

PRELIMINARY  
UNEDITED  
TRANSCRIPT

HOUSE OF ASSEMBLY

FOR THE PERIOD:

2:00 p.m. - 6:00 p.m.

THURSDAY, JUNE 15, 1978

June 15, 1978

Tape 4423

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The House met at 2:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please!

I would like to welcome to the House of Assembly on behalf of hon. members 117 Grade VI students from Grand Falls Academy, accompanied by a number of their teachers including Doris Young, Valerie Marsh, Emily Stoodley, Leslie Percy and Jacqueline Thompson. I know hon. members join me in welcoming these students and their teachers to the House of Assembly.

SOME HON. MEMBERS: Hear, hear!

PRESENTING PETITIONS

MR. GOUDIE: Mr. Speaker.

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

MR. GOUDIE: Mr. Speaker, I beg leave to present a petition -

MR. HODDER: Mr. Speaker, a point of order.

MR. SPEAKER: I have called Presenting Petitions if the hon. gentleman is standing on a point of order.

MR. HODDER: Mr. Speaker, I was recognized yesterday on a petition from the member for LaPoile (Mr. Neary), a petition which he was presenting when the member for St. John's East decided to bring in his motion.

MR. F. ROWE: Go to Orders of the Day.

MR. SPEAKER: Order, please!

The hon. gentleman submits that he wishes to speak on the petition which was before the House yesterday before the House passed to Orders of the Day, so this is a new point. When one calls the routine orders, which are the first six items on the Order Paper, this brings up the question of whether there was interruption

MR. SPEAKER: on one of those routine orders the previous day, it is reverted to, or whether yesterday, having passed to Orders of the Day, the House starts off on a clean slate, so to speak, with new routine orders being called and under Petitions, then only petitions presented today. If an hon. member or two on each side or any side wish to present brief argument I will hear it, if not, I will use my inclination or judgement, because I am sure there is no direct authority.

The hon. the Leader of the Opposition.

MR. W. ROWE: Mr. Speaker, I would have thought the House Leader on the government side would have risen. He obviously wants to collect his thoughts, having no arguments to present on the matter.

My argument, Sir, is that a petition was presented yesterday. Presenting of petitions, by the way, Sir, as Your Honour well knows, is not in the nature of a debate or something which is closed off as in some other normal procedures of the House. It is a matter of the petition being presented and then a number of people speaking in support of the petition -

MR. NEARY: All it does is it gives Orders of the Day preference. That is all it does, it does not stop later on.

MR. W. ROWE: Right. What happens with regard to petitions, of course, is that a petition is presented by an hon. member, supported by a number of members in the House, and Your Honour, I believe, has followed the traditions and precedents of this House in that until the number of people who wish to speak is exhausted, then people can rise in their place and speak for five minutes in support.

MR. W. ROWE:

of the petition.

Yesterday there were a number of people who did want to speak. My hon. friend made mention of that when he rose. He was not able to speak in support of this important petition because a motion was made to revert to Orders of the Day. Now, Sir, that petition was tabled and there were a number of members who did not have an opportunity to speak to it, a very important petition. As Your Honour knows, it is not a matter of a motion being passed or a debate on a particular resolution or anything, just a matter of people wishing to speak in support of a petition for up to five minutes, and my hon. friend would like to do so. He did not get the opportunity to do so yesterday, and I would like to do so, as well as some other members, especially on this side of the House, Sir. They were not permitted to do so because of the motion that was made and would now like to do so today.

I do not think, as Your Honour said, there is any precedent for this particular point because, Sir, the use of that tyrannical and dictatorial motion which was passed yesterday is one which is luckily not resorted to or has not been resorted to, so there is no precedent to go by. But, Sir, I would say that if in the matter of a petition concerning which there is no deadline on the number of people who can speak or the time that can elapse on the speaking of petitions, if this motion which was resorted to yesterday can be used to cut off any support of a petition every time a petition is brought to the House, Sir, and if Your Honour does not allow the matter to be reverted to the next day and the petition to be supported, Sir, it would be a very unhealthy

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MR. W. ROWE: precedent to set in this House and would have the effect of a government majority, Sir, having the power never to allow any petition presented by a minority, for example, ever to be supported in this House. It could have that kind of an effect, and I would say, Sir, that Your Honour should try to use Your Honour's office to uphold the rights of minorities in this House

MR. W.N. ROWE: and outside the House to have to have petitions presented and supported in this House and not allow a government majority to cut off all support of petitions merely by rising and moving that the Orders of the Day be reverted to and, therefore, all talk on petitions be cut off. On that ground alone, Sir, I think that it is necessary that we be permitted to rise and support a petition. Remember, Sir, that we do not have unlimited right to do so. After my hon. friend has spoken for five minutes and I have spoken for five minutes and all members who wish to speak for five minutes have done so, that is the end of the matter. It is not something that can be dragged out ad infinitum, forever. It is not a matter that can be used to obstruct the ordinary business of the House forever, Mr. Speaker, it is simply a right of hon. members, particularly minorities in this House and outside, to have their due right to have problems discussed in this House and supported in this House for a brief period of time by hon. members who wish to do so.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. Government House Leader.

MR. HICKMAN: Mr. Speaker, if I may have a word on this point of order. Firstly, the act is the act of presenting the petition. The petition was presented and delivered to the Table of the House by the hon. the member for LaPoile (Mr. Neary), and that takes care of the presentation of the petition. There is, under our rules then, the right of any hon. member who wishes to get up and have a few brief, non-debating comments in support of the petition to do so. But that does not affect the validity of the presentation of the petition. We have had many petitions in this House over the years where the only person speaking was the hon. member who presented the petition, no support from either side in the sense of support of

MR. HICKMAN: anyone entering into discussion concerning the petition. That does not affect the validity of the presentation of the petition. The petition is presented by the presentor and, Mr. Speaker, I can think of once this session, at least, I believe on one day, one of the short days we ran out of time, we did not get to Orders of the Day at all. Now, if that rule, as suggested by the hon. the Leader of the Opposition, was carried to its logical conclusion, that if for instance, say, on a Private Member's day, which is a short day, we had a lot of petitions and a lot of members got up to support a petition, and if a petition was presented and tabled in this House, say, at five minutes to six, and some other hon. gentlemen who was then speaking in support thereof, to take that to its logical conclusion, then the following day when you would come to Orders of the Day, Mr. Speaker would have to say, 'Now, before we go any further there was a petition tabled yesterday. Does any hon. member want to speak to that petition because the orders, the time, the clock prevented hon. members who wanted to speak from saying something.' This rule 21, which is a rule of this House, did that yesterday, but that certainly does not, in my opinion, allow for the extension of the rule beyond the presenting of the petition.

I do not know what the situation would be if an hon. member was in the process of presenting the petition and got cut off before he or she had an opportunity to do so. Then the petition, you might be able to argue, was not presented. But this petition was indeed presented and the non-debating speeches that are made thereafter does not affect in any way the validity of the petition under the rules.

MR. NEARY:

Mr. Speaker.

MR. SPEAKER:

I will hear the hon. gentleman.

MR. NEARY:

I should like to draw Your Honour's attention to Standing Order 21, which states: "A motion for reading the Orders of the Day shall have preference to any motion before the House."

Now, I think, Mr. Speaker, it is a matter of interpretation. The hon. Government House Leader just put up a very illogical and weak defence, Sir, for what happened yesterday. Mr. Speaker, if a precedent is created in this House which could be a very dangerous precedent, I believe Your Honour, as Your Honour indicated, has to use his own inclination on this matter. There is a piece of unfinished business before the House and the unfinished business, Sir, was that members who wished to rise in their places, and I believe my hon. friend had been recognized yesterday, if Your Honour will remember, the member for Port au Port (Mr. Hodder) had been recognized and is only now, Sir, exercising his right as a member of this House, asking Your Honour to recognize him again to continue his support for the petition and any other members who wish to support it. Because, Sir, all the member did yesterday was say that he would like to have Orders of the Day called in preference to discussing this petition.

Well, that is fine, Sir. We have no objection to that except we feel that it is closure, it is dictatorial, but that is our



MR. S. NEARY: opinion. Your Honour does not decide that. We will do all the politicking with regard to that in preference to the petition. So that is fine, the member got his way, the government showed what bullies they are in the House. With brute force they outvoted us. Now all we are asking, Sir, that we get back to the piece of unfinished business that was before the House yesterday. The member has had his own way, the government have had their own way, and they gave preference to the Nordsee debate. Well, that is fine, Sir, there is nothing we can do about that. They have the majority and they had their preference. So now we want to come back to the petition again. So, I believe, Your Honour, in all fairness that my colleague should be allowed to get up and support this petition that I supported yesterday.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

There being no further argument,

I will adjourn for no longer than five minutes.

MR. SPEAKER: Order, please!

I am prepared now to give my decision on the matter which came up a few minutes ago. I have listened to the argument presented by hon. gentlemen on both sides. I am certainly aware of the submission by hon. gentlemen to my right of the requirement, tradition, convention, precedents, equitable parliamentary practice, however one defines it, of the duty of the Chair in the protection of rights of minorities. I would point out, of course, the Chair has to do that within the rules, and in its use of judgment and discretion and interpretation where there is an area for the exercise of such. But it must be done, as everything the Chair must do has to be done, within the rules.

Just to revert to what specifically happened yesterday and where the House was before Standing Order 21 became operative, a petition had been presented by the hon. member for LaPoile (Mr. Neary), had been spoken to by a number of hon. gentlemen. At a certain point at least two hon. gentlemen rose, the hon. the gentleman for St. John's East (Mr. Marshall) and the hon. the gentleman for Port au Port (Mr. Hodder) - there may have been others I do not recall - and as is customary when members on both sides wish to speak on a matter the Chair will alternate within reason. At that time I said, "I will recognize the hon. member for St. John's East, and following him I will recognize the hon. member for Port au Port." This is done not infrequently, and done fairly frequently in Question Period. I would point out, of course, only one person can be recognized at a time. And what in fact the Chair was saying was that it would recognize the other hon. gentleman when the first hon. gentleman had finished. I do not think that is an operative factor, however, because what then happened yesterday was that when the House carried by a majority the motion to proceed to the reading of the Orders of the Day, everything in the routine orders was passed over, and the House went immediately to the Orders of the Day. Now today we start off with a new Order Paper and a new series of routine

Mr. Speaker: orders, not a continuation of yesterday's routine orders. For example, the Oral Question Period today will be thirty minutes. It will not be sixty because there was none called yesterday. The petition which was presented yesterday is no longer on the Table of the House; it is either at the department to which it was referred or in the process of getting there. So, in my opinion, this being a new day we start off on routine orders, ab initio, from the beginning. There is no method of adjourning debate on a petition. There is no debate and there is no mechanism

MR. SPEAKER:

for adjournment. Therefore, as far as the rules and their, in my opinion, logical application suggest we do today is start off with new routine orders and when, as has happened, routine Order No. 2 is called it for the presenting of petitions today and not the continuation of comment on yesterday's petitions. I would have to conclude by saying only with leave of the House may any hon. member speak on a petition which was presented yesterday.

SOME HON. MEMBERS: By leave! By leave!

MR. SPEAKER: By leave. And to keep our procedure straight, I had recognized the hon. member for Naskaupi and he will be recognized for a new petition because I understand the House has now given leave for further submissions on yesterday's petition.

The hon. member for Port au Port.

MR. HODDER: Mr. Speaker, it gives me great pleasure to support the petition presented by my hon. friend and colleague from LaPoile (Mr. Neary) on behalf of 2,000 people from the towns of Springdale and from the Avalon Peninsula.

Mr. Speaker, I want to make reference to a statement which was made here in this House yesterday that enough has been said about the spruce budworm spray. Now that statement was made by the member for St. John's East (Mr. Marshall) and I say to the member for St. John's East (Mr. Marshall) that he should hold his head down in shame because, Mr. Speaker, the people of this Province outside of the Avalon Peninsula are going to be subjected to a spray which is unknown, which there is no information on, a new spray which has been just recently registered in Canada and which we have no history of. Mr. Speaker, I would like to say that there are only two or three days left before the spraying begins and many people on the West Coast of this Province and throughout Central Newfoundland are very, very concerned about what is going to happen during that spray period.

Now, Mr. Speaker, it came to my attention not more

MR. HODDER: than a couple of days ago that a group of students from a church camp will be in the spray area during the time that that particular area is going to be sprayed. Among those children who are going to be there are two of my children and I feel that I have every right to get up and do everything that I can, say everything that I can to stop this government from spraying this Province this year.

Mr. Speaker, there are two issues here, one is the health problem and the other is the problem concerning the forest, the ecology itself. As far as the health problem of this spray is concerned there are no long-term studies, there are no studies whatsoever which show what the long-term effect on the health of human beings will be. As far as the forests are concerned, there is evidence after evidence that once a forest is sprayed, if you interfere with the actual process of that forest, after one spray, once this government drops that spray on the forest not only will the spruce budworm be killed but other untold insects, birds and everything else, which will upset the ecology of these forests, and if you stop spraying next year you have done great damage to the forests of this Province. The history of spraying in this Province has been to spray first and ask questions afterwards. If we look at what has happened in our sister province of New Brunswick, they have used about four different chemicals. Fenitrothione was the one that was used last year and the year before last in New Brunswick. They found that it was harmful to the ecology and last year they started to spray, they sprayed one point five million acres with this matacil and there are still no studies done as to what the effects of that particular insecticide will mean to the forest or the health of people in that particular province.

I say, Mr. Speaker, that the history of spraying in North American has been to spray - there have been five different sprays used so far - find out that the spray is harmful to something and then to switch the spray to something else which no one knows anything about. Now the one thing that interests me,

MR. J. HODDER:

Mr. Speaker, is that there is all sorts of information been coming across my desk on the harmful affects of that spray but at the same time the government has not given one bit of documentary fact, not one study have I seen which says that spraying should go ahead or that there is no harm in spraying, there is no harm to the ecology, there is no harm to health. And, Mr. Speaker, the minister - I will end on this particular point - the minister has said many, many times that it is accepted by the Federal Government. I want the minister to show me documentary proof, I want him to put documentary proof on my desk showing just exactly what the Federal Government says about spraying and why the Federal Government says that this particular chemical is safe because I have not seen it and I do not believe that the minister has made it public.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. member for Windsor -  
Buchans.

MR. G. FLIGHT:

Mr. Speaker, I want to rise to support the petition so ably presented yesterday and to add a few more words.

Mr. Speaker, that is fifty-four names, two consecutive days, two consecutive petitions, fifty-four people who have petitioned this House.

AN HON. MEMBER:

Fifty-four hundred people.

MR. G. FLIGHT:

I am sorry. Fifty-four hundred people who in two days with two consecutive petitions have petitioned this House. And the basis of the concern, Mr. Speaker, is getting now to the people's fear of what matacil will do either to the human health or to the total environment. And, Mr. Speaker, I cannot understand and the people of this Province cannot understand that. Why it is that that minister and this government is so insersitive and so adamant about the selected areas to be sprayed? Less than 10 per cent of the timber producing lands in this Province is being sprayed. That means the government would have had a choice if they had to spray they would have had a choice of 90 per cent of the producing forests in this Province.

MR. G. FLIGHT: So why is it, Mr. Speaker, that they adamantly, insensitively insist on spraying the area around Gander Lake, town water supplies, spray areas in which there are communities located right in the spray block or right on the environment.

And I suspect, Mr. Speaker, and the minister is not prepared to admit it but the truth will have to come out, I suspect that the minister is not in control of this programme. The spray programme itself is under the auspices of the paper companies of this Province and they have designated where the spray will take place and not the Minister of Forestry and Agriculture.

I read an editorial yesterday in the people's paper where the minister has been saying in this House that no spraying will take place under conditions with wind speeds over 5 miles per hour. Yet the people who are doing the spraying, the pilots and the companies doing the spray says that they will spray up to 12 miles per hour. Now let the minister explain that one. Who is running the show? Who is running the spray programme? Is it the Department of Forestry and Agriculture or is it the people who will do the spraying? Five miles per hour, Mr. Speaker, by the government submission. Twelve miles per hour by the company who will be doing the spraying. There is a very great danger here, Mr. Speaker, that the Department of Forestry and Agriculture is in the clutches of the companies.

And I would suggest that the timber being sprayed in this Province is the timber designated by the two paper companies because that is the most economical wood supply and they are not too much concerned about the spruce budworm, young or old growth, infested timber that is outside of the areas that they consider economical timber. The paper companies, Mr. Speaker, in this Province have high graded over this past fifty years and they are still high grading and now they are going to say to the government

MR. G. FLIGHT: of Newfoundland, "You spray this particular timber because we want to keep cutting within the timber that is easily accessible and never mind the environmental effects or the affects that the spray will have on the health of the people or on the total environment." Mr. Speaker, the people of this Province are totally, completely turned off with the Department of Consumer Affairs and Environment. They question their ability to monitor the affects of the spray programme. This year we are going to have to have two applications. Last year we monitored a programme that only had one application and it was monitored by eight or ten students from Memorial University who were probably more interested in earning a Summer's wages than they were in telling the people of Newfoundland what the adverse affects of the spray programme was.

And, Mr. Speaker, we have seen no evidence. We have seen no evidence. Not once in this House has the Minister of Consumer Affairs and Environment rose to defend his department.

AN HON. MEMBER:

MR. SPEAKER:

Order, please! Order, please!

Hon. gentleman both to my right

and my left.

MR. G. FLIGHT:

So, Mr. Speaker, the people of this Province and the people petitioning are not necessarily petitioning totally and wholly against the spray programme. Down the road maybe we have to look at a programme but certainly we have to look at with the better interests of the people concerned taking into account their fear for the health of their children and the total



Mr. Flight: environment and total ecology. And we should not be spraying the areas we are spraying. And the only reason we are is because the Minister of Forestry have not had the intestinal fortitude to stand up to the paper companies and say, "I will decide where we spray in this Province, and we will also decide where you cut," because we are deciding either. Mr. Speaker, I support the petition.

SOME HON. MEMBERS: Hear, hear!

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

MR. F. WHITE: Mr. Speaker, I just want to say a couple of words on this petition that was presented yesterday by the hon. gentleman for LaPoile (Mr. Neary) and make a couple of points. One of the points that I would like to make, Mr. Speaker, is that the government are spraying this year when science is on the verge of massive breakthroughs in pest control.

SOME HON. MEMBERS: Hear, hear!

MR. F. WHITE: And I think that is evident, Mr. Speaker, not only in Canada but throughout the United States. And I refer specifically, Mr. Speaker, to a new thing that is being developed in the United States, and now in New Brunswick as well. And I saw a television programme the other night where this particular development is going ahead in New Brunswick, it is call Pheromone. And, Mr. Speaker, what it actually is is the development of the scent of the female worm or bug. Now in the United States they developed this particular - it is still a chemical, but it does not harm anything - they developed this particular scent that they sprayed over the bollworm, which is the moth that is very similar to the spruce budworm which attacks the cotton fields in California and other Southern States. And last year where they sprayed in Southern California with this Pheromone in an area that they sprayed in there was only a 10 per cent damage by the bollworm, and in the area that they did not spray in there was an 80 per cent damage factor by the bollworm in the area that they did not spray in.

So what we have, Mr. Speaker, is the development of this female scent that is sprayed over the forest, and it attracts

Mr. White: the male worm or the male bug and it sort of goes on indiscriminate orgies and so on, and all of a sudden the female scent is no longer attractive to the male. And this is a major breakthrough that is being used in the United States at the moment. It is also being developed in New Brunswick, which I am sure the minister knows about, and I am sure he has some research done, and it looks like within a year that particular chemical will be available to be sprayed on all forests in New Brunswick, and it will naturally do away with the killer pesticides that are being used.

So, Mr. Speaker, I would support this petition that is brought in. I think the government should put an end to the spray programme for this year. They should declare a moratorium for this year on the spruce budworm spray programme. The egg mass counts are down on the West coast, they are going down in Central Newfoundland. And one final thing, Mr. Speaker, this year's cold weather in the Spring, cold, wet weather, has had a damaging effect on the spruce budworm. Two employees of the minister's department in Central Newfoundland took me into the woods, showed me larvae that were dead this year, Mr. Speaker, because of the cold temperatures. And they also showed me new growth on damaged timber from last year, which shows that the forests in Central Newfoundland are on the way back this year. and the minister has not dealt with this issue. There has not been a sufficient survey done to indicate that new growth is appearing everywhere in Western and Central Newfoundland and I suggest, Mr. Speaker, that it will appear during the next few months in Eastern Newfoundland as well. It is a needless spray programme when we are on the verge of a major breakthrough in science that will look after this particular epidemic in Newfoundland.

SOME HON. MEMBERS: Hear, hear.

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

MR. MCNEIL: Mr. Speaker, I rise just briefly to support the petition presented by my hon. colleague for LaPoile (Mr. Neary). I am afraid, Mr. Speaker, the government is playing a cat and mouse game with regard to general information going out to the public, like, for

Mr. McNeil: example, the information like the maps, the area that is going to be sprayed. These things are not common knowledge to the private citizens. and I think that this should be. For example when the areas were first designated, when the minister made the statement, he said that it would be in all areas, it would be easy to get the maps to locate the location of where it was designated to be sprayed.

And the information I get from The Western Star correspondent in the Stephenville area, he has stated to me that he had great difficulty in finding the locations that were going to be sprayed. And I hope that the minister will correct this situation, if it still exists.

MR. McNEIL: Mr. Speaker, another problem. In the Stephenville area, one of the sites of the spraying programme, the government has commissioned a private company to do the spraying. The government is putting this company up in the community college and providing them with board and lodging. Mr. Speaker, I think this is doing the community a grave injustice because this company is a private company, paid to do a job with the taxpayers money and now we are subsidizing the private company with board and lodging. I think, Mr. Speaker, that if we are going to carry on such a programme, we are dealing with a programme that is controversial, at least we should handle it in a very strict manner in that it should be so kept if there is any benefit to be gained by that company in the area then the local businessmen, entrepreneurs should receive some gain. But again here is another mistake by the department.

Mr. Speaker, I call upon the Minister of Forestry to change the setup, if this private company is getting free board and lodging on the taxpayers of this Province then I would hope that he will change this. And I fully support the petition so ably presented by my colleague .

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Hon. member for Eagle River.

MR. STRACHAN: Mr. Speaker, there is one aspect of the spray programme that I would like to deal with in supporting this petition , namely, the use of the aircraft and the kind of aircraft being used to spray the forests. We are talking here of using fairly large four engine DC -6's, which are a fairly large aircraft carrying a large load of insecticide. When we look at the history of spray planes we find that a great many spray planes, in fact quite regularly spray plane crashes occur, a great deal of aircraft come down. It is a very difficult operation, essentially because you are flying many times in still air and if anybody has flown bush flights or bush planes they should know that still air is one of the hardest conditons , the roughest conditions to fly, especially at low level. Most people realize that take-off and landing with aircraft

MR. STRACHAN: are the most dangerous parts of the operation and while cruising at fairly high heights there is no danger whatsoever. What we are talking about are four engine DC-6's flying treetop level, 200 to 400 feet levels, spraying the insecticide, What I am concerned about is that this aircraft in this kind of spray programme is ideally suited to the prairies, it is ideally suited to New Brunswick, possibly, with large areas of forest but what we are talking about here is spraying in Newfoundland with the hilly terrain, a great deal of rough ground, a great deal of thermal updrafts and upcurrents and a great deal of variation and atmospheric. Obviously what is going to occur here is that the pilots and so on are going to have to react very, very quickly to changing conditions whether they are flying over water or flying over treetops. If anybody has been in a bush plane and flown over forests and all of a sudden comes out of the forest and over the edge of a lake then they will realize exactly what happens. I can guarantee you from flying them that you can soar 1,000 feet or be sucked down 1,000 feet very, very easily and in many cases you only alternative is to be able to add power and sometimes put your flaps down in order to give you some height.

Obviously what is occurring here and what I am concerned about is that these aircraft will be flying at a very low level, over very hilly terrain and there is no way that the pilot in his skill judging can shut off the spray in time from villages. There is absolutely no way, flying at the speeds he has to fly in order to maintain momentum through these kinds of drafts, that the pilot can close off these quick enough. This is why many areas, many towns and many playgrounds have been sprayed in the past, because of inconsistencies with the pilots who are not able to judge the wind speed or the updrafts and shut off the spray early enough. This is why, I think, the buffer zone is a foolish buffer zone. There is no way in flying that one can keep to that buffer zone, it is almost impossible. I think that a great deal of damage will occur and I say to the minister that I bet from now until the spray programme finishes that every night he prays that one of these large DC-6's does not crash into Gander Lake with a large quantity of insecticide and that the people's health is not damaged because of it. I think there is a

MR. STRACHAN: very serious concern here in using these aircraft. I do not think they are made for Newfoundland. I think it is fine in a larger forest to use, from an aircraft point of view, spraying and certainly I think the use of large aircraft adds a danger, especially at these heights. I think that the minister should really consider it very seriously because if anything occurs with these large aircraft there is going to be danger.

The idea that they can only go from five miles an hour - the minister says five miles an hour - is even more dangerous because anyone knows it is impossible to spray in still air because the spray remains up in the atmosphere. Only 30 per cent ever gets on the surface, the other 70 per cent drifts. If you are looking for any wind speed whatsoever, then you have a danger of drift with the wind speed so it is a no win game, absolutely a no win game. Secondly, to spray in early morning is possible, I agree, because flying in the early morning is the only time one can carry out these kinds of conditions. I think that the minister should look at it, should really look at it and suspend the operation of these large aircraft which, if they crash, if there is a crash the minister will be in real serious trouble and really in the hot seat. I support the prayer of this petition.

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

MR. W.N. ROWE: Mr. Speaker, I rise to support the petition so ably, competently, admirably presented by my friend and colleague from LaPoile district (Mr. Neary).

MR. NEARY: Mucho gracias.

MR. W.N. ROWE: Two thousand names were attached to that petition, Mr. Speaker, and that, I would

MR. W.N. ROWE: submit, indicates the seriousness of this situation, this proposal to spray the poison matacil into the atmosphere, into the soil and into the water of this Province.

Mr. Speaker, any programme involving the health of our Province and the health of the people of the Province that demands an advertising programme and all the media in the Province in order to support it, in order to try to cram it down the throats of the people of this Province, Sir, any programme involving the health of the Province that requires that kind of an advertising programme, spending thousands and tens of thousands of dollars of public money in order to make it palatable to the people, Sir, should on principle be abandoned.

Mr. Speaker, any programme involving the health of the people of the Province which is so fraught with inconsistencies, which has such contrary arguments proposed for and against it by people who are expert in the field, Mr. Speaker - I am referring to medical doctors - any programme which risks the health of our people should, with those kinds of inconsistencies and contrary arguments given by medical practitioners, should on that ground alone be abandoned.

And, Mr. Speaker, let us get straight as to who should bear the burden of proof in this matter. I see statements made by the Minister of Forestry and other members of the government on occasion that somehow, Mr. Speaker, it is up to the people of the Province to prove that this poison chemical, matacil, is going to harm their health or their lives.

The Minister will rise and say there is absolutely no evidence, or nobody has produced any evidence. He will say, "Nobody has produced any evidence -

MR. NEARY: They want bodies, do they?

MR. W.N. ROWE: - that this chemical, matacil, is injurious to health."

Mr. Speaker, that argument is a reprehensible argument, it is an argument which should not be accepted for one minute by any thinking person. It is not up to the people of the Province to prove that the poison chemical is dangerous; surely, Sir, it is up to the person seeking to use this chemical that its safety is beyond question and that it poses no danger and no risk whatsoever to the health and safety of our people. Mr. Speaker, another inconsistency which on principle should make this programme be abandoned: When you get a minister who will rise and say the spray programme will not take place if the wind is over five miles an hour in the Province, as my hon. friend from Windsor - Buchans (Mr. Flight) mentioned, and then you get the company who are going to do the spraying say that the wind has to be over twelve miles an hour before they will -

MRS. MCISSAC: Not over twelve.

MR. F.B. ROWE: Not over twelve.

MR. W.N. ROWE: It has to be over twelve miles an hour before they will stop spraying. In other words, Sir, they will spray in winds up to twelve miles an hour, Sir. That inconsistency alone should raise grave fears in the minds of people in this Province and it should be abandoned, Sir, on those grounds, the grounds that the minister



MR. W. ROWE: does not appear to know what he is talking about. He is pushing something by advertisement and by public statement and he does not know what he is talking about. The egg mass count has gone down and is going down, Mr. Speaker, and the burden of proof is on the minister. What does he want, Sir? Does he want damage to health in the coming year before he has his proof and his evidence that there is some problem with regard to this matacil? I say, Sir, it is too risky for that, and that in all the circumstances and with the grave problem, Sir - I see the hon. the member for St. John's Centre (Mr. Murphy) is about to go to sleep again; he uses the House, Sir, as a dormitory. And he is so interested, Mr. Speaker, in this matacil problem and the danger to the environment and the damage to the environment, Sir, that it raises your morale, it raises your enthusiasm for the government. Here he is, Mr. Speaker, look! the Minister of the Environment who takes no interest whatsoever in this grave and serious problem, will not answer questions on it, will scurry off now. And we intend to keep it up, Mr. Speaker. Do not let the hon. minister be uneasy about that, we intend to keep it up, Sir. And my time having run out, let me sit down by saying, Mr. Speaker, that the minister should abandon this programme on the grounds of a half dozen inconsistencies and problems and questions, Sir, either one of which would be sufficient evidence and sufficient grounds for taking this programme and throwing it out the window and never implementing it in this Province.

SOME HON. MEMBERS: Hear, hear!

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

MRS. McISAAC: Mr. Speaker, I rise to support the petition presented by the member for LaPoile (Mr. Neary). I have some concern about it too, since one of the areas to be sprayed is near the St. George's area, and while it may not be directly over what the minister would consider the water supply, which is the Dribble in St. George's, it will definitely affect three of the ponds that supply water to this Dribble - the Dribble Ponds, we call them. And they are in one of the areas to be sprayed, from what I can understand, and there is no way that you can spray those ponds, the ponds that empty into the Dribble, without contaminating the water supply in St. George's. And we found last year that there were traces of it found in the water supply in Corner Brook. And I am sure the Premier must be concerned about that and members of the Humber area must be concerned about that.

I am wondering also how long this matacil stays in the environment. We do not have any information on it. The minister has not passed out anything concrete on it. All we have is what we have been able to gather, and we have made an all-out attempt to gather information, but all we can find or most that we have found is against. We have not found anything that says matacil is safe and we would like for the minister to come through with it.

Last year, from what I can understand, they were a mile and a half off target with the spray. Who is to say they are going to be on target this year? What happens as far as crashes are concerned? We know how many crashes they have had in New Brunswick. They have had two already this year. I heard figures quoted, and I could stand to be corrected on this, I understand that

MRS. McISAAC:                    they had last year or the year before, seventeen crashes. Maybe it was last year and the year before combined, but out of seventeen crashes I understand that eleven of them have been proven to have been caused by pilots being overcome by the spray. So if this is the case, are we not taking an awful chance? And there are 600 young children between the ages of ten and fifteen years going into the area this year with the 4-H. That is all planned. Okay, all that has to be cancelled. But do they not have the right to be notified by the minister or by somebody that all this is going to happen and where it is going to happen and when it is going to happen? Or are we all going to be sprayed in the middle of the night when nobody knows what is going on?

I do not have much confidence in the Minister of Forestry. I have said that before. And I have no confidence in the Minister of the Environment and the Minister of Health.

Mrs. McIsaac: confidence in the Minister of the Environment and the Minister of Health. They are not doing one thing to prove the Minister of the Environment, the Minister of Forestry, the Minister of Health are the three ministers who should be concerned about this, who should be trying to get the information out to the people to assure the people that there are no harmful affects. So I am not even going to consider those ministers. I am making my plea to the Premier of this Province to take control of this thing before it gets out of hand. And we have three ministers here whom I feel are not responsible, and if there is ever time for a Cabinet shuffle this is it. And the Premier of this Province knows last year, as well as I do, that the spray got into the water supply in Corner Brook. I know this year that if they spray in the St. George's area as planned that it is going to get into the St. George's water supply. And, of course, we know that it is going to get into other water supplies. So like I said, if there is ever a time for a Cabinet shuffle or if there is ever a time for the Premier of this Province to stand on his feet and say this spray will not be carried out this is the time to do it.

SOME HON. MEMBERS: Hear, hear!

MRS. MCISAAC: And if the Premier is the man that I think he is this is exactly what he will do. He will stop those people from creating a disaster in this Province that can never be corrected. Thank you.

SOME HON. MEMBERS: Hear, hear!

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

MR. GOUDIE: I wish to present a new petition, Mr. Speaker, I assume all members who wish to take part in the other one have already done so. I beg leave to present a petition, Mr. Speaker, on behalf of 295 residents of Churchill Falls, the Westernmost community of my district, the district of Naskaupi. I have added my signature as well which makes it 296. The prayer of the petition, Mr. Speaker, reads, "We the undersigned residents of Churchill Falls, Labrador, Newfoundland wish to make known to our elected MHA, Joseph Goudie, and request him to strongly represent

Mr. Goudie: us and make known to the Provincial Government of Newfoundland our displeasure with their policy towards Labrador, and their inactivity towards the Trans-Labrador Road, and strongly urge them to commence work on this road in 1978." As I said, Mr. Speaker, there are 296 signatures attached.

They are talking about the Tote Road. They are not requesting in this petition that the Tote Road be upgraded to an all-weather highway or anything like that. But one of the agencies involved in the concerns of the people is that the Tote Road exist now, but because of an extremely heavy runoff during one and a half weeks this Spring, several sections of the road have either been washed out or the bridges or culverts washed away. And there are three rivers in particular, another area known as Pope's Hill has been fairly heavily damaged. The Minister of Transportation and Communications has already given instructions to his highway crew at North West River to begin work on the road, and I understand that they have already begun. But there is a fairly lengthy time frame involved in this procedure, Mr. Speaker. We are talking about a 200 mile stretch of gravel road. Last year it took four weeks and two days to complete the work, to make it passable so that people can get out of Churchill Falls with their vehicles to take advantage of the ferry.

Now I know after having visited Churchill Falls on the weekend past that there are a dozen or two dozen families who have made reservations to catch the ferry, The Sir Robert Bond for July 8, and that does not leave very much time between now and then for the highway's crew to complete repairs to this road. But the only alternative open to the residents of Churchill Falls is to fly out and if you have a family of four or five people, you are talking about an airfare alone of in excess of \$1,000, plus the prospect of renting a vehicle after they get out to the Island part of the Province for their holidays, for a month period, or whatever. So it runs into

Mr. Goudie: a considerable amount of money. If this road is upgraded to a passable condition in time, or near the time for the ferry service coming into effect on the first week or so of July, it will certainly make a difference to them and to their holidays which they propose to take this Summer.

So I support the petition, Mr. Speaker. I commend it to the hon. House, and ask that it be placed on the Table and referred to the department to which it relates.

MR. SPEAKER: The hon. the member for Eagle River.

MR. STRACHAN: Mr. Speaker, I support the prayer of this petition, the petition, in fact, presented by the member for Naskaupi (Mr. Goudie). And the government side supports all that the Leader of the Opposition and myself have said for a considerable time now concerning the whole road, the idea of the road from Labrador City to Esker, and now, of course, the Churchill Falls to Goose Bay road.

I support the petition because I think that what the people are asking for is extremely reasonable. They are not asking for the \$300 million four lane, paved highway that the Premier has promised them or stated will be given to them or stated he will work on. What they are asking for is something very sensible. They are asking for upgrading of the road to a passable condition so that they can drive out from Churchill Falls and they can get to Goose Bay and utilize the services of the Sir Robert Bond which I believe will be coming into Goose Bay around July 4th.

The member indicated and I am aware that this year there was a very heavy run-off in Labrador and it will take at least four to six weeks in order to try and get the road back into condition, which means that for many of them there may be delays on that because some of the rivers are very heavily washed out. I also would like to suggest that the idea of using culverts on some of these large rivers, it does not matter what size of culvert one is using, should be questioned. I think the minister should examine it very carefully because it makes no difference, a culvert becomes a focal point for ice

MR. STRACHAN: jams, and it makes no difference whether the culvert is ten feet wide or twenty feet wide or thirty feet wide. It makes no difference at all because it is an ice jam situation and, of course, once anything hangs up, everything hangs up and the sandbank situation there forces the river to wipe around and every year you have more and more work to do. It is not a simple matter of replacing the culverts, you therefore have to put in more culverts and continue on. And what I suggest they should do here is that there should be a very serious look at the building of bridges on that area to maintain it; if not, certainly bridges which can be moved or taken apart, because the people are not looking for a beautiful highway. What they are looking for is access, the Freedom Road, as they call it, to allow them to get out of isolation and to travel back to the Island. And I think it is shocking that one part of this Province, the people in Churchill Falls in order to go for a holiday have to spend in excess of \$1,500 for a family to come to the Island and go back to Churchill Falls. And I think that any part of this Province where you have to spend a lot more than you do to go from St. John's or Gander to London, Paris or Prestwick, is a ridiculous situation and a bad reflection on the government for not moving more quickly.

Churchill Falls and Goose Bay are primarily supported by the federal government or Churchill Falls hydro. Labrador West is individual, on its own, supported by mining towns, and Goose Bay is supported primarily by D.P.W., D.O.T. and various federal government organizations. There is very little provincial money going in. \$67 million of provincial money for highways this year and hardly a penny of that is going to



MR. STRACHAN: be spent in Labrador. It is typical. I have been arguing this for years, I have been arguing it the last three years here, and if it continues this way no wonder the people in Labrador have become frustrated. They cannot drive out, they cannot have freedom and they have much higher costs than anyone else in the Province just to come back to that part of the Province that they want to come back to. And if there are many more years of it it will mean that the people will say, 'To hell with it, we will go elsewhere for our holidays; we will fly elsewhere, go West or go elsewhere and they will forget their ties and lose their ties because of this neglect. And I think that the petition presented by the government member supporting exactly the same as we have been talking about for weeks is excellent and I commend the minister. And I say, move quickly. Get some money into this kind of project. It is not a great deal of money that is required. It is not a \$300 million job - it is much less than that - and get the road built so that people can have some freedom and can remove themselves from this isolation. I support the prayer of the petition.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Minister of Labour and Manpower.

MR. ROUSSEAU: I wholeheartedly support the petition presented by my friend and colleague from Naskaupi (Mr. Goudie).

Between 1972 and 1975

I represented Churchill Falls and I have thought during this past session you could almost call Churchill Falls the forgotten part of Labrador, really. The emphasis



MR. ROUSSEAU:

Lewisporte to the Goose Bay - Happy

Valley area is one that was welcomed very much by people up there. Of course they could then bring their cars out, or those people from Churchill Falls East could drive to Happy Valley - Goose Bay and make their reservations many months in advance and have their cars back on the Island part of the Province instead of having to pay for them by air freight. It is a very important link with the Island part of the Province. I fully support the petition and I know that the people there in Churchill Falls would be very pleased with it as would the people in Labrador City - Wabush who may some day soon be able to drive their cars over to the Happy Valley - Goose Bay area and also put them on the roll on roll off ferry. So, I have no hesitation whatsoever in enthusiastically supporting the petition so ably presented by my friend and colleague for Naskaupi (Mr. Goudie).

MR. SPEAKER:

The hon. member for Terra Nova.

MR. LUSH:

Mr. Speaker, I want to support this petition so well presented by the member for Naskaupi, on behalf of 295 residents of Churchill Falls many of whom, I expect, are friends of mine that I knew when I was there, when I lived there for five years and was a teacher there. Although the complexity of the town has changed tremendously since I have been there I understand that still many of the people that I knew, many of my friends are still there.

Mr. Speaker, it is a road that I know well. Although I have not driven the entire distance from Churchill Falls to Goose Bay I have driven the first sixty miles, the sixty miles on the Churchill Falls side of it. I went over it many times, shot many geese on that road, caught many fish on that road.-

AN HON. MEMBER:

On the road?

MR. LUSH:

On the road and I exactly - with respect to shooting geese I mean exactly what I say, on the road. Not the fish, of course, we had to go to the ponds for these but not too far removed, caught the fish in the ponds adjacent. A beautiful scenery,

MR. LUSH:

Mr. Speaker, driving that road, a marvelous scenery and it is too bad that the road has not been kept in good condition. But as I say, it is a road that I know well and I only wish that I could drive over it sometimes in the morning, on a Saturday, be able to go on that road and go out and hunt and fish.

As a matter of fact, Mr. Speaker, the first time that we were allowed to drive on that road the citizens of Churchill, the proletariat the first time we could drive on that road, even though the road was through long before the first time we could drive through, it was in the election of 1971. Prior to that only yellow cars could go on that road and yellow cars, of course, that were the company cars, the big shots and we, the proletariats were not allowed to go on it. But during the election in the Fall of 1971, the word came out that we proletariats could use the road and there was a great onslaught by the ten or twelve of us who had cars onto the road going as far as we could go.

But, Mr. Speaker, this is a marvelous idea to do this road because it will give the Churchill Falls people a link with the Island part of this Province, and with Goose Bay or we should say, with a part of this Province. Link the two parts of Labrador together giving us a link to the Island - Goose Bay with Churchill and Churchill with Goose Bay giving us a greater affinity, a greater feeling towards each other. Right now people have to leave Churchill via Esker, forced to go to Quebec and that is a very expensive route. That is the route that I had to use when I was there with my family. Drive your car to Esker, put it on the train there and the car would go to Seven Islands and then, of course, you would fly to Seven Islands to pick it up and drive up the North shore, the Quebec North shore up to St. Lawrence. Very expensive unless a person wanted to make a trip out of it but most people want to come home directly they do not want to spend all of this money before they arrive home.

MR. LUSH:

So this thing will serve two purposes, mainly, Mr. Speaker; the social purpose of bringing the two areas together, these two isolated areas Goose Bay and Churchill Falls and then making a connection with the Island because people, naturally, put their cars on the boat to come to Northern Newfoundland. And so it will serve a great social reason, a great reason of bringing us, binding us together.

The other one, of course, is a matter of economics. Because right now it is very expensive for people in Churchill coming out of there, as I said before, having to drive their cars to Esker and having the cars placed on the train and taken to Seven Islands and then, of course, having to fly to Seven Islands and then

Mr. Lush: drive the car all the way up through the Quebec North Shore and down through the Provinces of Quebec, New Brunswick, and Nova Scotia, a long, long run to get back to the Island, and as I have said, very expensive. I do not know what it would mean

AN HON. MEMBER: (Inaudible).

MR. LUSH: Pardon?

MR. ROUSSEAU: (Inaudible).

MR. LUSH: That is right! That is right! So it is a long route, and an expensive route for the people trying to get home, to get to the Province. And as I said, going the other way will service the purpose of bringing us together, bringing Goose Bay and Churchill together, and then the further link to the Island part of the Province. And I would hope that the Minister of Transportation and Communications will be able to say today that the necessary funds will be allocated and, Mr. Speaker, an attempt to keep the road upgraded as much as possible so that it can be used for a great part of the year, so that these two areas can be kept together and eventually, of course, this to become a part of the Labrador Highway connecting Labrador City and Wabush to it as well, and an extension of roads to the coast. I would hope that the government certainly will be able to say today that they are going to do as requested by the petitioners for the sake of Labrador, and for the sake of the Island part of this Province, and for the sake of the people living in Churchill Falls. I certainly hope that the minister will be able to respond in the positive, respond yes, that some action will be taken.

Mr. Speaker, it gives me great delight to support the petition.

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

MR. MORGAN: Mr. Speaker, in supporting the petition put forward by my colleague for Naskaupi (Mr. Goudie), that road I am quite familiar with having travelled that road with the member for Naskaupi last year. There is a very definite need for a link between Churchill Falls and Goose. That is very obvious, because of the fact that taking into

Mr. Morgan: consideration the CN ferry service which will now be restored again as a result of the boat modification being carried out, and the people in Churchill Falls, naturally, many of them want to come back to the Island part of the Province for their vacation.

However, I do have some concerns in having the road opened up in its present condition, and these concerns were expressed last year. Hopefully, of course, the only solution is to find sufficient funds, hopefully from the federal level as well, assistance from there to carry out a major reconstruction of the road up to a standard to the level of paving. But in opening up the road in its present condition there are some hazards, because unless the people, for example, agree to travel in convoy there is no servicing on the road, there are no service stations, there are no outlets, the road is a dangerous, narrow, winding road with many potential hazards. For example, there are many deep embankments with no guardrails etc. So in order to carry out a proper job we need, of course, a massive amount of funds; we are talking, I think, of \$35 million required to do that job of reconstructing the road from Churchill Falls to Goose.

AN HON. MEMBER: Just to drive on.

MR. MORGAN: Not just to drive on, it is to reconstruct the road to a standard to, well, a Trans-Canada Highway standard, if you wish, and paved.

But to open the road in its present condition, of course, I am hoping that the people will agree if the road is opened up - last year I recall when I was Minister of Transportation and Communications we arranged to open the road by filling in those gaps that were washed out, and the cost was not a great cost, around \$100,000, and these gaps were filled in, and the road was used by people trucking goods back and forth, in fact, from Esker Railway Station down to Goose. But I am hopeful, if funds are found to open the road up this year for use of the Churchill Falls residents, that the residents will also comply with the request that they travel in convoy and use the road with extreme care because the road is a dangerous road.

SOME HON. MEMBERS: Hear, hear!

Mr. Morgan: And I am looking forward to the day when this government in conjunction with the federal government can allocate enough funds to do a major reconstruction job all the way from Goose of course across to Labrador City and Wabush.

Mr. Speaker, I support the petition and hope that funds can be found to at least open the road this year for the use of the residents of Churchill Falls.

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

MR. WHITE: Mr. Speaker, I would just like to say a word or two to support the petition as presented by my hon. friend, the gentleman for Naskaupi (Mr. Goudie). Of course, I have a vested interest from a district point of view, Mr. Speaker, in wanting this road upgraded, and naturally I will speak for it whenever I can and whenever I get a chance to. The Robert Bond, Mr. Speaker, is going to be coming into Lewisporte on the 3rd. of July, in a couple of weeks, to start its regular ferry service to Northern Newfoundland. We are told that there are going to be two trips a week out of Lewisporte; the vessel will not be coming into St. John's this year. However, there is a bit of a problem in that by the third week in August or the fourth week in August there is going to be very little for The Bond to be carrying. So we are looking at five or six weeks of operations for that particular ferry service and then there might be some danger that the number of trips per week, the frequency, will have to be cut back and will diminish, and maybe we will be



MR. WHITE: down to one trip a week, or maybe the ferry will have to go to the Argentinia run or somewhere like that. So in order to keep the ferry going between Lewisporte and Goose Bay, I would hope that the government would make some attempt to have the road from Churchill Falls to Happy Valley-Goose Bay upgraded so at least it can be used this year.

Now, Mr. Speaker, the last speaker on this petition, the Minister of Tourism, indicated that it would cost \$35 million to bring that road up to standard and I think that is a deception, Mr. Speaker. I am not suggesting it is a deliberate deception but I do not think it would cost \$35 million to make that road passable to the extent that -

MR. MORGAN: Not passable, no.

MR. WHITE: Well, this is what I am suggesting, that if it were made passable this year by the expenditure of some money - the former speaker, the minister said \$100,000 last year made it passable - so if you had \$800,000 or \$900,000 this year I would suggest that it would be in as good a shape as some of the gravel roads in my district, Mr. Speaker, and people find it okay to ride over them from time to time. So I would suggest to the minister that all the people of Churchill Falls are asking for is some small expenditure of money to make the road adequate, Mr. Speaker, so they can drive their cars down to Goose Bay and put them on the ferry. It is only 200 miles and 200 miles of gravel road is a long trip, I know, but I am sure some of the people in Churchill Falls would be glad to do it in order to get their cars to Newfoundland and to spend their vacations at home. So I would support the petition, Mr. Speaker, and I would urge the Minister of Transportation and Communications to clear up this myth that it would cost \$35 million just to get the people going over that road. It would not be anything near that amount and I think -

MR. DOODY: (Inaudible)

MR. WHITE: But, you know, \$35 million leaves the wrong impression. I know it means to bring it up to the standard of the Trans-Canada Highway but I would like to know how much it would cost to just make it passable so that cars can use it this year.

MR. WHITE: I support the petition, Mr. Speaker.

MR. SPEAKER: Hon. member for LaPoile.

MR. NEARY: Mr. Speaker, it gives me great pleasure, Sir, to support the petition presented by the member for Naskaupi (Mr. Goudie) on behalf of 295 voters in the community of Churchill Falls in the district of Naskaupi.

Mr. Speaker, the prayer of the petition is a very simple one and a very reasonable one. The people want the road upgraded from Churchill to Goose so that they can connect with the CN ferry coming down to the Island part of the Province here. I believe, I am not quite sure, but I believe this is the first petition presented on behalf of citizens of the new community of Churchill Falls.

AN HON. MEMBER: Yes.

MR. NEARY: It is a historic day, Sir, for this Province. It is the first petition ever to be presented in this House by citizens who live in the community of Churchill Falls.

AN HON. MEMBER: And presented by a good Liberal.

MR. NEARY: And presented by my hon. friend, the member for Naskaupi (Mr. Goudie) who I believe last week attended a ceremony at Churchill Falls. I do not know if that is when the hon. member was passed the petition or not. I understand it was a very impressive ceremony. The former Premier of this Province, I believe, did the honour, and rightly so, having had so much to do with the development of the Upper Churchill, Sir.

Mr. Speaker, let me say this in support of the petition. Apart from the fact that it will give the people an out, they can bring their cars and campers and vehicles and so forth out and they can get across on the ferry, I really believe, Sir, and I am sincere when I say this, that instead of Newfoundland Hydro buying the Philip Place to house the Churchill Falls Corporation and the Newfoundland and Labrador Power Corporation, I believe, Sir, that the Churchill Falls Corporation should be located in Churchill Falls, not here on the Island

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MR. NEARY: of Newfoundland. It should be located at Churchill Falls. Why should it not be, Mr. Speaker? We managed to get it moved out of Montreal.

MR. SPEAKER: Order, please! I feel that the hon. member should support the petition concerning the roads.

MR. NEARY: Yes, Sir, but this makes the road all the more important, Mr. Speaker, and that is the link that I am trying to make there and if Your Honour had not jumped the gun on me. I believe that

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MR. NEARY: all the business in connection with the Upper Churchill and in connection with the development of the Lower Churchill, Gull Island, I believe that it should be done from a head office in Churchill Falls, and that makes the road all that much more important, Mr. Speaker. And I really and sincerely believe that, Sir. I do not think we should have the Churchill Falls Corporation here in St. John's. And Churchill Falls would then grow and prosper, the population would increase, and then with the development of the Lower Churchill with all the activity going on in the construction stage and so forth, this could become a very important road link between Churchill Falls and Happy Valley - Goose Bay. I believe it is now called the Freedom Road, is it not? It would indeed be truly a Freedom Road, Sir, if the government would take this matter seriously in Labrador and accede to the wishes and the requests of the people in Labrador West and get the road finished from Labrador City right on down to Happy Valley - Goose Bay. Then it would be worthy of being called the Freedom Road, Sir. But I believe the first stage would be to get the upgrading done now on the Churchill Falls - Goose Bay part of that road.

Last year - last Fall, I believe, I was there, in October month I think it was - and the reason I remember the month is because the Leadership was on at the time and I was down there doing a little politicking and a little campaigning, and I believe Mr. Woodward was moving some trailers or some equipment out of there around that time. And there may have been other people using that road, but they told me that they had to bypass the bridges and so forth, they were washed out. They had to

MR. NEARY: make their own bypasses. So I imagine the road at this particular moment is in pretty bad shape.

MR. STRACHAN: Where the rivers are.

MR. NEARY: Where the rivers are, that is right. Where the rivers and streams are they had to make their little bypasses and so forth. But they did manage to get these big trailers down from Churchill. As my hon. friend knows, down now parked at the Goose airport is all kinds of equipment that is being brought down from the Lower Churchill and from the Upper Churchill development. They were gradually moving it in.

It is a very important stretch of road, Sir. It should be upgraded and I would like to see the government take this matter seriously.

I congratulate the hon. gentleman for making history in this House today on behalf of the people of Churchill Falls by presenting the first petition ever presented by the new community of Churchill Falls.

I support the prayer of the petition, Sir. I do hope that the government will take it seriously and do something about upgrading this road.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Minister of Transportation and Communications.

MR. DOODY: Mr. Speaker, as I speak in support of the petition presented by my hon. friend from Naskaupi (Mr. Goudie) there are one or two points that I would like to mention. The first one has already been touched on by the member presenting the petition to the effect that the Department of Highways people are already

MR. DOODY: at work on that road. The intention is to bring it to at least the same condition as it was last season, which made it passable, driveable but certainly not up to an acceptable standard as we recognize road conditions today. But as has been indicated, it is a condition which the people in Churchill would appreciate, because it is far, far better than to be completely isolated as they are right now. Our people are working on that. The Robert Bond; I understand, the first sailing is scheduled for the 8th of July. I would hope that the road will be passable and drivable by that time. Surprisingly enough, my information from the department's people in the area is that the road is in reasonably good shape considering the Winter that we have had and the Spring with the heavy water run-offs. There are some sections of the road which are in very bad shape, but by and large the road has stood up very well.

The major item, I think, that government has to address itself to in working on that road and getting it open as a permanent link would be the establishment of three permanent structures, three permanent bridges over the three brooks, the names of which I will not mention to the hon. House.

MR. NEARY: Why not?

MR. HICKMAN: Why do you find that amusing?

MR. DOODY: The hon. member finds it amusing that I am too shy to mention the names of these rivers, but I quite honestly am, Sir.

MR. DOODY: I will leave it to some people who are a lot braver than I am, more familiar with that sort of terminology.

The intention and the hope would be that we get these permanent structures in place. So that would be not only a big step forward in terms of making the road passable, but it would also indicate a degree of stability and permanence that has not been demonstrated on that road in the past. I would suggest that that would be the first step that government should apply itself to during the next season.

This season, as I say, the object which is now underway is to get that road in driveable condition and made accessible to the people, from Churchill to Goose, for the opening of the Robert Bond's scheduled sailing. To that end the people in the department are working assiduously and I sincerely hope that they reach that deadline. Thank you, Sir.

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

MR. W.N. ROWE: Mr. Speaker, I would like a brief word in support of this petition, presented by my hon. friend the member for Naskaupi district (Mr. Goudie), and signed by 295 residents of the community of Churchill Falls.

Sir, this petition really, I suppose, more than any other petition that has ever been presented to the House, or any argument that has been presented to the House, indicates the fragmented nature of our Province, particularly the Labrador part of our Province. We often talk in terms of, and hear people speak in terms of the several parts of Labrador. Sometimes people even go so far as to say they have very little in common, one with the other. You have Western Labrador with the two communities, Wabush and Labrador City; you have Central Labrador which is usually considered to be the Happy Valley -

MR. W.N. ROWE: Goose Bay area - but I think you would put the Churchill Falls area in Central Labrador rather than Western Labrador - and you have the coast of Labrador and you have the Straits of Belle Isle. And sometimes I believe people are right when they say some portions, at least, of this Labrador landmass have very little in common with the other. But here we have two communities which are supposed to comprise a region of Labrador, a Central region of Labrador, and even these two communities, or these two areas where people live, Mr. Speaker, the Churchill Falls area and the Goose Bay - Happy Valley area, even these do not have an adequate link one with the other.

AN HON. MEMBER: (Inaudible).

MR. W.N. ROWE: That is right, the hydro. Mr. Speaker, how pathetic is it really, how utterly pathetic is it to have one of the great developments on the face of this globe, Upper Churchill, and here we are in this little House of Assembly talking about a road so you can shove a jeep on it and drive out of this great hydro development to the nearest population source in Central Labrador, Goose Bay - Happy Valley. How utterly pitiful and pathetic is it at all? Sometimes you wonder what you are doing here. Two communities in a central part of the Province, fairly close together, still not even linked up by a modern transportation link, Mr. Speaker.

MR. NEARY: Shocking!

MR. W.N. ROWE: It makes one despair that we are ever going to do anything in Labrador or with the Province, generally, by way of realistic development. But, Sir, I do not think there is any need to be pessimistic about it. I think that if a government, either this government here or the next government, the government that succeeds it, if they do the right thing, Mr. Speaker, the right thing both economically and in a social sense, they will link up those two parts of Labrador, they will link up





Mr. W. Rowe: and we will find, Sir, that if the right things are done that there will not be 38,000 people living in Labrador in the next number of years, in the next generation, the next twenty-five years, say, we will see many more scores of thousands of people, Sir, perhaps, even hundreds of thousands of people living there. And, therefore, Sir, the government should make the moves now which open up that tremendous landmass, open it up to exploration, open it up economically, open it up socially and link up the centres of population for the benefit of people living there, and the future generations, Mr. Speaker, who will be living there as well.

SOME HON. MEMBERS: Hear, hear!

NOTICES OF MOTIONS

MR. SPEAKER: The hon. the Minister of Transportation and Communications.

MR. W. DOODY: Mr. Speaker, I give notice that I will on tomorrow ask leave of the House to introduce a bill, "An Act To Amend The Highway Traffic Act." And as the Minister of Public Works and Services, I give notice that I will on tomorrow ask leave of this House to introduce a bill, "An Act To Require The Provision Of Facilities In Buildings For Physically Disabled Persons."

MR. SPEAKER: The hon. the Minister of Forestry and Agriculture.

MR. MAYNARD: Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce the following bills, "An Act To Amend The Public Service(Pensions) Act", "An Act To Amend The Department Of Forestry And Agriculture Act, 1973."

MR. SPEAKER: The hon. the Minister of Rehabilitation and Recreation.

MR. HICKEY: Mr. Speaker, I give notice I will on tomorrow introduce a bill, "An Act To Provide For The Administration Of Certain Facilities Constructed For The Canada Summer Games."

MR. STRACHAN: On a point of order, Mr. Speaker.

MR. DOODY: Do you want me to read mine again?

MR. NEARY: Yes, read it again.

MR. STRACHAN: We could hear on this side whether the Act was a bill -

MR. SPEAKER: If the hon. minister wishes to read it again.

MR. HICKEY: A bill, "An Act To Provide For The Administration Of Certain Facilities Constructed For The Canada Summer Games."

SOME HON. MEMBERS: Oh, oh!

MR. HICKEY: What is that?

MR. SPEAKER: The hon. the Minister of Provincial Affairs and the Environment.

AN HON. MEMBER: Oh, oh!

MR. HICKEY: (Inaudible) the City Council.

MR. MURPHY: Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce the following bills, "An Act To Amend The Automobile Insurance Act", "An Act To Amend The Management Accountants Act".

MR. NEARY: Is that Mullaly's bill?

MR. MURPHY: "An Act To Amend The Accident, Sickness Insurance Act", "An Act To Amend The Real Estate Trading Act." And I would like to amend one about building supplies on Bell Island, Sir, but that is all passed in the court.

SOME HON. MEMBERS: Oh, oh!

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

MR. H. COLLINS: Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce the following bills; a bill, "An Act To Amend The Hospital Insurance (Agreement) Act", and a bill, "An Act Respecting Dispensing Opticians."

MR. NEARY: What was that?

MR. H. COLLINS: Dispensing Opticians.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: The hon. Minister of Labour and Manpower.

MR. ROUSSEAU: I give notice that I will on tomorrow ask leave to introduce a bill, "An Act To Amend The Workmen's Compensation Act," and I hope tomorrow or Monday, Mr. Speaker, to have copies for distribution to the House of the Review Committee.

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

MR. W. HOUSE: Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce the following bills, A bill, "An Act To Amend And Revise The Law Respecting School Attendance," and, a bill, "An Act To Amend The College Of Fisheries Act, The College Of Trades And Technology Act, And The Polytechnical Institute Act."

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

MR. HICKMAN: Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce the following bills; a bill, "An Act To Amend The Registration Of Deeds Act", a bill, "An Act To Amend The Prisons Act", a bill, "An Act To Amend The Constabulary Act", a bill, "An Act To Remove Anomalies And Errors In The Statute Law", and as Minister of Finance, a bill, "An Act To Provide For The Payment Of Accelerated Pensions To Employees Of The Government Of Newfoundland Transferred To The Services Of The Government Of Canada At The Date Of Union", a bill, "An Act To Amend The Increase Of Pensions Act", a bill, "An Act To Amend The Liquor Control Act." And on behalf of my colleague the hon. the Minister of Mines and Energy, a bill, "An Act To Clarify The Nature Of A Payment Made In 1974 To Certain Mining Companies", a bill, "An Act To Amend The Quarry Materials Act", a bill, "An Act Respecting The Newfoundland And Labrador Hydro Act, 1975", "The Electrical Power Control Act", "The Newfoundland And Labrador (Loan And Guarantee Limitation) Act, 1975", "The Newfoundland And Labrador Rural Electricity Act", and "The British Newfoundland Corporation Limited (Lower Churchill) River Lease Act 1967-1966".

ANSWERS TO QUESTIONS FOR WHICH NOTICE HAS BEEN GIVEN

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

MR. HICKMAN: I have but one. The hon. the member for LaPoile (Mr. Neary) on May 31st asked a question No. 105 of me and he asked for a statement of the number of cases where charges were laid in the calendar years 1972 to 1977 inclusive where no convictions resulted from the action in the three courts. That data is not kept by the department as such, and to give an example as to why, over 20,000 charges were laid last year by the RCMP under the code and thousands are laid for breaches of provincial statutes, so I am sorry, I cannot provide the answer asked by the hon. gentleman.

ORAL QUESTIONS

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

MR. W. ROWE: Mr. Speaker, I am going to ask a question of the Minister of Forestry. I would like to ask the Minister of Public Works what is he trying to turn the House into? Is it a place to hang meat or what? Yesterday when it was 26 degrees, Sir, we nearly perished with the heat and today when it is 10 degrees outside he has the air conditioning on. But my question is not for him, Sir, my question is for the Minister of Forestry.

Late last night, Mr. Speaker, I got a 'phone call from a lady who is the President of the 4-H Club in Newfoundland and she told me that she had 600 children under her charge who were going to go camping in North Pond in the Gambo area in a short time, and she wondered whether she should give the children their money back and tell them not to go camping or whether she should

Mr. W. Rowe: continue with their plans to go camping. She said she inclined towards telling them that the camping trip was off because this area, I understand, is within the spray area.

Now what I want to ask the Minister of Forestry and the Minister of Health and the Minister of the Environment is when I call back this lady, this afternoon or tonight as I promised to do, what should I tell her?

SOME HON. MEMBERS: Oh, oh!

MR. W. ROWE: Should I tell her - she tried to get a hold of the minister, Mr. Speaker, to no avail.

MR. NEARY: And the member, by the way, she tried to get a hold of the member.

MR. W. ROWE: And the member, she did get a hold of the member. She did get a hold of the member but she said -

MR. NEARY: Oh, she did, eh?

MR. W. ROWE: - I will not say what she said, Mr. Speaker, because it was not rude or nasty or anything like that, but she did not get much satisfaction. But she does want to know what she should tell the children. Should she tell the children not to go camping under the 4-H Club?

SOME HON. MEMBERS: Oh, oh!

MR. W. ROWE: Mr. Speaker, I do wish the question could be treated with some seriousness, and we would not see laughing and galoot-like behaviour across the House, Sir, about a serious matter which is causing this woman great anxiety and uneasiness, and the parents. I would like to ask the Minister of Forestry what is the answer to that question? Should children go camping in that area when the likelihood is that there is going to be a spray programme during the period of time or should they not? What is the answer?

MR. SPEAKER: The hon. the Minister of Forestry and Agriculture.

MR. MAYNARD: Mr. Speaker, we have had correspondence from the group in question, and as I understand it the camping starts somewhere around the first week in July. They cannot start the first week in June because they are still in school at that time. That

Mr. Maynard: being the case, in all likelihood the spraying programme will be over by that time. So there is certainly no reason that we know of why the children should not go camping. And certainly, you know, we have no intentions, as we have said before, we have buffer zones around park areas, and I would assume that they are in a location that is fairly well identified. And we have no intentions if they are camping at the time of the spray programme of causing any concern to the people in question. But it is my understanding that the spray programme in all likelihood will be over before the camping starts.

MR. NEARY: I would be afraid to have my young fellow -

MR. W. ROWE: A supplementary, Mr. Speaker.

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

MR. W. ROWE: Well what is the hon. minister saying? Is he saying that because the spray programme in all likelihood will be over by the time these camping trips are planned, therefore, it is all right to go camping? And that if not -

MR. NEARY: How about if it is not over?

MR. W. ROWE: If it is not over, Sir, that it is not all right to go camping in these areas? What exactly is he saying, Sir? Because the answer to this question is as inconsistent and as confusing as all other public statements which have been made. Should they go camping if there is a likelihood of the spray programme going on at the time? The 26th. of June, my hon. friend has said, and I believe that is the date that this camping trip will take place -

MR. NEARY: Yes, that is right.

MR. W. ROWE: - for 600 children. Should they go camping if the spray programme is not over -

MR. W. ROWE:

at that time, if there is a risk that the spray may in fact land on the camp either by direct discharge or by way of wind drift, Mr. Speaker? What is the answer to the question?

MR. SPEAKER: The hon. minister.

MR. MAYNARD: Mr. Speaker, there is no reason in the world why anyone should not go camping because of the spray programme at any time. What I am saying is that if they are concerned about being in the woods at the time that the spray program is going on, then we will take note of that fact if the spray is going on at the time. But it is my understanding that the spray programme will in all likelihood be over at the time. But in any case, there is evidence of a group on the West coast last year, a Girl Guide troop that were in the spray area when the spray planes went over, and there is no evidence of even the remotest kind of illness from the fact that they were in the area. We had people in the spray areas last year and we will have them there this year. Our technicians are there out in the woods, the environmental people will be in the actual area while it is being sprayed. They were there last year and they have no evidence of any sickness of any kind, there is no evidence from any health reports or environmental reports that it would cause any damage. But as I say, if they are concerned about it and if the camp is identified and if the spray programme happens to be going on at the time, then we will take note of it in order not to cause them any concern. There is no reason why they should be concerned but we certainly will not try to cause them any concern!

MR. SPEAKER: A supplementary by the original questioner.

MR. W. ROWE: In trying to zero in on what the minister is saying, Mr. Speaker, what he is saying is that they will try not to spray on the camps as far as I can understand. What if there is a group of children out in the woods somewhere -

MR. NEARY: On a hike.

MR. W. ROWE: - and the hon. minister should know or probably does know or anybody who is involved with air search and rescue knows how difficult it is to see anyone from an aircraft in the woods, it is very difficult. As a matter of fact it is almost luck to be able to see



MR. W. ROWE: anybody if you are looking for them.

Mr. Speaker, if there are a group of children or a group of adults for that matter - I do not want to over-dramatize the situation - but if a group of people are hiking in the woods away from the buffer zone, what safeguards if any are going to be taken to make sure that the spray is not going to be sprayed on people like that? Are there any safeguards, number one, Mr. Speaker? And if the spray is discharged on people in the woods once or twice or several times, what kind of research is being done to show what effect it might have in the long-term on people who might have the spray discharged on them or sprayed on them once or twice or three or four times? What kind of research is known about the long-term effects, Sir? First of all, the safeguards against that kind of discharge to start off with and, secondly, what research to show what effects it might have in the long-term on those people? In other words how long has the research been going on and over what period of time with matacil to show what long-term effects there might be?

MR. SPEAKER: Hon. Minister of Forestry and Agriculture.

MR. MAYNARD: Mr. Speaker, the precautions that are taken so that we try not to have any spray, because people are nervous about it, land on anyone either travelling through the woods or on the highways or whatever, with each spray aircraft there is a spotter plane with a forestry technician aboard who flies very low ahead of any spray plane and the job of the spotter plane is to give instructions to the spraying aircraft. If the persons aboard the spotter plane spot anyone in the woods, and I am sure that a troop of one hundred or fifty or sixty people or whatever is going to be fairly easy to see, the spray plane is given specific directions to turn off its nozzles or turn them on. If anyone is spotted they are given specific directions to turn off their nozzles. If there is any traffic on a highway when they are passing over they turn the nozzles back on after they pass the highway. With the amount of study that has been done into the aminocarb that we are using this year and given to us by Dr. Houton who is chief of the pesticides control branch with the Department of Agriculture, Canada.

MR. MAYNARD: The reports, as I understand it, are all available. A copy of the bibliography outlining the reports was supplied to some doctors in Gander a few days ago and the depth of the study on various impacts on the environment and people - not on people obviously because they do not test chemicals on people; they test them on laboratory animals and translate that into the possible factors of the human health. There has been thirty-eight studies done on the environmental impact on fish, birds and mammals. There has been seventy-five chemical studies regarding the persistence in the forest environment; for example, soil, water and spruce spoilage. There has been fifty-three toxicology studies done regarding the possible affect on mammals and then translated into the human factor. These studies have been going on for the last twelve years by the Federal agencies who are responsible for regulating pesticides in Canada and the formulation that is being used by us is approved by the Federal agencies as being safe for spraying. If anyone happens to be in the forest at the time, whether they are children or adults or whatever, it has been proven by these studies that there will not be any effect on these people.

MR. FLIGHT: Mr. Speaker, a supplementary.

MR. SPEAKER: A supplementary, the hon. member for Windsor-Buchans.

MR. FLIGHT: Mr. Speaker, my supplementary is to the minister with regards to the spray programme. Would the minister care to clear up for the House the inconsistency that was alluded to during the supporting of the petition a little earlier and that is that the minister has indicated to the general public and through press releases that spraying will not take place in wind speeds over ten miles an hour, yet Conair, the company contracted to do the spray programme, have indicated that they can and will and may spray in winds up to twelve miles an hour and that is over one hundred per cent difference? Would the minister attempt to clear up that inconsistency?

MR. SPEAKER: The hon. minister.

MR. MAYNARD: Mr. Speaker, I heard rumours that some people from Conair said that they would spray up to twelve to fourteen miles per

MR. MAYNARD: hour. I immediately had contact made with the Conair people and passed along instructions that they were operating for us and not for themselves and they would follow the regulations or there would not be a programme go on. Now the regulations are, and I do not have the document here with me but I will have it tomorrow morning to table. They are not regulations as such but they are guidelines for spraying that are set out by the Federal authorities, and the wind speed factor set out by the Federal authorities is for a maximum ground speed of zero to five to six miles an hour. Now the aloft speed, and I am not sure what that means in aeronautical terms or in distance above the ground, goes from zero to ten. I assume that that applies to sudden gusts of wind or whatever. But the ground speed is set out as a maximum of five to six miles an hour and the people in charge of the Conair planes have been told very specifically and very definitively that they are not under any conditions to go outside of those regulations.

MR. FLIGHT: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary, the hon. member for Windsor-Buchans.

MR. FLIGHT: Mr. Speaker, the spray programme will start now very shortly in the next two or three days and we assume that the Department of Environment will have people there monitoring the spray programme as well as representatives of the Department of Forestry. Will the people who are opposing the spray programme or people who want to determine whether or not the regulations are carried out to their satisfaction, the various groups who have petitioned or who have become organized for the purpose of opposing the spray programme and who obviously have a great deal of interest, will they be permitted on site to monitor and to be present with the spray programme going on? As a matter of fact, I am the forestry spokesman at this stage until the hon. Leader of the Opposition decides otherwise. Would the minister give me permission, for instance, to fly with Conair when this spray programme is taking place so that I can see myself and for the people whom I represent that the regulations that he has indicated will be strictly adhered to in this House has indeed been adhered to?

June 15, 1978

Tape No. 4444

RT-1

MR. SPEAKER: Hon. Minister.

MR. E. MAYNARD: If the hon. gentleman wants to observe the spraying programme at some point in time throughout the programme period, then I am sure that we could arrange for him to go aboard one of the spotter planes, for instance, which is -

MR. T. HICKEY: Put him in with the lobsters. Put him in with the lobsters in a water bomber.

SOME HON. MEMBERS: Oh, oh!

MR. E. MAYNARD: Well, if he is afraid of the chemical he can go aboard the spotter plane and there are no chemicals aboard that one. Not that I am trying to save him for the future or anything like that, but we can certainly arrange that. If the gentleman wants to go on a flight, no problem.

I think the question was related to who is going to enforce the regulations, well -

MR. G. FLIGHT: (Inaudible) groups that want to be in on those flights.

MR. E. MAYNARD: I have not had a request from any groups that they want observers and obviously not a lot of people could be accommodated because the spotter plane would take one or two people other than the pilot; but if any group wants to send an observer to the operation then I would try in every possible way to accommodate them on the spotter planes while the operation was being carried out.

MR. F. WHITE: Hon. Minister.

MR. SPEAKER: Which hon. gentlemen are asking for supplementaries? Final supplementary, the hon. gentleman from Lewisporte.

MR. F. WHITE: Mr. Speaker, my supplementary is to the Minister of Forestry and Agriculture. I would like to know - I will put it in two parts - whether or not any studies have been done by his Department, or are being done by his Department, concerning what I mentioned on the petition, the pheromone experiments that are going on in New Brunswick, whether or not he is looking into this here in Newfoundland; and also,

MR. F. WHITE: is there a schedule laid out for the spray programme, and will the various areas to be sprayed be announced beforehand, and when is the first spray supposed to take place. I mean, has the spray programme already missed the start-up because of weather conditions? I understand that it was supposed to start three or four days ago, last Sunday. Is this so, and when it is supposed to start, Mr. Speaker?

MR. SPEAKER: Hon. Minister.

MR. E. MAYNARD: The first part of the question, Mr. Speaker, the research is going on into the theromones and the other bacteriological research that is going on is, of course, being co-ordinated now by the Eastern Spruce Budworm Council which takes in the five eastern provinces and the State of Maine, of which my deputy minister is chairman. The answer to the question as to whether my Department is specifically into the research business on that particular field is, 'no', but the research that is going on in all the universities now and the Federal Governments, both U.S. and Canada, is being co-ordinated by the Council and, of course, everything is made available to us. We know that there are a couple of very real possibilities on the horizon now that may be operational in the next year or so. One of them we used in a small quantity last year, which is a BT, a bacteriological control, but the dispensing equipment has not been worked out on the mechanical details at this point in time. However, that may be corrected by next year.

As to the timing of the spray, it is very difficult to pinpoint an exact day as to when the spraying will go ahead. However, it is generally assumed that the budworm will be at the development stage early next week when the first application of insecticides could be applied. That will depend upon the reports from the field; our field people are out now studying the insect, and they will send back reports and determine when a block is opened up or appropriate for spraying. Now the exact day that the spraying goes ahead depends, of course, on the weather conditions. A block may very well be opened up for two or three

MR. E. MAYNARD: days before you get the proper wind factors, the proper cloud cover, or lack of cloud cover, or whatever, in order to actually spray, but these announcements will be made as soon as a block is opened up. The announcements will be made on radio that there is a possibility then from that day on, or from the next day on, that spraying will be carried out. Is that the total answer?

MR. F. WHITE: Supplementary, Mr. Speaker.

MR. SPEAKER: I had indicated that it would be the final supplementary so I think I have to recognize an hon. member on a new subject now.

The hon. member for LaPoile followed by the hon. gentlemen from Port au Port and Baie Verte-White Bay.

MR. S. NEAPY: I have a couple of questions, Mr. Speaker, for the Minister of Transportation and Communications that have to do with the future operations of Eastern Provincial Airways in this Province. My understanding, Sir, is that there is some kind of an insidious scheme, plan, now in effect to cut down the operations of Eastern Provincial Airways in this Province to the bare essentials,

MR. S. NEARY: to a skeleton crew. And if the hon. Minister of Transportation cannot answer my questions, perhaps the Government's representative on the Board of Directors, the Minister of Health, the member for Gander (Mr. Collins), can answer -

AN HON. MEMBER: No.

MR. S. NEARY: Yes, sir. The hon. gentleman is a director of Eastern Provincial Airways, or was up to a year ago.

MR. DOODY: Where do you get your news?

MR. S. NEARY: Well, maybe. Well whoever. I do not know who represents the Government now, but whoever represents the Government maybe they can answer the question, Sir.

It is my understanding, Mr. Speaker, that as a result of the establishment of the training centre in Halifax that EPA are now in the process of shutting down, or moving out, a lot of their crews, flight attendants, ground crews and maintenance crews to Halifax. Would the Minister of Transportation and Communications tell the House how much he knows about this, if he know anything about it, how much they are going to shut down, how much of the operation is going to be left in Newfoundland, how much of it is going to be transferred to Halifax to this centre that was financed by DREE and the Government of Nova Scotia that this Province gave up by default?

MR. SPEAKER: Hon. Minister of Transportation and Communications.

MR. W. DOODY: Mr. Speaker, there was a series of questions there, I will try to remember them and reply to them as best I can.

The first item for clarification purposes and for the sake of the record is that the hon. Minister of Health, the member from Gander, is not one of the directors of EPA; he certainly has not been for some time. The two Government directors on EPA are \_ and I stand to be corrected on this - the Deputy Minister of Finance and the Deputy Minister of Industrial Development, I think they are the two government appointed directors.

MR. W. DOODY: As to an insidious plot, it sounds pretty dramatic but it is not very accurate. I have had occasion to discuss the same rumours with some of the senior management people of EPA and they consistently deny any intent, or any desire, to move their operations out of Gander. It is a matter of grave concern to the Government of Newfoundland and I think we have demonstrated our faith in the airport town of Gander by supplying assistance in the funding of the facility that EPA now use in Gander. It would appear that the arrangement is a permanent one and I am sure that such a facility would not have been put in place if the company did not have every intention of so remaining.

I know that a facility has been erected in Halifax. I know that it is now part of the operation of EPA. I know that this was jointly funded by the Government of Nova Scotia who had more success in persuading the Government of Canada to assist them in putting up that structure.

MR. S. NEARY: You made no effort at all.

MR. W. DOODY: This particular Province made a great deal of effort -

MR. S. NEARY: You made no none. No effort at all.

MR. W. DOODY: -to obtain DREE funding -

MR. SPEAKER: Order, please! Order, please!

MR. W. DOODY: - and I can assure, Mr. Speaker, I can assure you and this hon. House that this Province made a great deal of effort to obtain DREE funding. Our efforts were made subsequent to the deal that Nova Scotia obtained from the Government of Canada and we were refused point blank.

MR. S. NEARY: Not true.

MR. W. DOODY: And now the hon. member opposite says that this is not true. I undertake that it is true and I assure this House that it is true and I can demonstrate that it is true. Now the hon. member opposite, I do not know what he wants to do about all that sort of thing. He can sit there and squawk and say that it is not true, but I can assure the House that this is wrong. It is very true. The Government of



MR. W. DOODY: Newfoundland were stuck with the full bill for the job in Gander whereas the Government of Nova Scotia were able to persuade their colleagues in Ottawa to jointly fund the facility in Halifax. Despite that sort of thing, Sir, the Government of Newfoundland are still dedicated to retaining that vital industry and that vital hub of communications here in this Province. It had been originally a Newfoundland facility, a Newfoundland airline, and despite the efforts and activities by the Government of Canada and/or the Government of Nova Scotia to lure that facility away from this Province, I can assure you, Sir, that this Government will do everything that it possibly can to see that that does not happen.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Supplementary.

MR. S. NEARY: Mr. Speaker, I wish to ask the hon. member one or two supplementaries. First of all, I would like for the hon. gentleman to tell me how many captains and first officers have already been lured away from this Province, as my hon. friend says, by the Government of Canada, which has nothing

MR. NEARY: at all to do with it, Sir. It is a Newfoundland airline.

It is an insidious plot on the part of the operations manager -

MR. SPEAKER: Order, please! The hon. gentleman was recognized to pose a supplementary question but not to get into a debate on the matter.

MR. NEARY: No, Sir, I claim it is an insidious plot on the part of the operations manager to get this Newfoundland airline to get the balance of power over in Nova Scotia. It has nothing to do with the Government of Canada, Sir, absolutely nothing. Can the minister tell us how many captains and first officers have already been transferred and what the effect will be on the economy of this Province? How many flight attendants have been transferred to Halifax? How many ground crew have been transferred to Halifax and how many of the maintenance staff have already been transferred or lured, as the hon. gentleman says, right under his nose to the new operations that they have opened over in Halifax, over in Nova Scotia?

MR. SPEAKER: The hon. minister.

MR. DOODY: Mr. Speaker, the first thing I would like to comment on is the fact that despite the protestations to the contrary by the member who asks a question, I feel reasonably certain that there is no insidious plot. However, since the hon. gentleman insists that it is an insidious plot and since he is obviously far more expert on that sort of operation than I with his years of experience in the caucus opposite that I will defer to his knowledge and concede the point. I will ask him to help me to determine exactly the extent of this particular plot, who are the perpetrators and how we can possibly circumvent any adverse affects on our particular responsibility to the people of this Province. Now how many captains, how many first officers, -

MR. NEARY: (Inaudible) I will gladly do it.

MR. SPEAKER: Order, please! The hon. gentleman should not interrupt.

MR. DOODY: Thank you, Sir. How many captains, how many first officers, how many flight attendants and how many maintenance people are now

MR. DOODY: stationed in or have been lured away into Halifax from Gander. To the best of my knowledge, my information was that there were few if any. However I will be most happy to make inquiries. Certainly this is an area that government is very concerned about and if there is any documented proof or any evidence to indicate that this is indeed going on I would be most happy to have access to it so I can try to chase it down because it is certainly not something that this government wants to be part of nor do we want to see it happen. It is a far, far too important part of our economy and our way of life.

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

MR. SPEAKER: Final supplementary.

MR. NEARY: Mr. Speaker, I am glad now that I finally got the gentleman interested enough that the hon. gentleman and his colleagues may become concerned about this situation. I want the assurance of the hon. gentleman that he can give this House the assurance that the balance of power as far as this Newfoundland airline is concerned, which the hon. gentleman referred to as an industry, that the balance of power will remain in this Province and not be moved over to Nova Scotia because it was the taxpayers as the hon. gentleman knows of this Province who financed that airline - \$12 million I believe of taxpayers money have gone into that airline - that the balance of power will remain in this Province and that the hon. gentleman will undertake to find out how many people so far have been transferred under this insidious plot that I referred to to Halifax, Nova Scotia. Will the minister assure the House that he will take every effort and take every step to stop any more transfers and that Newfoundland will just not become a station stop for EPA, that they will have station stops like Air Canada, just the bare essentials, skeleton crews in this Province? Will the minister guarantee the House that the hon. gentleman would undertake to see that this does not happen to Newfoundland's airline?

MR. SPEAKER: The hon. minister.

MR. DOODY: Mr. Speaker, as I have already indicated we feel

Mr. Doody: It always has been a very important part of this Province and I would hope, Sir, despite the efforts of others to get that facility away from us, we will be successful in maintaining it here in the Province, and I would hope that all hon. members of this House will do everything they can to assist us in that resolve.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: I stated that I would recognize the hon. the member for Port au Port next. When I recognized the hon. gentleman for LaPoile I said, "Followed by the hon. gentlemen for Port au Port and Baie Verte-White Bay." So the hon. gentleman for Baie Verte-White Bay.

MR. RIDEOUT: Mr. Speaker, I have a question for the Minister of Health. It has come to my attention that during the move from the old General Hospital to the Health Sciences Complex that a large amount of the equipment apparently was mislaid or stolen, I suppose, is the proper word, from the Health Sciences Complex, like, for example, those large refrigeration units and so on. I wonder if the minister could tell the House what is missing and what was stolen, and how much equipment is missing in the move into the Health Sciences Complex?

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

MR. H. COLLINS: Mr. Speaker, a similar matter was brought to my attention, probably the same matter to which the hon. the member alludes, only this morning. I really cannot give an answer now, but I will certainly give the answer to the House as soon as I get some information on it.

#### ORDERS OF THE DAY

MR. HICKMAN: Motion 10.

Motion, the hon. the Minister of Justice to introduce a bill, "An Act To Provide For Change Of Name", carried. (Bill No. 64).

On motion, Bill No. 64, read a first time ordered read a second time on tomorrow.

MR. HICKMAN: Motion 11.

Motion, the hon. Minister of Labour and Manpower to introduce a bill, "An Act To Amend The Newfoundland Teacher (Collective Bargaining) Act, 1973", carried (Bill No. 66).

On motion, Bill No. 66, read a first time ordered read a second time on tomorrow.

MR. HICKMAN: Motion 1.

On Motion that the House resolve itself into a Committee of the Whole to consider a certain Resolution, Mr. Speaker left the Chair.

COMMITTEE OF THE WHOLE

MR. CHAIRMAN: Order, please!

RESOLUTION

That it is expedient to bring in a measure further to amend the Income Tax Act.

MR. CHAIRMAN: Does the resolution carry?

The hon. the Minister of Finance.

MR. HICKMAN: Mr. Chairman, if I may have just a couple of words on this bill. There are really only two matters in the bill itself that may or may not require some explanation. Section (1), Mr. Chairman, of the bill, the principle embodied in Section (1) is an amendment that is necessary in order for the Province to avail of the proposal that was contained in the Budget of the hon. the Minister of Finance of Canada when the Budget Speech came down recently. Hon. gentlemen will recall that at that time it was indicated by the hon. Mr. Jean Chretien, the Minister of Finance of Canada that in the Atlantic Provinces for a period of six months ending October 7, 1978 with the concurrence of the Provinces there would be a reduction of 3 per cent in Retail Sales Tax.

Now the formula to accomplish that is a somewhat complicated formula. The amount of money that is due this Province the estimated amount due this Province during that period is approximately \$24 million, I had the figure here a minute ago, and

MR. HICKMAN: if that is not so I will correct it. No, \$14 million, I am sorry. This will not be paid by the Government of Canada issuing a cheque to the Province of Newfoundland for \$14 million. What they are doing is assigning for a six month period under these complicated formula that no one understands but they always seem to deliver the goods, the first \$100, extra \$100 of tax points that Newfoundland has, they transfer this to the Province, This will yield, it is estimated, \$14 million. The actual loss to the Province, if loss is the word, the actual amount that the Province would have received by way of Retail Sales Tax if it had continued at eleven per cent from March 17th to October 7th, is \$24 million. The agreement is that the first \$100 worth of tax points will be assigned to the Province and if that does not yield \$24 million, which is the amount that we lose by reducing our Retail Sales Tax to eight per cent, they will make up the balance in cash. The calculation to the nearest million is that the first \$100 of income tax will yield the Province during that six month period \$14 million and that there will be a direct cash payment by the Government of Canada to the Province of Newfoundland of \$10 million.

Pardon.

MR. NEARY: One - thirtieth?

MR. HICKMAN: That is the income tax provision. See, it is done by way of the assignment.

MR. NEARY: I see.

MR. HICKMAN: Section 1 of the bill relates to the federal government's offer of last April to stimulate the economy by compensating the provinces for reductions in their Retail Sales Tax rates for a period of, say, six months. This section is designed and will increase the amount of provincial personal income tax payable by an individual by the amount equal to the reduction of the federal personal income tax payable. In other words, a Newfoundlander will not pay any more income tax but more of it will be assigned to us by taking it away from what the government of Canada would have retained. Now I am sure that is as clear as mud but that is what would be accomplished as a result of that desirable piece of legislation.

MR. HICKMAN: Does the hon. gentleman, before I move on to the next section -

MR. J. NOLAN: Do we lose money or do we not lose money?

MR. HICKMAN: Let me go back over it again.

MR. J. NOLAN: Do we get the money or do we not?

MR. HICKMAN: We do not lose but this is the formula to insure that we do not lose.

AN HON. MEMBER: They shift the money -

MR. HICKMAN: But we are not shifting it by way of a cheque for \$24 million. It is an assignment of personal income tax points for six months and that gives us \$14 million of it. Calculated now, there is a deficit of \$10 million which the Government of Canada will issue us a cheque for over that period.

SOME HON. MEMBERS: Oh, oh!

MR. HICKMAN: Our cash flow will not be improved at all. It will be maintained as it was estimated at the time the budget of this Province came down.

AN HON. MEMBER: What about the individual?

MR. HICKMAN: There is no increase to the individual at all in his or her income tax, that is in Newfoundland, but obviously there will be during that six month period a reduction of three per cent on the Retail Sales Tax on the goods that are covered under this act which by and large are non-consumables.

The other part, Mr. Chairman, Section 2 of the act is the principle that was enunciated in the Budget Speech brought down in this legislature on March 17th with respect to government strategy with a view to helping small enterprise and larger companies suffering from low profit levels as a result of the current economic situation in an attempt to stimulate the economy. This section provides for a reduction in the provincial income tax rate from fourteen per cent to twelve per cent for those companies who qualify under Section 125 of the Federal Income Tax Act. In other provinces where they are doing that this year too as a

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MR. HICKMAN: means of stimulating the economy, they have used the definition and formula of small company as contained in the Federal Act.

Generally speaking, Mr. Chairman, this means



MR. A. HICKMAN:

that companies will qualify if they are Canadian controlled corporations whose taxable income since 1970 has been less than \$750,000, and in any one fiscal year a qualifying company's first \$150,000 of taxable income will be taxed at the lower level, that is twelve per cent, and anything over that will be taxed at the higher level of fourteen per cent.

The best information that we in the Department of Finance have been able to assess to the number of companies in Newfoundland who will qualify for the reduction in corporate tax is eighty per cent - a minimum of eighty per cent, maybe a maximum of ninety per cent. On the conservative side I would say eighty per cent. Some people, economists in the Department of Finance, say it is going to be ninety per cent.

We estimate that the savings to the qualifying companies for the tax year will be \$1.6 million and as hon. gentlemen are aware the amendment is effective during this taxation year. I repeat that the idea behind that is to try and do something to generate some activity, some investment activity, on the part of the small businesses in Newfoundland, and the small business is defined by its corporate profits.

The second last section of the bill that is before the House is really a section that was brought in at the request of the Government of Canada in co-operation with them to make it conform with the penalty provisions of the Federal Income Tax Act. There has been a deficiency in the wording of the taxing acts which might conceivably allow a taxpayer who declared that he did not have any income of ever being accused of falsifying his or her return. To correct this, the amendment provides that for the purposes of determining the penalty to be imposed, the tax liability reported shall never be less than zero; in other words, the Feds ran into this quite often

MR. A. HICKMAN: where somebody put in a 'nil' return and then it was discovered later on that that person was indeed trying to evade - not so much evade - but was in breach of the Income Tax Act, and they have been arguing with some success, but not too great as yet, that if you file a 'nil' return you cannot falsify anything because 'nil' is not a return. So this section provides that a 'nil' return means that you are saying 'zero', and on the best legal advice that the Government of Canada can get, that wording will now plug the loophole and I understand that the Income Tax Acts in all ten provinces are conforming to the Federal act in that respect.

The last section again is a housekeeping section designed to guard against the possibility of Provincial legislation pertaining to the personal income tax amendments being passed before Federal legislation, and that is why reference is made to the Federal legislation.

But in the main, Mr. Speaker, the principle of this bill that is before the Committee now is twofold one to accommodate the Retail Sales Tax reduction for the six-month period and, of course, if there should be something happen in October which might make it expedient in the interest of stimulating the economy to extend that, then our section will remain in full force and effect as well. The other is the effort on the part of the Province to stimulate activity in this Province by small business.

MR. W. ROWE: Three cheers for Chretien!

MR. SPEAKER (COLLINS): Hon. Leader of the Opposition.

MR. W. ROWE: Mr. Speaker, I was delighted to see the cynical look on the face of the member for St. John's Centre, the Minister of Environment (Mr. Murphy) when the hon. House Leader, Minister of Finance (Mr. Hickman) referred to an event that might occur in September or October which could determine whether the economy needs more stimulation or not.

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MR. A. MURPHY:

By the Liberal party.

MR. W. ROWE:

Cynical look, Sir. He is like an outraged

innocent, a wronged and wounded innocent, Sir. A naif, a person

whose conscience does not allow him to even think about these things

going on.

MR. A. MURPHY:

I did not do any of this in my past.

MR. W. ROWE:

Never saw it, Sir, and ever since the

MR. W.N. ROWE: six years that he has been in this government, never seen anything that closely even approximates such a cynical use of the public's own money to hopefully get public favour, never seen it, Sir.

Mr. Chairman, the first part, section one is something that everybody can agree with, I think. It is the only note of positivism, the only favourable note which was contained in the whole Budget brought down by the Minister of Finance or closely followed the Budget being brought down. I believe it was around the same time, the same day, I think, that the Minister of Finance in Ottawa announced that he would be helping out the people in Newfoundland and other provinces by reducing the amount which they would have to pay for retail sales tax. It is the only favourable piece of news that we heard during the whole period that the Budget was being brought down. The rest of the Budget was an unmitigated disaster. They put up the sales tax, Mr. Speaker, up to - What was it? Up to eleven per cent and then reduced it down to eight per cent by use of Federal money. What did they do then? They increased the sales tax. They took the sales tax off the electricity, that is right, Mr. Chairman, and then allowed an increase to go through the Public Utilities Board which left the consumer in at least as bad a position or probably worse. So if the hon. member for St. John's Centre wants an exercise in cynicism, wants to exercise a cynical smile, Mr. Chairman, I would say that all he has to do is go to a few more cabinet meetings and find out what is being hatched there, what devious plots are being hatched by this government here. We do not have to go to Ottawa.

MR. A.J. MURPHY: I do not get the insidious insinuation.

MR. W.N. ROWE: He does not get the insinuation. Oh no, he would not, Mr. Chairman, He is going to retire pretty soon so he has lost all interest in political calculation and tactics and strategy.

MR. A.J. MURPHY: Does the hon. member mean we are worse off now because of the sales tax off clothes and off shoes and everything else?

MR. W.N. ROWE: If the hon. gentleman is asking me are we worse off

MR. W.N. ROWE: since this government took over, I would say, Sir, that if you seek your monument look around you.

SOME HON. MEMBERS: Hear! Hear!

MR. W.N. ROWE: Worse off, Mr. Chairman, worse off! What an understatement! Worse off! He asked me would the hon. member say if we were worse off since this government took over. Mr. Chairman, for six years we have seen disaster follow on the heels of disaster, public debt increased by 150 per cent minimum, money down the drain. We have seen -

MR. MORGAN: We have revitalized rural Newfoundland.

MR. W.N. ROWE: Oh yes, really revitalized. Revitalized, Mr. Chairman, The only thing that has revitalized rural Newfoundland, Sir, is an increase in the inshore and near shore fishery which this government had no more to do with, Mr. Chairman, than the man in the moon had to do with it. The Federal declaration of the 200 mile limit - \$300 million worth of money pumped into the fishery by the Federal Government this year as against what? \$16 or \$18 million put in, a meager, pitiful, pittance put in by this government, Mr. Speaker - Mr. Chairman, I should be saying since we are in Committee. That is their major trust.

MR. MORGAN: The fishing industry doubled in the last year.

MR. W.N. ROWE: Yes.

MR. MORGAN: - or last year or so.

MR. F. ROWE: So is the Provincial debt.

MR. W.N. ROWE: They will soon be taking credit, Sir, for the temperature in a desperate attempt to try to ingratiate themselves with the Newfoundland people. But, Sir, as we have said before many times in this House, the jig is up and the only little bit of favour, the only little bit of good news that the people of this Province can expect now under this administration is the odd little bit of, the odd favour granted us by the Government of Ottawa where they will allow the sales tax, to go down by three per cent by giving money to this government. We can expect no relief, Mr. Chairman, or no help from this government except, Mr. Chairman, now if you happen to have a business which is

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MR. W.N. ROWE: making \$150,000 profit after you have paid yourself a fat salary of say \$75,000 or \$100,000, If you happen to be in that category, Mr. Chairman, after you have paid yourself a nice fat salary as a director or president of a company of, say, \$75,000 then if after that

Mr. W. Rowe: the income of that so-called small company is \$150,000 or \$100,000.

MR. HICKMAN: Not after tax, taxable income.

MR. W. ROWE: Yes, taxable income, right. But I am talking about - yes, taxable income. But the hon. minister will agree that if I am the president or the general manager of a company, employed by the company paying myself a salary of \$75,000 but that is an expense, a deductible expense of the company. And if I happen to own that company, I have got \$75,000 by way of a salary, which is taxable as income in my hands, and then my small company makes \$100,000 or \$150,000 profit above and beyond expenses, which is taxable as profit, net profit before taxes, revenue before taxes, net revenue before taxes, if that happens, Mr. Chairman, if I happen to be in that very pleasant position, then this government has brought in a measure by this resolution and by this bill which affords me even greater relief. I am able to keep more money after taxes because my tax rate has been diminished, my company's tax rate has been diminished.

Now, Sir, if I happen to have a company which is struggling along making no money or losing money, then nothing that this government has done is of any benefit to me. If I am making no money, if I am making a loss, of course, there is no taxable income. If I am making no money there is no taxable income. If I have made a little bit of a profit there is a small taxable, there is a small bit of relief by virtue of this bill.

But, Sir, the foolishness and the lack of logic inherent in this resolution and this bill which comes under it, and this measure with regards to tax relief for small businesses is that the more profitable my company is the greater relief is afforded to me. The less profitable my company is, through perhaps no fault of my own, the less relief is afforded to me by this bill, and this Act of this government. The whole thing is topsy-turvy. There is no relief given where the relief is needed most.

Now, Mr. Chairman, how does this increase investment in small businesses? If I have a company which is making

Mr. W. Rowe: \$100,000 a year and therefore I am entitled to a certain tax relief under this bill—say I made \$100,000 this year I will at the end of this year, this financial year—and I decide to invest a certain amount of money in expansion or something which is an increased expense to my company and therefore has perhaps in all likelihood the effect of reducing my income, at least for a few years until this expense is paid off, and its worthwhile nature is proved in practice, expansion or investment, at least for a few years the effect of my making this investment, borrowing money by the company, for example, which would incur interest payments and repayment of capital; the effect is likely to be a reduction in my profits for the next number of years, and therefore, Mr. Chairman, I actually lose money as a result of this tax benefit so-called, because of the fact that having been sucked in by the minister into saying, you should increase your investment in the company because we will give you this tax relief, and my investment has the effect of increasing my expenses and decreasing my profits. Then this so-called tax relief here, Sir, is of no benefit to me or is of less benefit to me than if I did nothing at all.

MR. HICKMAN: Then surely in the related boxes when you find out (Inaudible) you would make more, you would employ more people, and your earnings on each box will increase your earnings.

MR. W. ROWE: That may be the case in the long run.

MR. HICKMAN: Yes.

MR. W. ROWE: That may be the case ten years down the road.

MR. HICKMAN: If that is no so then the whole DREE Incentive Programme is wrong.

MR. W. ROWE: No, the DREE Incentive Programme, Sir, the DREE incentive programme attacks the problem the right way, if there is a right way.

MR. HICKMAN: How?

MR. W. ROWE: The DREE Incentive Programme, or one aspect of the DREE Incentive Programme is outright cash grants and loans.

MR. HICKMAN: It is based on the philosophy that every dollar put into a business, whether it is by grant or out of the businesses' own profits



Mr. Hickman: that they have been able to retain increases,  
the number of jobs. Right?

MR. W. ROWE: Yes, but I mean DREE is trying to increase jobs,  
and it is therefore

MR. W.N. ROWE:        passing money out to businesses in order to get them to expand and increase their business and so on and hire on more people. I am talking about, Mr. Chairman, the illogical nature of this. What they are doing is giving a benefit to people who increase their profits and that benefit, if the minister would listen I am sure he will agree, that that benefit reduces if you have more expenses or if your profit is less. Is that not right?

MR. A. HICKMAN:      Oh, if your profit is less.

MR. W.N. ROWE:        Yes, Well your profit is going to be less if you increase your expenses, and if you increase your investment by borrowing money, if you expand your business and borrow money to do so, and your expenses are greater at least in the short run your profits are going to be less than they would have been and therefore the benefit of this is going to be less because the greater your profits the greater the benefit is. I mean, that is - Obviously the minister - I do not know if the minister has thought this through or not.

MR. A. HICKMAN:      Oh, yes, I did.

MR. W.N. ROWE:        The fact is, Sir, that the way this is set up it is something that benefits you more the more profits you make and benefits you less the less profits you make. And for anyone who is struggling along trying to make some money there is no benefit at all from this tax decrease is what it amounts to. In other words, Sir, the whole thing is topsy-turvy. We saw in the estimates which were before this House where all tax revenues are up this year, all tax revenues are up with the exception of corporation income tax.

Now, Mr. Chairman, that clearly to me indicates the priorities and the philosophy of this government.

MR. A. HICKMAN:      We still have the highest corporation tax of any Canadian Province.

MR. W.N. ROWE:        Yes, and we also have the highest retail sales tax of any province, we have the highest income tax of any province. So what is the minister saying?

MR. HICKMAN: Well, last year you fellows were screaming at us because we were doing something to generate jobs by reducing taxes.

MR. W.N. ROWE: Mr. Chairman, the philosophy of this government is clear from the fact that they will increase the retail sales tax which hurts the low earner most of all because it is not linked up to income at all. The lower your income the greater the amount of money you are paying out in retail sales tax because the greater amount of money is going out for purchasing things and the greater amount of money you are paying, the greater proportion you are paying of your income on tax. It is a regressive tax, Mr. Chairman, and this is the tax which this government chooses to increase and luckily we got a bit of relief from the Government of Canada, no thanks to this government.

Mr. Chairman, another regressive tax is the school tax system we have here which hurts the little person, so-called, most and hurts the high wage earner or high salary earner least and this government has piled more of a burden onto the school boards which will necessitate an increase in school taxes in the future in order for the school boards to operate at any kind of a half decent level. It is a government, Sir, which allows increases, wholesale price increases in the cost of electricity from Newfoundland and Labrador Hydro which again hurts the low wage earner most, Mr. Chairman, especially those who were lured by the government and by Newfoundland and Labrador Hydro and by Newfoundland Light and Power Company in installing electrical heat, for example, allowing these kinds of increases to take place. The only decrease that it allows, Mr. Chairman, is a decrease in the corporation income tax. And, Sir, to add insult to injury this decrease in the corporation income tax or the income tax paid by corporations, this decrease is only beneficial to companies who are making sizeable taxable profits or taxable incomes. And the companies which need to be helped most, those which are struggling along, those which are making no profit or very little profit, Sir, derive very little benefit from this tax decrease because of course they do not have any income, they do not have any profit or very small profit to which the deduction can have effect.

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MR. W.N. ROWE: In other words, Sir, the whole philosophy of taxation of this government has been to allow corporations a break, sock it to and hit the person who should have

MR. W. ROWE:

the break most, the low income earner, and even, Sir, in their headlong desire to help out businesses in this Province - the friends of this Government, the corporations of this Province - in their headlong desire to help out these corporations, Mr. Chairman, even there the philosophy of the Government comes out clearly as well because it is the person who needs the help least who gets the greatest benefit from this tax deduction. So who gets it, Mr. Chairman? Now what clearer philosophy of taxation can you have than what has gone on in this Province this year and in years past, but we are zeroing in on this particular year. It is a Tory philosophy, Sir.

An independent poll done by the CBC indicated that the only place, the only area in this Province, the only category of people in this Province where there is even a lingering support for this Government is in the wage earners, or salary earners, or the people who have incomes of over, I believe - what was it, \$25,000? - \$20,000 or \$25,000. The top probably five per cent, at the most, in this Province. There is where the lingering bit of support is, Mr. Chairman, and even there it only amounts to about thirty-four or thirty-five per cent.

MR. A. MURPHY:

What per cent of the people (inaudible).

MR. W. ROWE:

Oh, I do not know. Five per cent or so, I would say, in this Province because the average income is down around \$8,000 or \$10,000. It has increased. It is all thrown out of whack. There was a time when one could remember these figures because it did not vary so much from year to year, but because of inflation, the inflationary spiral where you have the dollar having decreased in value by nearly one hundred per cent since 1971, for example, it is pretty hard to keep a grip on what is the average salary in a province like Newfoundland now. But, certainly, the average salary is not \$25,000

MR. W. ROWE: a year and you would have about five per cent of the population with \$25,000 a year or more by way of income, taxable income. And this is the group, Mr. Chairman, that continues to support in a diminishing supply, I will admit, but it still continues to support in a half-hearted way this Government, or at least a substantial portion of them, say, take thirty-five per cent. In all other areas, Mr. Chairman, all other categories of wage earners in this Province the loss of support by this Government is absolutely phenomenal, unknown, unheard of in the annals of political history in this Province or in Canada as a whole. And, Sir, this is the reason why, and it is a Government which is blind to reality which does not see that, a Government which has grown stiff-necked and arrogant in power which does not see this simple fact, a Government where we have a Minister of Forestry who will rise in his place, Sir, and say, "I will put my political career on the line if there is anything wrong with this poison chemical, Matacil, which we are spraying". Who cares about his political career, Mr. Chairman? He might care about it but he is the only one.

MR. A. MURPHY: (Inaudible)

MR. W. ROWE: I am a little more concerned, and the hon. Minister of Environment should be a little more concerned, about the 600 children, 4-H children who are going out to camp.

MR. A. MURPHY: Yes, I am.

MR. CHAIRMAN (COLLINS): Order, please!

MR. A. MURPHY: But I would put one of Dr. Barnes against fifty of you (inaudible).

MR. W. ROWE: Who is Dr. Barnes?

SOME HON. MEMBERS: Oh, oh!

MR. W. ROWE: Who is Dr. Barnes? Some fellow paid by the Government. Let us get some independent research done on it. Some fellow who is - Some man - Dr. Barnes may be a great man, I did not raise the name, Mr. Chairman, in this Committee.

MR. CHAIRMAN (COLLINS): Order, please!

MR. W. ROWE: And the only - Where is the hon. House Leader now, Mr. Chairman? Why is he not rising up on a point of order and saying, "This is a scandalous situation we have here, injecting the name of a civil servant into the deliberations of the Committee". I did not raise the man's name but I will say this, that if I am given a man's name as an expert witness and I am in a court of law, the first question I will ask the witness is, where does he derive his income. Who is -

MR. A. MURPHY: He has been bought off.

MR. W. ROWE: No. I am not saying that, Mr. Chairman.

MR. F.B. ROWE: The hon. Minister said that.

MR. W. ROWE: The hon. Minister says that his environmental man is "bought off," Mr. Chairman, "bought off". If we are going to have evidence introduced into this Committee about a poisonous chemical affecting the lives of people, then let us have independent, expert evidence. Independent evidence.

And for all the Dr. Barnes in the world,  
Mr. Chairman, there are a half

MR. W. ROWE:

a dozen Dr. - who? Thurlow, is it, over there in Gander?

MR. NEARY: They laugh at him and jeer him.

MR. CHAIRMAN: Order, please! Order, please!

In Committee, in this particular circumstance, we are debating the principle of the bill that will arise subsequent to this resolution so that clearly the discussion at the resolution stage is broader than in clause by clause of an ordinary bill. But I feel nevertheless that the Committee would not want its discussions to range into areas that are only very tenuously related to the bill that is to come up.

The hon. Leader of the Opposition.

MR. W. ROWE: Thank you, Sir. If the hon. members opposite are going to distract me in my straight as an arrow argument on the principle of this bill and deviate me off into this detour and that detour, Mr. Chairman, Your Honour, I appreciate Your Honour's comment but a person's -

SOME HON. MEMBERS: Oh, oh!

MR. W. ROWE: Mr. Chairman, Your Honour is not quite so quick to jump when I am being harrassed by hon. members opposite.

AN HON. MEMBER: (Inaudible) now telling the Chairman (inaudible).

MR. F. ROWE: You are driving me beserk. You are absolutely right.

MR. CHAIRMAN: Order, please!

MR. W. ROWE: Mr. Chairman, may I have a little bit of silence.

MR. CHAIRMAN: I think that if there are too many interjections the work of the Committee will be impeded.

The hon. Leader of the Opposition.

MR. W. ROWE: Mr. Chairman, the point I was making, Sir, was that



MR. W. ROWE: this government has become arrogant and headstrong about what it is doing. It no longer cares if the interests of the people are being served, and as an example of that I mentioned the hon. Minister of Forestry and Agriculture, who, Sir, thinks that his political career is what is important in this, when nobody in the Province could care less about the pitiful state of his future political career, or any of his colleagues, could not care less, Mr. Chairman. What we are concerned with is what is in the best interests of the people of the Province. And this bill is an indication, like the minister's case in the area of spraying a poison chemical into water supplies and soil and the atmosphere of the Province -

MR. WHITE: (Inaudible) the people of the Province what was going on.

MR. W. ROWE: Mr. Chairman.

MR. NEARY: My young fellows will not be going out camping.

MR. W. ROWE: That is an example of it. Another example would be the hon. Minister of Finance bringing in a budget which has the effect of hammering into the ground everybody who cannot afford to pay taxes and who have low incomes, and giving a break to the corporate buddies of this government.

MR. NEARY: That is right.

MR. W. ROWE: That is a simple fact. It is not a matter of opinion, Mr. Chairman, it is a fact. The corporate income tax revenues go down this year. All other taxes go up. Income taxes on people making \$7,000 or \$8,000 a year, barely able to scrape along, revenues from those people go up.

MR. NEARY: Would government taverns qualify under that bill?

MR. MORGAN: I hope so.

MR. W. ROWE: There is another reason, Mr. Chairman, why this was brought in. Owners of clubs and taverns making profits

MR. W. ROWE: will get a break here, Mr. Chairman. But, Mr. Chairman, no break for people making \$5,000 or \$6,000 a year who must pay a whopping big sales tax, or must pay in income tax, or must pay for electricity, the rates of which were increased by this government a few months ago. Now, Mr. Chairman, give a break to the owners of clubs and taverns, give a break to people with small businesses making \$150,000 a year, give a break to them. It is a government, Sir, which knows that it is gone and therefore is no longer interested in passing legislation or having a financial policy which is in the best interests of the people. All it wants to do now is do what it can to serve its buddies while they are still in power and hope, Sir, that when they get out of power some of these matters will continue to remain in existence.

Well, let me inform the hon. Minister of Finance, Sir, that if, as, and when another party, this one here on this side of the House, has the opportunity to form the government in this Province, Mr. Chairman, we will turn their philosophy of taxation around. We will turn them around and people who have the large incomes by corporations or otherwise in this Province, Mr. Speaker, will not be the ones who will get the break. The people who get the break,

MR. W.N. ROWE: as far as we can do it from the mess that we will be taking over from or taking over when we get into power, into government, Mr. Chairman, as far as we can do it the financial philosophy of the new administration will be turned around and where a break can be given in the sales tax or the school tax or the income tax, Sir, it will be given to lower income people. And where there are any increases, Mr. Chairman, where there are any increases needed it will not come out of the hides of the low income earners in this Province, Sir, It will come out of the incomes of those companies and those people who can afford to pay it, not the companies making \$150,000 a year getting a break from taxes, Sir, but companies, Sir, making that kind of money will bear their fair burden of the taxation in this Province. And if any help is going to be given to corporate entities small or otherwise, Sir, let it be given to those companies and those corporations who are struggling along trying to keep employment going in their companies, trying to make a go of it. Let them get the break, let them get the help. If in spite of efficient management and through no fault of their own they are still having a time struggling along trying to keep their companies above water. Let them get help and a break from the government. Not as this government has done, Mr. Chairman, in this Bill, give that company or that corporation a smack across the face and hand out the benefits to the corporations making a \$100,000 or \$150,000 a year of taxable income. No, Mr. Chairman, we will turn the financial and economic philosophy of that government over there, the Tory philosophy, around, Sir, and help by good sound, fiscal and financial policy help those who need the help most and not the other way around as exists now under this Bill.

SOME HON. MEMBER:

Hear, hear!

MR. CHAIRMAN:

The hon. member for LaPoile.

MR. S. NEARY:

Mr. Chairman, I want to congratulate my hon. colleague, Sir, on an excellent presentation on this bill, Sir, which is a very difficult piece of legislation to understand..

AN HON. MEMBER: It is the fault of the legal draftsman.

MR. S. NEARY: No, it is no fault of the legal draftsman but it is the complicated formulas and procedures that are difficult to understand. Mr. Chairman, my hon. colleague did a fantastic job, Sir, in laying out the position, the philosophy of this side of the House as far as the implementation of taxes are concerned. The one we are dealing with here is an amendment to the income tax act, the income tax agreement.

I do not know, Sir, whether I will give my N.D.P. speech now or give my Liberal speech because this bill, Sir, is wide open for attack. Wide open! But I might start off by saying, Sir, that I have the feeling in the back of my head, and I want the Minister of Finance to straighten this out, that when the government increased the sales tax by 3 percentage points that they knew at that time that negotiations were already underway and that it was a conspiracy, Mr. Chairman, the negotiations so I am given to understand and the hon. gentleman can correct me.

MR. W.N. ROWE: Mr. Chretien said that.

MR. S. NEARY: Mr. Chairman, the negotiations were well underway.

MR. W.N. ROWE: Three weeks before the provinces had agreed.

MR. S. NEARY: Right. Mr. Chairman, negotiations were already underway between the Government of Canada and the provinces. And I do not know whether consultation had been held with this Province but I am very suspicious, Sir, I am suspecting, government is suspect the minister is a suspect as far as I am concerned, that they had an inkling that the Government of Canada was going to reduce the sales tax in the various provinces by exactly the same amount as this Province had increased it.

AN HON. MEMBER: It was ten per cent last year.

MR. S. NEARY: Oh, yes. I am sorry. I am thinking about something else.

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MR. W.N. ROWE:  
ten? Last year?

Well when did they increase it to

MR. S. NEARY:

Last year, that is right.

MR. W.N. ROWE:

So it is 3 per cent over -

MR. S. NEARY:

No. Well they did not know that

far back but they knew when they increased the sales tax. They had an inkling that the Government of Canada was going to wipe out three cents off the sales tax in the various Provinces of Canada where they had a sales tax. And I believe there is only one province in Canada that does not have a sales tax at this particular point in time and that is the Province of Alberta. They will have so much money that they do not know what to

MR. NEARY:

do with it. They will have a surplus, I believe, next year by -  
how much? Three quarters of a billion?

MR. W. ROWE: Their heritage trust fund is bigger than the -

MR. NEARY: Close to a billion dollars. And so, Sir, I would like for the minister to tell the House if the government had any inkling at all that the sales tax was going to be reduced by the Government of Canada. So, Mr. Speaker, one thing I would also like to know, and maybe I might at this point just give my little flick to the Government of Canada because when the Government of Canada decided to reduce the sales tax by three cents, in the provinces that have a sales tax, there was an election in the offing. And I believe somebody in this House last year or last session, I believe I heard the hon. member for Hermitage (Mr. Winsor) and I am not sure but I believe I heard my hon. colleague the Leader of the Opposition state so many times in this House that the only way districts can get any attention, any real attention, that can get the services and the things they are entitled to is to hold by-elections. Maybe you could apply the same principle to the Government of Canada. Now that the election has been postponed, will they now grant an exemption on the three cents on sales tax for another six months because the election, Sir, will not be over? I do not think the Government of Canada for one moment is going to cut off the reduction in the sales tax, to have it go back to eleven per cent in this Province before a general election or in the middle of a general election. How long is it off now? The first of April?

MR. HICKMAN: If there is a general election in the Fall it would most likely be -

MR. WHITE: If it is no good by then it will not matter.

MR. NEARY: Well, Sir, I hope the economy is booming by then. I hope, Mr. Speaker, there will be no need to keep it off, that we will be so prosperous in this Province that nobody will mind paying the eleven per cent sales tax. But I have grave doubts about that, Sir, and I have a feeling that the Government of Canada have got themselves now boxed

MR. NEARY: in a little bit. I notice the Minister of Finance is smiling when I say that, that the election will not be over and that Uncle Ottawa will have to make up his mind whether it wants to commit political hari-kari or grant a six months extension to the three cent reduction in the sales tax. I have a feeling myself that the parliament of Canada will be asked in due course to extend the period of time because of economic conditions, because of high unemployment or they will find some kind of a justifiable reasons for it, Sir. I have a feeling that if negotiations have not already started with my hon. friend then Mr. Chretien will soon be coming down in the Department of Transport jet, we will see her parked down here on the runway and -

AN HON. MEMBER: (Inaudible)

MR. NEARY: No. Not quite that bad.

MR. W. ROWE: Paranoia too.

MR. NEARY: Are you getting any of these germs? This is worse than matacil.

MR. HICKMAN: Before the hon. member of LaPoile (Mr. Neary) embarks upon another theme, would he please adjourn the debate so I can rise the Committee and get a report from them.

MR. NEARY: It will give me a chance to get my second wind.  
I move the adjournment of the debate.

MR. HICKMAN: I move the Committee rise, report progress and ask leave to sit again.

On motion that the Committee rise, report progress and ask leave to sit again, Mr. Speaker, returned to the Chair.

MR. CHAIRMAN: Mr. Speaker, the Committee of Ways and Means have considered the matters to them referred, have made some progress and ask leave to sit again.

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

MR. SPEAKER: I now wish to inform hon. members of the two matters of which notice has been given me for debate at 5:30 P.M. The first notice was given by the hon. the Leader of the Opposition arising from a question asked the hon. the Minister of Labour and Manpower with respect to negotiations with various groups in the Public Service, including X-Ray and lab technicians. In the second matter, notice was given me by the hon. the member for LaPoile arising from a question asked the hon. the Minister of Public Works of which the subject matter is the rental of office space by the provincial government.

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

COMMITTEE OF THE WHOLE

MR. CHAIRMAN: Order, please!

MR. NEARY: Mr. Chairman.

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

MR. NEARY: Mr. Chairman, I really believe, Sir, unless my political judgement is gone haywire altogether, that negotiations will be started in the foreseeable future to extend the period of time. As the minister indicated, I believe the three cent reduction in sales tax, the agreement will end the 1st of October.

AN HON. MEMBER: The 4th.



MR. NEARY: The 4th of October. And here it is now June - no sign of a federal election yet. It could very easily happen that we could have a federal election in the Fall; if not, definitely we will have it in the Spring, as soon as Mr. Goldfarb can get the polls up so that the -

AN HON. MEMBER: They are up now at last count.

MR. NEARY: Yes, they are up two percentage points. We are getting there and going up all the time as my hon. friend says. It could happen, Sir, that we could have a Fall election. So the Government of Canada are not going to be naive and foolish enough to cut off the reduction in the sales tax either on the eve of a federal election or in the middle of a federal election. So I look forward to another six months, look forward to a year of relief.

AN HON. MEMBER: How long -

MR. NEARY: This is a six month agreement. How long can the government go? They can go until next Fall, I believe it is - next Summer or Fall -

MR. HICKMAN: Next June.

MR. NEARY: - June, 1979. So I do not think for one moment that the Government of Canada is going to commit political suicide by cutting off this three cent reduction in sales tax. You will see it go on for at least another six months. Maybe the Minister of Finance may have some inside dope that he can tell us in this regard. I hope, Sir, that I am right, because never before, Sir, in the history of mankind were there a half million people who needed tax relief as badly as the people of this Province need it at the present time. They are the highest taxed people in the whole of Canada. We have the highest sales tax in the whole of Canada, and people, Sir, are just unable

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MR. NEARY: to cope. And I do not know, Mr. Chairman, I get calls every day from people who tell me that they cannot cope with the cost of living with the high taxes we have in this Province. Their husbands, they themselves, are not earning enough to live on. People who live on fixed incomes are struggling, are living below the poverty level. So, Mr. Chairman, I would like to see the tax cut go on indefinitely, but I know that cannot happen, Sir, unless the provincial government, itself, is prepared to make concessions.

Now, Mr. Chairman, that raises another matter, Sir, about our own government here making sacrifices and belt-tightening and carrying out an austerity programme. They said, Sir, it could not be done. Well, Mr. Chairman, we have seen in the last few weeks in California something new.

MR. NEARY: We saw, Sir, something happen in California that even the Governor of California fought against. The people in power and in authority and the bureaucrats fought against proposition 13. Proposition 13, as hon. gentlemen well know, was a grass roots movement that was spearheaded by various groups and individuals, some politicians, who wanted the State of California to reduce taxes. Reduce taxes, this was the ultimatum that was given to the government, to the State of California, the State Government; they were having an election for governor. The governor said, "No, we cannot reduce taxes." The people said, "Yes, you can reduce taxes." As a result there emerged proposition 13, a referendum. My hon. friend the Minister of Industrial Development is nodding his approval and I do not blame him, Sir. The hon. gentleman knows full well that it is possible to stop growth, to cut back, to cut down on extravagance and waste and as a consequence reduce taxes.

DR. FARRELL: Corner Brook has one of the highest taxes in Newfoundland.

MR. NEARY: Corner Brook?

DR. FARRELL: Yes, in the Province.

MR. NEARY: The highest property tax? Yes, well, I would not be a bit surprised because I have heard a few complaints from out that way about the high property tax.

But, Sir, they said it could not be done and the people of California have now given their governor, their new-elected governor and the State Government an ultimatum; 'Stop growth, stop your wild spending, stop your extravagance and waste, cut back wherever you can and reduce taxes.' That was the ultimatum that was given to the Government of California and they are now in the process of implementing the ultimatum that was

MR. NEARY: given to them by the taxpayers and by the people and by the voters in the State of Claifornia in the United States.

Now, California, Sir, is not so far removed as you would think from this Province. There are a lot of former Newfoundlanders, there are a lot of young ladies who met Americans when we had the bases in Newfoundland who are now living in California. California is not completely foreign to us. The hon. the Premier of this Province is very familiar with California.

PREMIER: And bill 13.

MR. NEARY: Proposition 13, is it?

PREMIER MOORES: Proposition 13.

MR. S. NEARY: The Premier of this Province is very familiar with the State of Claifornia. The hon. gentleman jets down there once in a while to have his weekend of golfing with Craig who, I understand, has an estate in California.

PREMIER MOORES: Is that right?

MR. NEARY: Yes, that is right, Sir. They have their weekends of golfing.

MR. WHITE: Have you been down there, 'Luke'?

MR. WOODROW: I am not going to say.

MR. NEARY: I do not know, I do not believe the hon. minister of Industrial Development has ever been - yes, I believe the hon. gentleman was down there once or twice.

DR. FARRELL: I have been in California three of four times.

MR. NEARY: Palm Springs, has the hon. gentleman been in Palm Springs?

DR. FARRELL: Yes, I have been there once.

MR. NEARY: In Palm Springs?

DR. FARRELL: Yes.

MR. NEARY: At Craig's estate.

DR. FARRELL: No. There is no estate.

MR. NEARY: No estate? What is it, a shack? Is it a tar paper shack the hon. gentleman has down there?

DR. FARRELL: There is no estate.

MR. NEARY: There is no estate. What is it? What does it look like?

MR. HICKMAN: I would not want to bend the rules of relevancy but I am sure -

MR. NEARY: No, this is very relevant, Sir.

MR. HICKMAN: It is!

MR. NEARY: The hon. Premier will not even have to pay board and lodgings. All the hon. gentleman has to do is hitch a ride down and if we could get -

MR. DOODY: Thumb a ride down.

MR. NEARY: Thumb a ride down, Sir, on one of the helicopters and while he is spending the weekend golfing perhaps he could invite the Governor of California out for an evening's golfing.

AN HON. MEMBER: Gerry Brown does not golf.

MR. NEARY: Gerry Brown does not golf?

AN HON. MEMBER: No.

MR. NEARY: Then what does he do?

MR. HICKMAN: He works. He works.

MR. NEARY: He works? I would not want the Premier of this Province to be exposed to Mr. Brown then because work may become contagious. And if work is contagious, Sir, the next thing you will know is that the Premier of this Province is going to be working and then

MR. NEARY: everybody is going to die of fright, shock, we will not be able to believe it. The hon. gentleman comes up and spends an half hour a day in the House and next week he will be telling us, he will be up saying, "Where is the Leader of the Opposition? I am here every day. Look, I only lost ten days this session. I only missed ten days." The hon. gentleman forgot to add his ten days, a half an hour day and sometimes not even that. Most of the time during the Oral Question Period the hon. gentleman is not in his seat to answer questions. So I do hope, Sir, that when the hon. gentleman is next exposed to California sunshine that the hon. gentleman will enquire about what is happening in the state of California, find out if it is possible, because the answer that we have been getting in this House, Sir, when the House is open and when the House is shut, the answer that we have been getting, especially from the former Minister of Finance, the present Minister of Finance and the Premier, there is no way that we can cut expenditure, no way we can do it. The Leader of the Opposition showed the House only a couple of weeks ago that if the government wanted to, by cutting out extravagance and waste and foolish spending, that the Province could save up to \$50 million. I bet you a dollar, Mr. Chairman, that in the state of California they do not have the Cadillac the posh helicopter service that we have in this Province. Revolt over taxes. They do not have Sealand Helicopters in the sky like bumblebees.

MR. WHITE: Gerry Brown drives a second-hand Chevrolet.

MR. NEARY: That is right, Sir. Gerry Brown does not have a Lincoln Continental parked out in front of his office. What is the name of the car he has?

MR. WHITE: A second-hand Chevrolet.

MR. NEARY: A second-hand Chevy. Mr. Chairman, I made a suggestion, Sir, last year in this House that was scoffed at and jeered at in connection with the cost of operating the Lieutenant-Governor's establishment. It was not said in any derogatory way because we are not permitted, Sir, under the rules of this House to criticize the judges of the Supreme Court, although I would like to have a go at them sometime, we are not allowed to

MR. NEARY: criticize the Queen or the Queen's representative. I noticed over in the parliament of Westminster though they had a go recently at Margaret about the money she is -

MR. HICKMAN: Wait now. Rephrase that.

MR. WHITE: So did Rodney -

MR. NEARY: Yes, Rodney might have had a go at her too, but - You can criticize Princess Margaret, you can criticize other members of the Royal Family and I believe, Sir, that you can have a little bit of criticism of the old Duke himself if you want to, but you must not in parliament criticize the Queen or the judges of the Supreme Court. You can haul the magistrates over the coals, which we so often do in the House, but I could never understand why we cannot criticize judges of the Supreme Court. But that is another matter and I will get on to that at some future date, Sir.

Last year when I suggested one of the methods whereby this government could save a few dollars was by reducing the cost of operating the Lieutenant-Governor's -

MR. HICKMAN: I am being what the hon. member for Eagle River (Mr. Strachan) now says is too factual, but may I for the record point out to the hon. gentleman that in this House you cannot criticize the old Duke or Princess Margaret.

MR. NEARY: You cannot criticize the Duke either.

MR. HICKMAN: Not disrespectfully.

MR. NEARY: Well I had a little go at him one time outside the House for something that was not my fault, by the way. In Gander when it was all arranged by the government's protocol officer for me to get the signature of the hon. gentleman, the Duke, to bring back to my kids, and it had been arranged and I was told what to do and so forth, the hon. gentleman almost walked on me getting out of the hall. But I did not mind that, Sir. I do not mind making a contribution towards the hon. gentleman's upkeep over there in Westminster.

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MR. NEARY: They are going to bring home the constitution  
now and there is no mention of the Queen at all.

AN HON. MEMBER: Bring over the constitution. Bring it over.

MR. NEARY: They are going to bring it over.



AN HON. MEMBER: The proper thing.

MR. NEARY: The minister's counterpart is going over next week to bring over the Constitution discuss it with the Queen and then bringing it back, as Mr. Diefenbaker so readily pointed out in the House of Commons yesterday, no reference at all to Her Majesty the Queen.

Now, Mr. Chairman, so what I suggested was that the Lieutenant-Governor perhaps he would not mind, His Honour would not mind when he comes up to sign bills in this House, driving up in a smaller car. No more than, I would hope, Sir, that the hon. the Premier, who only just lives a short walk from here, and they tell us you should walk a block a day, Participaction tell us in their commercials, walk a block a day. Well the Premier is no further than a block away from Confederation Building, yet he has a big Lincoln Continental, and the Governor of the State of California is driving around in a secondhand Chevy. Now there is the difference in peoples' thinking. Why would the - and I might say in reference to His Honour, the Lieutenant-Governor, Sir, the next time he came up to sign bills after I made that speech, I was looking out the window and His Honour drive up in a small car. Now I do not know if His Honour was paying any attention to what was going on in the House or not, but I believe he drove up in his private car, which is a small car, but the one that he drives compliments of the taxpayers is a big car.

MR. WHITE: When he goes out of town (Inaudible).

MR. NEARY: Yes. So, Mr. Chairman, we could start right with the Premier's office itself, work all the way down the line, eliminate some of the departments of government, cut back the number of members in the House, cut back the Cabinet, show the people of this Province that we are genuine and sincere when we talk about belt-tightening, and austerity.

MR. STRACHAN: Use the Public Tender Act.

MR. NEARY: And utilize the Public Tendering Act, and show the people that we are sincere, and then there would be no need, Mr. Chairman,

MR. NEARY: there would be no need to sock it to our people on the sales tax or on the income tax, which is now the highest in Canada.

Mr. Chairman, I would venture a bet in this Committee right now, Sir, that when the Government of this Province, when the Premier of this Province decides to call a Provincial General Election that you will see an uprising in this Province the likes of which you have never seen or heard tell of before. It will make Proposition 13 in the State of California look like small potatoes, that this is going to catch on, and it is going to go throughout North America like wildfire because every government, every national government, every Provincial government, every State government, every Municipal government, have been on a wild spending spree, and living beyond their means. And I have so often heard the Minister of Justice say in this Province that Newfoundland, Newfoundland does not contribute to inflation. Any government, Sir, that over spends and lives beyond its means, and any individual who does the same thing makes his contribution to inflation, Newfoundland included.

Mr. Chairman, there are so many ways that we could save dollars, Sir, instead of putting on taxes, instead of the minister having to come in here today with a complicated piece of - or with a bill with complicated formulas in it, that I do not understand, and I am sure that all of the - I do not even believe that the minister himself understands it. I paid attention to what the minister was saying when he introduced second reading of this bill, which is really what we are doing now, Mr. Chairman, we are debating the resolution which in actual fact is second reading of the bill, that is the peculiar procedure that we use when we are discussing finance bills, Sir.

The hon. gentleman in introducing this bill on second reading, Sir, spewed out jargon, made statements that I could not understand, I made some notes, Mumbo-Jumbo, legal jargon, only the minister could do with his trained legal mind. Nobody on this side of the House could follow the formula. Could my hon. friend follow it? I could not. I wrote it down; the minister told us that for the first \$100 of tax points the yield will be \$14 million, but we were going to lose \$24 million. Is that what the minister told us?

MR. HICKMAN: I said as a result of a reduction for six months from 11 per cent to 8 per cent that the amount - well you want to call it a loss, but the amount that we would have to be compensated for so that there would be no loss is \$24 million, of which we will get \$14 million income tax and the balance -

MR. NEARY: We will get \$14 million via this

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MR. NEARY: new agreement -

MR. HICKMAN: Yes.

MR. NEARY: - the six month arrangement with the Government of Canada we will get \$14 million but we are going to lose \$24 million -

MR. HICKMAN: No, no!

MR. NEARY: No? Well, explain it to me again, because if I cannot get it then, Sir, maybe one of the page boys could explain it.

MR. HICKMAN: If we simply dropped the retail sales tax three percentage points for six months the loss to the Province would be \$24 million, right?

MR. NEARY: Yes.

MR. HICKMAN: The Government of Canada put a proposition to the four provinces in Atlantic Canada and they said, 'If for a period of six months you will drop your retail sales tax by three percentage points, we will see to it that you do not lose any money -

MR. NEARY: Right.

MR. HICKMAN: - which means that out of the coffers - for want of a better word - of the Government of Canada must come \$24 million over and above that which they would normally pay to us under the equalization formula that applies to all Canadian provinces who qualify for equalization - okay?

MR. NEARY: Yes.

MR. HICKMAN: Now then, instead of saying, 'We will send you a cheque for \$24 million,' they said, 'We will assign to you additional percentage points of income tax which will total \$100 per capita, which is estimated that from this extra income tax which they will hand over to us instead of our keeping it, that is income tax collected

MR. HICKMAN: from Newfoundlanders, we will get \$14 million. That still leaves us \$10 million short, does it not? There they will pay the difference in cash - cold, hard cash on the barrel head. So there will be no loss, no increase in income tax, no nothing.

MR. NEARY: Well, that is the question. I was going to ask the minister. Actually that is what I was leading up to -

MR. HICKMAN: No!

MR. NEARY: - because the minister left the impression when he introduced this bill that there would be some manipulation of the income tax.

MR. HICKMAN: No, no, assignment of the tax -

MR. NEARY: But we are paying a higher rate of income tax this year than we did last year.

MR. HICKMAN: No.

MR. NEARY: No? No increase in income tax this year?

MR. HICKMAN: No.

MR. NEARY: And there will be no increase as a result of this reduction in the sales tax?

MR. HICKMAN: No.

MR. NEARY: Well, I hope the hon. gentleman is right, Sir, because that was sort of the impression that I got when the hon. gentleman introduced this bill.

MR. HICKMAN: This is why that section is so complicated and so technical. It is the provision for the assignment of income tax points, but it does not increase income tax.

MR. NEARY: Well, anyway, Sir, it was one of the smartest moves! The hon. gentleman, I believe, indicated at the time that it was a political gimmick.

MR. HICKMAN: No, I did not.

MR. NEARY: Well, somebody, I am not sure if it was the hon. gentleman or his boss, the Premier, but somebody on the opposite side said that it was a political gimmick. But if it was, Sir, then I would say it was a good political gimmick and it is the kind of concession, Sir, that I appreciate. The only think that I would complain about is that it is for too short a period. I would like to see it go on ad infinitum, indefinitely. And I believe, Sir, that -

AN HON. MEMBER: (Inaudible) keep reducing it.

MR. NEARY: Keep reducing it? Well, with the average income in this Province there should be no sales tax at all. The government, as I indicated, through elimination of extravagance and waste and - for instance, Mr. Chairman, I am told, Sir, as of this day that the new President of Newfoundland Hydro will receive an annual salary of \$75,000.

MR. WHITE: True or false?

MR. NEARY: True or false?

MR. HICKMAN: The hon. gentleman is fishing.

MR. NEARY: No, the hon. gentleman is not fishing.

MR. HICKMAN: Yes, he is.

MR. NEARY: Well, the Minister of Finance knows what it is. Am I close? Am I on the hitch? Am I burning? Is it \$75,000? Is it more or less?

MR. WHITE: A Newfoundlander gets less than a foreigner.

MR. NEARY: Well, I am coming to that, Sir.

MR. HICKMAN: Carry on.

MR. NEARY: Mr. Chairman, the hon. the Premier

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MR. NEARY:                   agreed to table the contract  
when it is signed. I do not know if it is signed yet  
or not, but my research

MR. NEARY:

indicates that the base salary for the new President of Newfoundland Hydro is \$75,000 a year. I mean, the government should not feel ashamed of it, Is it true or false? Is it correct?

MR. HICKMAN: No.

MR. NEARY: It is not correct. Is it more?

MR. HICKMAN: I say it is not correct.

MR. S. NEARY: Well is it more or less?

AN HON. MEMBER: More.

MR. HICKMAN: If I say it is more, the hon. gentleman will use one prong of the attack, if I say it is less he will say, 'What? You are not going to pay a Newfoundlander as much as you paid Mr. Groom?' So I think that ordinary prudence dictates that I listen attentively to the hon. gentleman as he addresses the subject before us.

MR. NEARY: Mr. Chairman, we are talking about taxpayers' money, Sir, and I am addressing my questions to the Minister of Finance, the protector of the public treasury, <sup>at</sup> least supposed to be the protector of the public treasury. And I have every right to ask the hon. gentleman what the salary of the President of Newfoundland Hydro, the newly appointed president, what is his salary? I am told it is \$75,000 a year. Now the hon. Minister of Finance indicates that it is much more than that.

MR. HICKMAN: I did not say it. I just said -

MR. NEARY: How much more than \$75,000?

MR. HICKMAN: I did not say any such thing. Stop fishing.

MR. NEARY: The hon. gentleman, Sir, indicated that it is more than \$75,000 a year.

MR. HICKMAN: The hon. gentleman did not indicate any such thing.

MR. W. ROWE: He gave that definite impression.



MR. NEARY: Mr. Chairman, all I have to do is keep my eye on the hon. gentleman, keep staring him in the eye. Watch his blood pressure going up and down. Watch his eyes instead of rolling heavenward, go down towards the floor, then I knew, Sir .

MR. HICKMAN: What does that mean? Up an increase.

MR. NEARY: The hon. gentleman got jittery, fidgety, and nervous.

MR. HICKMAN: When I look down does that mean an increase or a decrease.

MR. NEARY: And so, Sir, I would almost lay my sessional indemnity on the table of this House. -

MR. HICKMAN: Yes. All right now.

MR. NEARY: - if the minister will put up his, that the salary is more than \$75,000, the base salary.

MR. HICKMAN: You are on.

AN HON. MEMBER: It is between the two of you.

MR. NEARY: I am wrong?

MR. HICKMAN: You are on. The bet is on.

MR. NEARY: What?

MR. HICKMAN: The bet is on.

MR. NEARY: The bet is on.

MR. W. ROWE: Which means less. He is being discriminated against.

MR. HICKMAN: The bet is on now. The bet is on. I would ask that this be duly noted so that when the cheques are issued, you know.

MR. NEARY: Mr. Chairman, I would suspect, Sir, that I am right on, right on, dead on, that the salary is \$75,000 or more a year, plus fringe benefits.

MR. DOODY: Would you pay me the difference?

MR. NEARY: Now that is not quite as good -

MR. HICKMAN: There is a second bet offered you now.

MR. DOODY: Would you pay me the difference?

MR. NEARY: Will I pay you the difference of what?

MR. DOODY: The \$75,000 and the correct salary.

MR. NEARY: Yes, but more or less.

MR. DOODY: I did not say it.

MR. NEARY: Mr. Chairman, I will pay the gentleman the difference if it is less than \$75,000.

MR. DOODY: Okay. You are on. I said either way, it is fine with me. Now I gave you every opportunity, now your bluff is called.

MR. NEARY: No, Sir. No, Sir.

MR. DOODY: You just told me. There is a definite commitment, that you will pay me the amount that it is less than \$75,000 -

MR. W. ROWE: You will pay him if it is more.

MR. NEARY: In cash, and I will pay him if it is more in cash and in fringe benefits.

MR. W. ROWE: You will do anything.

MR. NEARY: In cash and in fringe benefits, Sir, I would say it is upwards of \$75,000. Okay? Are you on?

MR. DOODY: The bet is on for -

MR. CHAIRMAN: Does the hon. member wish to adjourn?

MR. NEARY: Yes, Sir, I move the adjournment of the debate.

MR. HICKMAN: I move that the Committee rise, and report progress and ask leave to sit again,

On motion that the Committee rise,  
report progress and ask leave to sit again. Mr. Speaker returned  
to the Chair.

MR. SPEAKER: The hon. Chairman of Committees.

DR. COLLINS: Mr. Speaker, the Committee of the Whole have considered the matters to them referred, have made some progress and ask leave to sit again.

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

MR. SPEAKER: It being five-thirty a motion to adjourn is deemed to be before the House. The first subject for debate, negotiations with various groups in the Public Service, including lab and x-ray technicians.

The hon. Leader of the Opposition.

MR. W. ROWE: Mr. Speaker, on a number of occasions in the past I have asked the hon. Minister of Labour to give the House some indication as to

Mr. W. Rowe: what are the matters in dispute between the Treasury Board and the Bargaining Unit representing the laboratory and x-ray technicians group, that bargaining unit. Sir, on at least two or three occasions that I asked that question I got an unsatisfactory answer, either because the minister has said, it is not in the best public interest to indicate what the matters in dispute are or because the minister did not have the detailed information, did not have a grip on the detailed information, did not have the information in his own mind so that he could give the House the benefit of his knowledge on the subject.

Now, Sir, I have only been asking the questions for one purpose and one purpose only, and that is to try to find out both for myself and members of this House, and the public, what exactly are the matters in dispute. To see whether the dispute which exists or the matters which are in dispute, Mr. Speaker, are sufficiently serious and important to put the health, maybe even the lives, of people in this Province at jeopardy because of the absence of the expertise provided by these groups, laboratory and x-ray bargaining unit, Mr. Speaker, as everyone knows is a province-wide unit of some, I believe, 500 members working in the approximately forty-six hospitals in clinics and institutions throughout this Province.

Already, Mr. Speaker, we are seeing pathetic cases, letters to the paper, and we are hearing about pathetic cases of people in pain, in agony, who are sick, who, because the services of this group have been withdrawn on a random basis so far, because of that, Sir, the treatment or the surgery or the benefits of the hospital facilities have not been available to them. Now, Mr. Speaker, the Minister of Labour refuses to give the information to this hon. House as to what is the point of conflict or the points of conflict between this group, this highly essential group to the health and safety of the people of the Province, Mr. Speaker, and the Treasury Board. I understand through my own researches and the information given to us by the picket line which has been outside of this building, and the people representing that bargaining unit, Mr. Speaker, I understand that the

Mr. W. Rowe: three points at issue are, the stand-by provisions the call-back provisions, and the steps on the salary scale.

Now, Mr. Speaker, the government has not seen fit to give any information publicly on this matter. I have received information from the other side, the bargaining unit. I have gone over their statement, Mr. Speaker, as to the points at issue in the stand-by, stand-by provisions in the contract requiring an employee to be available to return to work when required by the employer, Mr. Speaker. And I understand that there is a serious discrimination between employees in this bargaining unit who work with the larger hospitals and employees in this bargaining unit who work in the smaller hospitals, A very serious discrimination, so serious that there is a belief by some of the people in the - all the people in the bargaining unit, and a lot of people outside that there is a violation of Article 23, Section (2) of The Universal Declaration Of Human Rights which states that every one has an equal right or a right to equal pay for equal work. And what is happening in the stand-by provision of the contract, Mr. Speaker, is that there is not equal pay for equal work under that particular provision.

Now I do not know if the bargaining unit's position is correct or not. I must say, Sir, that I have a sneaking sympathy, without wanting to inject partisan politics into negotiations between a unit or public employees and the government, I have a sneaking sympathy for the position as it has been explained to me by this bargaining unit, by these x-ray and lab technicians, this group, this bargaining unit. I wish the minister would explain, not in the five minutes which is going to be available to him now, but explain in a lengthy statement to the House what are the problems involved in a negotiation between this unit and the Treasury Board. Call-back is another bone of contention, I understand. And the steps on the salary scale is another bone of contention which, as I understand it, Mr. Speaker, is highly discriminatory. Three of these things, Mr. Speaker, call-back, stand-by and steps on the salary scale as I have had

Mr. W. Rowe:       them explained to me, treat the employees, or some of the employees in this bargaining unit in a discriminatory fashion, in a fashion which is not fair, in a fashion which does not guarantee equal pay for equal work. And I would like to hear the government side of this serious question, especially, Mr. Speaker, as we are not talking about, say, truck drivers going out on strike, for example, and therefore a bit of road work may not go ahead, we are talking about an essential service in the area of medical health in this Province. And it is essential, Mr. Speaker, because it is an essential service, it is equally essential that the minister make the government's position clear and that every single step possible be taken to make sure that we do not have a full-fledged strike on our hands of this essential body of public servants, and thereby jeopardizing the health and safety of a body of people in this Province.

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

MR. ROUSSEAU: Mr. Speaker, first, if I may, put within context the situation as Minister of Labour. It has only been recent weeks or months that the Minister of Labour would make public the negotiations between an employer and an employee.

I do not believe that any details of the disagreement between both sides should come from either the management group or the labour group, that being the President of Treasury Board or the union.

Now, with that put in context, I mentioned the other day, I believe, when I answered a question from the hon. Leader of the Opposition what the points were, and they are the same ones: Stand-by, call-back and step progression. Now the details of that are such that any set of negotiations are fluid, as the hon. member for LaPoile (Mr. Neary) knows, who was Acting Minister of Labour for a year.

What I might say now in ten minutes may be different because there is bargaining going on between both sides. But one never knows what the situation is. Now, what have I done? I talked yesterday to Mr. Ryan, and I have talked to both sides. Mr. Ryan asked to see me and I saw him two weeks ago Monday. He asked me for a mediator and I said I would give him an answer by last Friday. I gave the answer on Friday. I gave it, as I had a meeting with Mr. Locking, to Mr. Locking and Mr. Ryan was saying he did not know. Well, Mr. Locking probably did not get a chance to tell Mr. Ryan before he made that statement.

On Saturday and Sunday we worked behind the scenes with Treasury Board. On Monday morning we met with the Negotiating Committee of the X-ray and Lab Technicians. Yesterday I asked both sides to go back to the table with my Deputy Minister, Mr. Blanchard, and the meeting, hopefully, was to be today.

MR. ROUSSEAU: But because the bargaining unit's negotiating team are spread throughout the Province, they cannot get in until tomorrow and meetings will take place tomorrow morning beginning at nine thirty in respect to that dispute.

There is always work behind the scenes. Sometimes it is just not in the public interest for the supposed neutral person - the Minister of Labour who is very suspect by the public servants because they think the Department of Labour and the minister favours the part of government - to try and retain an objective position in any dispute between government and between its public service. That is why I believe that any statements should come from the President of Treasury Board or from the chief negotiator or the unit negotiator for the bargaining situation.

I am prepared to say, as I said last week, what the items in dispute were in generalities. I am not prepared to say what the positions were. Hopefully, tomorrow we will get both sides. In talking to my colleague the Minister responsible for Treasury Board, the President of Treasury Board, he is sending his negotiators back with an open mind. I understand from Mr. Ryan, who is the negotiator of this unit, that their people are going back with an open mind and we hope that we will be able to thrash out some settlement in this dispute.

As I say, we have already met with Mr. Locking and that bargaining Committee on Monday morning for a couple of hours; we have already talked to Treasury Board on a number of occasions. We think we know the situation, but to say it now before the negotiating Committee knows it - you know, one of the big things we have to remember is we like to think in the Department of Labour that we are told things in confidence by Treasury Board, how far they might be able to go; by the union, how far they are able to go or give. It is give and



MR. ROUSSEAU: take and if I start saying here in the House of Assembly, above the heads of the Treasury Board negotiating team, or any negotiating team for management and the union, what is going on, that leaves very little for the collective bargaining process.

It is as I say, Tomorrow morning, Mr. Speaker, we will be convening a meeting, Mr. Blanchard with the X-ray and Lab negotiating unit and with Treasury Board and both sides have indicated they are going back to the table with an open mind. We will stay with it and do everything we can in order to ensure a successful collective agreement, but I am not prepared at this time to give the details of that because it is unfair, I think, to both sides to have everybody know it before a final agreement comes to the difference in the conclusion of the contractual arrangement.

MR. SPEAKER: The second matter for debate is the question of rental of office space by the provincial government.

The hon. the member for LaPoile.

MR. NEARY: Mr. Speaker, for several years now we have been trying on this side of the House to find out what the government's policy is on the rental of expensive office space, especially in the city of St. John's, to house the public servants. There still, Sir, would appear to us to be no rhyme or reason to what the government are doing. They do not seem to have any policy at all when it comes to the rental of office space for the future. The Minister of Finance told us the other day that his colleague, the Minister of Transportation and Communications, and the Minister of Public Works are desperate for office space - cannot wait to get the House closed to go out and make some deals that are now in the process. We hear that the owners of Atlantic Place are down trying to renegotiate a new tax agreement with the city of St. John's so that they can rent three floors of Atlantic Place to the government to move 1,200 public servants downtown. Well, now, Sir, that may be all very well and good. We do not know if it is a good deal or a bad deal. The minister told us that so far the rates were a little bit out of line with what the government wanted to pay. Well, we hear report, Sir, that a certain gentleman whose proposal was debated in this House recently, who had an agreement with the government to put up a new building, we are told that this gentleman somehow or other got himself jammed in the middle for two dollars a square foot as the agent for the government. Now this is what we are told. It may be

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MR. NEARY: completely false. We are told that there is a gentleman, a good buddy of the Premier's, who was referred to earlier this afternoon, who has a little tarpaper shack in California, has jammed himself in the middle of this deal and is going to rip off a couple of dollars a square foot for acting as the government's agent. I hope it is not true. I want the minister to tell us it is not. But therein lies the problem, Sir; we have not been able to get very much information from the government on the rental of office space. The Premier and the ministers have been misleading the House for years on this matter, have been promising a select committee to examine all aspects of office space. We have not seen hide or hair of that. That is another promise the Premier has not kept. Three years running now the Premier said, "The fairest and most impartial way to do it is to have a select committee of the House to go over all the matters of office space." There is no sign of it yet, Sir, and it looks like we are not going to get it. Now the Minister of Transportation and the Minister of Public Works are desperate for office space - cannot wait another second, another day - they are going to kick out people down here in Philip Place. Some of them are going to scurry over to the new Workmen's Compensation Building, some of them will have to find their nest in other parts of the city. And I would suspect that some of them may end up down in Atlantic Place.

So the government has no policy, Sir. They do not know where they are going, what they are doing in this matter of office space. They are scattered all over St. John's, helter-skelter all over the place. People who come in from outside St. John's do not know

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MR. NEARY: where to go.

AN HON. MEMBER: Move them out to St. Luke's.

MR. NEARY: Well, I am coming to that, Sir.

And all it does, Mr. Speaker, is reaffirm the government's reckless dedication to increasing the Public Service in this Province to the extent that now, Sir, we do not know where we are going, we do not know what the cost is going to be for the future. Mr. Speaker, I would think that what the government should be doing right now instead of expanding, renting expensive office buildings and office space, is to put its foot down firmly on any further expansion in the Public Service; drop this idea that the government now has and seems to be wanting to ram down everybody's throat, the idea of adding another layer of government for the Avalon region, and move a lot of the officials that are now in offices in St. John's out into the field where they can do a better job for the taxpayers and for the people of this Province.

So, Mr. Speaker, when the minister gets up now to answer me, I hope the hon. gentleman will be able to tell us that there is going to be a select committee, that there is going to be an investigation into the Dobbin agreement, that not one cent will be paid out of the Public Treasury to Mr. Dobbin to take care of his expenses that were incurred as a result of this agreement that he had with the government that was broken, and that the minister will tell us they are going to put their foot down and there will be no more growth in the Public Service. Such measures, Mr. Speaker, would not only make for far better service to the public, to the people of this Province, but would also eliminate the need for renting any more expensive office space, especially here in the city of St. John's.

MR. SPEAKER: The hon. Minister of Public Works.

MR. DOODY: Mr. Speaker, thank you very much, unaccustomed as I am to public speaking. The questions that the hon. gentleman opposite raised were raised at Question Period a little while ago and the answers as were given at that time remain very much the answers that are available for the House at this particular time.

MR. S. NEARY: (Inaudible) and I complemented you.

MR. DOODY: Mr. Speaker, can I have your protection, please?

There are several points that were raised over there. I do not know whether they were done deliberately to try to debate, or to bait or debate items that are - or raise other points of question or innuendo or suspicion; this \$2 per foot that some gentleman who has a tar paper shack somewhere in the United States is rumoured to have inserted himself between the Government of Newfoundland or the Province of Newfoundland and somebody who has space to rent is something that is entirely new and news and to me.

MR. NEARY: (Inaudible) to rent.

MR. DOODY: I certainly hope that it is not true and to the best of my knowledge and ability it is not true. I cannot imagine that it is true. It is just too foolish to even consider. Certainly I cannot imagine anybody in this government getting involved in a deal like that.

MR. NEARY: (Inaudible).

MR. DOODY: Does the hon. member have five minutes, six minutes, or unlimited time, Your Honour?

MR. SPEAKER: The hon. gentleman has the right to speak without interruption.

MR. DOODY: Right. Thank you, Sir. The hon. gentleman further stated that the Minister of Finance has said that the Minister of Public Works is desperate to get the House closed so he can rush out and arrange some deal with some parties unknown to obtain office space for various and sundry people, of unspecified amounts of space

MR. DOODY: and so on. I can assure the hon. member, and hon. members of this House that (a) I am not anxious to have the House closed or desperate to have it closed, or even anxious to have it closed. I find it very comfortable here in the House. I would be delighted to spend most of the Summer here. I live here in St. John's. It is certainly no inconvenience. I was elected to serve the district of Harbour Main - Bell Island in the House of Assembly. I am only too pleased to do so. And if the members of the hon. House want to keep it open until Christmas that is perfectly fine with me, Sir. That is what I was elected for and I would be only too delighted to stay here.

SOME HON. MEMBERS: Hear, hear!

MR. DOODY: I would like to put to rest also these terrible, awful, absolutely ridiculous and unhealthy rumours that we are about to dispatch some poor tenants out of Philip Place and throw them out into the street. I want to tell these people in Philip Place now that they can relax, be comfortable; it is not the intention of this ministry, of this government, of this Province, to throw anybody out into the street under any circumstances, particularly not the people representing one of the most efficient departments in this government.

The idea of sending the Public Service out into the field, to disperse them further, has merit. In one respect we have opened regional offices in various parts of the Province for various departments. I do not think that this can be expanded on to any great degree further because it is contradictory to what the hon. members opposite have been saying about the proliferation of offices around the city of St. John's. If indeed we have offices scattered around the city of St. John's that make it inconvenient for people who visit government on business, then how much more difficult and inconvenient would it be if the departments themselves were scattered in various towns and communities around the Province. And so to that extent a person who has some business with Municipal Affairs and with Transportation and Communications, would have to

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MR. DOODY: visit one minister in one part of the Province and another minister or his officials in another part of the Province and I think that that would be a great deal more inconvenient than it is at present.

Obviously the solution would be ultimately to get a building erected on public tender and hopefully that that will eventually be the outcome of all these discussions. For the present time it may be necessary to go to tender for leased space, which I mentioned earlier, if so it will be publicly tendered

MR. DOODY:

and publicly announced; it will be a relatively short-term effort while the long-term solution is arrived at.

As for the policy of this government in space rental, Sir, I can only say that the policy is a very clear and definitive one and that is to obtain adequate space to efficiently and effectively operate the affairs of the Province of Newfoundland at the least possible cost to its taxpayers.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

The motion before the Chair is that the House now adjourn. Those in favour 'aye', contrary 'nay'. In my opinion the 'nays' have it. I leave the Chair until eight o'clock this evening.



VOL. 3

NO. 92

PRELIMINARY  
UNEDITED  
TRANSCRIPT

HOUSE OF ASSEMBLY

FOR THE PERIOD:

8:00 p.m. - 11:00 p.m.

THURSDAY, JUNE 15, 1978

The House resumed at 8:00 p.m.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please!

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

MR. CHAIRMAN: Order, please!

Bill No. 36. The hon. member for LaPoile.

MR. NEARY: Mr. Chairman, I am just checking with the table, Sir, to see if I have another forty-five minutes. Yes, I do. We can go on, and on, and on. We can debate forever on second reading on this bill providing we follow the rules of the House and we are not repetitious. So, I intend, Sir -

MR. SIMMONS: And relevant.

MR. NEARY: - and we have to be relevant.

Before the Committee adjourned, Sir, this evening, because on Thursday as Your Honour knows the House has to adjourn to make way for the Late Show, I was talking about extravagance and waste which causes these increases in taxes. We saw the same thing happen last year, the year before, and pretty well every year since this hon. crowd of turkeys took over the Government of this Province, Sir.

MR. CHAIRMAN: Order, please!

MR. NEARY: No, 'turkey' is parliamentary, Sir.

MR. F. ROWE: It is a colloquialism, Mr. Chairman. It is a modern day colloquialism.

MR. NEARY: It is a new word I am injecting into the debate, Sir. Not quite as bad as 'bull' or 'fuddle-duddle'.

Mr. Chairman, we were talking about -

AN HON. MEMBER: You cannot call an hon. gentleman, a turkey.

MR. NEARY: The hon. crowd of turkeys. No, Sir, that is parliamentary. You will find nothing - You cannot refer to an hon. gentleman as an animal, but you can refer to him as a bird.

MR. DOODY: A Thanksgiving species.

MR. NEARY:

That is right.

MR. HICKMAN:

I think that the hon. bird opposite is making a mistake. The term is unparliamentary.

MR. NEARY:

No, Sir, you will not find it listed, Mr. Chairman.

MR. DOODY:

The hon. gobbler -

MR. NEARY:

I tell you, Your Honour can research it and five, or ten, or fifteen minutes from now if Your Honour comes across it being unparliamentary I would be glad to have instructions from the Chair.

But, Sir, we were talking about extravagance and waste, and I am not going to draw the House's attention to any scandals tonight. God only knows, we could do that if we wanted to. It is the extravagance and waste and mismanagement and the wild spending sprees that this Administration has been on over the last six or seven years that have been causing taxes to increase. My hon. friend, the member for Exploits (Dr. Twomey), I am sure, will agree that one of the reasons that we have been preaching to this Government about stopping the growth of the Public Service and cutting back on extravagance and waste. - We have a case before us now, the Collavino Brothers, the low bidder on the Hinds Lake project. The low bidder.

Mr. Chairman, there was a statement on the news this evening that I -

MR. DOODY:

Would Edgar Bergen please control himself.

MR. NEARY:

I beg your pardon.

MR. DOODY:

Edgar is getting carried away.

AN HON. MEMBER:

Tenders have been re-called.

MR. NEARY:

They are calling tenders again? In other words they are going to go to public tender again.

MR. DOODY:

Exactly. But only those companies that bid before -

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MR. NEARY: Ah, yes. That is right. That is what I wanted to find out. But it is not public tendering, Sir. It is not public tendering. They are only inviting tenders, re-calling tenders for the companies that bid on the project and Collavino Brothers, apparently, are the low bidders by - How much? Six, seven, eight million.

AN HON. MEMBER: Nine million.

MR. NEARY: Nine million. They could very easily now put in an extra four or five million and still get the contract. A mainland company!

Mr. Chairman, I believe that if the Government followed its own public tendering procedure - First of all,

MR. NEARY:

I would say, collect the bond from Collavino Brothers. Do not put up with any nonsense from them. Do not let them get away scot-free. They are not a Newfoundland company. I checked it out with the registry the other day. There is no such thing as Collavino Newfoundland Limited. It might be Collavino Sicily Limited but not Newfoundland Limited. And they come back - this is a new procedure now, a new technique in public tendering now, make a mistake and notify the government before the public tenders are open, oh we made a mistake in our bid. Well that is all right the government says, Newfoundland Hydro in this case which is the government, they say, do not worry about it we will open up the public tenders and we will make a note of your complaint, of your letter saying that you made a mistake in your bidding. And when they are opened up, lo and behold, they are the lowest bidder by between \$8 million and \$9 million. And then they come back and say, well that is all right, give us a chance to make it up and we can make it up and we can still be lower than Lundrigans which is a Newfoundland company, the high bidder, and a very good company.

MR. DOODY: Who is that?

MR. NEARY: Lundrigans.

MR. DOODY: Lundrigans.

MR. NEARY: Lundrigans.

MR. DOODY: One of the best, one of the better companies.

MR. NEARY: They are one of the better companies and they have asked this government for nothing. They were scandalized and crucified before this government took over, LSDed as the hon. gentleman will remember. Now they are over in Iran doing work for the oil companies and for the government, in Iran. They do not need this hon. crowd here. They are a good company.

MR. DOODY: Will I convey that message to them on behalf of you.

MR. NEARY: No, Sir, I want nothing off them. I never got anything off them in my life. I want nothing off them.

MR. DOODY: Because we would like to continue to do business with them. I wonder why you are so upset.

MR. NEARY:

Well I am saying to the hon. gentleman and the hon. gentleman is agreeing with me, they are a good company. The hon. gentleman should hear the remarks of some of his colleagues about that particular company and what they did after the government changed and they talk about scandals. The Liquor Store Commission of Enquiry, the hatchet job that was done by this Tory hack. The scandals!

Well, Mr. Chairman, the kind of scandals that this crowd were trying to dig up, Sir, makes the former administration look like Charlie's Angels.

MR. DOODY: The forum intellect and quality.

MR. NEARY: Mr. Chairman, Collavino as I understand it are now trying to avoid having the bond called, the penalty. I do not know how much they put in the kitty. I do not know how much the bag man if he got anything got who tried to swing that one. They should not be allowed to do it. That is the kind of thing that drives up taxes in this Province, companies like that ripping off. Mr. Chairman, as far as I am concerned if the government are going to recall public tenders they should recall public tenders full stop, period, not just go back to the companies that bid. I will bet you in the process, Sir, they would save the taxpayers of this Province millions of dollars.

Now, Sir, that everybody knows what the bidding is like, now that everybody knows the highs and the lows, Mr. Chairman, they have sharpened their pencils as the hon. gentleman said and you would get some fierce competition and fierce bidding and the net result would be that the taxpayers of this Province would be the winner. And if we did that sort of thing instead of pussyfooting around and the government taking instructions from the likes of Collavino Brothers who are moved into this Province on a large scale - they do not pay any taxes here, Sir. Well maybe they do pay some taxes here. Maybe they do. They are a mainland company. Their head office is in Ontario. Well I say the head office is Ontario but that is probably just a process whereby the Newfoundland dollars and the Canadian dollars find their way down to Sicily, down on the tip of the

MR. NEARY:

Foot. That is probably just a method whereby the Newfoundland taxpayers dollars and the Canadian dollars filter through on the way to Sicily.

MR. DOODY: I have got to listen to this because I always value the voice of experience.

MR. NEARY: That is right.

MR. W. ROWE: What is going on now? How did we get over in Sicily?

MR. NEARY: Mr. Chairman, my hon. friend wants to know how we got over in Sicily. We are talking about

MR. NEARY Collavino Brothers who have moved into this Province on a large scale over the past several years, on a large scale, Sir. They did a project down in Rose Blanche cost-shared by the government of Canada and by the province - oh, the hon. gentleman said did it well - the hon. gentleman must have a high regard for his buddies, Collavino's, who like wrestlers, I am told, like big wrestlers. Maybe they got an abdominal stretch on the hon. the Premier.

MR. ROWE: A full Nelson.

MR. NEARY: The full -

MR. CHAIRMAN: Order, please! I would ask the hon. member - order, please! I would ask the hon. member to get to the subject of Bill 36.

MR. NEARY: Yes, Sir, we are talking about taxes and I am pointing out to the government, Sir, methods whereby they can economize -

MR. ROWE: They drop-kicked the government.

MR. NEARY: - save money and I would say, Sir, that one of the ways to do it is to not let Collavino Brothers or anybody else kick the government around; that the government collect their bond; collect the 1., what is it, 1.3, 1.4 million dollars - put it in the public treasury and recall the tender, Sir, and let them sharpen their pencils, and the real winners will be the people of this Province. Mr. Chairman, there are so many other examples, Sir, of extravagance and waste. I spoke this evening, Sir, briefly and asked the Minister of Transportation a couple of questions about Eastern Provincial Airways. Eastern Provincial Airways, as your honour knows, was financed out of the public treasury and it is a Newfoundland airline, and their first loyalty should be to Newfoundland. And I believe, Sir, two and a half years ago when they made their bid to build a new training institution over in Halifax, Nova Scotia, that I was the only one, I believe,



MR. NEARY: who stood in this House, hon. gentlemen may recall, and condemned this government for allowing the government of Nova Scotia to steal this training centre right out from under their noses - right out from under their little beaks - their long beaks. As a result of it today, Sir, we have a dwindling number of taxpayers in this Province. The captains, the first officers, the stewardesses, the flight attendants and others in the last few weeks and the last few months have been moved over to Halifax; and Eastern Provincial airlines, which is a Newfoundland airline because it was financed by the taxpayers of this Province and their first obligation should be to Newfoundland, have apparently adopted some kind of an insidious plot to scale down the operation in Newfoundland and to make Halifax the power-base, and have the airline run from Halifax. And that dwindles the number of taxpayers in this province, Mr. Chairman, and the number of taxpayers in Newfoundland are dwindling all the time. The more people who become unemployed, the less number of taxpayers we have; and the burden then becomes heavier and greater on the dwindling number of taxpayers - the number of taxpayers we have left. So, therefore, we have to keep raising taxes to try to keep ahead of the game, Sir. We can see it now happening with Eastern Provincial Airways.

MR. DOODY: I must have missed something.

MR. NEARY: Yes, my hon. friend did miss something. The government of Nova Scotia about two a half years ago took the initiative -

MR. DOODY: Oh, yes, I heard that this afternoon.

MR. NEARY: Yes, and the hon. gentleman could have heard it two and a half years ago -

MR. CHAIRMAN: Order, please! The Chair has difficulty in hearing the hon. member because of the noise from my right and left there. I ask the hon. members to be quiet.

June 15, 1978

Tape 4470

GH-3

MR. NEARY:                    Approximately two and a half years ago  
the government of Nova Scotia took the initiative when my hon.  
friend, the member for Gander (Mr. H. Collins) was a director  
of Eastern Provincial Airways -

MR. NEARY: took the initiative and they got this training centre for Halifax. This government did not lift a finger up to the time that I raised it in this House and it was too late, and consequently today, Sir, we see a policy of - it is not announced - it is not an announced policy - it is just sort of a thing that - I would not say they were doing it in a kind of sneaky way but they are just gradually taking away little bits and pieces - moving it over to Halifax and I would say, Mr. Chairman, that out of close to sixty captains and first officers who lived and worked in this Province, I would say for the last several years, out of the sixty I would say that forty-odd have already moved to Halifax. And the minister told us this afternoon -

MR. DOODY: Forty-odd?

MR. NEARY: Forty-odd, I would say, or more, close to fifty - forty-three, forty-four maybe have already moved to Halifax. That means, Sir, that they no longer received their wages in this Province, they no longer pay taxes in this Province, they no longer buy things in this Province, they no longer pay the SSA tax that we are talking about in this Province. The income tax goes to the government of Nova Scotia and the sales tax goes to the government of Nova Scotia. If we do not watch ourselves, Sir, with this insidious plot, and I do not know who is responsible for it, I have my suspicions, that all Newfoundland will be, for Eastern Provincial Airways, just station stops around the route the same as Air Canada has. The power will be over in Halifax - the balance of power.

MR. DOODY: Another great Liberal concept.

MR. NEARY: It is a great Liberal concept? I am suggesting to the minister that he put a stop to it - that is the Liberal concept. Mr. Chairman, Eastern Provincial Airways tried it once before. They tried it twice before - once I

MR. NEARY: remember they wanted to move into St. John's, I think it was, once they wanted to sell the airline. Mr. Chairman, we put a stop to it. We put a stop to it, Sir. It is a big industry in this Province. It is a good airline. It is a Newfoundland airline, financed by the taxpayers of this Province and we are proud of it and we are not going to let it go. That is the Liberal policy and the minister would have sat back if I had not asked him a few questions about it this afternoon - would have sat back and let them keep chipping away the same as they let the training centre go to Nova Scotia by default. They would have let all the employees including the maintenance department be shifted over to Halifax. It is only a matter of time, Mr. Chairman, only a matter of time when the whole works and all they will have in Newfoundland is the bare essentials - a skeleton crew-and Newfoundland will be used by EPA for station stops and all they would have is their people along the route servicing the same as Air Canada has now. That is what it is headed for and my hon. friend had better buck up.

MR. DOODY: We had better get a letter off to the federal authorities.

MR. NEARY: That do you mean, the federal? The federal authorities have nothing to do with it. It is our airline. Look, Mr. Chairman, right in the loan and guarantee act - the loan and guarantee act - Eastern Provincial Airways \$6,000,000 - refinancing. The hon. gentleman tried to do a low, dirty sneaky thing this afternoon by saying Ottawa put the training centre there. There is DREE money that went into it that could have gone into this Province, in Gander, if this government had been willing. If this government had been willing to do what Nova Scotia did, that training centre would have been out in Gander. That is where it could have been.

MR. NEARY: No wonder they are going around Gander with a petition asking for the resignation of the hon. member -

SOME HON. MEMBERS: Oh, oh!

MR. H. COLLINS: We put fifty times as much money in Gander as the government put in Halifax. We did not get a cent from the federal government in Ottawa.

MR. HICKMAN: What in Gander?  
Go away, what about TOPS? Ever hear of TOPS in Gander?

SOME HON. MEMBERS: Oh, oh!

MR. CHAIRMAN: Order, order, please!

MR. NEARY: Mr. Chairman, I do not mind, Sir, at all because I like interruptions and interjections. I like to hear my hon. friend take the bait because, Sir, my hon. friend should, Sir, should very well be interested in what I am talking about because, Mr. Chairman, it could be quite a blow to the economy of Gander.

MR. NEARY:

Because, Mr. Chairman, it could be quite a blow to the economy of Gander if this insidious plot on the part of the operations manager or somebody else in EPA, if this insidious plot is allowed to continue.

MR. F. ROWE: Do you hear what he said (inaudible) masturbating?

MR. NEARY: Well at least it is not intellectual masturbation as my hon. friend - that is what happens when the government meet on the eighth floor. That is what you get.

MR. DOODY: Maybe the previous government.

MR. NEARY: Pardon?

MR. DOODY: You have a long memory.

MR. NEARY: That is right, Sir, a very long memory.

Mr. Chairman, I am against an increase in the sales tax. I am all for reducing the sales tax. And I referred this afternoon to proposition 13, Sir, which was a plebiscite or referendum carried out in California recently giving the governor, the newly elected governor and the state government an ultimatum to reduce taxes.

MR. DOODY: They all -

MR. WHITE: By 57 per cent.

MR. NEARY: By 57 per cent. Can my hon. friend, the Minister of Finance who is now going up behind the curtain for a secret meeting. No deals. No deals. The House is not going to close. There is no way they are going to get her closed up, Sir, before the middle of August anyway. We might give them regatta day off but after what happened in this House yesterday, Sir, there is no way that we are going to be dictated to.

SOME HON. MEMBERS: Hear, hear!

MR. DOODY: We got the air conditioning fixed.

MR. NEARY: Yes, Mr. Chairman, yesterday the sweat was rolling off us in the house, no air conditioning. This is typical of this government, Sir. Today it is enough to freeze you outside and the air conditioning is on.

MR. DOODY: But there is still a lot of hot air around.

MR. F. ROWE: Another misuse of the taxpayer's money.

MR. CHAIRMAN: Order, please!

MR. DOODY: We are going to be here until August so it is just as well to be comfortable.

MR. CHAIRMAN: I would ask the hon. member to refer it back to Bill 36, "An Act To Amend The Income Tax Act."

MR. NEARY: Mr. Chairman, proposition 13, Sir, is going to spread like wildfire on the North American Continent and rather than increase taxes the government of this Province should follow the example of California where -

MR. DOODY: Lay off policemen.

MR. NEARY: No, Sir. The hon. gentleman says, lay off policemen. All you have to do, Mr. Chairman, if you want to stop your increases in taxes is stop the growth in the public service that I spoke about today. You do not have to lay anybody off. Stop the growth. That is all you have to do. Get rid of Parkinson's law, Mr. Chairman, that the Bureaucrats seem to have adopted in this Province and the Peter principle.

Mr. Chairman, we were talking this afternoon about the rental of office space.

MR. DOODY: There is no reason why we should not go through that again.

MR. NEARY: Yes we should go through that again. Why should we not?

MR. DOODY: Why spoil a perfect record?

MR. NEARY: That is right. The hon. gentleman had the last word. But the hon. gentleman only thought he had the last word.

MR. DOODY: I am sure I had the last word. They will not close the coffin in on me.

MR. NEARY: Mr. Chairman, this is not a funny topic, Sir, it is a very, very serious matter when you are talking about increasing taxes and socking it to the little man. The little fellow is the one you are socking it to and you are giving your buddies the breaks. It is always the little man who pays, the one who can least afford it.

MR. DOODY: I will explain the service to you.

MR. NEARY: Yes, perhaps the hon. gentleman can. There was a time when the hon. gentleman would subscribe to our philosophy on this side of the House though. There was a time until the hon. gentleman got in with that hon. crowd over there and lost all his principles, out the window.

MR. DOODY: Picked up some.

MR. NEARY: Ah, picked up some all right.

MR. DOODY: Celebrating D.Day.

MR. NEARY: That is right, Sir.

MR. DOODY: The hon. member and I had occasion to discuss it

MR. NEARY: That is right.

MR. DOODY: - over a bottle of wine at the Newfoundland Hotel.

MR. NEARY: That is right. That is right, the time that they opened up the vats of the local breweries here



MR. NEARY: - and defeated the NDP, Newfoundland Democratic Party, Sir -

MR. DOODY: New Democratic Party.

MR. NEARY: No, Newfoundland. It was a forerunner of the NDP. We had an idea that they were going to form a new labour party in Canada that was going to be called the New Democratic Party.

MR. DOODY: An amalgamation of the old CCF party.

MR. NEARY: No, it was an amalgamation of the TLC and the CCL, and the labour party at the time was the CCF because I was at the merger convention in Toronto.

MR. DOODY: That is not why it happened.

MR. NEARY: What is not why it happened?

MR. DOODY: Because you were there.

MR. NEARY: No, I happened to be there, Sir, for that very - I was there when the CLC was formed and I was there when the groundwork was laid for the New Democratic Party, and I am not ashamed of it, Sir, and I never will be. One of the best experiences I ever had in my life was in the trade union movement, and, Mr. Chairman, Your Honour may wonder once in awhile why I am not like the academics in this House, why I am not so mild, why I am not so mild as the member for Kilbride (Mr. R. Wells). Oh, my gracious! Oh, my! Oh, my Andrew! It is like putting them in a jumbo jet and saying, "Take her to her conclusion over in England." The hon. member knows why I cannot be -

MR. R. WELLS: Do you remember when the hon. member and Mr. Burgess were on television once a few years ago during the Smallwood administration? Remember that?

MR. NEARY: Well, jog my memory. I was on a lot of times during the Smallwood administration.

MR. R. WELLS: I remember -

MR. NEARY: I remember the time that if you mentioned my name to Mr. Smallwood he would go right up in the chandeliers. Is that what my hon. friend is talking about?

MR. R. WELLS: Not that time. That must have been previous.

MR. NEARY: Well, what is the one my hon. friend is referring to?

MR. R. WELLS: I seem to remember when the hon. gentleman, over some labour matter, was very, very meek and mild on television after Mr. Smallwood had cracked the whip about a labour matter.

MR. CHAIRMAN: Order, please!

I would ask the hon. member if he is making a point and if not, would he be more relevant to the bill.

MR. NEARY: Well, Sir, I am getting there because - As I started to say when my hon. friend started to reminisce over there that if you wanted to, Mr. Chairman, you could really lash out on this bill, you could really make a good NDP speech on this bill.

MR. DOODY: Maybe next year, you will.

MR. NEARY: Maybe. Maybe, Sir, because I can tell the hon. gentlemen - Oh, I remember now what I was talking about, I was talking about my hon. friend from Kilbride (Mr. R. Wells) and some of the academics in this House, and lawyers, and professional people. I got my training in the union hall and that is why I cannot be so meek and mild. As Your Honour knows, on Bell Island we got a pretty good training and that is where I got my training, in the union hall, and I am not ashamed of it. And if I come into this House and I am not a Winston Churchill, or like the member for Kilbride, or a big mucky-muck even on this side of the House, it is only because I never saw the inside of a university. I got my education in the university of practical experience, and I drank my bootleg rum down in Neary's barn.

MR. DOODY: I always said you were a self-made man.

MR. NEARY: Well, I would not say that, Sir. The hon. gentleman -

MR. DOODY: Well, you should because nobody else would say it.

MR. NEARY: No, that is right. You know, the hon. gentleman - Now, that is three years running -

MR. DOODY: A leftover debate.

MR. NEARY: Yes, that is three years running now that the hon. gentleman has cracked that one.

MR. DOODY: And three times you went for it.

MR. NEARY: No, Sir. I did not.

Mr. Chairman -

MR. DOODY: I have a feeling I am going to get some lashing.

MR. NEARY: No, you are not going to get a lashing. No, I am not going to remind the hon. gentleman with his arm down in a pickle barrel.

MR. DOODY: Here it comes. I knew it would come sooner or later. Better to be in the pickle barrel than the pork barrel like the hon. gentleman.

MR. NEARY: The hon. gentleman knows all about pork-barrelling, too.

MR. DOODY: Yes, we sold a bit of pork over at Duff's, too, and I am not a bit ashamed of that either.

MR. NEARY: All spareribs.

MR. DOODY: Not a bit ashamed of that either. I was out scrubbing floors when the hon. gentleman was doing the -

MR. NEARY: Arms down to the - From Duff's Supermarket to Minister of Finance in one easy lesson.

MR. DOODY: That is right.

MR. NEARY: From your arms down in a bucket of spareribs -

MR. DOODY: Here it comes. Heave it out of you.

MR. NEARY: - to Minister of Finance.

MR. CHAIRMAN: Order, please'. Order, please!

MR. DOODY: We are getting down to your debating principles now.

June 15, 1978

Tape No. 4473

RT-4

MR. CHAIRMAN:

Order, please!

I will have to ask the hon. member to  
debate Bill No. 36. If not, I will have to ask him to take his seat.

MR. NEARY:

Is it any wonder, Sir, we are in the  
trouble we are in, in this Province.

MR. CHAIRMAN:

Make your point.

MR. NEARY:

Mr. Chairman, if the hon. gentleman wants me to get down and roll in the mud with him I am quite prepared to do that too. Well, Mr. Chairman, every time that we get increases in taxes in this Province, it hits the little man the hardest - the little fellow - and I think it is time, Sir, we changed our philosophy. I think it is time we socked it to the big corporations - sock it to the millionaires - sock it to the companies that come in here from outside, rip-off the public treasury, rip-off the taxpayers of this Province - take their money and go up to the mainland of Canada. This is the same crowd, Sir, that sometime ago were talking about a preference policy - preference policy - preference for Newfoundland contractors - preference for Newfoundland workers. Every contractor, I suppose, practically every contract - major contract - that is being let in Newfoundland for the past several years, let either by the government of Canada or by the provincial government or one of its crown corporations or agencies, was let to a mainland company. All they have to do is come in, pay their \$150 or \$175 for extra provincial registration down in the company's office and they can go ahead and do business in this Province.

MR. DOODY:

Much the same as Ontario.

MR. NEARY:

Much the same as Ontario. Well, Sir, I would say it is time to put an end to it, because, Mr. Chairman, another reason why we have to up taxes in this Province is because most of our money is filtering out and going across the Gulf up to the mainland. These companies and corporations and contractors neither pay taxes nor employ Newfoundlanders only where they are forced to. And in a time, Sir, when our economy is sagging, falling and crumbling down around our ears, that we should go out of our way following the public tendering procedure to give contracts to Newfoundland contractors

MR. NEARY: who employ Newfoundlanders, pay taxes in Newfoundland, whose employees pay taxes, buy goods and services in this Province and pay their social security tax and all other taxes in this Province. Now the Minister of Transportation could very easily look at me and say "Well, how do you do that? How do you do it?" The minister knows how to do it. You do it, Sir, by - you call public tenders and you give preference to Newfoundland companies.

MR. DOODY: That is the way we do it.

MR. NEARY: Well, why does the government not do it? Why do they not do it? They do not do it, Sir. They do not do it. They allow a 10% preference to Newfoundland companies. They allow it, Sir, and I do not know if they stick by it or not. There has to be a way, Sir, to rid Newfoundland of these mainland companies and I do not mean that we should create a monopoly in Newfoundland for certain companies either. We should have fierce competition - savage bidding - and that sort of thing. But, Mr. Chairman, if we are ever going to bolster the economy of this Province at a time when it is badly needed and we have record unemployment, then the thing to do is to try to funnel the work to Newfoundland companies. Let the government do it themselves if - Mr. Chairman, there is an idea. I remember a few years ago - Mr. Chairman, let the government do the work themselves and employ Newfoundlanders to do it. Why should we give huge profits and commissions to consultants and to contractors from the mainland? Why does Newfoundland Hydro not - Mr. Chairman, Newfoundland Hydro, I suppose, has more expertise than Collavino Brothers, Lundrigan's, McNamara's, Seabord, Metro Engineering, Steer's Mechanical - put them all together - A.B. Walsh Electrical, Noel's Electrical and Noel's Mechanical and Mulalley's company, the Affiliated Marine Metal - if you took them all and put them together - Newfoundland Hydro, Sir, is paying out enough

MR. NEARY:

money in salaries to buy the best expertise on the face of this earth. And yet they have got to go out and hire a contractor to do a development in Hinds Lake. I would say to the government, forget - this just came back to me, something I was thinking about two or three years ago - forget this idea of recalling public tenders. Let Newfoundland Hydro do the work themselves and employ Newfoundlanders. All they need is a good project manager.

MR. DOODY: Turn out the construction through a Crown Corporation without calling public tenders.

MR. NEARY: The Crown Corporation is the one who is calling the public tenders.

MR. DOODY: That is right. Do you want them to do the actual construction?

MR. NEARY: Do the work themselves and employ Newfoundlanders to do it. Oh, the hon. minister rolls his eyes. What is wrong with that?

MR. DOODY: Because I thought you were against Bureaucracy in the growing empires.

MR. NEARY: They have it there now. We are going to have to pay for it anyway. You have got the Churchill Falls Corporation, the best team of expertise, the minister and the Premier has been telling us, put together in the history of the world.

MR. DOODY: Management people, not construction people.

MR. NEARY: Oh, I see they are not construction people. There are no engineers there -

MR. DOODY: Churchill Falls is finished. Have you read the papers?

MR. NEARY: There are no engineers there.

MR. DOODY: Have you read the papers?

MR. NEARY: I beg your pardon?

MR. DOODY: Have you read the papers lately? Churchill Falls is finished. It is all over. Energy going into Quebec. All the energy is going into Quebec. Hon. members opposite should be familiar with that.

MR. F. ROWE: When the Premier was up there with sticks of dynamite he did not think the Churchill was finished.

MR. NEARY: Mr. Chairman, you have it down in the Department of Public Works. You have it in the Department of Highways. You have the engineers, the draftsmen, the accountants. You have the legal staff. You have it in Hydro. You have it in Municipal Affairs. You have it in Churchill Falls Corporation. Why do we not use that expertise? Why do we have to drag a middle man in and give him a huge profit to go up to Montreal or Toronto? Why do they not do the work themselves? Why would they not? Can the minister give me one reason why they could not do it?

MR. DOODY: I will be right back. I am going in to get a reason.

MR. NEARY: Awfully funny, Sir, it is awfully, awfully funny, very funny. The poor little Newfoundlander ground down every time by this administration. Preferential treatment all right to their buddies. All those businesses and firms and corporations and companies that make over \$150,000 a year profit exempt, reduction in taxes. All their buddies. The little Newfoundlander, the little fellow unemployed drawing unemployment insurance paying his taxes, social security tax, 11 per cent. Do not let anybody fall into the trap of thinking that the sales tax in Newfoundland is only 8 per cent. It is only 8 per cent because of the good graces of the Government of Canada. It has nothing to do with this government. The sales tax in this Province is 11 per cent and it will go back on again October 4 unless there is a federal election in the offing and Mr. Trudeau and his crowd do not want to put the three cents back on on the eve of an election or in the middle of an election. That is the only way the Newfoundland people will get a stay of execution.

Next year when the minister brings in his budget we will have the same thing again, more taxes wacked out of the backs of the poor people of this Province, the ordinary person.



MR. NEARY: The old age pensioner is now paying a fair amount of taxes. People who get family allowances taxed. Social security tax the highest in Canada. Income tax the highest in Canada, probably one of the highest on the North American Continent. This government, Sir, has no compassion at all for the poor people. Just give it to them. No wonder, Mr. Chairman, that there are so many people opting out, giving up working. They figure it is better to go on welfare, it is better to try to get your Canada Pension or go on welfare than it is to work because they cannot cope with the taxes. The highest gasoline tax in the whole of Canada. The highest sales tax and the highest income tax in the whole of Canada and

MR. NEARY:

people cannot cope and they are wondering where it is all going to end and they have given up hope, they have abandoned hope. A lot of them have lost the desire to work for the same reason, Sir. They look and they see the man on social assistance who does not pay any taxes having his rent paid, a drug card, a food allowance and what have you, getting his family allowance. He does not have to pay taxes on it, getting all these benefits and a man out trying to earn a dollar taxed to the hilt. I would submit, Sir, that is - we often heard the complaint, I heard it the other day from an employer who met me down at the Avalon Mall and said that he went to Canada Manpower recently to try to get a half a dozen waitresses for his restaurant and club that he has.

AN HON. MEMBER: Is that the Ocean Breeze?

MR. NEARY: No, it is not the Ocean Breeze, not the Sea Breeze. It is not Bally Haly either. It is a club just down here, a restaurant and club just down here on the Portugal Cove Road. It is not the Aquarium if that is what the hon. gentleman thinks.

MR. DOODY: Very defensive. Very defensive indeed.

MR. NEARY: No, I am not very defensive, Sir. I know how the hon. gentleman's mind works. I know how it works. I know every time - always the defense the government will use when you raise something, when you attack them, when you expose mismanagement, they will always counterattack by trying to drag up a bit of dirt or they will counterattack by saying you are lowering the decorum or the dignity of the House. That is the counterattack, a very weak defense. They never answer the charges. But anyway this employer told me that he went to Canada Manpower to look for six waitresses I think it was. He never got one application, not one and here we are with record unemployment in this Province, not one. So he put an ad in the newspaper out of frustration and desperation. Not one application, not one.

What is the reason for it, Mr. Chairman?

Does Your Honour know the reason for that? Perhaps the expert from

MR. NEARY:

St. John's Center (Mr. Murphy), the member for Sarasota can give us the reason for it. What is the reason?

MR. MURPHY: They have too many businesses on Bell Island to make a go of it here.

MR. NEARY: Is that so. Well maybe they have too many car wrecks pulled in when the minister socked it to all the people who have licenses in this Province who have to pay an extra dollar or maybe they are playing too much bingo or maybe they are drinking too much of the poor man's champagne. I do not know. I would submit, Sir, that one of the reasons in my opinion is the fact that if they go to work they are paying too many taxes. They cannot cope with it. We are taxing ourselves out of the market. I would say that is one of the reasons.

MR. MURPHY: So what the hon. member is saying now is that the Newfoundlanders do not want to work. They would rather go on welfare.

MR. NEARY: That is not the major reason. That is one of the reasons.

MR. MURPHY: I would like the press to get that statement, that they do not want to work because they would rather go on welfare.

MR. NEARY: Is that so? Oh, I see. That is what the minister is saying.

MR. MURPHY: That is what the gentleman just said.

MR. NEARY: No, that is not what the hon. gentleman just said.

MR. MURPHY: Oh my heavens almighty.

MR. NEARY: That is what the minister would like people to think I said.

MR. MURPHY: I have been listening intently the past twenty minutes.

MR. NEARY: Well now the hon. gentleman can twist it -

MR. MURPHY: The hon. gentleman said they would not take work because -

MR. NEARY: The hon. gentleman can twist it all he wants.

MR. MURPHY: - they envy the person on welfare. They get this free -

MR. NEARY: No, they all wanted to be rip-off artists like the minister's buddy, Mulalley.

MR. MURPHY: I would like to see the Hansards on that.

MR. NEARY: Handouts. Go to the government for handouts, get something for nothing.

MR. MURPHY: I would like to see the Hansard on this.

MR. NEARY: Put an extra dollar on the licenses and give it to Mulalley. Maybe they are all like that. Maybe they have the Santa Claus syndrome. I do not know.

MR. CHAIRMAN: Order, please!

MR. MURPHY: Throw him out, Mr. Chairman.

MR. NEARY: Mr. Chairman, that is part of the reason I would submit to Your Honour. It is not the major reason. There are a dozen reasons why it is difficult to get people to go into certain kinds of employment but I would say that is one of the reasons. They go to work and they get it socked to them on the taxes.

Mr. Chairman, before I sit down while I am talking about that, there is one thing that occurred to me just a few moments ago when I was speaking. We always hear the Minister of Fisheries tell us about the increased landings and about the increased value of the landings of fish in this Province and I often wondered, Sir, how much of the increased value finds its way into the pockets of the fishermen in this Province. And I wonder also, Sir, how much of that windfall that is now going to the fish plant operators in this Province as a result of

MR. NEARY: knows that the devaluation of the Canadian dollar is going into the pockets of the fishermen in this Province. The other day somebody asked me about removing the 2¢ subsidy off the fish and I have no doubt but the Minister of Finance and the hon. the Premier and his buddies over there would condemn the government of Canada, but I would condemn the fish merchants in this Province who are getting 10¢ and 11¢ now because of the devaluation of the Canadian dollar - 10¢ and 11¢ windfall they never thought they would get. How much of that is passed on to the fisherman? And is there any need of the 2¢ subsidy? That is a good question and something the Minister of Justice in this Province should look into. When we have Fishery Products financed by the taxpayers of this Province, going off now we are told buying helicopters. Fishery Products got to have a helicopter now - bigshots - bigshots the Monroes have become all of a sudden. They are going to build up their own airforce, and they got the right man to do it too - the right man to help them do it. The next thing he will be down in Texas bringing up helicopters for Fishery Products and they will have a new King Air and the Premier will not have to use the government plane to go hunting and fishing. All he got to do is pick up the phone, call up his old buddy and his old buddy will put him out in the cabins - these privately owned cabins and deliver the fuel, bring back the salmon and the fish.

MR. WHITE: Always a fresh supply of fish,  
is it not?

MR. NEARY: Always a fresh supply. Yes, Sir.  
Mr. Chairman, I would like to hear the Premier give us some comment on that. What about this 10 or 11% windfall that the fish plant owners are now getting as a result of the devaluation of the Canadian dollar. Is any of that finding its way into the pockets of the fishermen in this Province?

MR. NEARY: Would the hon. Premier think that there is? No, the hon. gentleman is looking at me, Sir. I am sure the hon. gentleman knows the answer. The hon. gentleman would hope so? But does the hon. gentleman think that it is? They were condemning Ottawa the other day for cutting off the 2¢ subsidy - some of the fish plant owners. No, I did not hear the Premier at it. I would like for these very same plant owners, operators, to take some of that windfall that they are getting and pass it on to the fishermen and there would be no need of that subsidy. But they are too greedy to do that, Sir, and as a result of it we find this government, socking it to the fishermen and socking it to the little man with higher taxes. They are getting higher and higher all the time, Sir, and our people are getting more discouraged all the time. And they are asking, every day they are asking us, and I am sure hon. members on the other side get the same questions, "Where is it all going to end?"

SOME HON. MEMBERS: Hear, hear!

MR. CHAIRMAN: Hon. member for Trinity Bay-Bay de Verde.

MR. F. ROWE: Mr. Chairman, the member for Lapoile was in fine form tonight and although, Sir, his presentation was laced with a bit of humour I was hoping that the members on the opposite side would take the comments of the member for Lapoile a little bit more seriously and that we would have a response from some member on the other side besides the Minister of Finance who tried to go to debate on this particular bill. Sir, the question I have to ask myself since I have been in this House for some six and a half years is where does this Province go from here? Sir, every year that I have had the honour of representing a district in this honourable House, I have seen the taxes in one form or another steadily grow. The hon. Minister of Finance who presented the bill is now asking me

MR. F. ROWE: If I am asking him a question. I am glad to see the Premier and the -

MR. HICKMAN: I could not hear you.

MR. F. ROWE: member for Harbour Grace (Mr. H. Young), Sir, have left and decided to discuss Nordsee outside the chambers of this House -

MR. HICKMAN: That is right, now, let us get back to work -

MR. F. ROWE: where it is supposed to be discussed at this point any.

MR. HICKMAN: I was being harassed - let us get back to work.

MR. F. ROWE: That is right. Mr. Chairman, I was not asking the Minister of Finance a question. I was asking a rhetorical question in that in my brief experience in politics sitting in opposition,

MR. F. ROWE: - watching Budget speech after budget speech, and finance bill after finance bill go through this House, I have seen nothing but a general increase in taxes in one form or another.

MR. F. WHITE: Every year.

MR. F. ROWE: Every single year. Now, hon. gentleman opposite, they shout across, "Oh, we took the tax off clothing." Now, Sir, that is a real 'beaut', that is. That is a gem.

MR. HICKMAN: Well, we did.

MR. F. ROWE: The hon. Minister of Finance takes great credit for removing the tax from clothing.

MR. HICKMAN: Well, we did.

MR. F. ROWE: Well, Sir, I would submit that this benefits the rich people of this Province much more than it benefits the poor people, or average income people. or middle income people. Very much more. I would submit, Sir, that the greatest consumers of clothing, even taking family size into consideration - The greatest consumers of clothing are the wealthy people of this Province and any other province for that matter, and the people who have large families and who have a low income are generally people who, for the most part, buy very little clothing and, in fact, make on their own an awful lot of the clothing that the other higher income bracket people would normally buy. So, Sir, I should not be bragging about lifting the taxes off clothing if I were hon. gentlemen opposite. There are many more ways of helping the average citizens of this Province than removing the taxes from clothing.

Sir, I was just a little bit sidetracked there. The point that I was trying to make was, where do we go from here. Every year we see an increase in contributions to school boards for, say, school buses. This year we have seen a daily fee for hospital wards. We have seen a two dollar fee for service for dental care. We have seen an increase in the income tax and the sales tax. You see, Sir, increases in everything in sight.



MR. HICKMAN: Including expenditures on health and education.

MR. F. ROWE: Including expenditures on health and education, Sir. That is a natural growth. Current expenditures on education and health and public services in general - Current expenditures is a natural growth. It will continue to grow. Budgets will grow, Sir, yet this Government comes in every year and brags about the fact that it is the greatest amount expended in a budget, it is the greatest amount expended in the Department of Social Services, it is the greatest amount budgeted ever in education, and the greatest amount budgeted ever in health. Sir, since 1949 there has been an increase in practically every department, and certainly, in every budget, and there will continue to be an increase.

MR. HICKMAN: An increase in taxes in every budget.

MR. F. ROWE: An increase in everything is perfectly natural. What we are worried about, Sir, is the rate of increase in these things compared to the rate of increase in revenue in this Province.

MR. HICKMAN: Right, and so am I.

MR. F. ROWE: And therein, Sir, lies the problem. The rate of increase in expenditure, current and/or capital, is far in excess of the rate of increase in revenue in this Province. There has been a tremendous increase in the rate of increase of taxes to try to keep up with and pay for the rate of increase in capital and current expenditures. However, Sir, when we look at, in the last few years, the rate of increase in revenue from sources other than taxing our people to death and the contributions that we get from Ottawa, we have to ask ourselves this, "What has this Administration done to bring additional revenue into this Province for capital works and current expenditure. Nothing, Sir. Nothing whatsoever except probably one zinc mine up there in Daniel's Harbour for which, by the way, Sir, the exploration work had been done by the previous administration, and the economic climate and the marketing was such that as this Government took over, it was

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Tape No. 4478

RT-3

MR. F. ROWE:

economically feasible to get the Daniel's  
Harbour zinc mine going. But, Sir, other than that we ask this basic  
question, what

MR. F.B. ROWE:

has this government done to increase the revenue flowing into the coffers of this province in the way of industrial and rural development? The Minister of Fisheries (Mr. Carter), Sir, gets up and talks about the great amount of money the fishermen are making, the great exciting times ahead for the fisheries. The provincial Minister of Fisheries (Mr. Carter) did not put the 200 mile limit out there, the Minister of Fisheries (Mr. Carter) of this province is not responsible for the replenishment of the stocks on the Hamilton Banks, the Minister of Fisheries (Mr. Carter) Sir, in this province, is not responsible for the fish in the sea and the catch. I would submit, Sir, while we are on the subject of the fisheries that a significant increase in the expenditure of the Department of Fisheries would return dollars to the coffers of this province. Sir, the Hon. the Premier said before the House opened that the great thrust was going to be in, he mentioned hydro and we have yet to see that, but the second one that the Hon. Premier mentioned was the great thrust in this House of Assembly was in matters pertaining to the fishery. Sir, all we have heard is a great diatribe of criticism against the Minister of Fisheries in Ottawa from our Minister of Fisheries (Mr. Carter) here in Newfoundland when he should be consulting with him and we see a miserable \$18,000,000. net from the provincial Department of Fisheries going into the fisheries of this province. When I submit, Sir, it should have been doubled, tripled or quadrupled, if this government really believes in the fisheries it would have a massive expenditure in an area which would have returned dollars. The Minister of Justice (Mr. Hickman) is absolutely right when he said: "Look at the great increase in health, look at the great increase in education."

MR. F.B. ROWE:

What does that return to this province Sir, not one single cent in real dollars because expenditures in these service departments is simply that, expenditures in service departments, for the good of our people, necessary but does not return a red nickel to the coffers of this province. I will submit, Sir, that if this government were sincere in what they said before this House opened that we would have seen a greatly different budget from the one we saw and we would not have to deal with bills like this. We would have seen the Department of Fisheries instead of something like a four point some odd per cent rate of increase this year, we should have seen a 400 per cent increase because every dollar spent in the fisheries. I would submit Sir, would return dollars to every community and therefore to the provincial treasury of this province. This is where the government has had one of its greatest failures. If the Minister of Fisheries (Mr. Carter) and the Premier feel that the fisheries of this province is our salvation we should be masters of our own destiny which has been plagiarized, by the way, from the leader of the Opposition. He was the one who concocted that phrase and had meaningful arguments to back it up and gave reasons and rationale and a mechanism through which we could be masters of our own destiny in the fisheries. What do we have in this province, Sir? Instead of the Department of Fisheries budget being doubled, tripled and quadrupled which would return dollars we see a miserable 4.3 per cent or 4.4 per cent increase in expenditures in that department, a miserable \$18,000,000 compared to \$300,000,000. coming from Ottawa directly and indirectly going to the fisheries for DREE, Public Works and the Department of Fisheries. Sir, I am horrified when I see where this government puts its priorities, it talks about

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Tape No. 4479

CW - 3

MR. F.B. ROWE:

fisheries but it does not put  
the dollars where their mouths are with respect to the development  
of the fisheries in this province, none at all sir. That is why  
I asked where do we go from here.

MR. F.B. ROWE:

Sir, we in Opposition obviously want to attain power for the purpose of administering this province because of the fact, not for power sake alone as some hon. gentlemen have suggested over there, but because we feel we can honestly and sincerely do a better job, if we did not feel that way we would not be fighting to attain power. I will be quite frank with you Mr. Chairman, I am scared stiff about attaining power in this province, I am scared stiff sir. If this fiscal policy continues for another two or three years I do not know what super politicians we can get to save this province because the province is not investing money in the right direction. Instead of putting money into the fisheries themselves and enticing private enterprise on the mainland and in Newfoundland to put money into the fisheries, we see the likes of the Nordsee Ocean Harvesters merger, and the Leader of the Opposition spoke on that one yesterday. If this is allowed to go through it is simply the beginning of the end of allowing foreign interests, not just to invest in our province, not to just buy out a fish plant but to gain control of the fishing capacity and the fisheries via the back door. They have the markets, they have the obsolete fishing capacity, their trawlers are redundant and we have the fish and, Sir, if we have the fish there is no reason why we cannot lease or buy or build the trawlers. The markets are there for anybody in Canada or North America, the markets are just there. We do not need to be brought up by foreigners to gain access to the markets, the markets are there and they are there for us, it is as simple as that. All we have to do is have the courage to lease, buy or build the catching capacity to entice local and mainland Canadian investment and do not tell me it cannot be done. I listened to a bank manager from, I think it was the chairman of the Bank of Montreal or some bank, was down here in Newfoundland several months ago and he said that there has never been any and he cannot

MR. F. B. ROWE: name one example, I stand to be corrected on the name of the bank, the chairman of the bank said that he has not had any requests from the province of Newfoundland or agency thereof for investment in any rural or industrial development or resource development in this particular province and then the hon. Minister of Fisheries (Mr. Carter) gets up and says we have to go Unilever, we have to go to Nordsee to get investment in the fisheries of this province. Hogwash. Sir! When I see a corporation like Sun Life of Canada with, I think it is, in excess of billions of dollars of assets and you are telling me, Sir, that they cannot be convinced to invest in industry in this province. If I remember correctly Sun Life Insurance Company of Canada was one of the first investors in the development of the Upper Churchill. They put money in the development of the Upper Churchill. Am I right or wrong on that one?

AN HON. MEMBER: Correct.

MR. F.B. ROWE: Can not the Minister of Fisheries (Mr. Carter) and his advisors go up to corporations like that and say, "Look, the future of the east coast of Canada is in the fisheries, come down and invest." The hon. Minister of Finance (Mr. Hickman) snickers and laughs. Maybe the answer would be a flat no, but has the Minister of Finance (Mr. Hickman) or the Minister of Fisheries (Mr. Carter) gone to the likes of Sun Life of Canada and tried to entice them into investing in our last, great, renewable resource, one of our last great renewable resources in this province? They might get a pleasant surprise, Sir. I wish the Minister of Fisheries (Mr. Carter) was here to answer that question, probably the Minister of Finance (Mr. Hickman) can answer that question. Has any, if I can get the Minister of Finance's (Mr. Hickman) attention, has any Minister of the Crown, has any agency of this provincial government gone to the likes of Sun Life Insurance

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Tape No. 4480

CW - 3

MR. F.B. ROWE: of Canada with billions of dollars  
of assets and tried to entice them into investing in one of our  
great, last renewable resources, mainly the fisheries in this  
province.



MR. HICKMAN: The first thing they have to do is get a customer.

MR. F. ROWE: Get a customer for what?

MR. HICKMAN: Fish.

MR. STRACHAN: For fish, no problem.

MR. F. ROWE: Get a customer for fish. Mr. Chairman, I have already mentioned -

MR. HICKMAN: No, no you do not understand.

MR. F. ROWE: - to the Committee, Sir, that the markets are there.

MR. HICKMAN: I am not talking about that.

MR. F. ROWE: We do not need Nordsee or Unilever to get the markets. They are there.

MR. HICKMAN: No, no. No, no. I am not talking about -

MR. F. ROWE: Unilever and Nordsee got the markets now.

MR. HICKMAN: I am not talking about that kind of a customer.

MR. F. ROWE: They have got the redundant trawlers. There is only one thing that is missing.

MR. HICKMAN: What?

MR. F. ROWE: The fish.

MR. HICKMAN: No, no.

MR. F. ROWE: They cannot get the fish.

MR. HICKMAN: That is not the customer.

MR. F. ROWE: What are they going to do?

MR. HICKMAN: That is not what I am talking about. Mr. Chairman, when we decided -

MR. F. ROWE: Mr. Chairman, if the minister wants to ask - Mr. Chairman, can I carry on?

MR. HICKMAN: You asked me a question.

MR. F. ROWE: Can I interrupt the hon. Minister of Finance.

MR. HICKMAN: But you were asking me a question.

MR. F. ROWE: I was asking the -

MR. HICKMAN: I was going to answer it.

MR. F. ROWE: Mr. Chairman, I am not questioning Your Honour's judgement but when hon. members on this side of the House are jabbering on like

MR. F. ROWE:

the Minister of Finance they are quickly brought to order. I am here seeking protection from the Chair now and I am not getting it.

MR. HICKMAN: Consequently I will refuse to answer your question in that case.

MR. F. ROWE: Okay if the Minister of Finance wants to answer the question, the question I put to the Minister of Finance was a very simple one. Has this government, the Minister of Fisheries or the Minister of Finance ever got the likes of Sunlife Insurance Company of Canada -

MR. HICKMAN: And say will you put some money towards this.

MR. F. ROWE: The minister, Sir, will he just take it easy and lower his blood pressure. Have they ever gone to these great corporations -

MR. HICKMAN: I must write that down now.

MR. F. ROWE: - in Canada and tried to put the argument to them that an investment in the fisheries of this Province is a wise investment? That is the question I asked the minister. I do not want a ministerial statement. Yes or no. Yes or no.

MR. HICKMAN: Are you shouting at me? Stop it.

MR. F. ROWE: Because the minister was just there complaining a few minutes ago -

MR. HICKMAN: Or you will not get the answer.

MR. F. ROWE: - that I will not give him the opportunity to answer the question.

MR. HICKMAN: I am not going to answer now.

MR. F. ROWE: Now I have given the minister the opportunity to answer the question.

MR. HICKMAN: You turned the Chair loose on me when I tried to answer so I am not going to answer now.

MR. F. ROWE: Well there you go. The bluff is called, Sir. The minister's bluff is called. Obviously this administration has done nothing to go to Canada and try to get Canadian investment in this

MR. F. ROWE:

Province in the way of fisheries. They are all too willing, Sir, to have a nice slick merger out there in Ocean Harvesters and we often wonder why, Sir.

Sir, I was on the subject of I wonder where we are going and I was relating to the fact that this administration had increased practically every form of taxation in this Province and it is not providing the industrial, rural or resource base to bring revenue into this Province. The only revenue that we really have, Sir, are the taxpayers of this Province and Uncle Ottawa. Apart from that, Sir, our revenue is next to nothing and the little bit of revenue that we had or would have had, this hon. crowd has succeeded in closing up, the Linerboard Mill, the Come by Chance Oil Refinery -

MR. WHITE: The Lower Churchill Falls Development.

MR. F. ROWE: Churchill Falls, the Lower Churchill. Sir, it is as simple as that. This, Sir, administration was elected on the basis that it was going to do a better job than the last administration. The only thing they have done a better job of, Sir, is the things they accused the former administration of doing a bad job of. It is as simple as that.

Sir, since we are talking about income tax I must say that I have to agree totally with the Leader of the Opposition and the House leader. When we see the real true nature of toryism coming out in this particular bill and in the budget in general, when they lower the corporation income tax for so called small business that is

MR. F.B. ROWE: the only relief sir, the only tax relief in this province is the income tax to corporations, small businesses. Now, Sir, we would encourage that if it meant that small businesses would expand and would invest more money in this province, if small business would employ more people as a result of that tax cut. Sir, it has been adequately shown by the leader of the Opposition and the Opposition House Leader that the corporate income tax cut in this province will do nothing to help the economy of this province, it will only do something to help these small businesses and Sir, to add insult to injury what do we see? We see that the government, in lowering the corporation income tax, is going to reduce its contribution to school bus transportation from 95 percent to 90 percent this year. When the cost of taxes are going up, the cost of insurance is going up, the cost of school buses are going up, the cost of everything is going up, Sir, what happens is this government reduces contribution by 5 percent to the school boards for school bus transportation. Who does that hurt Sir? At the same time, Sir, they are reducing the corporation income tax we see that they are setting up a \$3.00 daily fee up to a maximum of fifteen days for a total of \$45.00 for people who want to get into hospitals. Mr. Chairman, I have been - and the hon. member for Bonavista North (Mr. Cross) stands in the doorway and smiles. I do not know if the hon. member has had as many phone calls from poor people in his district from let us say a wife worried to death because her husband, who just recently had a heart attack or some other ailment, cannot afford to pay that \$45.00 to get into a hospital, not very funny Sir. At the same time they are lowering the corporation income tax and at the same time, Sir, they take it out on the children by having this \$2.00 service fee for every filling, every separate little job in the jaw \$2.00, ten fillings \$20.00. If the hon. member from Bonavista

MR. F.B. ROWE:

South (Mr. Morgan) Sir, were -

well I will not get into that. Sir, we see the sales tax go up to 11 percent only to be saved by Ottawa in being able to bring it back to 8 percent. Sir, it is a sad commentary when this government can only take it out on the ordinary tax payers. My colleague from La Poile (Mr. Neary) uses much more colorful language and a better style but I can assure this Committee, Sir, that I am as sincere, I am one of the academics he talks about and I am as sincere as he is and as worried as he is over the way that this government is taxing the people of this province, the ordinary average person. They are not providing a basis, a foundation, for source of revenue which will in the future help reduce the taxes that are being applied to the ordinary people of our province. This is a sad thing, Mr. Chairman, and I remind the Chairman that we only have three sources of income, almost 50 percent of the income into our province, the revenue, is

MR. F.B. ROWE: from Ottawa. Almost all of the rest of it is from one form of taxation or another of our people. Very little of it, Sir, is from the industrial base, the resource base or rural development enterprises that can return dollars and it is that which really concerns me Sir. If I saw the Minister of Fisheries (Mr. Carter) walk in here during the estimates, with \$50,000,000.00 in that budget for fisheries and for fisheries development, not fisheries giveaways, for fisheries development, even at the expense of the thing that we are complaining about, the lack of promised hospital extensions and it was this administration who had promised these hospital extensions and these new hospitals and we have been severe in our criticisms of this administration for making these promises in the first place when they knew that they did not have the ability to pay for them. Sir, I can assure you that if this administration had come in with a \$50,000,000.00 fisheries budget, which would have meant the development of our great fisheries resource and would have meant more money in the pockets of the people and which would have meant, therefore, more money through personal income tax and more money from corporate income tax therefore more money into our treasury, I would be and we would have been a lot less severe of this administration in terms of not providing public services to this province. Why would we be a lot less severe, Sir? Because this government would have demonstrated, through their actions, that that they are willing to sacrifice votes even. Votes by cutting back on the public service sector of its expenditure in order to make a greater investment in the development of certain of our natural resources such as the fisheries and I would have said that this government has taken a strong and bold stand. It is not giving pavement here, it is not putting

MR. F.B. ROWE: up new hospitals there, it is not putting new schools there, it is not putting in new water and sewerages over there but they are taking a great, giant, bold, courageous step, they are going to hold back on that and they are going to invest money into something like the fisheries but we did not see that, Sir. We saw a miserable \$18,000,000.00 in the fisheries and if it was not for uncle Ottawa with its - the Department of Fisheries in Ottawa loaned this year 47.1 million dollars and when you throw in Dree and you throw in the Department of Public Works of Canada you get \$300,000,000. The Minister of Fisheries (Mr. Carter) should be ashamed to get up and, on a daily basis, criticize the Federal Government when if it was not for the Federal Government, I would submit Sir, the fisheries of this province would not be in the process of this government trying to sell out to foreigners, it would have been gone to the foreigners many years ago, it is as simple as that. Sir, while we are talking about personal income tax and I would submit that other hon. members would get the same sort of a complaint. I have often heard from certain communities, I will use a couple of communities from two different districts, one that I represent which was wiped out by this group through redistribution,

MR. F.B. ROWE: there is a community called Anchor Point up in the Great Northern Peninsula, some of the greatest fishermen Sir, and not only of the Great Northern Peninsula but of, I would submit, North America. Scallop fishermen going out in their longliners in the spring, fall and summer in the Straits of Belle Isle, the roughest parts of the ocean of the northeast of the Atlantic, I would submit, and these people are hauling in dollars like you would not believe through the scallop fisheries and they have to pay, obviously, income tax which goes both to the province and to the federal government. One of the bitterest complaints I get from communities, such as Anchor Point, and I will use another example, Say de Verde a little community in the district of Bay de Verde, has a fishplant down there and the fishplant workers are making money hand over fist. The fishermen in Red Head Cove, Grates Cove, Caplin Cove, Low Point and Bay de Verde itself are making money hand over fist and therefore this community of Bay de Verde is contributing significantly to the economy of this province. What have they got down there Sir? Roads like you would not believe, still cowpaths in the community. Up to this year, Sir, not drivell of drinking water in the sence of a water supply system, in Bay de Verde. No water and sewerage system

MR. DINN:

You are getting it.

MR. F.B. ROWE:

If the Minister was following me and does not get sense of it until I mention water and sewerage - You see, Mr. Chairman, this is the problem with the hon. crowd over there, they are there having little conversations amongst themselves, we are over here trying to make a point and we are trying to put a point of view across, an idea across, and you mention water and sewerage in Bay Verte and the Minister of Municipal Affairs and Housing (Mr. Dinn) says: "Your getting it, your getting it, your getting it." That is right but he has missed



MR. F.B. ROWE: the point that I am trying to make, entirely and that is that communities like Bay de Verde and Anchor Point on the Great Northern Peninsula, that are not mentioned very often in this House or in the news media, have been for years contributing significantly to the economy of this province under the previous Liberal administration and the present P.C. administration and what have they got to show for it Sir, no water and sewerage system, no paved roads in their community, up until recently no town hall, very little of anything. What I am suggesting is that the previous administration and this administration and when we get in power, the next administration should take into consideration when they are providing public services to various communities throughout this province, one of the factors they should take into consideration besides politics and need is the contribution these communities are making through the economy of this province. This is a case where these poor people, well some are poor of course, but that community through the fish plant has been contributing very significantly to the economy of this province. I would submit Sir, that if you took the personal income tax alone that has come out of Bay de Verde and applied it towards streets and water and sewerage systems that they would have a heated water and sewerage system down there in Bay de Verde, they would have the streets paved practically with gold at this stage of the game. Now the Minister is shaking his head over there, I have to confess, not confess I am proud to relate to the committee that today I got a telegram from the Minister of Municipal Affairs and Housing saying that Bay de Verde was to get \$500,000. for the first phase of its water and sewerage system this year. Sir, it is a start, I will even go so far as to say

MR. F.B. ROWE:

that probably - but the point

I am making, Sir, is that one of the factors that should be considered in the future when you talk about provision of public services to certain communities is the contribution that a particular community is making to the economy of this Province.

Another thing, Sir, and I know the Minister of Municipal Affairs and Housing may get a little bit jumpy about this one too, there are certain huge - not huge - there are certain very large communities in this Province

MR. F. ROWE: that are still as disorganized as the administration itself. I have a 24-community district, Sir, and the second and third largest communities in my district are unincorporated. Would you believe that, Sir? New Harbour and Green's Harbour are still unincorporated. Why? - the minister asks, an excellent question because I have not received an answer from the minister or nor from the government but I can submit an answer. I think that the reason why we have not had the incorporation of New Harbour and Green's Harbour, and similar other communities who want to be incorporated in this Province, is for the reason the minister gives for the Province in dealing with capital funds for water and sewerage systems, to delegations when they come in. He says to them "Look I got \$280,000,000 worth of requests, I only have -" How much does the minister have? How much for water and sewerage this year?

MR. DINN: \$22,000,000.

MR. F. ROWE: Yes, the minister says "Look I got \$22,000,000 for water and sewerage and I got \$280,000,000 worth of requests in this file". That is the reason. I would submit, Sir, that the minister - one of the reasons - not even one of the reasons -

AN HON. MEMBER: Not even close.

MR. F. ROWE: Not even close, oh, not even one of the reasons why the minister does not incorporate the likes of New Harbour and Green's Harbour. Well, I would love for the minister to be able to indicate to the committee, I know this may sound unrelated to this particular bill, but I submit it is very related for this reason, that New Harbour and Green's Harbour are two communities that I suggest are viable enough to be incorporated. Now, do not let the minister stand up in

MR. F. ROWE: the committee stage and say that Green's Harbour and New Harbour have rejected incorporation. They have in the past before my time - before my time - the minister's officials went out there and a vociferous minority took the poor old officials from the Department of Municipal Affairs and Housing and frightened the life out of them and they came crawling back and said "My good God, I am not going back to that place". And they were out there trying to explain the benefits of incorporation and a vociferous minority won the day. Now since I have been member for the district, these two communities have sent in petitions, sent in delegations and I have made representation to have these two places incorporated and I would submit, Sir, that the contribution that New Harbour and Green's Harbour are making to the treasury of this Province - that alone- warrants their being incorporated.

MR. DINN: Are you asking a question?

MR. F. ROWE: The minister wants me to ask him a question. Well, the minister can write me a letter. Have I not been asking the minister why we have not been incorporated in New Harbour and Green's Harbour, over the last three years - has the minister given me an answer - has the minister given me the answer? Has it been that there was a freeze at some stage along the line?

MR. DINN: Not a freeze.

MR. F. ROWE: No, right, there was a not a freeze - there was not a freeze, Mr. Chairman. I accused the minister one year of having a freeze on incorporation of communities in this Province - that was the policy of this administration since they took over - and he says "No, no, no, no, we lifted the freeze last year". Now, Sir, how can you lift the freeze if there was not a freeze.

MR. DINN: We never said we lifted a freeze.

MR. F. ROWE: Oh, yes: oh, yes, Sir. Right in the compasses - down there in my files. After the minister saying

MR. F. ROWE: for years there was - now it was not this minister - the various ministers of Municipal Affairs and Housing have been saying there has been no freeze for five or six years.-

MR. SIMMONS: 'Poison Pen'said that.

MR. F. ROWE: 'Poison Pen Peckford' said that - and then the hon. present Minister of Municipal Affairs says "We have lifted the freeze; there is no freeze". Sir, it is illogical: it is illogical. And a minister says he has a new answer for why we do not have the incorporation of these two communities. I will be interested in hearing these two answers, Sir.

MR. F. ROWE:

Sir, I will close by simply saying this that I am seriously disturbed, terribly nervous and, in fact, frightened when I look at next year, when I look at next year and say, "What is coming next year?" when I do not see any great resource developments being initiated by this Administration, when I do not see any great industrial development being initiated by this Administration, when I do not see any great series of rural developments going on in this Province, when I see the likes of this Action Group running people around in circles, when I do not see any other source of income, any other source of revenue other than the taxing of the people of this Province, and Ottawa, I become extremely nervous about the future of this Province.

Now, I do not want hon. members opposite to get up and say, "Oh, he does not have any faith in this Province, he is undermining our credit rating in the financial houses of the world," and all this sort of thing, but I am extremely nervous when I do not see - Sir, if this hon. group made one hundred mistakes over their seven or eight years in power and that represented fifty per cent of their efforts and therefore they had fifty per cent successes, I would be patting them on the back. I might say that I would have preferred seventy-five per cent ratio, but, Sir, this hon. crowd has no success ratio. They have done nothing. As a matter of fact, their ratio in terms of success has to be measured in negative terms, because the only thing they have done, Sir, in terms of development is anti-development. They closed up the Linerboard mill. They closed up the oil refinery.

Sir, in science there is a theory about antimatter. In the science of politics, Sir, we have in this Administration a perfect example of anti-action and then they have the gall to set up an Action Group to try to cover over for their anti-action. Negative action. No action. Sir, this group - If there was no action it would be bad enough; but anti-action is worse, and this is the problem

MR. F. ROWE:

we have with this Administration.

SOME HON. MEMBERS:

Hear, hear!

MR. RIDEOUT:

Mr. Chairman.

MR. CHAIRMAN:

The hon. member for Baie Verte-White Bay.

MR. RIDEOUT:

Mr. Chairman, I rise to have a few words to say on this Bill No. 36. It appears as if it may be a good night to have a few words to say. Hon. gentlemen on the other side appear to be in good humour. It looks as if they may have supped well. Maybe the tax is starting to pay dividends already. But, be that as it may, hon. gentlemen on the other side do appear to be in extremely fine humour tonight, Mr. Chairman, so I thought -

MR. F. WHITE:

I hope you enjoy it after -

MR. RIDEOUT:

Yes, the hon. gentlemen on the other side seem to enjoy taxing the people, and that is what we are discussing here tonight, a tax bill. So, hon. gentlemen appear to enjoy taxing the people.

Now, Mr. Chairman, it seems to me as I look at this Bill No. 36 that it is the sort of a bill - I suppose the best way to put it is that it is a sort of a bill of contracts because in the first section of the bill, Mr. Chairman, you have a reduction in three percentage points of the sales tax. Mind you, now,

MR. RIDEOUT:

Mr. Chairman, not brought about by any good graces of this administration. The three per cent reduction in the sales tax, Mr. Chairman, was not brought about because of any brain wave of the Newfoundland Minister of Finance. That was not why it was brought about. In fact, Mr. Chairman, that same minister raised the sales tax in this Province by a full percentage point only a couple of weeks before the federal-Liberal government at Ottawa came to the aid of this Province again and reduced and a very drastic reduction of three full percentage points in the sales tax assessment. So that is why I would consider this bill, Mr. Chairman, to be a sort of bill of contrast because you have the sales tax reduction in one clause and then you have the other clause which the reduction to the corporate business people in this Province. To the Newfoundland corporate bums, I suppose, you have the reduction. Not to the little man, Mr. Chairman, not to the little man. There is a reduction to the little man until October brought on by the good graces of the federal Liberal government. There is no reduction in the sales tax to the little man brought on by the provincial Tory government. No, that is not the case. But there is a reduction for the \$150,000 a year and greater business.

Now that to me, Mr. Chairman, if it is not a contrast in taxation policy, I do not know what to say about it. You sock it to the little guy on the one hand. Fortunately this bill is reducing it for a six month period because of the fiscal policy of Ottawa not because of the fiscal policy of this Province. On the other hand they have what is defined as small business. Small business, Mr. Chairman, that has a net income of \$150,000 a year after the salaries are paid, after the expenses are paid, a net income of \$150,000 a year. Now, Mr. Chairman, that to me is not a very small business. It may be a small business to the Crosbie group of companies or it may be a small business to - well it may have been a small business up until last year to A.B. Walsh Limited or some group like that but it is not a small business to me.



MR. RIDEOUT:

I know there are thousands of small businesses around this Province, Mr. Speaker, who do not have anywhere near the net income of \$150,000 a year, that if the government were giving them a tax break, a tax release, it may be able to turn that tax benefit, that tax incentive into some sort of incentive to create jobs or expand their business a little bit. But that does not seem to me, Mr. Chairman, to be the philosophy behind this particular bill. The philosophy behind this one is small in terms of \$150,000. Now \$150,000 may be small in a lot of peoples' books but it is not very small in mine.

I would submit, Mr. Chairman, to the Minister of Finance that again the priorities, his priorities have been twisted. The priorities of the administration have been twisted because there are thousands of small business in this Province that may be able to take advantage of that particular tax incentive that is not a small business at all. It is big business, Mr. Chairman, in Newfoundland. \$150,000 a year is no bum business. \$150,000 a year net income after salaries are paid and after operating expenses are paid and all that, Mr. Chairman, is not a bad business.

MR. HICKMAN: It does not say net profit.

MR. RIDEOUT: I did not say net profit but it is after expenses are paid, actual income after expenses are paid. I believe the term they use is taxable income. That is after all the expenses are paid. I would say, Mr. Chairman, to the hon. Minister of Transportation and Communications who is the hon. former Minister of Finance, he had a little bit more sense than to bring in this piece of legislation. He had a little bit more sense than do that. Maybe it was the whip, Mr. Chairman, because as I understand the latest political rumour around town is that that hon. gentleman is now leading in the race for the leadership of the Tory Party. That is the latest rumour, Mr. Chairman, that they are going to go for wit. The way I hear it is they are going for wit.

MR. NEARY: This is the year of wit.

Mr. Rideout: This is the year of wit, Mr. Chairman, when they had their leadership convention in the Fall I understand they are going for wit. That is all they are going to be looking for is humour and wit, and they have enough of it in that hon. gentleman, and I wish him well because he had sense enough not to bring in this particular type of amendment like his colleague is doing there at the moment.

MR. MCNEIL: I dare say if he were making \$150,000 in his grocery store he would get out.

MR. DOODY: We will get a helmet for the hon. member for Conception Bay South (Mr. Nolan) -

MR. NOLAN: Thanks for worrying about my fall.

MR. RIDEOUT: I wonder if the hon. gentleman made that much in his grocery store \$150,000?

MR. DOODY: \$150,000, if I made that.

MR. RIDEOUT: Yes. Would you consider that a small taxable income?

MR. DOODY: A taxable income?

MR. RIDEOUT: Yes.

MR. DOODY: You would make that on a good Friday night.

MR. RIDEOUT: Make it on a good Friday night. So you see, Mr. Chairman, that is why, Mr. Chairman, that man ended up as Minister of Finance for a couple of years and did not bring in those silly kinds of tax measures that his colleague now the Minister of Justice is bringing in.

Now, Mr. Chairman, I want to spend a few minutes talking about the sales tax increase, the sales tax increase that this government brought in in their Budget but it has been reduced in this particular bill because of the fiscal policy brought in by the Federal Liberal Government. I thought it might be an interesting exercise, Mr. Chairman, to look at in some detail the progression of sales tax increases in this Province over the last thirty to thirty-one years. And I found it, Mr. Chairman, to be an interesting exercise.

Mr. Rideout: Social security assessment tax in Newfoundland and we know that in later years it has been changed to retail sales tax. But in 1949, Mr. Chairman, by the Act of the Legislature No. 97, social security tax in the Province was fixed at 3 per cent, 3 percentage points.

Now, Mr. Chairman, it has been a custom of the people of Newfoundland and Labrador over the last five or six years to expect that every time the Minister of Finance brings in a Budget it makes no difference who it is, whether it would be the present Minister of Transportation or the former Provincial member for St. John's West, the present Minister of Finance, Newfoundlanders, Mr. Chairman, have come to expect an increase in the sales tax because this government has done it religiously, this government has been doing it almost every year.

AN HON. MEMBER: They were lowering -

MR. RIDEOUT: There was once they managed to skip a year but practically almost every year this administration has been socking it to the small fellow by increasing the sales tax.

But as I was saying, Mr. Chairman, in 1949 there was a sales tax of 3 percentage points instituted in this Province. And do you know, Mr. Chairman, that the government of the day went eleven years, eleven full taxation years before they increased the sales tax again, eleven full taxation years.

MR. LUSH: That is not bad.

MR. RIDEOUT: The sales tax was instituted at 3 percentage points in 1949 and in 1960 it was raised to 5 percentage points after eleven years the administration of the day finally saw fit in their fiscal policy after exploring all the other sources to raise the social security tax 2 percentage points after eleven years. And then, Mr. Chairman, that same administration went for another six years, six years before they raised the social security tax again, and in 1966 by Act No. 30 they raised it 1 percentage point, 1 percentage

Mr. Rideout: point that is 3 percentage points, Mr. Chairman, after seventeen years, seventeen years of administration.

AN HON. MEMBER: Letting the country go in debt.

AN HON. MEMBER: Now, that was action.

MR. RIDEOUT: Listen to the hon. first declared Liberal candidate in Newfoundland, Mr. Chairman. Listen to him talking about letting the country go in debt. I will say to that hon. gentleman that after seventeen years they raised the social security tax 3 percentage points and they built the roads, Mr. Chairman, -

SOME HON. MEMBERS: Hear, hear!

MR. RIDEOUT: - and they built the hospitals, -

SOME HON. MEMBERS: Hear, hear!

MR. RIDEOUT: - and they built the trade schools -

SOME HON. MEMBERS: Hear, hear!

MR. RIDEOUT: - and they built the University -

SOME HON. MEMBERS: Hear, hear!

MR. RIDEOUT: - and they did it all.

SOME HON. MEMBERS: Hear, hear!

MR. RIDEOUT: And when they left office, Mr. Chairman, this Province was left \$1 billion in the hole. What do we have to show after six years of Tory Administration? Over \$2 billion in the hole.

SOME HON. MEMBERS: Hear, hear!

MR. RIDEOUT: So let the hon. gentleman -

MR. MCNEIL: And how many years?

MR. RIDEOUT: - and let the hon. gentleman be quiet, Mr. Chairman.

MR. NEARY: You know who participated in part of the resettlement coming? My hon. friend presented a whole community for resettlement.

MR. RIDEOUT: Yes, Mr. Chairman, part of

MR. RIDEOUT: the reason why that the former administration might have overspent one time or another is when certain hon. gentleman on the other side would resettle a community and then send bills in to the former Premier to be paid.

If we are going to get down in the gutter, Mr. Speaker, I can get down in the gutter. Is this a point of order, Your Honour?

MR. WOODROW: A point of order, Mr. Chairman.

MR. CHAIRMAN: A point of order.

MR. WOODROW: Mr. Chairman, I never at any time sent bills to the former Premier. I can assure you of that and I want the gentleman to withdraw that remark.

MR. NEARY: Mr. Chairman, I understood my hon. colleague to say, Sir, that the hon. gentleman participated in the resettlement programme by helping to move a community for which the hon. gentleman sent in bills and was paid for his dump truck I understand. I am not sure if the hon. gentleman bought a dump truck for that purpose or some kind of a machine for moving people so the hon. gentleman should take back nothing. It is just merely a difference of opinion between my hon. colleague and the member for Bay of Islands (Mr. L. Woodrow), a difference of opinion and it is not a point of order.

MR. WOODROW: Mr. Chairman, I do not know what the hon. gentleman is getting at but never in my life did I have a dump truck. I want that statement withdrawn from the record, Mr. Chairman. That is a very serious matter.

MR. RIDEOUT: To the point of order, Mr. Chairman. All I am suggesting is that under the resettlement programme any group that -

AN HON. MEMBER: But you have to pay a fee.

MR. RIDEOUT: Mr. Chairman, can I explain to the point of order. All I am suggesting is that I do not know if any group in Newfoundland who have moved people without sending bills to the government under the resettlement programme.

MR. HICKMAN: To that point of order, Mr. Chairman.  
At least two accusations made against the hon. and scrupulously honest member from Bay of Islands (Mr. Woodrow). The allegation was that the hon. gentleman sent bills to the former Premier of this Province.

MR. NOLAN: So he did.

MR. HICKMAN: He has said that that is not so and we have to accept the statement of any hon. member. Secondly there is no difference of opinion. The hon. gentleman from LaPoile (Mr. Neary) said the hon. member for Bay of Islands (Mr. Woodrow) bought a dump truck. Now he has never had a dump truck. So if he has never had a dump truck -

MR. NEARY: If the hon. member will just allow me?  
If the hon. gentleman tells me he did not have a dump truck I will take his word for it.

MR. HICKMAN: Right.

MR. NEARY: He did not have a dump truck. But he still sent in the bills for the people that resettled.

MR. HICKMAN: Not to the former Premier.

MR. NEARY: Oh yes he did. Oh I beg your pardon he did.

MR. F. ROWE: The former Premier says he did.

MR. NEARY: He was on the phone day and night.

AN HON. MEMBER: Protection of the House, see.

MR. NEARY: Come on outside and I will say it.

MR. CHAIRMAN: Order, please! The Chair does not feel there were any direct allegations made toward the hon. member. In the Chair's opinion it is a matter of a difference of opinion.

MR. RIDEOUT: Thank you, Mr. Chairman. If one of us attempted to interrupt the hon. gentleman like that he would be coming back and saying you are just trying to take it out of my speaking time but I am not too concerned about that.

Now, Mr. Chairman, I was trying to make a few remarks before I was so rudely interrupted by the first declared Liberal candidate in Newfoundland. Attempting to show to the committee, Mr. Chairman, the progression of rates of increase in Social

MR. RIDEOUT:

Security or Retail Sales Tax as we call them now over the past number of years in this Province and as I was saying, Mr. Chairman, during seventeen years, in a seventeen year period in the former administration, from 1949 up to 1965 there was a three per cent increase in the Retail Sales Tax. Now I think I got as far as 1966. Two years later in 1968, Mr. Chairman, the much maligned former administration increased the Sales Tax for the last time as part of their administration. In 1968 they increased it from six per cent to seven per cent, an increase of one percentage point. So, Mr. Chairman, in

MR. RIDEOUT: twenty-three years, Mr. Chairman, I think this bears some thought, because some hon. gentlemen on the other side would like to appear as if they have short memories and I do not mind jogging their memories once in a while. In twenty-three years the former administration which is supposed to have put her on the rocks and put her in the hole and all this according to some hon. gentlemen on the other side, increased the social security tax a total of four percentage points - in twenty-three years they increased it a total of four percentage points from 3 per cent in 1949 to 7 per cent in 1968 which was their last time to increase it. They did not leave office until 1972, but they did not increase the tax after 1968. In fact they went for a full eleven years in one stretch and never increased the social security tax at all. And I would say, Mr. Chairman, that that would be an indication of the social conscience of that administration because in any way you look at it, Mr. Chairman, the sales tax is certainly a regressive taxation. It hurts those who can least afford to pay the most.

AN HON. MEMBER: That is right.

MR. RIDEOUT: It hurts the poor person the most. It hurts the person on fixed income the most. It hurts the welfare person receiving \$300 or \$400 a month a lot more than it hurts the person receiving \$1,000 a month. Sales tax is regressive taxation.

So I would submit, Mr. Chairman, that the reason why that former dirty, slimy administration only raised the sales tax by four percentage points in twenty-three years of administration was that that gutter administration had at least a bit of social conscience. Now that is the history from 1949 up to 1968 which was the last time.

AN HON. MEMBER: Inflation was not born then.

MR. RIDEOUT: Well, according to the Minister of Mines and Energy it was supposed to be born with the Greeks.



MR. RIDEOUT: Now, Mr. Chairman, that is the record of the former administration.

Well, we have another administration now - we have had it for six years.

AN HON. MEMBER: When did it go up the first three?

MR. RIDEOUT: It did not go up 3 per cent at any - Oh, in 1949 - I did not ask if it existed before 1949, maybe it did not, but if it did not, so what?

AN HON. MEMBER: It had to start from somewhere.

MR. RIDEOUT: You know, it had to start somewhere.

Now, Mr. Chairman, let us compare the last six years. We do not have twenty-three years to compare, you see, Mr. Chairman, we can only compare for six years. Now the former administration raised it four percentage points in three years. Now I want to have a look at what has happened under the present administration. They came to office in 1972. The last increase in the sales tax was by Bill No. 16 in 1968; it was raised one percentage point to 7 per cent. So they came to office in 1972. In 1973 they left it as was. That was their 'get-to-know-you' year. In 1974, Mr. Chairman, they started their first series of increases in the S.S.A. tax.

MR. RIDEOUT: The romance was over.

MR. RIDEOUT: In 1974 the romance was over, they had had a year in office, they wanted to see how they could sock it to the poor man. The poor man's champagne had gone down the drain so now they were going to start on the sales tax.

AN HON. MEMBER: That was to really get to know the people.

MR. RIDEOUT: Yes, to really get to know you. In 1974 they raised it one percentage point to 8 per cent. So in their first two years in office they upped it 1 per cent.

AN HON. MEMBER:

That is when we got to know them.

MR. RIDEOUT:

That is when we got to know them.

Now, Mr. Chairman, the next year was 1975 - that comes after 1974. They had raised it one percentage point the year before. Not being satisfied, and going into an election year, even though they brought in the first billion dollar Budget, in 1975 they increased it two more percentage points - three percentage points in two years. In 1978, Mr. Chairman, this present year - it is no wonder they got re-elected, Mr. Chairman; it is too bad I am speaking on the principle of Bill No. 36, I could tell a few yarns about that. Wait until we get into the Governor's Warrants and start matching them up with a few of the political niceties that happened last Fall! In 1978, Mr. Chairman, this current year, they increased it another percentage point, a total, Mr. Chairman, of six years in office and a total increase of four percentage points in six years. Now this is the crowd - oh, they can match the former administration, Mr. Chairman.

AN HON. MEMBER:

Tell the whole story.

MR. RIDEOUT:

Yes, I will tell the whole story.

SOME HON. MEMBERS:

Oh, oh!

MR. RIDEOUT:

They can match the former administration, Mr. Chairman. In many ways they can outdo the former administration, Mr. Chairman. It took

MR. RIDEOUT: that crowd that ran this Province for twenty-three years, it took them twenty-three years to raise the sales tax four percentage points and it took this hon. crowd, Mr. Speaker, only six years to match them. And, Mr. Speaker, they will run ahead of them next year. I will make a prediction now that this crowd will pass them next year. After seven years in office they will pass them as far as increases to the social security tax, the Retail Sales Tax as it is now called, is concerned.

MR. LUSH: What is your projection as to what this hon. crowd would do for twenty-three years? You have not done it.

MR. RIDEOUT: Well I will leave that to some colleague who might speak after me. If you projected this over a twenty-three year term of office, where the Retail Sales Tax would be.

MR. NOLAN: But the Province would not last that long.

MR. RIDEOUT: Now, Mr. Chairman, I think that tells an interesting story about this hon. crowd who are carrying on the administration of this Province. You just had the innuendo and the political innuendo flung around the House, we had to do it too because you had her in the hole. You had her in debt so bad we had to do something. That is the theme that comes across from the other side. Well, Mr. Chairman, they do not feel like saying that in addition to matching the raise in social security tax, they have already doubled the debt. They do not want to hear that part of the story. They tripled the debt. Excuse me, yes, it was a slip of the tongue. They tripled the debt. They do not want to admit to that. Well, Mr. Chairman, it takes a while but eventually the chickens come home to roost and I would say that they are coming home to this Minister of Finance, this Minister of Finance who on budget day ruined St. Paddy's Day for every Irish Newfoundlander in

MR. RIDEOUT: his theatrical swan song in this House of Assembly.

MR. NOLAN: Very poor theatre too.

MR. RIDEOUT: Very poor theatre, kindergarten theatre.

But I would submit that he should be nominated for the Oscar of the year award because any man who would have the conscience, Mr. Speaker, any man who would have the conscience to inflict on his fellow Newfoundlanders for a double increase in the social security tax after six years in office deserves some sort of an award, some sort of an award.

Fortunately, Mr. Chairman, the Federal Liberal Government at Ottawa came to the rescue of the Newfoundlanders once more and in their fiscal policy introduced a few months ago they reduced the social security tax by three percentage points and that is the way it will stay now until October.

The Minister of Finance might not like the fact that he raised the social security tax to eleven per cent and then had to be reduced a couple of weeks after down to eleven, he might not like it because it is giving a break to Newfoundlanders who deserve a break. So, Mr. Chairman, I would say that that minister may not like it but thanks to Uncle Ottawa they got bailed out again and instead of having to pay a full twelve months, instead of Newfoundlanders having to suffer and persevere under a full twelve months of this regressive taxation they will now only have persevere if we do not get a Fall election. If we do not get a Fall election, they will now only have to persevere for six months.

Mr. Chairman, I am being harrassed by my seat mate.

MR. CHAIRMAN: Order, please!

MR. RIDEOUT: I have to demand -

MR. NOLAN: Do I get danger pay for sitting here next to you?

MR. RIDEOUT: They are trying to throw me off, Mr. Chairman.

MR. RIDEOUT: I believe he is in cahoots with his buddy that he is trying to get on the Bench.

MR. NOLAN: Who is this?

MR. NEARY: You will never make it buddy. You are sitting on too many reports.

MR. RIDEOUT: I see them talking together a little too often, Mr. Chairman. I am becoming suspicious. I think my colleague from Conception Bay South (Mr. Nolan) is becoming too close to that heartless Minister of Finance.

MR. NOLAN: Did you hear that 'Alec'?

MR. RIDEOUT: Now, Mr. Chairman, as I said when I began my few remarks I had to make, I would not be too long. I am not a financial wizard but there are a few things about this particular bill that sort of strikes me in the stomach and that is the rate that this hon. crowd have seen fit to raise the retail sales tax in this Province, the really breath-taking rate, Mr. Chairman, that they have seen fit to do so.

MR. RIDEOUT:

You know, instead of exploring you drop by two percentage points the income tax on the corporations, those small business people who are really hurting, only making a taxable income of \$150,000 a year, starvation money. Those small people who are really hurting you drop their income tax by two percentage points and then you sock it to the little guy, the ordinary fellow who could be earning \$4,000, \$5,000, \$6,000, \$7,000, \$8,000 or \$10,000 a year with a family to support or the people on fixed income and so on.

So those are the priorities, Mr. Chairman. Those are the priorities of this particular group. They will not sock it to their buddies, as my colleague from LaPoile (Mr. Neary) has already said, sock it to the little guy, let him take it, let him take more of it. And they are doing it, Mr. Chairman, at such a savage rate. That is what really fascinates me, the savage rate that this administration has gone on the sales tax binge, four percentage points of an increase in six years when it took the former administration twenty-three years to increase it by that much. So it is certainly a savage, lightening speed pace that this administration has gone on the sales tax binge.

It appears to me, Mr. Chairman, that they have lost all sense of decency to always have to hit the sales tax. Oh they will take it off of clothing or something like that but then add on some more to compensate for it so what good does it do anyway, to always have to hit the sales tax but then to take a couple of percentage points off of what I would consider, in my books, my little White Bay businessman's point of view is not very much I know but a \$150,000 a year business to me does not seem to be exactly a poor man's salary. My colleague can come back now because I am almost finished.

MR. RIDEOUT: So, Mr. Chairman, I cannot - the first section of the bill just makes law what the federal budget proposed a number of months ago. I can support that. It is good for Newfoundland and for Newfoundlanders and I can support it. But I certainly cannot support the second major principle in the bill which is the reduction by two percentage points in the income tax payable by those large corporations. As far as I am concerned the large corporations, large in Newfoundland terms - I would like to know how many corporations there are in this Province above this \$150,000 ceiling. How many are there? It would be interesting, Mr. Chairman. There may not be too many. I know we have some good business operations in this Province but taxable income is what we are talking about.

It is certainly Tory policy, regressive policy and I cannot support that type of legislation.

SOME HON. MEMBERS: Hear, hear!

MR. CHAIRMAN: The hon. member for Lewisporte.

MR. F. WHITE: Mr. Chairman, I just want to say a few words with respect to this piece of legislation. Mr. Chairman, a lot of members are getting into the debate and a lot of people are talking about the great step, Mr. Chairman, the great step that Ottawa took with respect to reducing the three per cent sales tax in this Province. Once again, Mr. Chairman, we see Ottawa coming to the aid of 500,000 people, and doing what this government should be doing in stimulating the growth and the economic base in this Province. It is a very, very important thing and I sometimes wonder, Mr. Chairman, I sometimes wonder whether this government has any imagination whatsoever' -

MR. RIDEOUT: No.

MR. F. WHITE: - any imagination whatsoever with respect to how to stimulate the economy in this Province and get things moving

MR. F. WHITE: again. And we know, Mr. Chairman, we know quite well and history will show that one of the reasons for the economy declining and for the economy dwindling, and for the economy becoming stagnant is that the people are over taxed, paying too much taxation, Mr. Chairman, and this is one of the things that Ottawa realized, that Ottawa appreciated and Ottawa, because this government would not move, they decided that they would move, Mr. Chairman, and do something about the high cost of taxation in this Province. And yet hon. gentlemen opposite, Mr. Chairman, will kick out, will thrash out, will lash out, will criticize Ottawa for just about every single thing they do and here, Mr. Chairman, we have good old Ottawa once again coming to the aid of this Province and reducing the sales tax by three per cent.

And hon. gentleman, Mr. Chairman, should not say, and should not indicate this reduction of three per cent is not going to have a good effect on the economy of this Province because it will. And I say to the Minister of Finance that



Mr. White: despite everything that was in the Budget that the hon. gentleman brought down this reduction of 3 per cent in sales taxes will do more to stimulate the economy than one other single thing in the Budget that was brought down by the hon. gentleman, his first Budget will do more, Mr. Chairman, will do more. Car sales, car sales are soaring, Mr. Chairman, in some parts of this Province because of the reduction, the 3 per cent reduction, and people are working, and people are making a living and making a good income, Mr. Chairman, because of the federal government's reduction of 3 per cent. It is on the major items that this piece of legislation will effect most the reduction in 3 per cent it is on the major, the big items, Mr. Chairman, that is what will be effected most and that is what will sell most across this Province because the 3 per cent has been taken off the sales tax. And I say to hon. gentlemen opposite that if they have not bought a new car this year they should buy one before October in case the 3 per cent goes back on again. And it does mean something. It does mean something. And I would say now is the time to buy a new automobile if you are so inclined.

Now, Mr. Chairman, I just wanted to make a reference as well to a point made by the hon. gentleman for LaPoile (Mr. Neary) when he was speaking in the debate earlier in the day with respect to the step that is being taken by the voters of California, Proposition 13. Now, Mr. Chairman, that is a very significant happening in the Western World I would submit, Mr. Chairman, a very significant happening where the voters of a state in the United States have said that we are going to have a say not only in the government we elect but also in what that particular government does. And despite the fact, Mr. Chairman, that in California you have one of the most enlightened governors, one of the most enlightened governors in the Western World the people of California said, we are going to put a stop, we are going to put a stop to increased taxation, and we are going to put the lid on and they did it. They voted to put the lid on taxation, and not only

Mr. White: that, Mr. Chairman, but also to reduce it.

It says in this article I have here, "Perhaps the most emotional issue to sweep across the United States in a generation, Mr. Chairman, the celebrated proposition has gathered astonishing grassroots support, not only in California, but right across the United States. The Proposition 13 which was supported by the voters of California, Mr. Chairman, means that property taxes for all Californians will be slashed by 57 per cent beginning on July 1, city, council, town, and school administrators figure that they would lose some \$7 billion a year because of this Proposition 13 being passed in the recent vote in California.

AN HON. MEMBER: Get a petition up here on it.

MR. WHITE: Well we sign it? Vote for it in the House.

AN HON. MEMBER: Well, you are allowed to do it.

MR. WHITE: Well, Mr. Chairman, I submit, that if the people of this Province were given the alternative to decide -

MR. NEARY: Let them get to the ballot boxes. Let them get to the ballot boxes.

MR. WHITE: That is right. And in the ballot boxes what kind of government administration they want, and what kind of government action they want taken that they will decide in favour of lower taxes, Mr. Chairman.

SOME HON. MEMBERS: Hear, hear!

MR. WHITE: Because that is not what the people want, they do not want lower taxes. And in California it was clearly stated the alternatives, the alternatives to voting for Proposition 13 were clearly stated, the effects on the public service in California were told, the people were told what kind of layoffs there would be in the civil service, how the lid would be put on the civil service, and yet, Mr. Chairman, they voted for that. They voted for Proposition 13 to put the lid on.

MR. MURPHY: Sir, do they have unemployment insurance in the United States?

MR. NEARY: Yes they do.

MR. WHITE: Some form of unemployment insurance in the States, of course they do yes. Yes they have some form of unemployment -

MR. NEARY: Social security.

MR. WHITE: Social security, it is all tied into the welfare system.

So, Mr. Chairman, in this Province we see taxes going up. And, Mr. Chairman, I sometimes wonder, you know, since the Conservatives came into office there has never been anything going down, never anything going down, everything is up.

MR. LUSH: It is the economy.

MR. WHITE: Taxes are going up, the taxes are going up, Mr. Chairman, -

MR. LUSH: Sky high.

MR. WHITE: Sky high in this Province. Unemployment is going up, Mr. Chairman. The number of members in the House went up, Mr. Chairman. The number of potholes in the Trans-Canada Highway increased, everything is gone up, Mr. Chairman, including the sales tax as my hon. friend for Baie Verte-White Bay (Mr. Rideout) demonstrated a few months ago. And the cost of housing, you know, I do not know if there is anybody in this House, Mr. Chairman, who should be speaking for the Corner Brook area, the hon. gentleman or the hon.

MR. WHITE: gentleman from Humber East and Humber West should be speaking for their constituents but I do not know when was the last time that anybody got up in this House and talked about the high cost of housing in Corner Brook because it is a very significant matter that nobody has paid any attention to. In the last two years, Mr. Chairman, an average house in Corner Brook, the cost of an average house in Corner Brook has gone up by \$17,000 compared to the same house in St. John's going up by \$1,200. Now those figures are unbelievable, Mr. Chairman, but they were contained in the report just released by Royal Trust a little while ago which said that the cost of an average house, an average house between \$40,000 and \$50,000 has gone up by \$17,000 in Corner Brook in the last two years and \$1,200 in St. John's, the same house. So I would like for the hon. the Premier who is the member for that area, the member for Humber West and the Premier of this Province to tell us why in his own city, the city that he represents in the legislature, why housing costs have gone up to that extent and why he has not stood here and talked about it more in this House and try to come to grips with that serious problem.

MR. NEARY: He must be going to move.

MR. WHITE: Yes he must be going to move constituencies. He has been going to every constituency in Newfoundland. He has been going to take on the hon. gentleman from Burgeo-Bay d'Espoir (Mr. Simmons), and during the Twillingate by-election he was going to take me on and he was going to take on the hon. gentleman from LaPoile (Mr. Neary), the hon. gentleman from Carbonear (Mr. Moores) so I am sure that he has not decided yet where he is going to go to run in the next election. He may not even be running. That would be my bet at this stage.

I will throw out an idea, Mr. Chairman, I will throw out an idea to the administration. They talk about job creation and if they want to get into job creation here is something for them to follow up on, Mr. Chairman, and it is a very good idea. It was announced that the NATO talks in Washington two weeks ago that in the next ten years NATO countries—and Canada is a member of NATO, will spend \$100 billion on new armaments within the next ten years. They are going to spend that, the NATO countries, the Western democracies will spend

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MR. WHITE: \$100 billion, that is one hundred times the total yearly budget of Newfoundland in armaments.

SOME HON. MEMBERS: Has anybody tried?

MR. WHITE: Well I do not suppose anyone has tried over there to get any allied - I would like for somebody to stand up and tell us about it. How many meetings have been held to try and get some kind of armament building factory in Newfoundland? That is the problem, Mr. Chairman, with Central Canada thinking. It is a problem with Central Canada thinking with respect to this Province and it is also a problem with respect to thinking here in Newfoundland. Ministers will go to Ottawa and say give us some money to build roads or go to Ottawa and say give us some money to put water and sewer systems in and Ottawa will say sure we will give you the money to build roads and sure we will give you the money to put in water and sewer services providing you buy the tractors that were made in Ontario or sure is you buy tractors and trucks that were made in Quebec.

Mr. Chairman, why do they not change their thinking? Let us see if we cannot start from the grass roots in this Province. Let us see if we cannot start and get into some kind of heavy industry like the building of tractors and the building of cars and all those kinds of things. It should be spread out across the country. There is always a vested interest in Central Canada. They never do anything for the East or West unless it is to their advantage and that is something that we have got to try and change in the next few years, Mr. Chairman.

One or two other points that I want to make. I do not want to say very much but my hon. friend from Trinity-Bay De Verde (Mr. F. Rowe) mentioned money for the fishery and often I have heard the Minister of Fisheries and others talking about the difficulty in getting chartered banks to loan money for the fishing industry. Well I would like to tell the hon. gentleman that there is now a change in some of that policy. I had the opportunity yesterday to meet

MR. WHITE: a top-ranking official of one of the banks in St. John's and it was a confidential chat and I do not want to say which bank it was but this particular gentleman told me that he has just finished a complete tour of all their branches in this Province and he told them that the fishery from now on gets number one priority with respect to the loaning of money.

AN HON. MEMBER: Did he tell you that

MR. WHITE: No he did not tell me that. And not only that but they are going to go into competition with the Fisheries Loan Board and they are going to go into competition with all other groups that are loaning money to this Province. I say they are going to be successful at that and it is good. At some future date, Mr. Chairman, I will say who the gentleman is. But I think one of the reasons for this

MR. WHITE: change of attitude with respect to this bank branch is the top official happens to be a Newfoundlander, and that is very good because that is something we are not used to in Newfoundland, having Newfoundlanders at the tops of corporations.

MR. FLIGHT: What about the air conditioning?

MR. WHITE: That is right. The air conditioning, I was going to mention that, Mr. Chairman. The Minister of Public Works talks about his efficiency and in this case he is overly efficient with the air conditioning tonight.

AN HON. MEMBER: Turned off for the summer.

MR. WHITE: That is right, Mr. Chairman. So, Mr. Chairman, those are a couple of points I wanted to make, that the federal government has once again come to the aid of this Province, bailed out the Province once again, Mr. Chairman, bailed out the government once again, turned the other cheek once again, Mr. Chairman. They have been doing it so often. Despite all the kickouts and the criticisms that are being levelled at Ottawa, once again they come to the aid of good old Newfoundland and try to bail us out once more.

MR. LUSH: Mr. Chairman.

MR. CHAIRMAN: The hon. the member for Terra Nova.

MR. LUSH: Mr. Chairman, I want to say a few words about this bill.

Mr. Chairman, without Ottawa's coming to the aid of this government we would have simply had a very small bill to deal with here tonight, I suppose just the one on the reduction of taxes, the corporate tax to the small business as the government refers to it. Small business, that is the only thing we would have had, because otherwise, our people would have been facing an increase in sales tax.

MR. LUSH:

We already have our people, Mr. Chairman, taxed to death. And this bill this evening that we are now dealing with is because of the generosity of Ottawa, the kindness of Ottawa, the government that this provincial government is forever ridiculing, forever berating. And one wonders sometimes whether we in this Province are not lucky to get what we do get because of the kind of spirit, because of the kind of atmosphere, the kind of climate that must exist between the two levels of government.

Mr. Chairman, in order to get a good deal for this Province certainly we have to negotiate with Ottawa in a spirit of co-operativeness, in a spirit of harmony, but it does not look like this is the situation with this present administration - using diversionary tactics, Mr. Chairman, all the time; this is what it is, diversionary tactics, blaming Ottawa, taking the heat off themselves, putting it on Ottawa, trying to get out from under the poor performance that they have been able to - what shall we say - perpetrate on the people of this Province.

So, Mr. Chairman, this is why we have this bill here this evening, because Ottawa was so willing to come to the aid of the people of this Province in an effort to try and stimulate our stagnant economy, an economy that is going downhill every day, an economy that is becoming stagnant. And this is an effort by the federal government to try to improve our economy, to try to make our economy a little more buoyant. And, Mr. Chairman, without this measure I dread to think what would have happened to our people, a people who are taxed to death, taxes, Mr. Chairman, brought about due to the extravagance of this government, mismanaging the financial affairs of the Province. And this extravaganza now has resulted in imposing tremendous taxes on our people. And I sometimes do not believe hon. members are sensitive to how this affects our people, the people on



MR. LUSH:

fixed incomes, people without any jobs, Mr. Chairman. How dreadful a situation this must be for these people - people without jobs, people unemployed having to face those high taxes! And the hon. the member for Lewisporte (Mr. White) put it very well when he said, "Since this administration have taken over everything has gone up," - taxes, cost of housing, cost of food, the cost of oil,

MR. LUSH: entire cost of living just escalated and it is a wonder how our people can take it. It is a wonder how our people are seeing it through at all.

Mr. Chairman, there must be an awful lot of deprivation in this land. There must be an awful lot of frustration in Newfoundland tonight. There must be an awful lot of anxiety among our people. But thank God, through the good graces of Ottawa, they did get some relief from this sales tax. They got some relief, some measure of relief.

Mr. Chairman, as I have said, it must be a terrible situation in this Province tonight with the people who are unemployed, looking at the taxes they have to pay and the cost of living going up. It is unbelievable the torture, the misery, and the suffering that these people are going through. And it looks like no help coming from this government, no sensitivity whatever, Mr. Chairman, to the needs of our people, no sensitivity at all, no effort at all to stimulate the economy, to try and create jobs, none at all.

Mr. Chairman, we talk about creating jobs for our people. I alluded today in speaking to the government's spruce budworm spray programme where the government was not spending any money on forest management, Mr. Chairman, no money at all on forest management this year, scientific forest management. Our greatest resource, the forest, and here we are in a situation with the forest being eaten up by the spruce budworm and no way of reclaiming it looks like at the moment, the wood that is all dead, no effort being made and no effort being made to try and change this situation, no effort being made to carry on a scientific forest management programme so that we will increase the wood supply that we have.

Mr. Chairman, today on radio there was a man speaking from Central Newfoundland, a man who seemed to know what

MR. LUSH: he was talking about, and was alluding to the fact that where we had the great fire on the Bonavista Peninsula some seven or eight years ago, no effort being made in this area to carry on a forest management programme, no effort to carry on any thinning, a little bit of reforestation went on there but just leaving it to nature, Mr. Chairman, just leaving it to nature.

Imagine the number of jobs that we could be creating this year if we were carrying on a good scientific forest management programme for the future so that our people would be ensured of a living from the forestry, from the woods operation. But no monies for it this year, instead spending over \$2 million on a spray programme.

Now, Mr. Chairman, that is consideration for the future. That is the kind of economy that this government is exercising. That is the kind of way we are thinking. And, Mr. Chairman, when we want to get money the only way that this government can seem to think about getting money is socking it to the poor people of this Province. The people who can ill afford to pay taxes. But anyways, thanks to Ottawa that tonight this bill going through now is going to give them some temporary relief, a little bit of relief, a little ray of hope, Mr. Chairman.

The other part of the bill, Mr. Chairman, talking about the reductions to the small business, I would like to know what this government's definition of a small business is. I would like to know. Certainly to me a business firm that will have a total taxable income of \$150,000 is no small business. That is not a small business, Mr. Chairman. There are very few businesses in the Terra Nova district that would meet that definition, very few businesses in the Terra Nova district that will be able to benefit from this legislation, that is having a taxable income of \$150,000. I am sure that there is probably not more than two or three businesses in Terra Nova district, if that many, that will

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MR. LUSH:

benefit from this particular legislation.

Now, Mr. Chairman, I always thought this

was the

Mr. Lush: hon. crowd that talked about small business, now we know what they are talking about, now we know what they are talking about when they talk about small business. Now we know, Mr. Chairman, when we look in the Budget and see the programme and the policies of this government with respect to promotion of small business now we know what they are talking about. It is little wonder, Mr. Chairman, that the Action Group are not doing any more when we have asked the people with intentions of starting small businesses to contact them, it is no wonder that the people are not getting anywhere with it, because we are not talking about small business at all, Mr. Chairman. We are not talking about small business. It is no wonder, Mr. Chairman, that we have accumulated a debt of \$2.4 billion when you get a government that talks about small business in this terminology, in this definition, in this kind of language. Well, Mr. Chairman, there is very few businesses in this Province going to be able to take advantage of this legislation. Ten per cent maybe? That many? Ten per cent of the businesses?

MR. HICKMAN: Many Newfoundlanders can.

MR. LUSH: That is all?

MR. HICKMAN: The national is 90 per cent.

MR. LUSH: Ninety per cent? Well, Mr. Chairman, I would like to see that. Mr. Chairman, I would like to see proof positive of that, that 90 per cent of the businesses in this Province.

Now, Mr. Chairman, the unfortunate part as I say is that the only method that this government can think of to raise money is to sock it to the taxpayers of this Province, the poor people of this Province, the people who are completely frustrated, worried, do not know which way to turn that is the people that we sock it to, the people that can least afford to be able to meet the commitments, to be able to make ends meet that is the people we are socking it to, Mr. Chairman, and it is unfortunate.

So, Mr. Chairman, I have much more to say here right now on this particular bill, but again when somebody from the

Mr. Lush: government does rise in their place, Mr. Chairman, I would certainly like for them to tell us what their definition of a small business is. I would certainly like for someone to tell us that. I would certainly like for someone to tell us because this seems like, this to me when you get a business that has a total taxable income of \$150,000 that does not sound like a very small business to me, that does not sound like a very small business.

But, Mr. Chairman, before finishing I want to again point out that we are dealing here, the first measure is thanks to the generosity of Ottawa. The government was going to increase our taxes by 1 per cent. Their extravagance had caught up with them, their wastefulness, mismanaging the financial affairs of this Province had caught up with them, and they had to -

MR. NEARY: Give another extension.

MR. LUSH: Pardon?

MR. NEARY: They gave us another six month extension. Ottawa now, they did not get a chance to call the election.

MR. LUSH: Well I would hope they will, I will hope they will, Mr. Chairman, give us another six months extension. I will hope they will.

MR. NEARY: The chuckle heads over there then will get another extension.

MR. LUSH: Because we are not going to get any reductions in taxes from this hon. crowd.

SOME HON. MEMBERS: Hear, hear!

MR. LUSH: No way.

So, Mr. Chairman, I would hope that we will get an extension on this, the people of our Province can take an extension and they can take a reduction too. They can take another reduction, but no such reductions, Mr. Chairman, coming from this administration. No reductions only increases, only increases, increases all of the time. And, Mr. Chairman, the figures illustrated by the hon. member for Baie Verte (Mr. Rideout) I think were revealing, and were enlightening to find out how, it tells us something about the attitude and the philosophy

Mr. Lush: of this present government towards the ordinary Newfoundlander, Mr. Chairman. No sensitivity at all to the needs of the ordinary people of this Province. If we need a few extra dollars just sock it to the ordinary people of this Province. The people as I said before who do not know which way to turn, no jobs, Mr. Chairman, and nowhere to go and look for them.

MR. NEARY: Neither bit of moose in the frig for the Winter.

MR. LUSH: That is right.

MR. NEARY: No blueberries.

MR. LUSH: No blueberries. They cannot go and follow the tradition lifestyle that they could to try and supplement their meager income, cannot do it. And, Mr. Chairman, it is a sad state of affairs, a sad commentary on any government when the only way we can think of raising money is raising the taxes.

MR. LUSH: but as I said before, thanks to Ottawa, we have a little reprieve. They have given us a ray of hope and at least for six months the people can rest content for a little while.

With that, Mr. Chairman, I will take my place.

MR. CHAIRMAN: (Young) The hon. the member for Port au Port.

SOME HON. MEMBERS: Hear, hear!

MR. HODDER: Mr. Chairman, we find ourselves at the present time with the highest taxes in Canada both in income tax and in sales tax, and this is hurting the people who are on low incomes - the old age pensioners, people on social assistance and there are many Newfoundlanders who are below the poverty line.

I would suggest in starting out that there is one particular group of people who are being particularly hurt at the present time because of increased oil bills and electricity bills, and I think that this government should give some consideration to lowering the cost of electricity for those people on old age assistance. Now this is not a new idea, Mr. Chairman, it is an idea that was just brought in by the State of Massachusetts and it is also an idea that has been taken up and considered by the Province of Nova Scotia, to reduce the cost of electricity to old age pensioners. Because, Mr. Chairman, throughout this Province at the present time, the only reason that there is not a revolution, the only reason that they are not marching on the Confederation Building with pick-axes and shovels and throwing rocks at us as we walk in through the front door here is because of the unemployment insurance, which is an Ottawa programme, because of the 50 per cent contribution to social services, because of the grants to universities, because of the equalization payments.



MR. HODDER:

Mr. Chairman, for all the criticism of Ottawa that I have heard here in this House, it is that particular government that is keeping this Province going. And I believe and I know that since this government has come in, the people who are on fixed incomes, the people who have not had the ability to find jobs in this Province, are the people who have been hurt the worst.

Now when the federal government lowered the sales tax there were a lot of people who said, 'It does not mean much.' I watched some interviews and I heard hon. gentlemen say that this would not mean too much to the Province; it did not mean anything. But I will tell hon. gentlemen opposite that when that three per cent reduction in the provincial sales tax came across, was given to us by Ottawa, that there were an awful lot of people in the rural parts of this Province, people who have not been able to find work, people who are having problems keeping up with the cost of living, that meant something to them.

It was not too long ago that I walked into an office where a friend of mine was computing - it was after the federal government had lowered their portion of the federal income tax, and one of the clerks there whose husband was on unemployment insurance and she was on a very low wage said, "You realize that that means an awful lot to us." I said, "That is okay, my dear, because the provincial government is going to put that up in about a month's time so what Ottawa has given the Province will take away."

And, Mr. Chairman, the economists in Ottawa feel that the economy of this Province and the economy of Canada needs to be stimulated, that more money needs to go into the hands of consumers so that people will go out and buy more cars, buy more necessities of life, etc., and therefore, that will mean that more of the Canadian companies and more people who are in the selling business will sell

MR. HODDER: more goods and therefore, more people will be hired, and basically, this is a time when the economy should be stimulated.

And of all the economies across Canada that should be stimulated, Newfoundland is the most - there is no way to heat up -

MR. HODDER:

I remember one of the questions during the First Minister's Conference when they were announcing some big projects and somebody said the fear was that they might heat up the economy of Alberta, etc. too much and drive up inflation. Well I would say, Mr. Chairman, that this Province can take an awful lot before our economy heats up because we are so low now that we just cannot go any lower. I know, Mr. Chairman, that we can look forward in the next budget to further increases and if Ottawa does not continue to support us, to help us, to give us little handouts here there and everywhere we will end up with the Newfoundland dollar being worth less than any other Province in Canada by twenty or thirty cents.

Mr. Chairman, the provision of this act which talks about small business, small businesses who make profits of about \$150,000. Mr. Speaker, there are many, many businesses across this Province that make profits of perhaps four or five or six to ten thousand dollars a year and there are some that have been breaking even for years and years. But yet they manage to maintain two or three employees, a secretary, perhaps a helper - these are the businesses that need to be stimulated, not the businesses that make \$150,000 profit a year. I have experience, I used to own a little business, a little newspaper. We always hired two people - I guess the business is about eight years old now and has continued to flourish for about eight years. Two people including paying out sums of money to correspondents through little communities, it was a useful thing - only two or three employees but what help did we get from the provincial government? What stimulus? There were times when - and there are still times when businesses such as this can make a go of it with just a little bit of help from the government. I know of another small business out in my district where a fellow puts up a little fish package - the Minister of Fisheries knows about it, he is not here now but he knows well about this particular gentleman. He sells them to the Dominion Stores on the West Coast and he was shipping for awhile, packages them legally to Toronto because he was not an agent of the Saltfish Corporation, but he put out a beautiful

MR. HODDER: product. First he could not get his processors license from the Provincial Department of Fisheries. It took all of last year hammering at the Minister of Fisheries until the Minister of Fisheries decided to give him a processors license and now for some reason or other he still has not gotten it. He asked for a rural development grant and I understand that he was turned down on the basis that the Department of Fisheries said that there were too many fish buyers and processors in the district of Port au Port already and that they could not entertain any new ones. This man has only been there for five years, he applied for a rural development grant and this particular government turned him down.

Now, Mr. Chairman, that is the type of stimulation of small business that we see in this Province. There are many, many examples of small businesses in this Province which hire only two or three people, where the profits are not great - maybe they only turnover two or three thousand dollars a year, but these are the businesses and these are the people that need stimulus, they need help, they need advice in many cases but there is no one to turn to.

Now a few years ago the Premier announced that - or it was announced in the Budget Speech that Civil Servants would be cutback - this would be a way to save money and suppose keep the Sales Tax down and all that sort of thing, he announced that 500 Civil Servants would go. Just shortly afterwards there was an announcement that 2500 people would be employed or 2500 jobs would be created. Of the 500 Civil Servants - I do not know, I have never heard any figure to see if we have actually reached that number three years later, whether those 500 Civil Servants that were not going to be hired and were going to be let go through attrition, etc. I do not know what the figure is right now but I know where the Civil Servants are now and where there are problems. What happened, Mr. Chairman,

MR. HODDER: was that in the outlying areas of Newfoundlanders, and the civil servants who deal with the people, the social workers in the Department of Social Services, fisheries officers, people who are of a first hand and who are the most needed civil servants in this Province. These were the ones. These were the ones that suffered. And I know of a social service office now where they are down a person all the time, they cannot look after their particular districts, where people on - they do not know the areas in which they are supposed to be in charge of because they are not able to - being short handed, they are not able to get around and see what is going on, and one of the key things of a civil servant who is working with people is to know those people, particularly social workers, who must know the area, must know who is ripping off and who is not and who is genuine and who is not. These were the people that were let go. There is where attrition took place. But what happened to the civil servants in the Confederation Building where they spend half their day down in the cafeteria. I have not seen too much change.

And as far as the 2500 jobs that the Premier announced, and I have a newspaper clipping somewhere down in my office where the Premier announced that 2500 jobs would be created. Two and a half years ago I think the Premier made that announcement. I would like to know how many of those jobs still exist, because I know that in my district they had seven men working on a building for about three weeks. They did not even work there long enough to get their UIC afterwards and that was part of the job creation programme. Now from what I understand from other hon. members that was the sum and substance of it and if indeed 2500 jobs were created at that particular time I would say, Mr. Chairman, that not one of them exists today.

Now when we come to talking about taxes, I do not think we can help talking about saving money and I wish

MR. HODDER: the Minister of Transportation and Communications - oh there he is. Last week in the House of Assembly I asked the minister about the contract which was signed in Norway when the former Chairman of Labrador Linerboard Limited went over with Howard Ingraham and signed contracts with a shipping company in Norway, flew over there, about three months before the mill was announced to be closed down, that just shows the planning of this government, they must have decided to close the mill one morning, or one Thursday morning at a Cabinet meeting, somebody must have said, "Close the mill," because up to that time they were going around the country signing contracts. And I ask the minister whether that contract was in litigation or whether the contract had been nullified because of the closedown of the mill and the minister answered that there had been a settlement made. What kind of a settlement? I sent a message across to the minister, he has not told me. Perhaps the minister would let me know now just how much that settlement on the shipping contracts cost.

MR. DOODY: It is on the Order Paper, have you not seen it?

MR. CHAIRMAN: Order, please! Order, please!

MR. HODDER: It is on the Order Paper. Will we get it before the House closes? Thank you.

Mr. Chairman, when you talk about taxing you have to use the money which comes in from taxation in order to do things to stimulate the economy, in order to do things to keep the Province moving. Now I was quite amazed, and I must bring this up because I think that the government must always be on the lookout for ways in which to stimulate and to develop this Province.

Now I asked a question of the Minister of Mines and Energy, I suppose it was the last time we were debating bills and I stood up and I asked him what happened to the drilling in the Pine Tree Hills, what happened to the sea mining plant in

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NM - 3

MR. HODDER:

Aguathuna? And what was being done with the limestone deposits in Aguathuna? I got the answer back, a written answer, here is what I found out, and this is what the minister gave me, a member of the Opposition, as the total information.

Now this is an industry

MR. HODDER: which - I wish the minister would not keep interrupting me by making faces at me over on the other side of the House. I mean, you know, I am going to continue to speak until 11:00 P.M. and that is it.

Mr. Chairman, I asked what happened with the drilling in the Pine Tree Hills to find out whether we had a good find in limestone or not and I found out number one - this was a written answer - that they had received a one-page summary report of assays from drilling and if I wanted to get any other information I should go to the Reid Newfoundland Company. Now that shows that the government is really trying to push the mining of limestone in my district. The second question I asked about sea mining. The answer I got whether it was - because I had understood from geologists that sea mining was something that was going to go ahead. The three other sea mining operations in the world are all successful, but this one would have to be moved over to the other side of the Peninsula, it was in the wrong place.

MR. DOODY: Magnesium.

MR. HODDER: That is a magnesia plant.

MR. DOODY: Magnesium.

MR. HODDER: Magnesia, right. And it is -

MR. DOODY: It is not magnesium, magnesia.

MR. HODDER: Okay, but anyhow, we know what Sea Mining is, it is a magnesia plant where they take magnesium from sea water.

And here is the answer I got back from the Minister of Mines and Energy: "There has been no activity associated with the Sea Mining Magnesia Plant at Aguathuna for the past several years." Well, I knew that. There has not been any for the last five years.



MR. HODDER: "Lundrigans Limited of Corner Brook apparently are responsible for security and maintenance," - he did not know. "Although I believe that both the Newfoundland Government and the federal government have a considerable financial investment in the plant, Sea Mining no longer has mineral rights in good standing." Now that is an industry which I am told by reputable geologists can work, and that is the answer I got back from the Minister of Mines and Energy. Apparently they do not care, they have not thought about it for years!

SOME HON. MEMBERS: Hear, hear!

MR. HODDER: Now I asked about the limestone deposits on the Port au Port Peninsula, which we have been told over and over again is the largest block of limestone on the Eastern Seaboard of Canada and the United States. And at one time, Canada LeHigh Cement had decided to come in there and then because of a little recession in the States they found themselves over-extended and did not come in. So I had been following it up and then I found out that the Ontario Portland Cement was going to be a partner for Brinco. Now Brinco or Brinex owns the concessions there. So I asked the minister where we were now that Ontario Portland Cement had decided not to go along with it either. The answer came: "Limestone deposits in the Aguathuna area are mainly under the control of the provincial government." Okay, good. "Deposits in the Shoal Point/Piccadilly Head area are Reid Lot No. 200. Deposits in the White Hills area are on part of the Brinco concessions. The deposits in the White Hills are known to be very large and of high purity; however, Brinco has not been successful in finding a cement company to enter into partnership to develop the deposits." And here is the clincher, "Currently there is no activity to develop those deposits." Now, Mr. Chairman, here we are with an area of the Province which has the highest unemployment in the

MR. HODDER: Province sitting on a gold mine, in other words, sitting on the richest body of limestone, and this government, all it knows how to do is tax to pay off the loan they got to pay off the Upper Churchill and to pay off the \$90 million on the Lower Churchill, and here we are with all sorts of minerals, known pure minerals, in the district of Port au Port and at present there is no activity to develop those deposits. Now why is there no activity to develop those deposits?

I will tell you one other thing, Mr. Chairman, that you may be very interested in, and hon. members here may be very interested in this. Do you realize that there is oil in the district of Port au Port and there is a dome underneath the Peninsula where it was recommended five years ago to Golden Eagle to drill in that particular area? Now we have known for years - as a matter of fact I can bring hon. members a sample of crude oil taken from a hole that was drilled in the 1800s in Port au Port - I have it on my desk in my office, a beaker full of crude oil.

MR. STRACHAN: A good district speech.

MR. HODDER: Will you stop interrupting me and throwing me off there, colleague?

MR. STRACHAN: Okay.

MR. HODDER: This is not the oil we are talking about. While they are drilling offshore and everything else, there has been a recommendation to drill that particular dome.

Mr. Hodder: What has the government done about it? Nothing.

Now what I am trying to say I use those district matters which are very, very close to the hearts of my constituents when they know that all of this potential is there and the government is doing nothing, an admission by the minister that he is doing nothing. But what are they doing, Mr. Chairman? What are they doing? They are not trying to develop the resources of my area, of the district of Port au Port. What they are doing is taxing them to death.

AN HON. MEMBER: Good stuff, boy!

MR. HODDER: Taxing them to death. And this is why I had to stand up tonight and speak on this because here I am representing the highest unemployment district in the Province, sitting on a gold mine, all sorts of minerals there not being touched. There is even a lead mine out there, I do not know if it is good or not, but I do know that we have the best and purest block of limestone on the Eastern Seaboard of Canada, limestone that is need, and yet no activity, currently there is no activity to develop these deposits. Now what is the Minister of Mines and Energy doing? I would say he is more interested in talking about the highfaluting deals that are going on on offshore minerals and things like that, but he has forgotten that - or poison pen letters, that he has forgotten -

AN HON. MEMBER: The minister would love it.

MR. MURPHY: Why did you not talk about the nice little limestone quarries at Aquathuna?

MR. HODDER: That was not limestone, that was gypsum, I think.

MR. STRACHAN: You are good buddies, 'Alex'.

MR. MURPHY: No, no limestone.

MR. HODDER: Oh the limestone quarries at Aquathuna?

MR. MURPHY: Yes.

MR. HODDER: I think that particular deposit was used up.

MR. MURPHY: That was going for years, you know.

MR. HODDER: Yes. That is where they left the landscape like, it looks like the moon down there now after they left. And I might say that reminds me that I have been after the Department of the Environment

Mr. Hodder: in vain for years for the construction companies that have come in to the district of Port au Port and torn up and gouged out great gravel pits, with puddles of water and pools of water I have writeen and written and written until I got sick of it for two years I kept up correspondence with that department, and finally I thought that somebody was going to come out I was told, nobody has every come out to clean up the mess made by those companies. And I do not blame them, well the only thing I blame on the department is the fact that they did not force the companies that came there to quarry those particular rock and whatever for the building of the roads, and this the building of the roads since this government came in, that they did not come back and clean it up.

Anyhow, Mr. Chairman, there I am in a district so highly taxed that the people are to the depths of despair, you know, cannot pay their school tax, most of them on UIC, trying to get back to the fishery, and then we get to the newest one, and I have said this in the House before and I will repeat it again, and continue to repeat it, that while they have been taxed to the hilt they are still fishing in the most primitive conditions that is possible to fish in in any area of this Province, where they have to come in with their boat, get up and five or six men get on what they call a capstan and go around and around as their boat comes up on the slip, then they have to get hand barrels and wheelbarrows and wheel it up over the cliff. Now that is the kind of input for the taxes that they pay, that is the kind of input that we get from the Department of Fisheries.

But the federal government, Mr. Chairman, they have been good to us, they have spent something like, since I have been elected, the federal government in a conservative estimate have spent \$4 million in my district, in one way or another. And now on top of all of that they are going to build a big harbour there because they have faith in the fishery. Their officials came down and they said this is an area that can prosper because the fish are there it is a matter of giving them the harbours, they came down and did it. But anyhow, Mr. Chairman, that is the sort of thing that we have to put up with, people

Mr. Hodder: being taxed to the hilt and given no services. But, Mr. Chairman, if this government had not been so blind as to enter deals or to start of on the Lower Churchill, if they had not been so blind to waste that \$19 million that they wasted on the Lower Churchill, and had not been so blind as to buy as to buy out the Upper Churchill, then they bought it out in order to develop the Lower Churchill, and all of that money which we will never get back, and all of those taxes could have put water and sewer system right throughout this Province, and besides that the types of stimulus that this government gives to get the economy going is giving a rebate on taxes to companies that make over \$150,000.

Well, Mr. Chairman, that is about all I have to say, I had a lot more to say but I see that the time is getting close really I know that the Minister of Finance really

MR. HODDER: wants to say a few words before the evening is over so I will grant him the five minutes to say what he has to say.

MR. CHAIRMAN: The hon. member for Lapolle.

MR. NEARY: I believe we should let the hon. gentleman have one bill out of the ten finance bills today.

MR. HICKMAN: I am not going to speak on it.

MR. NEARY: The minister is not going to speak on it.

MR. HICKMAN: Not at this time. I will speak on it tomorrow morning.

MR. NEARY: Okay, fine because, Mr. Chairman, it should be obvious by now that my colleagues, their morale was never as good, they are fired up. You would not know but the House had just opened. You would not know but we were on our first day, Sir, the way the morale of our colleagues and they way they are fired up.

SOME HON. MEMBERS: Here, here!

MR. NEARY: We are getting in a little bit of practice for Bill 50 when it comes in, Sir. We have about ten finance bills so we should do about one a day. I am barring my colleague now the member for Eagle River (Mr. Strachan) and the member for St. George's (Mrs McIsaac) and Stephenville (Mr. McNeil) from speaking on this bill. We are trying to co-operate with the Government House Leader. Let him have one bill a day. That is ten days on the finance bills plus Supplementary Supply the Loan and Guarantee Act which must go through so we should be good - well let us give the member some idea how long more the House should remain open provided of course that we do not have a repeat performance of what we had in this House yesterday from the member for St. John's East (Mr. Marshall)

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: If we do, Sir, they will be lucky if they get Regetta Day off.

MR. CHAIRMAN: Order, please! I will ask the hon. gentleman to -

MR. NEARY: Well, Mr. Chairman, this bill - we are

MR. NEARY: going to vote for this bill by the way because this bill is a good bill in as much as the Government of Canada have taken steps to reduce the Sales Tax in this Province and that is why we are going to vote for it. So having said that, Sir, I think it is only fair that we should let the government have one finance bill today and one again tomorrow.

MR. CHAIRMAN: Shall the resolution carry?  
 On motion resolution carried.  
 On motion the enacting clause carried .  
 On motion the title carried.  
 On motion clauses one through four carried.  
 On motion the title carried.  
 On motion a bill, "An Act To Amend The Income Tax Act." (Bill No. 36) carried without amendment.

MR. HICKMAN: Mr. Chairman, I move that the committee rise, report progress and ask leave to sit again.

On motion that the Committee rise, report progress and ask leave to sit again, Mr. Speaker returned to the Chair.

MR. SPEAKER: The hon. Chairman of Committees.

MR. CHAIRMAN:(Mr. Young) Mr. Speaker, the Committee of Ways and Means reports that it has considered certain resolutions and a bill consequent thereto and recommends that said bill be introduced to give effect the same and ask leave to sit again.

MR. SPEAKER: The Chairman, reports that they have considered the resolution and recommended that a bill be passed to give effect of the same.

On motion report received and adopted.  
 On motion a bill "An Act To Amend The Income Tax Act." (Bill No. 36) read a first , second and third time. ordered, passed and title be as on the Order Paper.

June 15, 1978

Tape No. 4503 (Night)

AH-3

MR. HICKMAN:

Mr. Speaker, I move that the remaining orders of the day do stand deferred and that this House on its rising do adjourn until tomorrow, Friday at ten o'clock and that this House do now adjourn.

MR. SPEAKER:

It is moved that the House adjourn until tomorrow, Friday at ten a.m. Those in favour "Aye", Contrary "Nay", Carried.

This House now stands adjourned until tomorrow, Friday at 10 am.