and all that sort of thing. We are putting an additional thing there under Section 4 saying that they have to make a declaration that they are bringing in tobacco products, if indeed they are, and they are required to make that declaration to the weigh scale station at Port aux Basques before further entry into the Province. In addition to that, this section gives the minister the authority to require such importers to make a deposit for the subsequent collection of tax on that amount.

In Section 7, it is specified that it is an offence not to make a declaration and that in such cases where the offence is seen to have been committed, where there is a charge to be laid where that offence has occurred, that is a failure to make a declaration, the tobacco can be seized and

forfeited to the minister. On summary conviction for that offence, there will, of course, be additional penalties, in addition to the forfeiture of the tobacco itself.

At the present time the act gives authority to suspend or to cancel a certification or licence to a wholesaler. However, it does not give permission or the authority to refuse to grant a licence. Mr. Speaker, this is corrected by Section 13 and this is important. There are in the sections as laid down on what grounds the licence may be refused, and by and large they are related to reasonable suspicion that the acquisition of the licence by that individual is for the purpose of engaging in illegal trafficking. Just out of consideration for time I will not go into all those criteria but they are laid out there in the act. If there is any question about them, I am sure we will go into them later.

Mr. Chairman, Section 15 and also Section 66, in effect, restricts the resale of tobacco products to wholesalers. At the present time a retailer, that is a person who has got an RST certification, may sell a certain amount, I think it is a case of cigarettes, to another retailer. This is an avenue, if somebody acquires cigarettes or other tobacco products, he may use this as a mechanism for sale without collecting tax. He may do this by selling to a large number of retailers. This section here will confine the sale of cigarettes for resale, that is, wholesaler activity, to licensed wholesalers.

Section 21 refers to the fact that if the accounts of a firm - and this really relates mainly to

firms who are going into bankruptcy - are reassigned to a third party, the tax that is due to Her Majesty in those accounts is not, thereby, assigned to the third party. They are still retained as owing to Her Majesty and, in actual fact, the third party who acquires the accounts is obligated, in the process of his collections, to render the proportion in those accounts that is taxed to Her Majesty.

Section 28 is where tobacco products or evidence of tobacco products are raised during a search activity or during an audit activity, this section gives the authority to require proof of ownership on the part of the person who is in possession of the goods raised during that. If proof of ownership is not proven, the goods may be seized and forfeited. If proof is established and tax has not been paid, then that tax has then to be paid or an equivalent amount of security given.

Section 48 and also section 72 outlines the penalties in regard to offences under the act. Most of these penalties are consistent with the penalties in the Retail Sales Act for similar types of offences but there are also additional penalties the courts will apply where there is evidence of wilful evasion of tax and where there has, in actual fact, been unrecoverable tax losses.

Finally, there are other amendments in this act, some of a minor nature, some of them being even so-called housekeeping, but the other major amendment relates to the export of tobacco products. This was primarily brought in because of, shall we say, a new dodge that smugglers

have been getting into recently. That is where a wholesaler may be approached to export a large consignment of cigarettes to some other province and, of course, in normal circumstances the wholesaler has no obligation to collect tax and give it to the provincial treasury in those situations. What happens is those cigarettes are consigned to another province. They go to an address that is not easily tracked down by the authorities in those provinces. In actual fact, these end up as cigarettes that get into the black market and indeed some of them may even come back into this Province as black market cigarettes. So this section will require the wholesalers of such export products to give a ten-day notice to the Minister of Finance, who will then be in a position to relay to the authorities in another province to which those cigarettes are consigned so that a surveillance mechanism can be established there. A second provision is that the minister may require such an exporter to give security which is equivalent to the amount of tax that would be collected if they were for sale in this Province, such an amount to be refundable when there is evidence that those cigarettes have been transported to another province and the tax in that province has been collected on them. This is one of those co-operative efforts between taxing authorities in the various provinces that goes on. I am sure hon. members know we have certain agreements with provinces to exchange information along that line and this, of course, is a necessary operation to prevent what I started out at the beginning saying: we should not allow people who legitimately should pay tax to take a free ride

on society and the normal taxpaying members of the community. We should take all the steps we possibly can, including co-operation with other taxing authorities, to make sure that these individuals do not take such a free ride.

Mr. Speaker, as I say there are quite a number of other points here. I am sure individual hon. members will want to say, "why this, why that, why do you not do it another way or do you not think that this is wrong or it is not strong enough?" I will be glad to try to respond to those points as they arise.

MR. BARRY:

Mr. Chairman.

MR. CHAIRMAN:

The hon. Leader of the Opposition.

SOME HON. MEMBERS:

Hear, hear!

MR. BARRY:

Mr. Chairman, from what the minister has set out here this afternoon, I do not think we are going to support this legislation. We have a situation, Mr. Speaker, where basically a goodly part of this act deals with setting up or enlarging a new Gestapo, a tobacco Gestapo and a new system of proceedings, the signing of forms, stopping motor vehicles at Port aux Basques to fill out declarations, and requiring wholesalers and retailers to obtain registration certificates. Mr. Speaker, let us get to the real problem that exists here.

We have a Province with such a crushing burden of taxation brought about mainly by the policies of the administration of

which the minister is a part that people cannot survive and they resort to all types of things.

We do not condone this but we have to recognize the root cause of it. People are resorting to the smuggling of cigarettes, and not just cigarettes but clothes, work clothes, work boots and household goods, because of the level of retail sales tax applied. We have people in this Province existing under a crushing burden of taxation and, as people have done since the beginning of time, they are trying to relieve that crushing burden by finding ways, in some cases, unfortunately, illegal ways, to skate around the law.

Mr. Speaker, we believe in assisting government to collect the taxes that legally the Province is entitled to collect, but I think the time has come when we have to say enough and we have to recognize just what this administration is up to.

We have gotten hints from the minister that taxes may have to go up in order to improve health care in this Province. This is at a time when we are seeing expenditures at the Premier's office, as have already been reported. This is at a time when ministers opposite are spending high, wide and handsome on trips all around the world, Mr. Chairman.

The Minister of Environment (Mr. Butt) laughs. I will tell you there are a lot of those taxpayers who are feeling the crushing burden of taxation and do not think it is very funny to see the waste and the cavalier attitude towards that waste which exists amongst members opposite, Mr.

Chairman.

So we have to make a point. We submitted in the last election campaign, Mr. Chairman, that the time had come not to increase taxes but, to decrease taxes in order to stimulate the economy. Somehow we have got to try and get this through to the Minister of Finance (Dr. Collins). His entire thrust is wrong. It is wrong, Mr. Chairman, to set about now trying to patch up this leaking sieve where people are going around the law in order to try and avoid the crushing burden of taxation laid on them by the minister. That is not the answer.

The answer is to reduce taxes and such a reduction of taxes not only would mean that this elaborate tobacco Gestapo system would not be required, it would also do a lot to deal with the main issue in this Province, the highest priority, the need to create employment.

We have been called back in a highly unusual, special session of the House of Assembly on February 6. We were told we had to come back on a special session of the House of Assembly. We did not complain. We welcomed the opportunity to get back into the House because we hoped for the chance to vote for some job creation programmes. Mr. Chairman, what do we see laid before us the first day we are in this House? What is this going to do to create jobs for the people in this Province? We see an addition to that crushing burden of taxation by the administrative mechanism that is now being put in place. A crushing burden of taxation and now we have, Mr. Chairman, a beefing up of the enforcement mechanism. The

tobacco Gestapo will be turned loose.

It is tobacco today. What is it going to be tomorrow? Will all products be subject to the retail sales tax? Mr. Chairman, the same thing is happening. When people go away for a holiday, they fill up the trunks of their cars with food, with clothes, with the necessities of life because they cannot afford to buy them in this Province anymore. They cannot afford to buy them in this Province because of that crushing burden laid on by the Minister of Finance with the high level of taxes that are now being imposed.

So, Mr. Chairman, we have to take a stand and we have to say that we are not going to help the Minister of Finance further oppress the people of this Province by this tobacco Gestapo, by beefing up this enforcement mechanism. We are not going to participate and be an accessory after the fact to the further oppression of the people of Newfoundland and Labrador.

MR. J. CARTER:

Your time is almost up.

MR. BARRY:

No, the time will soon be up for the member for St. John's North (Mr. J. Carter). The time will be up in the next election. The members time will soon be up. The clock is ticking and the sands of time are running out for the member for St. John's North.

MR. PATTERSON:

Come down to Placentia.

MR. BARRY:

We have the man for Placentia. Those 146 votes, Mr. Chairman, are not looking very strong right now

with the policies that have been coming out of the Mulroney administration and with the policies that we see coming out the Minister of Finance.

SOME HON. MEMBERS:

Oh, oh!

MR. BARRY:

Yes and Pleasantville is another one we will see. The minister got a fright the last time. The job will be finished the next time, Mr. Chairman. We did not see the Minister for Pleasantville (Mr. Dinn) come in this session and say, "Look, I have the highest majority in any district in the Province." We did not see him this year doing that, Mr. Speaker. The tide has turned, Mr. Speaker, and every day that we see this type of tripe raised by members opposite, this type of oppressive legislation raised, brought forth by members opposite, every time that is done, Mr. Speaker, 146 votes are not being wiped out, there are 1,046 votes changed in every district, Mr. Speaker, when the news goes out as to what the Minister of Finance (Dr. Collins) is trying to do here today. We will have to be beating them away, Mr. Speaker, from our nominating meetings. We will have to be beating them away, Mr. Speaker, if the Minister of Finance keeps this up.

How many new jobs I wonder has this new tobacco Gestapo resulted in? How many new jobs? You know, the comment has been made time and time again that the only jobs that seems to be created are those in the jails. The jails, Mr. Speaker, and now we see it is not only the jails that we are having job creation, we are going to see the police force increased. We are going to see the tobacco

Gestapo increased to help the Minister of Finance in his nefarious scheme to further oppress the people of this Province and to impose that crushing burden on the people of this Province.

I would like to ask the minister, if he is setting up a check point Charlie at Port aux Basques, what is he doing in Labrador? What is he doing in the Strait of Belle Isle where people can drive back and forth across the border? What is he doing in Labrador West where people can drive back and forth across the border?

MR. TULK:

Do you know something? You are giving them information again. You are educating them again.

MR. BARRY:

What is he doing with respect to all these snowmobiles, Mr. Speaker, that sweep up the Straits heading for Quebec every time there is a first snow fall so that they can get over and buy a few things at a reasonable rate of tax. Are we going to put this tobacco Gestapo on all terrain vehicles and snowmobiles? Are we going to see an all terrain vehicle force set up in Labrador?

MR. PATTERSON:

Who put the tax on the chocolate bars? Who brought in the school tax? The Liberals.

MR. CALLAN:

The Tories.

SOME HON. MEMBERS:

Oh, oh!

MR. BARRY:

Mr. Speaker, one of these days we are going to see the member for Placentia (Mr. Patterson) actually

stand in this House and make his maiden speech. One of these days, Mr. Speaker, as soon as he gets his sea legs.

MR. TULK:

Lots of Gravol is needed.

MR. BARRY:

A little more Gravol is needed is it? That is not the member who got sea sick is it? Is that the fellow who turned green? Well, well, well, we knew that he had not been past the landwash, but he picked a bad day to get past the landwash. He turned a little green did he?

Mr. Speaker, what we have here in this legislation is completely unpalatable. It reminds me what is happening down in Haiti right now with Baby Doc Duvalier. She is starting to fall apart and he brings back his Tonton Macoutes. He did away with them for a few days and he found that she was all going abroad so he brings back his Tonton Macoutes. Mr. Speaker, we now see the Minister of Finance (Dr. Collins) with his tobacco Tonton Macoutes. The Tonton Macoutes of tobacco are being brought in, Mr. Speaker, to try and oppress further the ordinary guy in the street who has fewer and fewer luxuries that he can turn to, fewer and fewer things to take his mind off the terrible mess that members opposite are making of this economy.

I have to say that on this side of the House there are one or two of us who still take the occasional puff. I wish I did not, Mr. Chairman. I am getting there. I am down to where, I suppose, I am having two or three cigarettes a week right now and I wish I could get away from them altogether because every time I smoke a

cigarette I think of the tax that is on them. Fortunately I do not buy my own cigarettes so I do not have that additional burden. But I do not know what I am going to do now that I have had most of the caucus quit smoking since the last session of the House.

SOME HON. MEMBERS:
Hear, hear!

MR. BARRY:
The Opposition House Leader (Mr. Tulk), the member for Bonavista North (Mr. Lush), and the member for Windsor - Buchans (Mr. Flight). This back row right here I do not think ever smoked at all, Mr. Chairman. So the member for Stephenville (Mr. A. Aylward), the member for Port de Grave (Mr. Efford) and the member for St. Barbe (Mr. Furey) - now who are we forgetting here.

MR. EFFORD:
Mr. Baker does not smoke.

MR. BARRY:
Yes. I am afraid that the member for Gander is still one of the few backsliders.

MR. EFFORD:
No.

MR. BARRY:
No. I hear that the member for Gander has quit. Oh, we have a backslider. The member for Naskaupi (Mr. Kelland), we have a backslider there. No smoking in the case of the member for the Strait of Belle Isle (Mr. Decker). The member for Bellevue (Mr. Callan) occasionally, Mr. Chairman, backslides. Who are we missing here? The member for Fortune - Hermitage (Mr. Simmons) never takes a cigarette and rarely takes a cigar. The health critic (Mr. W. Carter) obviously does not

smoke and would not be allowed to. Used to, I think, when he was young and sinful but a long time ago.

MR. W. CARTER:
When I was a Tory in Ottawa.

MR. BARRY:
The member for Burgeo - Bay d'Espoir (Mr. Gilbert) quit smoking a long time ago. Right now, Mr. Chairman, there are only, I think, three of us who are backsliding. The member for Eagle River (Mr. Hiscock), I think he backslides once in a while. So, Mr. Chairman, what we have now, if this is representative of the general population -

MR. CHAIRMAN (Hickey):
Order, please!

The hon. the Leader of the Opposition has about a minute left.

MR. BARRY:
Thank you, Mr. Chairman. I would just say that I think that what is happening in our caucus is symptomatic of the general population. It is for a number of reasons. One of which is the economic one to which I have already referred. When the minister answers the basic questions that have been raised about his Gestapo and the need for his Gestapo I will be glad to get up and address the second reason that most people are stopped smoking which is, of course, the health reason.

I wonder if the Minister of Finance might respond to these few brief remarks.

MR. J. CARTER:
Mr. Chairman.

MR. CHAIRMAN:

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

MR. J. CARTER:

Mr. Chairman, I suppose we can develop this House into two groups, those who support the government and those who oppose it. I think we could also divide this House into those who smoke and those who do not smoke. I suppose we could even further subdivide that into those who never smoked and those who have had the courage to give it up.

I must say speaking personally, I was able to give up smoking some years ago and part of the treatment is to boast about it. It was in this very Chamber that some very interesting information came to light. It was during consideration of the Health estimates and for some reason or other the Opposition members of the Committee were feeling rather chatty and the rules were very relaxed as they are in Committees on the Estimates and the civil servants who had come in to accompany the minister were in a talkative mood as well. It seemed quite natural to allow everyone to talk at once.

AN HON. MEMBER:

When was that? How long ago?

MR. J. CARTER:

Oh, two or three years ago. I posed a question to the Deputy Minister of Health. I said, "How much does smoking cost the Newfoundland government?" Now it has to be a ballpark figure? It has to be an estimate. At that time he said without any hesitation it was at least \$100 million. That is not to say that if everyone in Newfoundland gave up smoking tomorrow that the bill for health would be \$100 million

less, but if no one in Newfoundland smoked, the bill for the Department of Health, and this was some years ago, would be at least \$100 million less. So I am rather intrigued by the Leader of the Opposition (Mr. Barry) suggesting that the tobacco tax is not enough. The Minister of Finance (Dr. Collins) has pointed out that the tobacco tax takes in about \$43 million at present. That is a net loss according to my arithmetic of \$57 million. In other words, it is still costing us as a government \$57 million because people smoke and that is relying on the figures of three or four years ago.

Another point that should be mentioned, and I am very surprised that the Leader of the Opposition who is, by some accounts, a successful lawyer, certainly his mind runs along those channels, what about the rights of us non-smokers? We have to put up with smokers puffing smoke in our face.

MR. TULK:

Mr. Chairman, a point of information.

MR. CHAIRMAN (Hickey):

Order, please!

The hon. the member for Fogo.

MR. TULK:

Is the hon. gentleman saying that because people smoke in this Province, I understand one of the deputy minister's said that it costs \$100 million?

MR. J. CARTER:

Mr. Chairman.

MR. CHAIRMAN:

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

MR. J. CARTER:

I will reiterate for the sake of the member for Fogo that the health cost of smoking the cost to hospitals-

MR. TULK:

Of smoking?

MR. J. CARTER:

Of smoking. The associated diseases like lung diseases, heart diseases, and the exacerbation of already existing diseases is estimated easily to cost the Department of Health an extra \$100 million a year that it would not cost if no one in Newfoundland smoked.

Therefore, I have come to the conclusion, I know it is perhaps a selfish point of view, but I feel that if the smokers are costing us that much, perhaps the tobacco tax should at least in fairness, in equity bring in an amount of money equal to what it costs the Newfoundland government to support this habit. It is an interesting figure.

MR. CALLAN:

What side effects are there from savory?

MR. J. CARTER:

Well, I noticed the Leader of the Opposition said a lot of the members of the Opposition do not smoke any more, but certainly they are all fuming. I do not know if that is bad for them as smoking.

I would like to leave the Committee with this information: smoking is probably one of the most dangerous habits at the present time and certainly one of the costliest habits. We are in the Committee of the Whole considering a financial bill. I think it does not hurt to have the

right numbers before us when we get into this debate.

So I will leave it for hon. members interest and for their information. I will have to say I support the legislation that the Minister of Finance has brought in.

MR. FUREY:

On a point of order, Mr. Chairman.

MR. CHAIRMAN (Hickey):

A point of order, the hon. the member for St. Barbe.

MR. FUREY:

We can certainly understand what the hon. the member for St. John's North (Mr. J. Carter) was talking about on CBC the other night now after witnessing that little spout of verbiage. You were talking about not bringing television cameras into this Assembly because certain members are very boring. I think we just witnessed a living example of why he wants to refrain from allowing cameras into the Assembly.

I have a piece of advice for him. We understand he is going up to look at Halley's comet. He has rented a jet. We on this side would advise him that it would be wonderful if he would stay up.

SOME HON. MEMBERS:

Hear, hear!

MR. CHAIRMAN:

I would say there is no point of order. There is obviously a very real difference between two hon. members.

MR. K. AYLWARD:

Mr. Chairman.

MR. CHAIRMAN:

The hon. the member for Stephenville.

MR. K. AYLWARD:

Thank you, Mr. Chairman. That was a very wise ruling.

In this debate I would like to say that I am a member of the Canadian Cancer Society and as such I am against smoking in public and so on. But when I see the first act in the House of Assembly as we come back being a tobacco act, I have many reservations. With the unemployment rate being what it is in Newfoundland and Labrador today, I do not believe that this is the most needed legislation at the present time.

I feel that some needed initiatives would be the best thing to bring in here today to try to deal with the problem because it has gotten progressively worse and it seems as if it is going to go upwards with no abatement. I would like to see, and we have asked this a number of times, but it seems as if it falls on deaf ears, if the provincial government, the present administration would be able to come up with some type of initiatives to deal with the unemployment problem and the financial problems that this Province now experiences. That we have to add more bureaucratic regulations to collect the tobacco tax I think is a sign that we are in very deep trouble.

With the health care system now being put in jeopardy because of not enough funding coming from Ottawa and this Province's ability to pay for the health care system, we are in great difficulty in the future. We are taxing people and making more regulations and more regulations every day. People cannot even follow what is going on anymore. They do not even know if they are

breaking the law half the time. These regulations that are coming in I think are not exactly the biggest priority in the world. I would like to see the provincial government's Department of Manpower come up with a programme around here that might help solve the unemployment problem or put a dent into it, or look as if they are going to do something about it.

On the transfer payments which are getting cut back by the federal government, I have a great problem with understanding the logic of this co-operation and consultation. I have been looking for definitions in every dictionary I can find, but I have very great difficulty.

On the one hand we are being given \$300 million in our Atlantic Accord agreement, but on the other hand we are getting \$150 million taken away from us, and that is probably going to happen for the next three or four years, so we are going to end up losing money anyway and being in a worse position than we have ever been in the last fifteen to twenty years. The ability of this government to begin to tackle the unemployment problem is in jeopardy because of the federal policy to get rid of or to downgrade all the services that we have here in Newfoundland and Atlantic Canada. I just cannot believe that this government is not speaking up or at least being in consultation with our federal minister and the federal government. It is absolute foolishness that we will sit here and let the federal government do what they want with us.

I have made up my own definition of co-operation and consultation and I think it fits the present

administration very well. It is the Prime Minister saying to the Premier, 'Now, here is what we are going to do' - because that is exactly what he is telling the present administration - 'Here is what we are going to do: You are going to take this and you are going to take that, you are not getting this and you are not getting that.' The fact is, what we are getting is not very much, and what they are taking is a whole lot, and the end result is we are going to be the ones suffering for it. We have seen this all over the Island.

We have a debate going on now with the Railway. We do not know whether it is up for grabs or not up for grabs. The administration has not really given us a clear answer whether it is or not. Co-operation and consultation, I think, have gone out the window and, for that matter, I would say we are going to see a lot of acts like the tobacco act trying to squeeze as many dollars as we can out of the people of Newfoundland and Labrador, because the federal government is just not going to bother consulting with us anymore, they are just going to cut back and lay it to us down here. It seems as if cutting the deficit is their biggest priority up there and the welfare of this Province does not seem to be too high on the list. You can only come to that conclusion because of all these cutbacks that are on the go. I cannot believe that this administration will not make a strong representation and kick up a big fuss about what is going on.

You have to bring in more of your bureaucratic regulations to squeeze bucks out of people around here who are not working, to throw

them in jails or to fine them for this, that and everything else, because the federal government and yourselves are not co-operating in trying to do something for this Province. The first priority should be to create employment. In that, I have not seen any initiative so far. We have seen the handling crises so far, that is what we have seen.

We have had a programme that came in, 7,500 jobs supposedly created by this programme for fishermen, in response to a crisis which the provincial government has allowed to occur. We have seen the Canada Jobs Strategy programme, which is a good programme in some respects but a very bad programme in others, since it does not allow for job experience for people who are already qualified. We have over 79,000 people out there in the work force, some have given up and some have not. There is nothing there for them to turn to. There are no initiatives by this government being taken, other than the Atlantic Accord which is going to be brought in.

I am really looking forward to the Atlantic Accord I must say so we can breathe, supposedly, some hope to the people of Newfoundland and Labrador. I am looking forward to that because we will finally be able to see this prosperity that is coming and the people of Newfoundland and Labrador are not going to have to suffer for another ten years as they have had to suffer for the last five or six. I am looking forward to that. I am looking forward to seeing them put their money where their mouth is on the number of jobs that are going to come about. I hope there are 100,000 jobs. I hope there is a tremendous amount of work going to

be supplied but we are just all wondering when things are going to come about. I am very glad to see that that is coming in tomorrow. I am looking forward to that debate but when I see this act being brought in today, again to get to the merits of the act, I would rather see other initiatives being brought in to deal with the unemployment problem. I would ask that that be done in the next couple of weeks.

We have brought in Standing Order 23 today to try to get that debate going but that was turned down by the present administration so, as we bring in more of those Standing Orders and other motions to discuss unemployment, I would only hope that the provincial government would welcome those motions and would sit down and try to discuss some possible solutions to the problem we have. This problem has to be attacked and if it is not, there will not be much of a future. This administration has not given much of a future to many people so I ask you and tell you to sit down and do something about it.

Thank you, Mr. Chairman.

DR. COLLINS:
Mr. Chairman.

MR. CHAIRMAN (Hickey):
The hon. the Minister of Finance.

DR. COLLINS:
Mr. Chairman, a few points have come up that should be answered. One of the points that the hon. Leader of the Opposition (Mr. Barry) brought up was that we were called back at an unusual time or for an unusual reason and what are we faced with? We are just faced with a tired old tax bill.

I would remind the hon. Leader of the Opposition that the Notice of Motion for this resolution was given a long time ago and we should have actually completed this resolution and the Bill when we were sitting previously. Of course the last session was a total waste of time, or very largely a waste of time, through the actions of the Opposition.

We wanted to clear off the Order Paper before we adjourned there some time ago but, of course, we could not do it because of the tactics of the Opposition. The public treasury has lost money in the meantime, I am convinced of that, through continuing smuggling of tobacco products which we could have to some extent staunched if we had been able to bring in this bill previously but, of course, we could not because of the Opposition tactics.

Mr. Chairman, the Leader of the Opposition also talks about Gestapo tactics. That is just being rhetorical or it might even be just nonsensical because there is no such thing as a Gestapo approach here. We have enforcement methods in place now but the problem is, when they get up to the courts, the act is not written or strengthened in such a way that the courts can deal effectively with the enforcement activities and the compliance activities that are going on. What we are doing now is strengthening the act so that the courts will back up the activities that are being carried on by the tobacco compliance officer out in Port aux Basques and by the RCMP, and so on and so forth. There will be no new people engaged by the public service because of this act but their efforts will be able to be more effective because the

courts will now have something that they can deal with.

The other thing that the Leader of the Opposition implied was that the tobacco smuggling is going on by your average Joe in the street. There is undoubtedly some but that is not what we are trying to stop here. We are trying to stop the large-scale organized smuggling. That is where the bulk of tobacco smuggling is going on. This act is not hitting the poor fellow who is being hardly done by in terms of the tax burden in this Province. This is being done by people who are deliberately setting out in almost a commercial way to evade the tax and to profit very, very handsomely by it. These are the people who are bringing in truck loads and very large quantities of cigarettes. That is the group that we want to get at.

There will always be a certain number of people who go away on vacation or on a business trip and come back with a few packages of cigarettes in their pockets and that sort of thing. Strictly speaking they should, if they bring back more than a carton, report that voluntarily and render tax on it but, this is not a perfect world and no one expects it to be a perfect world. That will not be done except by the very few, very conscientious individuals that we have in our society. That is not what we are concerned about.

We are concerned about the large amount of leakage from the public treasury because of an organized and malicious type of smuggling. This act is designed to help the courts and to be of assistance to the enforcement officers, including the police, who stop

this type of activity.

Just one final point on the tax load in this Province. I would be the first one to say that we should try to relieve the tax load where ever possible because we have an unfortunately high unemployment rate and we have a relatively low income rate in this Province which, of course, reflects itself in the amount of tax that we can put on. We only have a taxing ability of sixty per cent of the Canadian average so I would certainly like to reduce taxes but, I do not think that we should delude ourselves by thinking that we are horrendously taxed. We are heavily taxed but, in many instances we are not horrendously taxed.

MR. BARRY:

What?

DR. COLLINS:

There is another Province in Canada that is taxed more heavily than this Province here and that is the Province of Quebec. If you look at the total tax load in this Province, we work out at about 108 per cent of the Canadian average and, of course, the Canadian average includes Alberta where there is a very, very low tax burden and that brings down the Canadian average.

The reason why our tax burden seems to be higher than it is, I am not saying it is not high, it is high but, the reason it seems higher than it is is because we have a relatively low tax burden at the local and the municipal level. Our local and municipal authorities do not support health or education or that type of thing. In many other Provinces the citizens do support through those levels of government at the

municipal level, in addition to the taxes as they are based at a Provincial level. So we are heavily taxed in this Province but, we are not the most heavily taxed in the Provinces and in some respects, at the local and municipal levels, our tax burden is relatively light.

I do not really think that it is a valid comment to say that this tax bill should not be supported because you are going at the little fellow and there are too many taxes in this Province anyway. This is not putting on new taxes, this is making the tax effort more efficacious and it is primarily designed to work against the commercial smuggler.

MR. CHAIRMAN (Hickey):
Order, please!

It being five o'clock, I wish to advise hon. members that there are two items on the late show for today. The member for Menihek (Mr. Fenwick) is dissatisfied with the answer to his question regarding the application by Air Canada to move its international flights from Gander to St. John's. The second item is from the member for Strait of Belle Isle (Mr. Decker) in relation to the Coast Guard issue. He is dissatisfied with the answer received from the Minister of Transportation (Mr. Dawe) on the matter of Structure 90.

MR. W. CARTER:
Mr. Chairman.

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

MR. W. CARTER:
Mr. Chairman, I am sure it will be a source of great consolation to

the people of Newfoundland to hear the Minister of Finance state that we are not the highest taxed people in Canada and talking about the fact that the people in Quebec are perhaps taxed higher than we are. I am sure it will be a great source of consolation to cigarette smokers.

It is too bad a copy of this act, certainly page ten of it, cannot be distributed to every Newfoundlander, especially every cigarette-smoking Newfoundlander because in it he will see that on every cigarette that he or she smokes, they are paying a tax of almost five cents - 4.75 cents on every cigarette smoked in this Province. Then, of course, people who smoke cigars, the more affluent people who can afford to buy cigars, will be - the Premier is one of them. The Premier, I understand, is a cigar smoker. I am sure he will be interested in knowing that on one class of cigars he is paying thirteen cents, on another class he is paying sixteen cents per cigar, and on still another class of cigar he is paying twenty-nine cents tax. Then the wealthier, the people who have acquired a taste for the more expensive cigars, will be glad to know that for every cigar they smoke there is a forty-one cent tax. Then those who have acquired an even richer taste for cigars will be glad to know that on that cigar they are paying fifty-two cents. Still on another class of cigar there is a sixty-nine cent tax.

Mr. Chairman, I am glad that my leader stated at the beginning of his remarks that we could not and will not support this bill, because I think if the party of which I am a member were to support this, I would then have to

break ranks and vote against it. This has got to be a shocking, shocking, shocking bill. It reminds me of Hitler's Germany. You read books about things that were going on in Germany before the last war, when you had the Gestapo, and the jackboots, and the brown-shirts going around knocking on doors in the middle of the night, grabbing people and dragging them off to concentration camps and who, in many cases, were never seen again.

Mr. Chairman, let us look at Section 39 of this bill, the enforcement section. Before I do that, I would like the minister to tell the House exactly how he proposes to enforce this bill. For example, the part I just mentioned, where they have broken down the amount of tax payable on each cigar. Now, I can visualize people on Water Street, or in the Bally Hally Golf Club, or the Starboard Quarter with trench coats on and their slouch hats, maybe flashing badges, walking up to somebody who is smoking a cigar and demanding to know what type cigar it is and if in fact he paid the full thirteen cents tax, or if maybe a cigar of that class should be subject to a sixty-nine cents tax. We are creating an entirely new type person. It will be interesting to see the class of people the minister recruits for these jobs, because under Section 39 it says: "The Minister may appoint or designate persons or a class of persons as inspectors, for the purposes of this act." Now, I would suggest to you that the type of person he is going to attract to that kind of a job is going to be a special class, believe me.

Section 40 says: "An inspector may, from time to time and at all

reasonable times, enter upon the business premises of a person or upon the premises where that person's tobacco or records are kept so long as it is reasonably necessary to determine compliance with the act and may" - this Gestapo-like person - "inspect, audit or examine books of accounts, records, financial statements, including balance sheets, profit and loss statements, or other documents; or ascertain the quantities of tobacco purchased, on hand, sold or used by that person, and whether the taxes collected are payable by that person have been remitted or paid to the minister." What far-reaching powers to give a group of people, to go out into the streets of the city and into the neighborhoods and have the authority to enter a business premises and to confiscate books, to check balance sheets.

Mr. Chairman, it goes on, by the way, when it outlines the powers of this special class of inspectors the minister may appoint, to say: "And the person occupying or in charge of such premises shall answer all questions pertaining to those matters and shall produce for inspection such books of account, records, financial statements, including balance sheets and profit and loss statements, or other documents as the inspector may request."

MR. W. CARTER:

Now, this has to be ridiculous, that in order to collect a few taxes on cigarettes which are already overtaxed, which, as my leader suggested, is probably the root cause of the problem anyway, the fact that there are so many taxes on cigarettes

Newfoundlanders are being aided and abetted in breaking the law. And those who are breaking the law, who are forced to try and find ways and means of getting in under the law, they are now going to treat them like criminals.

Mr. Chairman, again in defining the power and the duties of the inspectors they say here in Section 41(1), subsection (a) "the inspector may with a warrant issued under Subsection (2) enter and search any premises, motor vehicle, aircraft, ship or boat, cargo container or receptacle in the Province for tobacco in respect of which the tax has not been paid." Now, Mr. Chairman, this is giving the Inspection Department of the Department of Finance, I believe, too much power, too much authority, too, too much.

I think most people today who have a small business in this Province, a small shopkeeper, what was one time called the backbone of the British Empire, the small storekeeper, those in Newfoundland who are fortunate, or maybe unfortunate, enough to be in that position, I think this is the bill that is going to be the proverbial straw that will break the camel's back. That a person who imports tobacco will be put through these inspections, will be treated like criminals by Gestapo-like inspectors, I do not think many small shopkeepers will put up with it. In fact, I think what it will do is either drive most of them out of business or certainly give them second thoughts before they start dealing in cigarettes and tobacco and cigars.

It is kind of ironic, Mr. Chairman, that the minister makes a great deal of fuss over the fact

that \$5 million or \$6 million is being lost annually through people smuggling cigarettes and tobacco, \$5 million or \$6 million. The member for St. John's North (Mr. J. Carter) made what I thought was a very good point, that we are spending a lot of money on health care. In fact the Minister of Health (Dr. Twomey) in his green paper points out, I believe, that one in every four dollars spent in this Province goes towards health care. No doubt, as my hon. colleague for St. John's North has stated, a lot of the illnesses can be related or traced back to be related to cigarette smoking. We make a great fuss over the fact that we are spending so much money on health care, and the Minister of Health is now giving the people of Newfoundland certain options with respect to health care, yet we seem to get a great kick out of collecting taxes on cigarettes, one of the contributors, certainly, to poor health being experienced by a lot of Newfoundlanders and, in fact, I suppose, by a lot of Canadians.

So, Mr. Chairman, I could not possibly support this bill and I will vote against it for a number of reasons: One, I believe it is going a bit too far, going far too far actually in terms of the Department of -

MR. CHAIRMAN (Hickey):
Order, please!

I should point out to the hon. member that his time is up.

SOME HON. MEMBERS:
By leave! By leave!

SOME HON. MEMBERS:
No leave! No leave!

MR. CHAIRMAN:

Shall Clauses (1) to 20 carry?

MR. HISCOCK:

Mr. Chairman.

MR. CHAIRMAN:

The hon. the member for Eagle River.

MR. HISCOCK:

Mr. Chairman, I just want to take a few minutes on this resolution. As has been pointed out by the Leader of our Party and by the member for Twillingate and other members who have spoken, what we are seeing here is an increase in taxation on a portion of our population who, I think, are overly taxed as it is. We seem to take the attitude that if you smoke, drink or drive, those are luxuries and therefore they can be taxed to the hilt. I do not think it is fair to tax in that way. I think people who smoke have a right to smoke if they want to, whether in public or not is another debate altogether. I am also quite aware of the health hazard to people who smoke, but we do live in a free society and if people want to smoke they should.

It is not right for government to raise taxes to such an extent that they are turning our God-fearing, honest people in this Province into smugglers. And this is the underlying thing which I think has to be addressed in this bill, that we now have to bring in legislation in this Province to curtail smuggling. You would not know but we were back in prohibition days, rum-running over to Saint Pierre and Miquelon. Now we find they are going to have the right to search boats, motor cars, ferries, airplanes, etc., for tobacco on which the tax has not been paid, because the Minister of Finance says we are losing \$5

million a year. I would ask the Minister of Finance, if we are losing that much on tobacco products, how much are we losing on people going outside the Province and buying commodities which they find are overtaxed by our system.

MR. FLIGHT:

That is right, to avoid the twelve per cent SSA.

MR. HISCOCK:

Taxes are now becoming self-defeating, in that we are now losing the proportion of taxes we should get. As the member for Twillingate (Mr. W. Carter) pointed out, the amount of taxes on a cigarette is ridiculous, five cents on each cigarette. It is the same with liquor. It costs the distillers two dollars to manufacture a bottle of liquor, but with the federal tax and the provincial tax it is up to whatever it is. I do not drink liquor myself, I drink beer, but it is a bit much to find out that a twenty four dollar bottle, or whatever it is, costs two dollars to produce and the remaining amount is taxes.

I do not see the need to set up another policing group, I think it is wrong. We see too much of this kind of thing in the Department of Social Services, where they have inspectors going around trying to find out if people are living common-law and then reporting them, etc. In rural areas, of course, this is quite easily found out, because within the smaller communities the social worker normally knows all the people and the living arrangements, but in larger urban areas, like St. John's and Corner Brook and Gander, the social workers do not know the people as well so they

have these inspectors going around snooping and prying into people's personal lives. We have these inspection teams with the Department of Development, with the Department of Social Assistance Development, and also with the Department of Finance because of the twelve per cent sales tax. If the Auditor General is correct, and maybe the Minister of Finance could correct me when he speaks on this bill again, the amount of outstanding sales tax in this Province is about \$14 million to \$21 million.

DR. COLLINS:

Fourteen million.

MR. HISCOCK:

Fourteen million dollars still outstanding in sales tax. A lot of this must go back twenty years, and it is only now this department is having its inspectors try to collect it. The various administrations should have installed a better system years ago. But, no, government allowed it to get out of control and now it is up to \$14 million. So there is \$14 million outstanding on sales tax, there is \$5 million missing in tobacco tax - \$20 million this year alone - plus the amount of abuse taking place in Social Welfare, the abuse taking place in UIC, the abuse that is taking place in the other programmes. What we have done in Canada and Newfoundland is create a situation of overtaxation which encourages our people to break the law, and find out that crime pays.

It is regrettable that we have this situation of overtaxing. It is the same thing with gasoline. I am surprised, really, that in many ways the Minister of Finance has not brought in a bill like the Gasoline Bill. At one time, if you

wanted to raise the price of gasoline in this Province, you had to have legislation enacted in the House of Assembly. Three years ago, this administration said, "Look, we are getting too much bad press every time we raise the price of gasoline. What we will do is index it, tie it to the federal tax and the company price, and every time they put it up, we will get 28 per cent." So here we are now, oil is eighteen dollars a barrel, American, and we found out two days ago that the price at the gasoline pumps went up a half cent. The Minister of Finance said, 'Well, we had to put on our tax because it is in our legislation, and because the federal government did it we did it.' There is no earthly reason why the Minister of Finance and the Minister of Transportation in this Province, as well as the Premier, could not say, "Look, we do not have to wait for a price war set up by Petro-Canada or private industry. We do not have to wait for the federal government to lower their tax. We have a 28 per cent indexing tax on that, we will take a tax reduction ourselves and give the people of this Province a break." Do they do that? Of course not. They brought in legislation, sly, underhanded, under-the-table legislation, so that when the tax was increased by other people nobody in the Province would notice that the Minister of Finance had his hand in the till and was taking his fair share of it and trying to blame it on industry or trying to blame it on the federal tax.

We have several taxes that are indirect. We have the sales tax, of course, which is a direct tax, and then we have these indirect taxes on liquor, on fuel and on

cigarette, as well as on other things in the different industries.

In concluding, Mr. Chairman, I am pleased to say that our party will, as our leader has pointed out, be voting against this bill not on the grounds that we condone smoking, not on the grounds that we favour smokers over non-smokers, we are not voting against it for that reason, we are voting against it because we have a taxation system in our Province that is so severe it is turning our God-fearing people in this Province into smugglers and into thieves. Again, Mr. Chairman, we are locking the barn door after the horse has left the barn. We are told that this legislation is being brought in because of the amount of smuggling that is going on. This form of legislation should have been there long, long ago. It has been overlooked for years, but with the heavy tax on cigarettes now, we find we are losing as much as \$5 million a year. As I said, I think it is regrettable that we have taxes like this, taxes which are not up front, on fuel, on gasoline and on cigarettes.

It is ridiculous that we have a tax on clothing. I have also brought up in this House the tax on crafts and the fact that our Newfoundland artists and writers should be exempt. The Minister of Intergovernmental Affairs (Mr. Ottenheimer) said we cannot exempt our Newfoundland artists or our Newfoundland writers because, if we do that, we will have to exempt all artists and writers.

Mr. Chairman, this bill is a sad commentary on our economy, and it is also a sad commentary on the morality of our Province, when we find ourselves in a situation

where we are turning good, honest, hardworking people into smugglers.

Thank you, Mr. Chairman.

DR. COLLINS:

Mr. Chairman, the hon. member for Twillingate (W. Carter), I believe, may have misinterpreted this act, because the hon. member read various parts of the act and said that here power of inspection is given, and so on and so forth, as though these are now being brought in for the first time. This is a new act but it really is a consolidation of the old act, as well as bringing in particular amendments to deal with the smuggling problem and to deal, as I mentioned earlier, with certain, shall we say, housekeeping amendments that have to be brought in, and so on and so forth. These inspection mechanisms have been there for years, because you cannot have a tax system that is totally voluntary. I mean, the general approach of our tax system is a voluntary system but, nevertheless, you do have to have surveillance mechanisms and you do have to have enforcement mechanisms, and these have always been in place.

There have been some changes here, I readily admit that. For instance, we are now making it an obligation for a wholesaler to sign a collection agreement with us, but that is because the vast majority of wholesalers already do that. It was not required of them, but they already do it because they find it to their advantage to have a collection agreement in place with us. It is not universal, so we are just tidying it up, we are just making it universal. It is not something new, it is not something that is going to be particularly onerous

because, as I say, the vast majority already have it. But there are a few where it would be appropriate to have it. They do not have it, so now we are requiring them to have it.

Similarly, Mr. Chairman, I am sure all hon. members will remember that we brought in certain amendments to the Retail Sales Tax Act. I think the member for Windsor-Buchans (Mr. Flight) is terribly interested in this bill. He is agog with all the information I am giving out, He is paying lose attention to every word I say, even though he is not in his correct place in the House. Anyway, we did bring in amendments to the Retail Sales Tax Act, in terms of inspection of records, and so on and so forth, and these are now just being incorporated here. In other words, the House has already accepted these methods in one bill and it would obviously be inconsistent for the House not to recognize them for another bill, where they are required.

Incidentally, there was one requirement there to report the failure to collect tax. The reason for this is that often where there is a failure to report collection of tax, it is for a very good reason. For instance, goods have been stolen, there has been a fire and goods are destroyed and all that sort of thing. We have difficulty giving adequate refunds to the wholesaler in those situations, because the goods have been destroyed and he could not recoup from the retailer what he has submitted on behalf of the retailer. So he is looking for a refund and we have difficulty in giving him a refund until we have that certain information. So this is going to

help those people not hinder them.

I think the hon. member for Twillingate really did not give it his best shot there, because many of these things are not new, they are improvements or methods already in place.

Now, the member for Eagle River first of all started off by saying, "We are dealing with a tax increase." I want to put that one to rest immediately. There is no tax increase in this bill. That is something that is done at budget time, and so on and so forth. There is none in this particular bill. It is not a tax increase.

Now, the other thing he is saying is that the high rate of taxation in this Province is forcing people to evade. The fact that people are evading taxes is not an excuse for us to have an inadequate bill in place. We have to face the realities. If people are evading tax, we have to have proper bills for it. You just do not say well, people are evading taxes, therefore, you do not do anything. That is not a sensible attitude to take.

He also alluded to the outstanding accounts on retail sales tax. Fourteen million is quite correct. But he implied that most of those are old accounts that have been there for years and we were not doing anything about it. I have released information any number of times, as the hon. the Minister of Forest Resources and Lands knows, which shows that most of that outstanding tax is current tax, a fairly recent tax, which we will expect to collect over the next period of time. There is always a certain amount of tax -

MR. SIMMS:

And rest is there from the Liberal days.

DR. COLLINS:

From the Liberal days there was a certain amount, I will have to admit that.

In actual fact, our collection rate on retail sales tax is a very good rate. We have a very good method in place for it.

The final thing the hon. member mentioned, or at least which I will refer to, is when he talked about the tax on gasoline. We do indeed have an ad valorem tax on gasoline, as do certain other provinces. With that tax the rate does not change but what the treasury receives from that rate will vary according to the base rate, if there is any change in the base rate. The base rate is composed of crude, it is composed of refiner markup, dealer markup, excise tax and other federal taxes. So if these change, what we get because of our ad valorem rate certainly will increase. But I do have to point out that if the base rate goes down we collect less tax. You might say, 'Well, it never happens.' In actual fact it has happened in the past to a minor degree, not very much, I admit. But I think that in the future we can expect that the base rate price will go down significantly and our tax take, although the rate will not change because it is an ad valorem rate, will decline. So I guess you win on the swings and you win on the roundabouts, too.

MR. SIMMS:

How will you make up the difference then? If the base rate goes down, we will lost taxes.

DR. COLLINS:

Well, we actually lose revenues to the treasury because of that. The hon. minister says, "How do we make it up?" That is a good question and I think that applies to all this complaining about taxes. I do not like taxes either, I hate them, but, nevertheless, you have got to have taxes if you are going to give services. Now, if people would say decrease your taxes and also give me less services, I think we would be away to the races.

With that I move the bill.

On motion, that the Committee rise, report no progress and ask leave to sit again, Mr. Speaker returned to the Chair.

MR. SPEAKER:

Order, please.

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

MR. HICKEY:

Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report no progress and ask leave to sit again.

On motion, report received and adopted, Committee ordered to sit again on tomorrow.

MR. SPEAKER (McNicholas):

It is now 5:30 and there is a motion to adjourn. There were two questions for the late show. The first is the hon. member for the Strait of Belle Isle (Mr. Decker) who is not satisfied with the answer given by the Minister of Transportation (Mr. Dawe) to a question concerning Structure 90. He requested it to be put on the late show.

The hon. member for the Strait of Belle Isle.

SOME HON. MEMBERS:

Hear, hear!

MR. DECKER:

Mr. Speaker, I asked the hon. minister a question concerning Structure 90. It was obvious by the hon. gentleman's answer that he is totally clueless as to what is happening to the Department of Transport in this Province.

We have no problem whatsoever with the concept of Structure 90, which is to streamline the Department of Transportation in Canada. There is no problem with us in this regard.

For example, Mr. Speaker, the intent is to put the air, marine, and the surface under one authority with one minister and with three deputy ministers reporting to the one authority. That is no problem. That is similar to what happened to the Armed Forces some years ago, when we saw the tri-services brought in which streamlined and which did away with a lot of bureaucracy. This is not our argument.

The original plan which the federal bureaucrats called Structure 90 was meant to take place over a five year period and by the year 1990 it would be in place. The original plan called for five Transport Canada regions, five, West, Central and right across the Province. Because of the intervention of Lloyd Axworthy and the Manitoba Provincial Government there was a sixth region added, and Winnipeg became the sixth region. But Structure 90 did not make provision for Newfoundland. Newfoundland was to have regional status ripped away,

as we have seen with other things with this present federal government. The intent was to set up an Atlantic region which would be responsible for Newfoundland.

Mr. Speaker, 70 per cent of the East Coast of Canada is Newfoundland and Labrador territory. We are the East Coast of Canada. There is no way that a Transport Canada region can service Newfoundland out of Moncton or out of Halifax or out of anywhere else except in this Province or in Labrador. It cannot be done. Vice-versa could be possible; we could see a Transport Canada region in Newfoundland which could service the Maritimes, Mr. Speaker. That is possible. Structure 90 would have downgraded Coast Guard in this Province and would have taken the administration out of the Province, Mr. Speaker.

Last Fall, after some urging by us on this side, we brought the matter to the minister's attention and he went after the federal minister. The federal minister came down in November and met him, as the hon. minister said. The federal minister said that there is no Structure 90 and Structure 90 has been cancelled. It was merely an internal document, as the hon. minister pointed out.

But, Mr. Speaker, I have reason to believe that Structure 90's name only has been cancelled, but the programme is proceeding on the same as if there had been no change.

Let me give an indication, Mr. Speaker. Last Fall when the federal minister was down he said, there is no intention of relocating transport offices. Then he goes on to say, in fact,

he said, he was about to send a proposal to Treasury Board for additional office space for St. John's offices. Has this been done? There is no indication that it has.

Structure 90 said that the three branches will be put into one. There has been a recent announcement of the establishment of the positions of an ADM for marine, an ADM for policy and co-ordination, an ADM for surface transportation. These are the things which have happened, Mr. Speaker, which is in keeping with Structure 90.

So my question to the minister, I want to be assured that he is tuned in and that we are not going to wake up one of those mornings and see the Coast Guard ripped away from us and see it all closed down because the minister is so infatuated with a Tory in Ottawa that he is satisfied to sit back and put up with whatever they try to push down our throat.

I am not satisfied with the silly answer he gave us, Mr. Speaker. I want some assurance that indeed he is watching what is going to happen to the Coast Guard in this Province.

MR. SPEAKER:

The hon. the Minister of Transportation.

MR. DAWE:

Mr. Speaker, it is so difficult to deal with the hypothesis presented on the opposite side. They never deal with facts, they never deal with anything that is concrete. 'We are led to believe, we hear Structure 90 is not dead it is still going to continue. What if...' If its and ands were pots and pans -

Mr. Speaker, it is so silly to try to respond to the hon. gentlemen. The former, former, former Premier decided that Newfoundland would not become involved in discussions with the federal government in co-operation with or in alliance with the Maritime Provinces and that we were to represent ourselves as an individual region of Canada. That position, Mr. Speaker, has been continued through successive administrations. We are not members of the Maritimes Premiers' Group.

We deal with the federal government and others on our own, as a separate region. It has always been the principle by which this Province has operated in discussions with the federal government and other things. It was through a Tory administration in this Province that we got the Coast Guard to come here and Newfoundland representing itself as a region under the Coast Guard. We are continuing to try and have that same representation taken from Moncton and the air administration and put into Newfoundland. We have proposals before the federal government now, Mr. Speaker, which shows that there is sensible and sound economics in doing just that.

We are proposing and will continue to propose that this Province remain a region in the transportation area and we are continuing to push that. The retention of Coast Guard and Newfoundland as a region in that area is given, Mr. Speaker, it is not something up for discussion or up for grabs. Whether the member talks about six regions or seven regions or eight regions, it matters not to us. Newfoundland is a region in the Coast Guard

area. It will remain so.

We will be fighting to make sure that the marine takes its administration for all of Atlantic Canada out of Moncton and that Newfoundland is represented as a region in that context. If that means combining the two of them into one single administration, it means that that administration will be administered for Newfoundland out of Newfoundland as a region. The hon. member is, as usual, getting on with a bunch of -

AN HON. MEMBER:
Malarkey.

MR. DAWE:
That is right, he does not let himself be confused by facts. I must say this about the hon. member, he is not prone to facts; he is not prone to listening to reason, to listening to the facts or reading documentation, he is more prone to philosophy and getting up and preaching to this hon. House about something that he knows nothing about.

MR. SPEAKER (McNicholas):
The hon. member for Menihek (Mr. Fenwick) has a question on the Air Canada transfer of international flights from Gander to St. John's for the hon. Minister of Transportation (Mr. Dawe).

The hon. the member for Menihek.

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

I find this whole question of the removal of the flights from Gander to St. John's almost a symbol, I think, of what is going on in the Province at this time. Also, after having gone through the last couple of weeks of The Evening

Telegram and seeing virtually day after day after day of letters from people in St. John's opposing it, letters from people in Gander hoping to keep the flights in Gander and so on, there is a tremendous amount of interest all throughout the entire Province.

The two town councils in my district, Labrador City and Wabush both have gone on record as saying that they oppose the movement of these flights from Gander to St. John's and town councils throughout the Province are doing that, even close to St. John's there are some that are not even endorsing St. John's as the place to move the flights. It is an issue, I think, that has seized most of Newfoundland in a way that I have not seen in a long time before.

I will not be going into all the details on the detailed arguments that the town of Gander has had for keeping the flights there, which, by the way, I think are mostly valid, especially the argument that if you establish a second international airport in a Province this size, it is only a matter of time before the federal government will say, "Which one are we going to close?" It is most likely at that point they will probably close the Gander airport as an international airport, mainly because there is only a small number of international airports throughout the country and how many of them are you going to have?

I want to emphasize not so much the details but the feeling because I have never seen such incredible feeling across the Province that somehow the solidarity of the Province and the willingness of the people of the

Province to hang together through good times and through bad times is dissolving and breaking apart in a way that we never have seen before.

Giving you some of the examples: We have John Crosbie, who is the Cabinet minister who is allegedly responsible for St. John's, coming out avidly and supporting the idea that the economic base of Gander should be undermined by moving these flights here. You have other Tory members of Parliament doing the same thing. At the same time we would have expected our provincial government to say no. Look there may be some minor benefit to the people of St. John's when taking their flights from St. John's to Europe or wherever they are going to go, but that minor advantage has got to be weighed against the possibility of undercutting the very essence of why Gander is there.

In that equation somehow this provincial government, this Cabinet across here, has not taken the clear action that everybody in the Province expected them to. What they are now suggesting is that there is a means of finding some way to be on both sides of the fence at the same time.

The minister says 'it is the Province's intention to do everything it can to make sure that Gander remains a very active, viable and growing community in this Province.' Quite frankly, there is one major thing that this government can do, they can say unequivocally to the Minister of Transport in Ottawa: 'we oppose the movement of these flights' and, in so doing, they would ensure that the flights would stay in Gander; that the economic viability of the airport would

remain and that we would not see a whole section of the Province going down as a result of it.

I am not sure what the minister is going to say although, if he goes along with his same double talk that he gave us before, we are probably going to get him to say that we are supporting Gander but at the same time we want the flights moved. He can say that if he want, but I tell him now that it is not just the people of Gander that are upset; it is the people of the West Coast, the people of Labrador, of Central Newfoundland, it is the people of his own district who are very upset in seeing this kind of move take place.

So I suggest to him, bring out whatever position you will, but the people of the Province are very, very worried about this and they would hate to see this kind of erosion go into this particular industry that supports the town of Gander. That, Mr. Speaker, is what I have to say.

MR. SPEAKER (McNicholas):

The hon. the Minister of Transportation.

MR. DAWE:

Mr. Speaker, it is difficult to address this situation any differently than I did in Question Period earlier this afternoon. There are a couple of things about the gentleman's statements that he just made or the questions that he put forward that I have some problems with. The first is that he said this is symbolic or it is an indication of the mood of the Province or it is an indication of what direction the provincial government is going in or somehow it depicts what is happening.

Mr. Speaker, the position of this particular administration on this issue is indeed indicative of what we have done for rural Newfoundland and for single industry towns around this Province over the past number of years. The \$13 million, Mr. Speaker, that went into Baie Verte through federal - provincial support to reactivate the mine in that particular community is indicative of the support that this Province puts into single industry towns.

In Burgeo, Mr. Speaker, the money that this Province put in it, a cost of about \$5 million into the Burgeo plant and we have assumed about another \$5 million in subsidies since that to keep that single industry fishing community viable. In Marystown, Mr. Speaker, \$11.5 million of the Burin Development fund to make sure that the construction of Cow Head went ahead to try to diversify the economy for that particular community. In St. Lawrence, Mr. Speaker, a \$1.5 million equity when into the St. Lawrence mining operation to reactivate and to get that particular community out of the doldrums, out of its single industry town syndrome. We are not only having a mine go ahead there now, Mr. Speaker, but the fish plant is going to be reactivated again and continue to diversify the economy there - all through a provincial initiative. In Corner Brook, Mr. Speaker, when Bowater was about to leave Corner Brook flat, it was this administration through the leadership of the gentleman who sits in that chair there, the Premier of this Province who worked night and day, Mr. Speaker,

SOME HON. MEMBERS:

Hear, hear!

MR. DAWE:

- to make sure that Corner Brook continues to be a very viable and active community.

MR. FLIGHT:

Where is the Premier?

MR. DAWE:

The hon. gentleman for Windsor - Buchans want to know where the Premier is. Well, Mr. Speaker, the Premier is out doing just those very things to make sure that the economy of this Province grows and prospers, that the industrial base and the resource base of this Province has an opportunity to develop and to extend itself to new markets in the Orient and other places. The Premier of the Province is out doing exactly the kinds of things to create jobs, to make sure that this Province prospers and continues, to make sure that we are not subjected to single industry town syndrome.

But getting back to single industry towns, Mr. Speaker, we have been doing the kinds of things to make sure that not only the social but the economic development in Burgeo by the provision of an \$7 million ferry; in Fogo to make sure that the people of that community can carry on an active and viable lifestyle, not only economically but also socially, an \$8 million ferry and \$2.5 million airstrip. Mr. Speaker, our contribution to single industry towns has no like anywhere in this country, and we are going to continue with that kind of support to single industry towns.

Mr. Speaker, Fisheries Products

International, which has a broad spectrum approach to all areas of the Province as it relates to the fishery. The financial contribution both federally and provincially is an indication of the contribution and the awareness and the dedication that this administration has to single industry towns. The fishing industry, some \$28 million has gone to individual processors in individual communities, from one part of this Province to the other. Single industry fishing communities that need the kind of financial support and backing that the Province is giving them to make sure that they continue to have a viable and active, not only economy in the communities, but also an active social community.

The kind of contribution that we are making to the Trans-Labrador Highway, in the hon. the member for Menihek district is another example. The contribution that we are making, both federally and provincially, of putting in a Trans-Labrador Highway to make sure that the single industry towns in his district have an opportunity to diversify, to get in new business and to expand. The sorts of contributions that we are making financially through difficult times to make sure that all of these things happen.

Mr. Speaker, we are doing exactly the same thing and will continue to do the same thing for Gander, Grand Falls, Burgeo, Clarenville, Goose Bay and for any other part of Newfoundland that requires the kind of support that we have a long and a very, very good history of providing. We will continue to do it.

We will provide Gander with the same kind of moral, financial and

any other support that they need to make sure that they continue to be active and viable and good contributors to the economy of this Province, Mr. Speaker. That is our position and it will continue to be our position.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

Order, please!

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

There is a motion before the House to adjourn. All those in favour 'Aye', those against 'Nay', carried.

The House stands adjourned until 10:00 a.m. tomorrow.