

PRELIMINARY
UNEDITED
TRANSCRIPT

HOUSE OF ASSEMBLY
FOR THE PERIOD:
10:00 a.m. - 1:00 p.m.
FRIDAY, JUNE 16, 1978

The House met at 10:00 a.m.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please!

STATEMENTS BY MINISTERS

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

MR. E. MAYNARD: Mr. Speaker, I would just like to make a short statement. Rather than read out all the material that I have here, I shall have it distributed. I want to table some documents that are related to the budworm spraying programme. They are in answer to some questions that have been asked or some statements that have been made. There are some documents related to the obtaining of a permit in order to carry out the aerial spraying programme. I also have the document, Basic Meteorological Guidelines.

MR. NEARY: Mr. Speaker, on a point of order.

MR. SPEAKER: A point of order has arisen.

MR. NEARY: The hon. gentleman, no doubt, Sir, is making a very important statement on a very serious matter. Could the hon. gentleman either speak up or lean over to the mike there a little bit because we cannot hear what the hon. gentleman is saying down here.

AN HON. MEMBER: You will get these when they are tabled, boy.

MR. W.N. ROWE: We are very interested.

MR. NEARY: Just table it and send us up a copy.

MR. MAYNARD: One is a document that I said I would make available yesterday, Basic Guidelines of Aerial Spraying for Spruce Budworm, the types of wind speeds and the heights and this sort of thing. The other document is the history of the testing on matacil which was supplied by Agriculture Canada. I would hope that all hon. members will read the documents when they are distributed to them so that they will have somewhat of a better understanding of

MR. MAYNARD: the whole spraying programme.

MR. SPEAKER: The hon. Minister of Fisheries.

MR. W. CARTER: Mr. Speaker, I want to table and maybe outline briefly the text of a telegram which I have today sent to the hon. Mr. Leblanc in Ottawa, the Minister of Fisheries, in which we have outlined a proposal for the development of the shrimp fishery on the coast of Labrador.

The telegram, Mr. Speaker, reads: "The following proposal is being made by the Newfoundland Government for development of the shrimp resource off the coast of Labrador and North East Newfoundland in accordance with the three shrimp licenses allocated to Labrador. We look forward to your favourable consideration of our proposal in order that the fishery can get underway this season.

"The development of the shrimp resource off the coast of Labrador and the North East coast of Newfoundland has the potential of significantly expanding the economic base of the areas and of creating much needed jobs along these coasts. It also provides an excellent opportunity to give effect to what must become the cornerstone of the fisheries policies of both the federal and provincial governments. The principle is simply that the Province of Newfoundland and Labrador has a special historic, moral and economic interest in the living resources of the seas adjacent to it and that furthermore, in the case of the Northern shrimp stocks, the people of the coast of Labrador and the North East coast in particular, have a special interest.

"The Province maintains that it is possible to devise a fisheries policy that completely reconciles the interests of fishermen and plant workers of the North East coast with those of the people of the Labrador coast. However, where such reconciliation cannot be achieved

MR. W. CARTER: it should be understood that the people of the Labrador coast have the primary interest in the shrimp stocks off their coast. It is important to note that our knowledge of the size and distribution of the shrimp stocks in question is very incomplete. Because of this a programme of exploratory shrimp fishing should be undertaken by the Government of Canada this Summer off the North East coast to locate shrimp stocks off that coast so as to help remove the danger for conflict even further.

"The Government of the Province of Newfoundland and Labrador has already protested both the manner in which the federal government issued six shrimp licenses to mainland companies and the lack of notice with regard to the three Labrador licenses. We will continue to fight to have these six mainland licenses cancelled not only because such an allocation is wrong in principle given our historic claim to these resources, but because they are desperately needed in this Province so that we can provide much needed jobs on the Labrador coast and on the North East coast, a prime example of which would be in the St. Anthony area.

"However, even though there is little time to plan and gear up for 1978, we must do all we can

Mr. W. Carter: to gain employment on the coast of Labrador out of the three licences, three Labrador licences. While the partial recognition of the historic rights of this Province contained in your press release of June 14 is welcomed, it is proposed that the basis of allocation for these licences be changed so that the licences would be allocated one to each of the existing plants at Nain, Makkovik and Black Tickle. Subsequent licences should be allocated to such additional plants as are established on the coast, for example, the new plant at Cartwright.

"This new proposed basis of allocation is based on three factors, (1) It is the processing of the shrimp rather than the catching of them that provides the largest employment prospects. As presently stated the shrimp caught under the three Labrador licences could be processed on board of the vessels on the Island or even out of the Province entirely. (2) Federal officials have admitted that there are presently no vessels on the coast to which these licences can be allocated and that it is envisioned large trawler-type vessels will be used. Consequently, there is a great danger that "Labrador residency" could be used as a "flag of convenience" by a fishing company to obtain control of these licences through an agent or a nominee, a situation which would not really benefit the people of the Labrador coast. (3) Each of the three licences could be held in common by a number of vessels provided that the catch by such vessels in 1978 does not exceed a total of 1,700 tons, (i.e. 3/11 ths, 11, of course, being the total number of licences being issued; three licences for Labrador, 3/11 of 6,100 tons which is the total allowable catch for shrimp for 1979, or at least 1978).

"It is for these reasons that the Province feels that these initial licences at least should be allocated to the three existing plants and that a local development agency in each of the communities in question should be closely consulted as to the terms and conditions on which the operation of the plants is permitted and the licences are granted.

Mr. W. Carter: "The Province is willing to make the three existing freezer plants in Labrador available to private operators for the processing of shrimp on terms and conditions acceptable to the people of the communities in question and the coast in general. A draft of those conditions and terms is attached hereto. The people of the coast will be consulted to determine whether they feel that these terms and conditions are inadequate or unsuitable. The Labrador Resources Advisory Council will be consulted, you know, to obtain the view of the people of the coast in general and public meetings will be held in the three specific communities in question. As soon as these consultations are completed a final draft will be sent to you with the request to issue the three licences on the basis outlined in the final proposal as soon as possible. It is hoped that a call for proposals will be issued on or before June 26.

"One very important proposed condition is that access to these plants (which are the key to a company getting the shrimp licences) will carry with it the obligation to purchase and process other species at such plants and to develop actively fisheries for new species. This condition will be of crucial importance to fishermen on the coast who cannot at this time at least get into the shrimp fishery.

"In order to determine if inshore vessels of the sixty-five foot class are capable of harvesting the resource, the Province will be chartering one or more sixty five foot type vessels to conduct experimental fishing for shrimp off the Labrador coast this Summer and will attempt to land at the three plants in question." Again, Mr. Speaker, the plants to which I am referring are located in Nain, Makkovik and Black Tickle, Three plants presently owned by the Newfoundland Government and capable to be adapted for shrimp processing. This project would or at least should provide very valuable information as to how we can bring the Labrador shrimp fishery within the reach of the Labrador fishermen.

The telegram, Mr. Speaker, concludes, "We believe that with the co-operation of the Federal and Provincial Governments together with the representative groups from the Labrador coast we

June 16, 1978

Tape 4505

PK - 3

Mr. W. Carter: can make a very significant contribution to the economic viability of the Labrador coast fishery. I look forward to an early and favourable reply."

Signed

Walter Carter,

Minister of Fisheries."

MR. W. CARTER: Mr. Speaker, I want to table as well the proposed basis upon which proposals for the use of the three plants in question for processing of shrimp will be judged.

The general requirements are these: 1) All arrangements between the Province and the successful bidder must first be agreed to by the respective local development agency, that is, of course, the development agency on the coast of Labrador; 2) Arrangements may either be in the form of a lease of the entire plant or by way of an agreement in partial use with the Department of Rural Development, present operators of the three plants in question; 3) All arrangements will be for three years with the provision of a right to first refusal for a further three years; 4) The plant is to be expanded using the bidder's own funds and arrangement of a longer term lease will be considered; and 5) It is proposed that no bidders be given access to more than two plants.

I shall outline now, Mr. Speaker, the specific criteria upon which these proposals will be judged: 1) the total employment to be created in the plant or plants in question; 2) the degree of processing to be undertaken in the first year and in each of the succeeding five years under the arrangement; 3) the number of licences required for operation of the plant; 4) the type of vessel to be used; 5) the number of independently owned, operated or chartered vessels to be used by the licensee; 6) the number of coastal residents employed on any vessel to be owned or chartered by the bidder; 7) the price to be paid at the plant for i) fresh green shrimp; ii) frozen green shrimp; and iii) cooked shrimp; 8) the bidder's willingness

MR. W. CARTER: to purchase other species besides shrimp and the degree of local processing of such other species; 9) the bidder's willingness to actively develop local fisheries for under-utilized species such as herring, herring roe, rock cod, turbot, scallops and smelts and the proposed method by which such developments would take place; 10) The additional fisheries related benefits which the bidder proposes it will make available in the community or communities in question and on the Labrador Coast in general. This, Mr. Speaker, is the criteria that will be used in judging the proposals that are submitted by interested companies.

Mr. Speaker, this we believe, providing the co-operation from all groups is forthcoming, will have a significant effect on uplifting the social and economic life of the coast of Labrador, especially in and around the three communities affected, that is, the communities of Nain, Makkovik and Black Tickle.

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

MR. STRACHAN: Mr. Speaker, in replying to this statement let me say a few words here.

First of all, essentially what the statement states is that the three Labrador licences will be made available to the fish plants of Nain, Makkovik and Black Tickle and basically that is that, that the recommendation of the department is to put a vessel working on the further exploration of shrimp, I think essentially the Northern most area too. I should remind the minister, in fact, that the first time shrimp was ever discovered or looked at on the Labrador Coast was by myself - the

MR. STRACHAN: same as scallop. In 1969 I set shrimp pots off the ice in the Winter in fairly deep water in order to try to find out whether the shrimp we were picking up in harp seal bellies were in fact of reasonable size and was the corresponding Greenland shrimp - *pendalis borealis*, as they call it. And I did a fair bit of work on it at that time the same as I did with the scallop. The shrimp have always been there and now we are finding more and larger beds so we agree that basically there should be further exploration because I am sure not only the Hopedale Saddle but other beds even further North, and I would suggest, even further North of Nain, the Nain Banks for instance, and up on the Saglek and Ramah and Nachvak also contain shrimp because of the proximity to the whole Labrador Straits, the Davis Straits, the Greenland question.

 The licences are going to be given to the three plants and I agree with that absolutely. I have no argument whatsoever except for one proviso I would suggest to the minister. I would like to suggest to the minister that in consultation with people he make sure that his department

MR. STRACHAN: consult with people, and I mean consult with the people concerned, fishermen. For instance, in a petition on my desk here, a petition which I have had for weeks, which I have not presented in this House because I do not believe in it, that is against the principles of the rights of a Canadian citizen, but it is a petition which essentially was prepared by the Inuit Association of Labrador, and I know the persons specifically, who in consultation with people in the community attacked outside businessmen, and myself in particular, but any businessmen, on a white racial basis, that they should not be allowed to live in a community and develop any businesses in a community. And with a result that we backed off of a scallop fishery in Nain which I had been working at for six years; I backed out of it totally on the basis of this attack on a racial basis, written by a white man, by the way, from elsewhere in the world, and I backed off it and I am afraid that in some cases the fishermen themselves all of a sudden realize the seriousness of it and they wrote me another petition asking me to continue. So I think there is a great deal of intensity and conflict in these kind of situations and I say to the minister, in discussing this with the people I trust that he will deal with the fishermen and the fishermen's committee concerned, the people in the communities concerned.

I further would like to recommend to the minister the idea that possibly - and since I am out of it totally I have no vested interest to arguing this - but I think that there should be a possibility of looking at the plants being taken over by people in the communities, or by training people in the communities or by people in the communities becoming aggressive and being given the opportunity to become an entrepreneur; rather than a large company coming in from outside the area and then bring in a skeleton staff and remove the skeleton staff again. I think you may get more response if the companies involved in the takeover of plants are local and can be as much as possible locally

MR. STRACHAN: trained and I think that that has a fair bit of merit. Obviously in some cases it cannot work. But I know for instance that in the Black Tickle situation, the person involved there, is as much as possible local. He came from Red Bay but he is as much as possible local, and he has been working there and building up that community and I am sure that he would be pretty upset if the plant, for instance, was - if the shrimps were given to another company from elsewhere to process in that plant and it would be a very difficult situation.

The other argument basically I see is that we are talking about three-elevenths of 6,100 tons split up into three different places and I wonder if any thought has been given in to the fact that this may not be economical in onshore processing to have facilities for onshore processing of those quantities of shrimp. Obviously down the road, if there are more shrimp I suggest if there are then more licences will be going to these plants, then I think that the situation will improve. But initially there may not be sufficient shrimp based in these communities at the moment to make it economical to split three ways, so I wonder whether there is a possibility of working with the owners in order to make sure that they are given that opportunity to become economical right to start with.

Basically that is as much as I wish to say here. Our only objection really in some parts to the minister's statements is the fact of the style of it a little bit. The fact that the federal officials have admitted that there are presently no vessels on the Coast, I think the style of it is a little harsh inasmuch as we all know there are no vessels on the Coast able to prosecute this fishery. It is a fishery which can only go on from June to October. You cannot drag in 210 to 240 fathoms of water later than October on the Labrador Coast and obviously that kind of vessel is a very critical kind of vessel and the Labrador Coastal people

MR. STRACHAN: have never had experience in that and there will have to be an educational period to get them trained to the use of that kind of vessel. But I suggest to the minister that the tenor there, the tone and so on, we suggest it is often the suggestion of another little flick at Ottawa but regardless of it I basically agree with the proposal, the project and how it is done and I hope that it can be implemented quickly. I realize there is a time problem inasmuch as if we are going to get going this year with these licences that we are already behind and we must move faster on this.

SOME HON. MEMBERS: Hear, hear!

PRESENTING PETITIONS

MR. SPEAKER: The hon.member for Fogo.

CAPT. WINSOR: Mr. Speaker, I beg to present a petition on behalf of 200 residents of the Gander Bay area. The prayer of the petition is; "We, the undersigned, are residents of Gander Bay area and are opposed to the government's 1978 spruce budworm programme for the following reasons: (1) The boundaries of spray lots 215 and 216 are within five miles of our communities. Such closeness could cause spray drift to cover parts of all of our communities. The Southern portion of lot 216 crosses the Gander Bay highway, spray drift reaching our communities will pose a health hazard. Because information on the assimilation and breakdown of matacil in human and animal tissues is unavailable and because the areas to be sprayed are a part of our hunting and fishing grounds, animals and fish caught here could be contaminated with matacil ."

Now, Mr. Speaker, I have a letter which accompanied this petition. A copy of the letter to me is attached to the petition which I will read. It is addressed to me and it says, "Dear Sir: Enclosed is a petition signed by 200 residents of six communities of Gander Bay, Georges Point, Harris Point, Wings Point, Victoria Cove and Rodgers Cove. These people wish to express their displeasure with the government's 1978 spruce budworm programme in this area. We request that you pass this message to the government and to the people of Newfoundland and Labrador. The decision to oppose the spray programme is based on doubt that has arisen as a result of questions put to the government concerning the safety of matacil to the environment and to human health that have gone unanswered. Additionally, it is felt that there are alternatives to the problem and that adding one more synthetic chemical to the environment in addition to the over 500,000 we are already exposed to is just the case of the government jumping on the bandwagon. While concern for the environment it is important in our decision, of more concern is the possible adverse effect the spray could have on the health of the residents of the communities. Since the areas to be sprayed, some seventy-five square miles, are within five miles of these Gander Bay communities and one

CAPT. WINSOR: section of the spray lot crosses the Gander Bay highway, and it is known that only fifty per cent of the spray will hit the target area, we feel that the spray will drift over our communities or be picked up by drivers and passengers over the sprayed section of the road. Because there has been no information made public concerning the sedimentation and decay of Matacil in human and animal tissues, serious health problems yet unknown could develop. Additionally since a part of our diet is based on the animals and fish within the area to be sprayed, further contamination of our bodies is possible through the food chain. Since government is supposed to act in the interest of all the people of Newfoundland, and in this case the interest is in the safety of the people and the environment, government has no choice but to listen to the people and cancel its 1978 spruce budworm spraying programme. In keeping with this responsibility, government must institute a study to determine other less environmentally hazardous approaches to the problem.

"We trust that in the near future both decisions will be made."

Mr. Speaker, in supporting this petition it is of interest to note, Sir, that this petition is signed by residents who primarily make the greatest part of their living by working in the lumber woods. So, Mr. Speaker, the feeling expressed here is a feeling I believe expressed in many areas of our Province.

I support the petition and ask it be tabled in the House and referred to the department to which it relates.

SOME HON. MEMBERS: Hear! Hear!

MR. NEARY: Mr. Speaker,

MR. SPEAKER: The hon. member for LaPoile.

MR. S. NEARY:

I rise to support the prayer of the petition, Sir. It is just one in a series of petitions now that have been brought before this House on behalf of citizens of this Province who are very gravely concerned about the government's spruce budworm spray programme, especially in view of the fact that they are using a non-proven poison chemical to carry out the spray programme.

Mr. Speaker, so far God has been on our side. Fortunately, Sir, so far the government, especially the minister who seems to take this as a personal matter, God has seen fit, Sir, not to allow the weather conditions that the hon. gentleman outlined in the piece of paper that he sent around this morning, has not allowed the weather conditions to be suitable for spraying and we have to thank God for that. And, Sir, let us hope that God will continue to be on our side and that the minister and the government will not get the so-called ideal spray conditions.

AN HON. MEMBER:

How do you know it is God and not the minister?

MR. S. NEARY:

And if there is no spray programme, Sir, we have to thank God and not the government or the Minister of Forestry and Agriculture. We hope that the weather will continue.

The hon. gentleman told us yesterday, I believe, that within another week or ten days it will be too late to spray. Well, that will be a good thing, Sir, that is the only way it will be stopped. And we know that even at that it is going to cost the taxpayers of this Province a substantial amount for the contract with the company that is going to do the spraying and with the chemical company. I beg your pardon?

MRS. ISAAC:

Test it out on the minister.

MR. S. NEARY:

No, not test it. I would not wish that on the minister. God is good maybe he will not even allow any harm to come to the minister. Mr. Speaker, this is an unproved

MR. S. NEARY: poison chemical that is being used at a time of the year when all kinds of young people, young Newfoundlanders, boys and girls, Cubs, Beavers, Scouts, Guides, 4-H'ers, all kinds of students from their various schools are out in the countryside who are not familiar with the spray programme. They will not know anything, they may be on a trail somewhere, they may be out on a hike when the spray plane goes overhead and it is very difficult to see the people from the air especially little people and, bang, the aircraft starts squirting out through its nozzles this poison chemical known as matacil that we know very little about.

Mr. Speaker, there are so many unanswered questions about this whole matter. Now the only thing that I can say, Sir, is that I hope that the weather will continue to be bad so that the government will eventually have to cancel its spray programme. And it will not do any harm, Sir, if the government called it off now or if the weather does not improve to allow the government to spray this poison chemical around the Province, the first massive spray programme that we have seen of this kind since the League of Nations outlined the poison gas after the first world war.

MR. W.N. ROWE: And it blew back at them.

MR. S. NEARY: And it blew back at them. Maybe this will blow back at the government. But, Sir, if they cannot carry out their spray programme because of weather conditions, or if they cancel it, it is not going to make any difference because we are told that the count that has been done so far is down and there is no point in the government coming in next year and saying, "Oh, we sprayed last year, now we have got the spruce budworm under control." The spruce budworm problem is coming crashing down now and it is practically under control now. Nature is taking care of itself. So the minister cannot come in this House next year and say, "Oh, we sprayed last year matacil around the Province. We do not know how much damage we have done to the health of the people," because you will never know that for

MR. S. NEARY: a year or two or three after, how much brain damage is done, how much damage is done to the nervous system of little boys and girls and even adults in this Province, how much damage is done to their health, if in actual fact it does contaminate mother's milk. All these questions, Sir, are unanswered. The Minister of Health has not been able to give us a straight answer. The Minister of Forestry and Agriculture has not been able to give us a straight answer. The Minister of Justice has not been able to give us a straight answer. And now today we see another piece of propaganda coming out saying that the government are not violating their own laws; that they are not breaking the Provincial Pesticide Act when in actual fact they are, Sir, and they can do all to try to cover it up all they like. Other companies and other individuals would not be able to carry out this type of spray programme, nobody would be able to get away with it except the Minister of Forestry and Agriculture. So, Sir, I support the prayer of the petition and I beg once more and I plead with the government once more

MR. NEARY: before they get the so-called ideal weather conditions, call it off or let us hope that Almighty God will see to it that they do not get weather conditions that are suitable to squirt this poisonous chemical all around this Province and probably damage the health of hundreds if not thousands of Newfoundlanders who come in contact with it.

MR. SPEAKER: The hon. member for Port au Port.

MR. HODDER: Mr. Speaker, it gives me great pleasure to support the petition so ably presented by my colleague from the district of Fogo (Capt. Winsor) and signed by two hundred-and-so-odd residents of Gander Bay.

Mr. Speaker, this, I think, is about the 9,000th. signature that has come into this House of Assembly on petitions. This, I would submit, represents a far greater number of people across this Province than just the 9,000 people who have signed here.

Mr. Speaker, the thing I want to speak about at this particular time is the information which was tabled by the Minister of Forestry and Agriculture in the House today concerning the spruce budworm spray. Yesterday when I spoke on another petition I asked the minister would he give us the facts, would he give us the studies which show whether matacil is harmful or not; whether once any spray is dropped on the forest to show us proof that it does not destroy the integrity of the forest or the eco-system.

Now, Mr. Speaker, today we received some information which was tabled here by the minister. One of the things which I will refer to now is a little paper on matacil which was received by telephone from someone in Ottawa. It does not say which department or anything else. The second paragraph says, "Depth of Study: Thirty-eight reports on environmental impact on fish, birds, mammals. Seventy-five chemistry studies as

MR. HODDER: far as soil, water, spruce foliage and fifty-three toxicology studies etc., etc."

Now, Mr. Speaker, what we want are those studies. We want to see what those studies say. It is not enough to say that thirty-eight studies were done. Why cannot we have the information? Why cannot we have the fifty-three toxicology studies? Why cannot we see what the groups and the people who did the studies say? If we cannot understand what those technical studies say, we can find people who do understand. But that is the type of information I want to see tabled here in this House, not this type of innocuous little document which has no heading - received by telephone June 9, from Mr. Houghton or someone in Ottawa - saying that there has been studies done.

We know there have been studies done. There were studies done on DDT but they found out afterwards that it did not work. There have been studies done on most of those chemicals that have been sprayed on the forests of North America but afterwards they found out. But these are the studies - the minister is there in the doorway - these are the studies we want, we want those seventy-five chemistry studies, we want those thirty-eight reports on the environmental impact on fish, we want to see what they say for ourselves not be given a sheet of paper like this.

There is another, Mr. Speaker, little piece of paper here which says that the Department of Consumer Affairs says everything is okay. The Department of Agriculture of Canada says everything is okay. You know, these things mean nothing. The important thing, and I want to stress again what we want, and I will never be satisfied until I see them, are the studies, the seventy-five studies and the thirty-eight studies and the fifty-three studies that have been done on matacil. When

MR. HODDER: those are tabled here in this House of Assembly I will be satisfied.

MR. SPEAKER(Young): The hon. Leader of the Opposition.

MR. W.N. ROWE: Mr. Speaker, I rise to support this petition presented so ably, so well, so admirably by my colleague, the member for the district of Fogo, a petition, Sir, signed by 200 residents of the Gander Bay area.

Now, remember what this area is, Mr. Speaker. I checked with my hon. friend to make sure I was not wrong on this and he assured me that I was not wrong, I was right on it. Remember, Sir, this petition comes from an area which of all areas in the Province is one which is perhaps the most, or one of the most concerned districts or areas with woods operations. Am I not correct, I ask the hon. member?

CAPT. WINSOR: There are a lot of loggers there.

MR. W.N. ROWE: There are a lot of loggers there, Sir, a lot of people whose livelihoods

MR. W. ROWE:

depend directly on having a good forestry industry and good forests. Loggers, Mr. Speaker, people who have grown up in the woods and have made their livelihood from the woods and therefore have a vested interest in keeping the woods viable and healthy and economic. Yet, Sir, we get a petition from that area signed by 200 residents complaining not about a spray programme, let us make that abundantly clear, they are complaining about the irresponsible programme for spraying which this government has brought into practice and into effect. That is what they are complaining about, a spray programme that would have the temerity, the irresponsibility to spray within a couple of miles in some cases, five miles in this case, I believe, is the buffer zone between the community and where the spray ends, in a Province which is characterized by buffeting winds and high winds all times of the year. That is what these people are complaining about and rightfully so, just as the people of Gander have complained about the fact that this spray programme will be spraying directly into their water supply and they have a right to complain about that. And these people are complaining about a spray programme where the buffer zone is too narrow, Mr. Speaker.

Mr. Speaker, why, by the way - the question has been asked but we have had no sensible answer from the minister - why is there not a spray programme going on on the Avalon Peninsula? The Avalon Peninsula is not one of those areas which has the greatest stands of merchantable timber in Newfoundland and Labrador, Granted, but there are stands of timber, merchantable timber, timber which can be cut, logged for saw mill operations, lumber purposes and so on. An area, Sir, which has a high, one of the higher, if I am not mistaken, spruce budworm egg mass counts, the highest in the Province. Yet no spray programme is going on because this government, Sir, does not have the courage of its own convictions. It knows that if it sprayed one ounce of Matacil on the Avalon Peninsula that there would be an uprising, Mr. Speaker, among the people. So they have chosen not to come near the Avalon Peninsula. They have chosen to spray near areas

MR. W. ROWE:

of sparser population, heedless of the fact that there are individuals involved, and individuals are as important as individuals anywhere else, wherever they may be, St. John's or Gander Bay or Gander or Ming's Bight or Black Tickle, individuals are all of equal worth, Sir, and they should not be used one way or another for purely political purposes.

Mr. Speaker, if there is anything which indicates the importance of petitions it is this issue. Because we have the institution of presenting petitions in this hon. House the ideas and the arguments against this programme can be placed before this House every day and can be driven home, Sir, so that the people of this Province can have their views on this subject, this very important subject, brought out into the open.

Mr. Speaker, let me conclude by saying that expert evidence, Mr. Speaker, is not to be trusted implicitly. If the hon. Minister of Justice is on one side in a case in a court of law and I am on the other side, he knows and I know that each of us can get expert witnesses to testify to completely opposing views in any particular case, and this is what happens all the time in cases involving expert evidence. So like the member for Port au Port district (Mr. Hodder) who so admirably said a minute or two ago, Sir, we should not just accept implicitly a report by a doctor or anyone else saying, this is okay, this is acceptable. We should not, Sir. We should hear all sides of the story. And I, for one, Sir, having heard the other side of this story ^{am} totally against as are my colleagues and ^{so} I would suspect are many members on that side, are totally against a spray programme which sprays into water supplies and which sprays very near centers of population in this Province.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. member for Windsor-Buchans.

MR. FLIGHT: Mr. Speaker, I rise to support the petition so ably presented by my hon. friend from Fogo. Another petition, Mr. Speaker, and, Mr. Speaker, did you notice that this past two weeks the focus of debate in this House or the focus of petitions, the focus of people's attention is not on whether or not spraying is a good forest management programme. There could well have been a debate and there might well have been petitions in this Province as to whether or not we should have gone into a spray programme for the purpose of protecting our forest but, Mr. Speaker, it is worthy of note that the crisis situation that we see building up, the controversy we see building up this past two or three weeks has nothing to do with the spray programme in as far as it relates to good forest management. It is totally confined to the fears of the people who live in the spray area, whose water systems are being sprayed, who have not to this point in time been assured that matacil is indeed safe, that it has been exposed to the kind of research that would guarantee its safety and would guarantee the health and guarantee that it would have no adverse effects on the health of our people.

Now, Mr. Speaker, and that, Sir, the minister will have to take full responsibility for the kind of a controversy that is going on in this Province right now because I look at a document here - we have been asking questions in this House now for two months - and I look at a document here laid on our desk this morning dated April 4th, 1978, a letter from the Deputy Minister of Environment to the Deputy Minister of Forestry and the board has made a strong recommendation that an attempt be made to document the effect of the spray programme on farm livestock. Now this might be done by exposing test animals to the spray cloud and treatment. Now, Mr. Speaker, was that test carried out and if so what were the results? That is the kind of questions that we have been asking in this House. What evidence do you have that is available to the people of Newfoundland that matacil or this spray programme is not going to affect their health, the health

MR. FLIGHT: of their animals or the health of the wildlife around them?

April 4th, another letter received April 4th to a Mr. Morgan from the Chairman of the Pesticide Control Board. Well what was wrong with making this information available back when the debate started? If the minister had taken the attitude that the people of Newfoundland were entitled and this House was entitled to know everything there was to know about a spray programme, everything there was to know about matacil, possibly he might not have the kind of a controversy he has raging around his ears today and a controversy that is going to get worse as we get into that spray programme.

Mr. Speaker, the minister and the department, the minister has created his own problems. We started this debate well back in March asking the effects of a spray programme, what is the make up, the short or long-term adverse affects based on research, and we still do not have one name - four or five doctors, and not one name that can be verified that has done research on matacil and communicate to the people of this Province just what the short or long-term effects are. So, Mr. Speaker, we are dealing with an administration that regardless of the pressure, regardless of the argument made they will not - they are adamant, they intend to spray water systems, they intent to spray communities in spray blocks, they intend to spray communities that are located in such a way that there is a danger of drift, of the chemical matacil drifting into their communities, their playgrounds and spraying their people. And, Mr. Speaker, why this minister in light of some of the argument, in light of the controversy and the opposition that is building up around this programme, why he insists on spraying the particular spray blocks that he has picked out nobody in this Province can figure out. And the more he insists the bigger the controversy is going to get, the more support the anti-spray people are going to get and the more the minister is going to be in trouble in as far as convincing the Newfoundland people that a spray programme was the proper thing, and

MR. FLIGHT: certainly this particular spray programme where two days he allows a crisis to build up, no information, all kinds of questions, groups being formed all over Newfoundland, the Opposition flogging away day after day and he refuses to make any information available until two or three days before the spray programme starts. Now if that is not asking for trouble, if that is not asking for demonstrations the type of petitions we have seen, if that is not asking the people of Newfoundland to dig in and say, you are not going to spray or we do not want you to spray because you have not been open with us, then what is.

Now, Mr. Speaker,

MR. FLIGHT:

I put a question on the Order Paper with regards to this spray programme a couple of days ago and the minister passed out three or four pieces of information today. I am surprised that he did not answer my question with regards to where we are purchasing Matacil and the price we are paying for it and how it is being brought, these various questions on the Order Paper. Why was that answer not forthcoming today? This information was available.

So, Mr. Speaker, the minister can be assured, it is obvious now that the people of Newfoundland, particularly the people in the spray area - it is significant in those petitions, they are coming from people who live in the spray area and who are concerned and whose health may or may not be at stake. Their environment is at stake. The petitions are coming from the people who are concerned about the long term effects, adverse effects of matacil in the spray area. And, Mr. Speaker, the minister would do well to start reconsidering the blocks that he is proposing to spray and get those spray planes away from areas where people are living and where there is a danger of contaminated water supplies.

Mr. Speaker, I support the petition and I would suggest to the minister that he is going to see one heck of a lot more petitions on this particular spray programme unless he is prepared to pull back and not be as arrogant and inform the people concerned who are about to be sprayed and give them the information they are looking for.

MR. SPEAKER: The hon. member for Terra Nova.

MR. LUSH: Mr. Speaker, I rise to support the petition on behalf of the residents of the Gander Bay area. This is an area that is very dear to my heart in so much as from this area, from the forest resource of this area were extracted the necessary financial resources that were required to raise me and my family and all my relatives. All of my family and all of my relatives were loggers. And, Mr. Speaker, I would dare say that I am probably the only member in the House of Assembly who worked as a logger in that area. My father used

MR. LUSH:

to take me there the minute I got old enough to know what work was. I think he was trying to impress upon me that I should not become a logger or do anything connected with it. I was not in the forest very long before he convinced me that there was not enough money in Workmen's Compensation to look after me because every time I took an axe or a saw in my hand I scarred some part of the body. But, Mr. Speaker, it is an area that is very close to my heart. I remember working in that area. Indian Bay, before that great fire was a beehive of activity with the boats in there loading up with pulp wood and an awful lot of people, Mr. Speaker, got their living from this area prior to that fire of 1962, was it? I just forget the date.

AN HON. MEMBER: 1961.

MR. LUSH: 1961. And the result now, of course, is that prior to that very few people were unemployed. People were busily engaged in the logging industry. Now the thing has reversed. The loggers there are out of work, not knowing what to do.

Now, Mr. Speaker, this petition again protesting the government's spruce budworm spray programme is fearful about the effects of matacil. Mr. Speaker, I have been somewhat like a stuck record for the past three or four days in speaking to this issue because I have emphasized the importance of forest management. I want to speak about that again because I do not think people are realizing what is happening with this particular spray programme. I have said that the only cure to control the spruce budworm is a good, scientific forest management programme. Now what is offensive about the government's spray programme is that fact that the forest management programme has become subservient to it. If there was a balance, if we knew that the Department of Forestry and Agriculture was carrying on a good, scientific forest management programme, that this was the emphasis, that this was the big thing that the department was doing and that spraying was just subservient to it, that we were just spraying in selected areas while carrying on this great forest

June 16, 1978

Tape 4513

1B-3

MR. LUSH:

management programme, then I think we could sort of swallow this
spray programme. But it is just the reverse. As I pointed out
by the expenditures in the budget that I would expect this year that
the amount of work

MR. LUSH:

going on with respect to forest management is nil and all the emphasis is on the spray programme.

Now, Mr. Speaker, the area that we are talking about is an important one, to drive home this point. This is an area where the complete forest was burnt out and to my knowledge the government has put little effort into this area to try and bring it back to the resource that it once was, very little reforestation, just leaving it all to nature. I understand there has been no thinning down there, an area that was once a booming area, a forest resource that provided thousands of people with a living and now it is just being left to nature, just to grow the way it will. Nobody going in there to thin the place, nobody going to look and see how it is going, no intensive reforestation. No wonder, Mr. Speaker, the people are concerned when they realize that a spray programme is now taking the place of a good forest management programme. And that is the offensive part about this spray programme.

Let me finish by saying, if there was a balance to this programme, if we knew that forest management, scientific forest management was the main emphasis of the government, if this was their concentration and they were just spraying in some of the bad areas, spraying selectively to see how effective this particular chemical, matacil was going to be, then we should go along with this. But this is not the case. It is just the reverse. Spray programme is the emphasis and according to the budget, scientific forest management for this year is gone down the drain, nothing going on at all.

Thank you, Mr. Speaker.

MR. SPEAKER: The hon. member for Lewisporte.

MR. F. WHITE: Mr. Speaker, I would like to say a few words on the petition and the continuing number of petitions with respect to the great number of people in this Province, Mr. Speaker. I am sure

MR. F. WHITE: all members would agree a large number of people who are becoming totally opposed to any form of spray programme at all and very much opposed to any kind of spray programme in water sources.

I support the petition that came in from the area of Fogo - Gander Bay area, an area that is adjacent to my own district, Mr. Speaker, and one that I know quite well and I know that in that particular area there are a lot of loggers and a lot of men who are involved in the forest and I would not be surprised, Mr. Speaker, to see some of their names on this particular petition.

Mr. Speaker, I do not think I have mentioned that in speaking to petitions in this House, but there are six communities in my district, Mr. Speaker, that are directly affected by this spray programme. I have seen the map and seen the area that takes in my district and I know the area concerned. I know where the six communities derive their water sources from and all their water sources, Mr. Speaker, stem from the area where this spruce budworm spray programme is going to take place. Norris Arm, Campbellton, Loon Bay, Birchy Bay, Horwood and Stoneville, all of them take water from ponds that have their original source somewhere in the area between Norris Arm and Birchy Bay, at the lower end of the district, and I know the people there are concerned. And during the last couple of days, Mr. Speaker, I have had two or three calls from mayors and councils in my district. I have not once solicited any kind of anti-spray response from my district but now it has started to come in, Mr. Speaker. I have had calls from mayors of various towns within the past couple of days, wondering what is going to happen, how they are going to be affected, wanting me to visit them to show them the map and so on. They are very concerned about it, Mr. Speaker. And Mr. Speaker, I do not know how much protest one has to make before the government heeds the cries of the people. Obviously on this side of the House we are very, very

MR. F. WHITE: concerned about this matter. Most of us are. We have been talking about it ever since it came up here in the House. Other members on that side of the House have expressed some reservations, even Cabinet ministers, with respect to this programme, and yet, Mr. Speaker, the government does not seem to be inclined to move a single inch with respect to this. And I just wonder what the people of this Province have to do, Mr. Speaker, to try and make their feelings known to government and let the government know that they are opposed to this kind of activity. And I just hope, Mr. Speaker, I just hope that they are not going to be forced into taking some kind of ultra-radical position to express their views, even more strongly, to this government. I am not sure even if that occurred, Mr. Speaker, whether or not the government would bend on this one. It is another case of

MR. WHITE: Bill No. 50 and that is exactly what it strikes me about, where they dig in and they are not prepared to move for one moment. So I support the petition, Mr. Speaker.

MR. SPEAKER: The hon. the member for Fortune - Hermitage.

MR. J. WINSOR: Mr. Speaker, I beg leave to present a petition on behalf of 515 persons in the Harbour Breton area. The prayer of the petition reads: "We, the undersigned, disagree with the government's inflexible stand on the teacher cutback beginning September, 1978. This cutback will have a detrimental effect on the education of our children. At the present time the schools of this Province are providing only a basic level of education. There is very little opportunity for students to develop in areas other than the basics; therefore any cutback will result not in the elimination of frills, but in a very narrow academic programme which will place no emphasis on individual differences among students. This, I feel, would be a backward step in the education of the children. Consequently, children will not be provided with the opportunity to properly prepare themselves for the challenge and competition they will encounter in the future world." Now, Mr. Speaker, in supporting this petition I have to agree with everything they say, obviously. And I must say the provincial government continues with its proposed plan but they went backwards. They had to bring in a Task Force to see if they were doing the right thing - putting the cart before the horse.

I feel that our school system in Harbour Breton as well as others in Newfoundland will

MR. J. WINSOR: suffer very drastically and the person who will be most affected is the child. The hope of ever implementing industrial arts, pre-vocational training, arts, music, French and home economics and others into the system will be lost, and I think that our government if it can find money for some of the weird and wonderful things that have been done they should certainly after all be able to find money enough to look after our children, which are our greatest resource.

I therefore heartily support this petition, ask that it be tabled and refer it to the department to which it relates.

MR. SPEAKER: The hon. the member for Port au Port.

MR. HODDER: Mr. Speaker, again we have another petition here in the House of Assembly on behalf of students of this Province. I take great pleasure in supporting it as I have supported every petition that has come into this House on this particular problem. Mr. Speaker, after all of the petitions, after all the controversy throughout this Province, the Minister of Education and this government have not yet realized that the quality of education will be affected in this Province.

There are misconceptions on the government side of this House to the effects that cutbacks will have on the quality of education in Newfoundland schools. At first look it would seem that if you have fewer students you could have fewer teachers and, therefore, education would not suffer, but the fact is, Mr. Speaker, that students do not leave schools in any set pattern. A school could lose students from every classroom with only a small drop in the enrolment of each class and yet they could lose one

MR. HODDER: teacher in the overall school.

Now, Mr. Speaker, when this happens the choice has to be made by the school and by the principal or the school board to either let a classroom teacher go or a specialist, and in most cases, Mr. Speaker, it is the guidance counsellor, the music teacher or the physical education programme that will suffer.

Now the minister said here in the House not very long ago that they were not laying off specialists, but this government have created a situation where schools and school boards have no choice but to let specialists go in order to try to keep the number of students in the classroom down to an acceptable level - that is in the high schools where the specialists are going. But in the primary and elementary schools, it is the disadvantaged child who will lose most, because presently there are classes set up to look after the disadvantaged child. And I do not mean special education classes, I am talking about the normal classroom programme where, for instance, you may have disadvantaged children who do not read quite as well as others, maybe good in math but in that particular English class you have smaller classes to give them more remedial work,

MR. HODDER: give them a better academic environment. And with the loss of teachers, classes have to be lumped together.

MR. STRACHAN: A point of order, Mr. Speaker.

MR. SPEAKER: A point of order.

MR. STRACHAN: The hon. member has a lot of interesting words to say on the spruce budworm and I am sure the government members would like to hear him. I suggest there is not a quorum present.

MR. SPEAKER: A quorum is called.

MR. HODDER: Is this a quorum call or not, Mr. Speaker?

MR. SPEAKER: A quorum call, yes. We have to wait three minutes.

MR. STRACHAN: He starts again, does he not?

MR. SPEAKER: Yes. Right.

MR. STRACHAN: On a point of order, he does not get another time at it?

MR. SPEAKER: No.

MR. HODDER: Thank you, buddy.

MR. SPEAKER: I am informed there is a quorum present.

MR. SPEAKER: Presenting reports by Standing and Special Committees. Do we have leave to revert to petitions?

SOME HON. MEMBERS: No.

SOME HON. MEMBERS: Oh, oh!

MR. W.N. ROWE: Wait a second now. On a point of order, Mr. Speaker.

MR. SPEAKER: A point of order.

MR. W.N. ROWE: Is this the way the procedures of the House work, that when there is a quorum call that automatically the Speaker calls the next succeeding Order of the Day? I mean, if that is the way then we should all know about it. If not, Sir, then a member should be given,

MR. W.N. ROWE: after a quorum call, a member should be given, I would submit humbly, Sir, a chance to speak on petitions that are before the House.

MR. SPEAKER: Order, please!

The rules are quite clear, We wait three minutes, the Table informs the Chair, I inform the House. I informed the House, 'I am informed there is a quorum present', I waited some time and nobody stood. I have no choice but to then call the next order. We can revert by leave but I do not think there is anything else that the Chair can do.

MR. NOLAN: Can we have leave?

SOME HON. MEMBERS: No.

MR. SPEAKER: Does the hon. member have leave?

SOME HON. MEMBERS: No.

NOTICES OF MOTION

MR. HICKMAN: Mr. Speaker, on behalf of the hon. minister of Consumer Affairs and Environment I give notice that I will on tomorrow ask leave to introduce a bill, a bill, "An Act To Revise The Newfoundland Architects Act."

ORAL QUESTIONS

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

MR. W. ROWE: Mr. Speaker, I understand through various sources that a report has been received by the Department of Justice concerning a fire which took place some weeks ago in Elizabeth Towers. Would the Minister of Justice confirm or deny whether in fact a report has been received from the CID or from some other investigatory source concerning this fire?

MR. SPEAKER: The hon. Minister of Justice.

MR. HICKMAN: As part of the investigative process I am advised, Mr. Speaker, by the Director of Public Prosecutions and another prosecutor working with him that they have received the report. That is all I can say and all I should say.

MR. SPEAKER: A supplementary.

MR. W. ROWE: Mr. Speaker, would the minister care to confirm or deny whether there is a statement or a finding in the report that the cause of the fire may have been arson?

MR. SPEAKER: The hon. minister.

MR. HICKMAN: Mr. Speaker, the hon. the Leader of the Opposition knows that that is a most improper question. Certainly it is the most improper one I have ever heard in this House.

MR. W. ROWE: Well, you are going to hear more like it.

MR. HICKMAN: I may hear more like it, but not so long as I am Attorney General will I ever break such a solemn confidence and trust to indicate what is contained in a police report. And police reports as a rule do not reach conclusions. That is not their prerogative. That is the prerogative of the Chief Crown Officer through the Director of Public Prosecutions.

MR. W. ROWE: As soon as he sits now I want, Sir, to talk now about reports. I remember when I was acting as Minister of Justice, Sir, the cries that reports be tabled and be made public and so on by that very minister, if my memory serves me correctly, certainly by his colleagues.

MR. HICKMAN: Right, right.

MR. W. ROWE:

If not by him by the colleagues in the party which he is a member of.

Sir, could the minister indicate to the House when he will be in a position or his department will be in a position to let the House know whether or not charges are going to be laid in connection with the report from the CID to his department?

MR. SPEAKER: The hon. minister.

MR. HICKMAN: No, Mr. Speaker, I am not in a position to indicate that to the House. I have never heard of a Minister of Justice anywhere in Canada ever saying charges are going to be laid against anyone.

MR. F. WHITE: A supplementary, Mr. Speaker.

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

MR. SPEAKER: Both hon. gentlemen are on supplementaries? The hon. member for Lewisporte and the hon. member for Bay de Verde.

MR. WHITE: My supplementary for the Minister of Justice, Mr. Speaker. Could the minister tell the House that in normal procedures such as this, not referring to this specific matter, but in normal procedures such as this how long does it normally take before matters of this kind are brought to a conclusion? I am sure the minister knows of other cases where reports have been made by a police department and acted upon one way or the other. How long is the normal procedure in this kind of case? This is not a normal case, mind you.

MR. SPEAKER: The hon. minister.

MR. HICKMAN: If the hon. gentleman is restricting his question to fires and I take it that is what -

MR. WHITE: Yes.

MR. HICKMAN: They would vary depending on whether or not - I know of cases of fires where there has been a confession by someone who was seen at the fire the same day. Obviously then within a matter of a couple of weeks the investigative process is completed. We had a group of fires in this Province last year or the year before last and there was not one of them where the investigation was completed within six months. So it varies. Every case depends on its own merits, the

MR. HICKMAN:

number of witnesses and a dozen other matters that are taken into consideration by skilled investigating officers.

MR. WHITE: A further supplementary.

MR. SPEAKER: A final supplementary from the hon. gentleman for Lewisporte. Then I will hear the hon. member for Trinity-Bay de Verde.

MR. WHITE: Mr. Speaker, my supplementary for the minister and again maybe he could refresh our memories with respect to procedures to be followed now that the police have sort of done their job. What is the procedure to be followed now with respect to further action on this report? What happens?

MR. SPEAKER: The hon. minister.

MR. HICKMAN: I am not, and I want to make it very clear, I am not speaking of any one specific investigation. I would hope that I never get in that position. But if the hon. gentleman wants me to repeat the practice that is followed by a responsible Crown prosecutor and a responsible Director of Public Prosecutions, whenever the police feel that they have sufficient information as opposed to evidence because the police gather the information, they then in order to enable a Crown prosecutor either to arrive at a conclusion or then to indicate to them what additional information he requires, they then submit it to the Director of Public Prosecutions or whatever Crown prosecutor has been assigned to the case. When the report comes in it is then reviewed by a prosecutor or prosecutors, who then, if he or she feels that additional evidence is required, and that is generally the case in most investigations that are at all onerous, they will then go back to the investigating

MR. HICKMAN: police force and say, "Will you please get information on the following points." And I have seen them run as high as several pages of points that were just not dealt with in the manner in which the prosecutor feels they should be in order for him to arrive at a conclusion as to whether there is reasonable and probable grounds upon which to lay charges. This particular one that hon. gentlemen are referring to is being investigated with much more haste than most cases of this nature certainly in the past -

MR. WHITE: And so it should be.

MR. HICKMAN: - and so it should be, but on the other hand, no matter - I am sure that there is no one in this House would ever want a Minister of Justice and Attorney-General to disclose the confidential nature of investigations, and this cannot be done because if that was done nobody in this Province would be safe again and I am certainly not going to be the one to break the time honored ruled.

MR. SPEAKER: Before the hon. gentleman asks his question, I would like to welcome to the House of Assembly on behalf of all hon. members, thirty-six students from St. Phillips Elementary School in St. Phillips accompanied by their teacher, Sylvia Clarke. I know hon. members join me in welcoming these students and their teacher to the House of Assembly.

SOME HON. MEMBER: Hear, hear!

MR. SPEAKER: The hon. member for Trinity -
Bay de Verde.

MR. F. ROWE: A supplementary to the Minister of Justice.
Sir, the Minister of Justice has said that this matter is being dealt with with utmost haste. Would the minister, Sir, indicate whether or not he has seen in fact read that particular report from the CID himself?

MR. SPEAKER: Hon. minister.

MR. HICKMAN: No, Mr. Speaker, I have not.

MR. F. ROWE: A further supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. F. ROWE: Has the Director of Crown Prosecutions seen and read that particular report from the CID?

MR. SPEAKER: Hon. minister.

MR. HICKMAN: I feel reasonably certain that he has, Mr. Speaker, because that is his prime responsibility.

AN HON. MEMBER: Then it is true.

MR. HICKMAN: So that hon. gentleman could get up and say that I am sitting on a charge or something. Not on your life!

AN HON. MEMBER: You said -

MR. HICKMAN: Not on your life!

MR. SPEAKER: Order, please!

MR. W.N. ROWE: I will ask the hon. minister to withdraw that accusation of unworthy and unavowed motives by members on this side of the House.

MR. HICKMAN: It has already been made during this session of the House, that is why I do not have to withdraw.

MR. F. ROWE: Mr. Speaker, a further supplementary.

MR. SPEAKER: I have to review the point of order brought up. I do believe it is of the nature of a debatable point and a difference of opinion. I would not go as far to say that the allegation that one is sitting on a report or that one is accusing another of sitting on a report or keeping it quiet would in itself be an unparliamentary allegation, I think it would be a point of debate, a point of difference of opinion, but not one on which the Chair would have any authority to exercise.

A supplementary, the hon. member for Trinity - Bay de Verde.

MR. F. ROWE: Mr. Speaker, the Minister of Justice has indicated that he feels reasonably certain that the Director of Crown Prosecutions has seen and possibly read the report. Will the minister undertake to find out whether in fact the Director of Crown Prosecutors has read and seen the report and if this matter is

MR. F. ROWE: being dealt with with the utmost haste, Sir, will the minister himself undertake to read the report because this is very, very important; Sir?

MR. SPEAKER: The hon. Minister of Justice.

MR. HICKMAN: Mr. Speaker, every investigation other than, you know, a simple little investigation that takes place where somebody is caught coming out through a shop door or something.

MR. J. NOLAN: (Inaudible)

MR. W.N. ROWE: (Inaudible)

MR. HICKMAN: I am not prepared to answer the questions when I hear comments that are unworthy coming from the hon. the Leader of the Opposition and the hon. member for Conception Bay South.

MR. NOLAN: A point of order.

MR. SPEAKER: A point of order.

MR. NOLAN: If the hon. gentleman is going to indicate to the House as he just did that there were comments that were unworthy let him be specific and we will get right down to it, but I mean as the Minister of Justice and Minister of Finance he should be setting a better example in this House and I am ashamed to see the behavior of this minister.

SOME HON. MEMBERS: Oh, oh!

MR. HICKMAN: To that point of order, Mr. Speaker, I hope I never set an example with is designed to embarrass the rights and privileges and liberties of any Newfoundlander, and I will not do it.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: There is not a point on which the Chair can make any decision.

MR. F. ROWE: Is the minister going to finish answering the question?

MR. HICKMAN: The practice and procedure, and it is a good one followed by each Attorney-General's department in every Canadian

June 16, 1978

Tape 4518

DW - 4

MR. HICKMAN:

province is this; that when an
investigation is complete it goes to the Director of Public
Prosecutions who reads it

MR. HICKMAN:

or alternatively assigns it to another crown prosecutor who goes through it carefully word by word. It does not come to the minister.

MR. WHITE: Does he not tell the minister what is in it?

MR. HICKMAN: No.

MR. WHITE: You have no idea what is in it?

MR. HICKMAN: I have no idea what is in that report. The responsibility - any idiot knows that the final responsibility for anything that goes on in a department rests on the shoulders of a minister.

MR. W.N. ROWE: Who does not read the report.

MR. HICKMAN: But what happens - You know, if the hon. Leader of the Opposition had the slightest knowledge and understanding of the role of the Director of Prosecutions and the Crown Prosecutors, and I would commend to him that he read the Steel Commission Report which says precisely the same thing, that crown prosecutors in effect should be given almost the same independence as that of the judiciary so that there can never be an accusation that is well-founded of any minister or deputy minister or non crown law officer interfering in the due process of law and the due investigative process. If a Crown Prosecutor or a Director of Public Prosecutions having finished and totally completed his review of the evidence, if he has some doubt as to whether under the law, and I have had this happen to me on a few occasions, not many and not under the present director, but they would come and say, 'Look, there is a difference of opinion between two lawyers as to whether there is sufficient evidence here to lay charges. Will you review it and let us have the benefit of your advice?' I cannot escape it I will do it. But the day-to-day investigation, the day-to-day assessment of the evidence that is coming into the police, the decision as to whether the police are told to go back and get some more evidence, that a minister should do that? No minister in his right mind would ever do that unless he is a gossip.

MR. F. ROWE: A further supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. F. ROWE: Mr. Speaker, the minister has indicated that the chief crown prosecutor may or may not have read this particular report and he has also indicated that it is usual that the chief crown prosecutor read a report or he may turn it over to another Crown Prosecutor. Now will the Minister of Justice indicate to the House, Sir, what is the situation in this particular instance? Has the chief crown prosecutor read and studied the report or has he turned it over to another Crown Prosecutor? And, Sir, when that process is done with, is it normal for the Director of Crown Prosecutions or another Crown Prosecutor to then report to the minister? There are two questions involved.

MR. SPEAKER: The hon. minister.

MR. HICKMAN: There are two questions; one is I am quite certain that the Director of Public Prosecutions and another Crown Prosecutor, two, have read the report that has come in todate.

MR. F. ROWE: Quite certain?

MR. HICKMAN: Right, yes. That is number one, not unusual because the nature of the investigations dictate the number of lawyers, Crown Prosecutors who take a look at it. Secondly when they complete their assessment of the first report, if they decided they had to go back and get additional evidence they do not come and tell me or ask me, nor should they. That is what they are getting paid for. They do that as a matter of routine every day.

MR. W.N. ROWE: What is the minister getting paid for? That is what we want to know.

MR. HICKMAN: And the hon. Leader of the Opposition knows better than all this, this is what bothers me. He knows better as an officer of the court, as an officer of the court he knows better and he knows, Mr. Speaker, that there is no need - Why would he come to me with any one particular case? How many hundreds go through -

AN HON. MEMBER: Because you said it was urgent!

MR. HICKMAN: That is right, but that does not mean that I have to get into the details of it. I would hope that there is nowhere in Canada an officer of the court who holds the office of Attorney General

MR. HICKMAN: of a province who would ever go and start poking around and reading reports unless the Director of Public Prosecutions brought them to them and said, I need your advice. I would hope there is not, because if there is one he should not be holding office and I would say that there is not one in Canada.

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

MRS. MCISAAC: Mr. Speaker, my question is for the Minister of Education. I would like to know if with respect to the public tendering act as it relates to school boards, if the Minister of Education has any say in whether or not contracts are accepted or if it is left completely in the hands of the school boards?

MR. SPEAKER: The hon. Minister of Education.

MR. W. HOUSE: With respect to - I assume you are referring to tenders for small constructions.

MRS. MCISAAC: Right you are.

MR. W. HOUSE: The only responsibility we have for any tendering

MR. HOUSE: of course is with school busing and we control that from the department. With respect to the school boards building schools, they do not come under the ambit of the Public Tendering Act, and it is entirely left in their hands.

MR. SPEAKER: A supplementary.

MRS. MCISSAC: A supplementary, Mr. Speaker. I understand the minister. He says it is left completely in their hands, and I do not want to get into the realm of debate but I would like to ask the minister if he would look into one contract that was awarded. It is the school in McKay's and it was awarded to the second lowest bidder; the low bidder was \$9,200 below the company that the contract was awarded to. In this day and age of restraint and cutbacks and what not, \$9,200 seems to be quite a bit of money. I would like to explain to the minister if I could take one more minute that what happened was there was no request or no deadline for the completion of the school, so the low bidder went back and said that he could complete it. He was not asked for a definite completion date. He went back and said he could complete it within the length of time required but, you know, it was not outlined in the call for tender. But in the meantime it still went to the person who was \$9,200 over the low bidder. I just wonder if I passed the information I have over to the minister would he look into it and see what can be done about it, if anything?

MR. SPEAKER: The hon. Minister of Education.

MR. HOUSE: Mr. Speaker, I have all the information. I have been working on the problem. I knew the case as soon as you spoke about it. The problem is as you have outlined it. It is exactly and we have got opinions on it, of course, to determine whether the school boards come under the ambit of the Public Tendering Act. They do not. But the DEC's, if they do follow the Public Tendering Act and of course they would not approve

MR. HOUSE: the funding, the extra \$9,200 for instance.

That would have to come directly from the board. So that has been all ironed out and as I understand it is still under discussion between the contractor concerned and the board.

But the contract has been let to the second lowest bidder.

MR. SPEAKER: The hon. member for St. John's West.

DR. KITCHEN: Mr. Speaker, my question is directed to the hon. Minister of Municipal Affairs and it concerns housing.

I understand it is the practice of the provincial government, through the Newfoundland and Labrador Housing Corporation, in co-operation with the federal government through Central Mortgage and Housing, to provide rental subsidies to senior citizens occupying certain senior citizens apartments. I understand also that there are presently, throughout the Province, in this city, including in my own district, a number of new and vacant apartments for senior citizens that are now ready for occupancy. I understand also that there are a number of senior citizens who wish very much to move into these apartments, provided of course that they can get the government subsidy. The question I have is, can the minister tell us when these subsidies will be made available or if they are going to be made available to senior citizens so that they can move into these beautiful new apartments?

MR. SPEAKER: The hon. Minister of Municipal Affairs and Housing.

MR. DINN: Mr. Speaker, the hon. gentleman is quite right.

We do have what they call a rent supplement programme, and it is operated on the basis of the formula, the federal/provincial formula that is from 16.7 up to 25 per cent, in that category, depending on the income of the individuals in the apartment.

This programme was started in 1976 and at that point in time we opened up 100 senior citizens units and invited

MR. DINN: applications from anyone in the Province.
for those units, and these units could be either privately owned
or publicly subsidized apartment units.

The Newfoundland and Labrador Housing Corporation has been attempting to get approval from the federal government, specifically last year, for example, we attempted to get approval for 100 units in St. John's and around the Province for subsidized rental units so that we could avail of
(a) the capital dollars to build units, I believe there were

June 16, 1978

Tape 4521

EC - 1

MR. DINN: a few approved, one group on Thorburn Road and spread out throughout the city and I believe there was one outside the city. But of the 100 in total we applied for we got, I believe, 86 approved and we have them in the process of being built and some of them are finished and so on.

These apartments that are built under the Newfoundland and Labrador Housing Corporation, number one, will be available under rent subsidy, which is exactly the same as the rent supplement programme. The rent supplement programme also allows Newfoundland and Labrador Housing through CMHC to give a rent supplement in privately owned rental accommodations. So we had 176 and, you know, subject to correction - I will have to check the exact figures - I believe we increased it last year another 200 and this year we intend to increase it again by, I believe, in the Budget for some 300 or 400 more.

When they are available what happens is that the senior citizen makes application to Newfoundland and Labrador Housing and they process the application, and (a) if they have a public housing unit, try to get them in there; and (b) if they are private what they do is they subsidize the unit so that if the senior citizen can get rental accommodations in that unit they can find out prior to moving in whether the Newfoundland and Labrador Housing and CMHC jointly will subsidize or supplement the rental in that accommodation. So it is a matter of application.

DR. KITCHEN: Mr. Speaker, a supplementary.

MR. SPEAKER: A supplementary, the hon. the member for St. John's West.

DR. KITCHEN: The question I was really asking

DR. KITCHEN: was when is the subsidy going to come through for apartments which have been constructed along the programme approved by the Central Mortgage and Housing and the Newfoundland and Labrador Housing Corporation? The apartments are ready, people want to move in and they are held up by the subsidy. I was wondering if the minister could inform us as to when this hangup will be removed, the bottleneck will be removed?

MR. SPEAKER: The hon. the Minister of Municipal Affairs and Housing.

MR. DINN: Mr. Speaker, if the hon. member would supply me with the information as to what apartments he is talking about, because we have them spread out all across the Island as a matter of fact, if he could inform me of that maybe behind the curtain or something after I can find out through Newfoundland and Labrador Housing what the status is on them and provide him with the information.

MR. NOLAN: Mr. Speaker.

MR. SPEAKER: The hon. the member for Conception Bay South.

MR. NOLAN: Mr. Speaker, a question for the Minister of Industrial Development. In view of the fact that we are now well into this session of the House and in view of the fact that you have countless students who are unemployed as well as adults, tradesmen and so on, I am wondering if the minister is now prepared to lay upon the table of this House what he has within his department whereby there are projects that will employ Newfoundlanders this year? And I believe it is his duty to inform the House now of what has been done since this House started and before the session, because we have yet to see really any concrete proposals laid upon the table of the House

MR. NOLAN: that would offer any real encouragement and a future for many people that I know and I am sure he knows. So, I mean, if the minister would be good enough now to inform the House exactly what is being done, what plans he is ready to unfurl to give some hope to so many who are unemployed in this Province, and I ask him this as Minister of Industrial Development.

MR. SPEAKER: The hon. the member of Industrial Development.

DR. FARRELL: Mr. Speaker, I presume the hon. member is speaking of students at the moment or is he speaking of the unemployed in general?

MR. NOLAN: Overall.

DR. FARRELL: Overall? At the moment, as you know, Mr. Speaker, we are working very assiduously on the linerboard project in Stephenville, also as far as the refinery area, if you are talking about the larger projects. We have many smaller projects at the moment being lined up and hopefully these may be got off the ground in the next few months, some in the Stephenville area, some in other areas. A lot of my colleagues in the different departments, in Fisheries - and they are involved through the Resource Development Committee in these processes. And these are ongoing, continuously trying to find job opportunities for available persons.

MR. NOLAN: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. NOLAN: One final question for me, at least, to the minister on this point, and that is that - not he personally, but a spokesman for the government has indicated

MR. NOLAN: that there are 40,000 jobs in the offing. Now what I would like to be in possession of, Mr. Speaker, is when I get all the calls that I do, and this is true not only of me but many members on this side and the other side as well, who do I send them to? Where do I send them? Where is the industry? What has been in the Department of Industrial Development in the last year? How many jobs have been made available? How many will be made available this year? These are the questions that the people are asking.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. Minister of Industrial Development.

DR. FARRELL: Mr. Speaker, I will take notice of that question because I do not have the figures at hand at the moment. I will glad to answer it when I have that information.

MR. LUSH: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary. The hon. member for Terra Nova.

MR. LUSH: This is a similar question, Mr. Speaker, to that I asked the Minister of Labour and Manpower and now I will ask it to the Minister of Industrial Development. In view of the disgracefully high unemployment in the Province, would the minister undertake to convince the Premier and his colleagues to set up a select committee to look into the unemployment problem in this Province, and more than to look into it, to come up with recommendations - because we have had the problem studied - but to set up this Select Committee of the House during the Summer to, one, look into this report presented by the Newfoundland and Labrador Federation of Labour; secondly, to meet with business and labour and to meet with officials of the federal government to come up with some plan. This can be done during the Summer and this committee can report to the

MR. LUSH: House in the Fall with solutions. That is what I am concerned about, setting up a committee to look into solutions, not to study the problem because the problem has been studied long enough. People who are unemployed know what the feeling is like to be unemployed. What they are concerned about is where they can get a job and when they can get a job. So I am wondering if the minister would undertake to do this, to convince the government to set up this select committee to meet with labour and business and members of the federal government to come up with solutions to our unemployment problem and present that report during our Fall session.

MR. SPEAKER: The hon. Minister of Industrial Development.

DR. FARRELL: Mr. Speaker, in the last couple of weeks we have met with the Federation of Labour and NAPE, I believe as well, and certain proposals were put forward then. This is a matter of government policy and I am sorry I cannot inform the hon. member at this time. Personally I can set up a select committee but certainly it is a matter that could be well discussed with my colleagues. But I cannot give any answers on it at this time. I will undertake to bring it up with my colleagues.

MR. SPEAKER: The hon. member for Eagle River followed by the hon. member for Windsor - Buchans.

MR. STRACHAN: Mr. Speaker, a question to the Minister of Municipal Affairs and Housing. A number of weeks ago - or the Minister of Justice for that matter - a number of weeks ago I asked a question concerning Labrador West, the situation there with the town council. I see the town manager was here in the gallery earlier on, Mr. Mike Martin, who used to be a member here. I am wondering whether the books which were seized from the town council two years ago have been returned to the town council? If

MR. STRACHAN: not, have there been any charges laid? What is exactly the situation concerning that situation of what is locally called the Carolgate Affair?

MR. SPEAKER: The hon. Minister of Municipal Affairs and Housing.

MR. DINN: Mr. Speaker, since the books of the town council were, I believe, seized by the RCMP, obviously, I do not know what the status of it is right now. Maybe the Minister of Justice does but I personally do not know.

MR. STRACHAN: A supplementary, Mr. Speaker.

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

MR. STRACHAN: Perhaps if the Minister of Justice were listening he would hear it better, I can spell it out a little bit better, or clearly. Or we could, perhaps, get additional time in the Question Period to do it. What I am asking is, the books of the town in Labrador City were seized about a year and a half ago. We were not suggesting earlier on there is any kind of sitting on things, but two years is a long time for something to be seized and nothing produced from it. I am wondering whether the books are going to be returned to the town there or whether there is going to be any kind of charges, or what is causing the delay? What is happening?

As well as that, there is also a number of other firms involved as well and it is a situation in which people are condemned for two years without anything being done about it.

MR. SPEAKER: The hon. Minister of Justice.

MR. HICKMAN: Firstly, to get the record straight, I am not aware of any person being condemned of anything.

MR. STRACHAN: Exactly. Are you going to take them to court?

MR. HICKMAN:

Mr. Speaker, I repeat, I am not aware of anyone who has been condemned to anything. With respect to the investigation that is now ongoing in Labrador City, any books that have been recieved will obviously remain in the possession of the Crown unless and until the Crown makes a final decision as to whether charges will be laid.

If at any time during an investigation there are documents that a

MR. HICKMAN:

at any time during an investigation there are documents that a person would like to have access to or copies thereof, there is a procedure available to them. The point I am making is that the retention of any of these documents should not in any way affect the operation of the municipality of Labrador City. The status of the actual prosecution, whether charges will or will not be laid, is not my prerogative to say publicly.

ORDERS OF THE DAY:

MR. W. ROWE: On a point of order, Mr. Speaker.

MR. SPEAKER: A point of order.

MR. W. ROWE: I do not have an Order Paper. I have checked with my colleagues; they do not have an Order Paper. Apparently the Order Papers have not been delivered or put on the desks today. I was looking to see what the orders were in order to prepare myself for it. I have no idea of what the orders are, Mr. Speaker, and I would suggest, Sir, that Mr. Speaker give a ruling on whether the House can proceed without an Order Paper or not.

MR. HICKMAN: Mr. Speaker, to that point of order.

MR. SPEAKER: The hon. minister.

MR. HICKMAN: The hon. gentleman is being really facetious this morning.

MR. W.N. ROWE: No, I am not. I do not know what the orders are.

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

MR. HICKMAN: Very few Fridays as Your Honour knows has the Order Paper has been printed in time to get around when the House opens; quite often we do not see them at all on Fridays, you know, often, as Your Honour knows. And if the hon. gentlemen - I do not intend to change or call anything other than that which I indicated yesterday I would be calling today; that is the second motion on yesterday's Order Paper which is Bill No. 38.

MR. W. ROWE: Bill No. 38.

MR. HICKMAN: Yes, which I indicated yesterday to all hon. gentlemen that we would be going down through the money motions.

MR. W. ROWE: Bill No. 38.

MR. HICKMAN: Right.

MR. SPEAKER: On the specific point brought up, I am aware that when we have met Friday mornings after sitting until 11:00 o'clock Thursday evenings, Order Papers have this year and last year arrived late. They seem to be arriving later today than other Fridays, but they have arrived late. I do not know if I could or should go any further than that now, if it appeared, for example, if it appeared that the business of the House or the ability of hon. members to follow or to participate in properly the proceedings were impaired because of the absence of an Order Paper, if one were going from first readings, third readings, Committee, and different matters coming up, and orders being called and that would make it difficult for hon. members to follow the business of the House, then, I think, I would have to give very serious consideration to whether business should proceed or not. But I think it would probably be that factor. Perhaps hon. members would leave it there now because at least to this point that has not happened.

The hon. member for St. George's.

MRS. MCISAAC: Thank you. Mr. Speaker, under Standing Order 23 I ask leave to move a motion calling for the adjournment of this hon. House for the purpose of discussing a matter of urgent public importance. I move, seconded by my hon. friend for LaPoile (Mr. Neary) since the -

MR. F. ROWE: Trinity-Bay de Verde.

MRS. MCISAAC: - unemployment - Trinity-Bay de Verde (Mr. F. Rowe).

Pardon me.

MR. STRACHAN: She has just got it mixed up a little.

MR. SPEAKER: There is no seconder necessary.

MR. F. ROWE: Oh!

MRS. MCISAAC: That since the unemployment rate in this Province is higher than any area in Canada, and the highest possibly ever in Newfoundland and whereas the majority of people in this Province are seriously affected by this situation having to leave the Province to seek work in Alberta and other areas, being separated from their families and the hardship imposed on all concerned;

Be It Resolved that this House now adjourn to debate this very urgent and important issue.

MR. SPEAKER: The hon. member is making a submission under Standing Order 23 on which the decision of the Chair is whether it is in order for the hon. member to ask leave in this situation, and after that decision is made there are various options or possibilities. I must point out to hon. members that the precedents and the authorities generally will indicate that when the Standing Order has been invoked or leave granted - no, not leave granted; when the Chair has ruled it is in order, it is up to members whether leave is granted, one of the considerations of the Chair is we are dealing here with a

MR. SPEAKER: continuing situation, not a sort of specific occurrence or event and hon. members will find that a kind of continuing situation does not give the Chair the authority to rule it in order so I cannot so rule.

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

MR. HICKMAN: Bill No. 38.

MR. CHAIRMAN: Order, please! Bill No. 38.

RESOLUTION:

That it is expedient to bring in a measure respecting The Retail Sales Tax Act.

MR. CHAIRMAN: Shall the resolution carry?

MR. HICKMAN: Mr. Chairman, this bill, number 38, is a very voluminous and thick document and I would not wish hon. gentlemen to believe in any way that that bill contains eighty-three new principles of law and principles of policy and principles of doctrine; far be it, Mr. Chairman, from that situation.

The position is that we have found that the tax bills in this Province do not have any uniformity in language and under the leadership of Mr. James Ryan, Q.C., legislative counsel and the other three legislative counsel in the division of this House, it was decided that this year would be a very opportune year to revise the various tax bills and come up with uniform language. So if I may ^{say} Hurrah! if I may, Mr. Chairman, may I note for the record that the Orders of the Day have arrived and commend the Queen's Printer for their work. So we are now on motion 1, which is bill no. 38.

I will very briefly draw to the Committee's attention the various matters that are contained in the bill presently before the House that are new. Before I do that, last night debating another bill, which I realize is not proper for me to refer to again it having passed third reading, but there was a fairly general debate

MR. HICKMAN: on what is really the guts of this bill and that is the retail sales tax increase.

AN HON. MEMBER: We did not touch this bill before.

MR. HICKMAN: I realize the hon. gentleman did not touch the bill and I realize that neither the hon. gentleman nor I are permitted to refer back to the last debate and the last bill, what I am saying is that the two bills have a certain alliance to each other because this bill provides for the increase in the retail sales tax, which is really the only thing in the bill, from ten per cent to eleven per cent and back to eight per cent -

MR. NEARY: Thanks to Ottawa.

MR. HICKMAN: - as a result of the generosity of that great Liberal Government in Ottawa -

SOME HON. MEMBERS: Hear, hear!

MR. HICKMAN: - who are concerned only with generating job employments and are not the slightest bit concerned with the fact that they have to answer to the voters. I want that on the record. It was not considered by the hon. the Minister of Finance that there was going to be a general election. In fact, I know it never crossed his mind. I am sure it did not cross his mind. It could not have crossed his mind, so it is an experimental move taken to try and reactivate a dormant economy across Canada. But I may again for the record - but that is what is in this bill. And that statement was made on April 10th., 1978 and it will expire, if this bill is passed, on October 10th., 1978, unless of course it is found that the economy needs further stimulation and the Government of Canada, with the consent and advice of the Parliament of Canada, decides to continue stimulating the economy for another six months.

AN HON. MEMBER: And the elections.

MR. HICKMAN: But I would not want to do that because that would suggest that.

But may I say for the record, that this concept, and I would not want to be partial or partisan on this, is known amongst all eleven finance ministers as the Darcy McKeough formula. Is it McKeough or McKee?

AN HON. MEMBER: McKeough.

MR. HICKMAN: I do not know how they ever get McKeough out of the way the hon. gentleman spells his name.

AN HON. MEMBER: M-c-K-e-o-u-g-h.

MR. HICKMAN: I realize that. But in any event, at the last Minister of Finance meeting in Ottawa in March,

MR. HICKMAN: the treasurer of Ontario in putting that proposal to the ministers which, I might add, was directly dismissed out of hand by the federal minister in Ottawa because Mr. McKeough very properly, since it is his responsibility, put the proposal as a manner and a means and a way to generate the economy of the manufacturing sectors of Ontario.

We had suggested that what we should be looking at was something which would generate job creating in the entire part of Canada. But, as I told the hon. Minister of Finance when he phoned me the Friday before his budget and told me for the first time, confidentially, what he intended to do, I said, "We are so poor in Newfoundland that even if you offered it to us for two days we would have to say yes, but you do appreciate, Mr. Minister, that the real beneficiary from a permanency of job creation will be the Province of Ontario", and he does. The reason for that must be very obvious to all hon. gentlemen.

In the Province of Newfoundland we do not have retail sales tax on consumables per se, that food, fuel, clothing, that sort of thing is exempt, and electricity, but we do have the tax on manufactured goods, regrettably, which are not manufactured in this Province. The big ones, of course, are motor vehicles and white goods. The manufacturers of motor vehicles and white goods happen to be in the golden triangle, which is in Ontario. This is what upset Quebec over the proposal but in any event it was brought in.

I did, and as I said the night that I announced the very generous and statesmanlike decision that was enunciated by Mr. Chretien at the time the position was put to me by him, I felt obligated on the part of the Province, and he appreciated it and told me he did, as did the hon. Peter Nicholson of Nova Scotia, the Liberal Province of Nova Scotia, do the same thing, that in Atlantic Canada in

MR. HICKMAN: October we are starting to move into the period of high seasonal unemployment and that I would be much happier indeed if he has to put a time limit on this relief, that it not come back in in October, but rather, 'How about making it for a year?'

Despite some of the comments that have been coming from hon. gentlemen opposite that if a certain event should take place in October of this year -

MR. NOLAN: You said that.

MR. HICKMAN: No, no, no. The hon. the Leader of the Opposition said it. I did not speak last night, so I could not very well have said it.

But quoting the opening remarks of the hon. the Leader of the Opposition yesterday, "I have some doubts, even if that other event, democratic event occurs in Canada, whether that will take place," because the reason given by the Government of Canada and by the federal Minister of Finance as to why it has to be limited to six months is twofold: One, is cost and, secondly, he said quite definitively that he had to put in a six-month time period rather than do it and see if it works and then decide whether to continue it. Because for budgetary purposes he had to be able to predict fairly accurately what the cost would be to the federal treasury. So obviously, having predicted that and predicated his budget upon that prediction, I regretfully feel that the hopes and ambitions and the comments and suggestions that there may be a change after October, in the event of some other occurrences, may not come to pass. I hope it does but if it does the Minister of Finance in Ottawa will be in a most embarrassing position.

Mr. Chairman, there are a couple of other matters related to the income that will be generated and is generated by taxes. One is the suggestion that the

MR. HICKMAN: taxpayers of North America are
today in a state of revolt as

MR. HICKMAN:

indicated by Resolution No. 13 in California which passed a resolution, a plebiscite saying that there should be and must be a reduction. not in all taxes, in property based real taxes. Well, Mr. Chairman, for the record, Newfoundland does not have very many firsts, maybe, but it is significant to note that Newfoundland has the lowest per capita property based real taxes of any Canadian province (school, municipal). Ours is \$65 versus the highest in Canada which is \$331 per capita, and in fact, we are not only the lowest in Canada, but we are the second lowest in North America. Only one State of the Union, which is Alabama, is below us. They have a \$59 per capita property based real tax. Alaska, for the record, is the highest in North America at \$1,071 per capita.

MR. LUSH:

There is no quorum, Mr. Chairman.

MR. CHAIRMAN: (Young)

A point of order has been raised.

MR. MORGAN:

You have one member on your own side.

MR. HICKMAN:

Mr. Chairman, there is a quorum present.

MR. LUSH:

Where is the quorum?

MR. HICKMAN:

Mr. Chairman, on a point of order.

When a quorum is called if there is a quorum in the House then -

MR. LUSH:

There were eleven people.

Is that a quorum?

MR. HICKMAN:

Well, is there a quorum call or is there not?

MR. LUSH:

There is a quorum call. A quorum call has been asked for.

MR. CHAIRMAN:

A quorum call.

MR. HICKMAN:

Anyway, let it be noted that there were two hon. gentlemen from the Opposition benches in the House - two, the hon. the member for Terra Nova (Mr. Lush) and the hon. the member for Conception Bay South (Mr. Nolan).

June 16, 1978

Tape 4526

EC - 2

MR. CHAIRMAN: (Young) I will ask the assistant law clerk to count the House. We have a quorum.

The hon. the Minister of Justice.

MR. HICKMAN: The motion is carried.

SOME HON. MEMBERS: Carried.

MR. HICKMAN: Well, that is one of the fastest bills that ever went through!

Mr. Chairman, in any event that bit of information I felt the House would like to have and I repeat, Newfoundland has the lowest by a country mile property based real taxes in Canada and the second lowest in North America. How does that grab you? - the second lowest in North America. That is what the fuss was about out in California, it was property based real taxes.

Mr. Chairman, two other points that are relevant -

AN HON. MEMBER: (Inaudible)

MR. HICKMAN: No, I guess it is not. This one dealt with income tax. I cannot mention income tax anymore, can I?

MR. HICKMAN: Put it to one side. I had some notes there to indicate that not only was there not an increase in income tax in Newfoundland this year, but because of the indexing there was a decrease.

AN HON. MEMBER: You were going to say?

MR. HICKMAN: But I cannot say it. I am not allowed to say it because it was debated last night. But I can say, because it is of general application, and I wish the hon. member for Lewisporte was here but he is probably within listening distance, that quite some time ago, earlier this year the Minister of Fisheries of the Province of Newfoundland viciously attacked the always criticized Minister of Finance, the present Minister of Finance for the Province of Newfoundland arranged for meetings with the senior officials of the five chartered banks in Canada to review, which they have done, all of the problems with respect - and I think the hon. gentleman from Bay de Verde (Mr. Rowe) also raised this - to the fishery to see whether or not Canadian capital is available for investment in the fishery and to urge them to accede to that kind of policy. The meetings so far have been going very well and, as the hon. gentleman from Lewisporte (Mr. White) said last night in corroborating this fact, I am not sure he was aware as to who had arranged the meetings, that the senior officer of at least one of the chartered banks with a large, large number of branches throughout the Province - so I guess we know which bank it is - has already visited all of his branches and told them that the fishery is to receive a great deal of affection and sympathetic consideration with respect to the lending policies of his bank. There are follow-up meetings to be held within the next few days between the various chartered banks, the Department of Finance, the Department of Fisheries and other interested parties. So we are not at all insensitive to our responsibility of trying to get Canadian investment and Canadian money into the industry. But no one who is realistic and looks at the investment pattern in this Province would believe that unless there is a massive change of attitude on the part of Central Canada that we have not seen in the past, that there is going to be a line-up of investors from Toronto, Montreal and Vancouver to put money into resource based

MR. HICKMAN: industries, not just in Newfoundland but anywhere in Canada. If you do not believe me, look at the mining industry, see if you can find any Canadian dollars in IOC or in Wabush -

AN HON. MEMBER: In Churchill.

MR. HICKMAN: There is some in Churchill Falls but -

AN HON. MEMBER: Not very much.

MR. HICKMAN: - but again not an investment from the point of view of putting in risk capital. The Churchill Falls one is that they bought Churchill Falls bonds and that is a horse of another colour, Mr. Chairman. Now, Mr. Chairman, may I get back to the bill before the House because I undertook to draw to the attention of the Committee that apart from the main principle of the bill, which is the increase of the Retail Sales Tax from ten per cent to eleven per cent on the items that are still taxable, the non-consumable items, in effect, and the reduction back to eight per cent for the period ending October 10th, that is the main principle of the bill, I also undertook to bring to the attention of the Committee any other clauses that are in the bill which are new and most of these, if not all, indeed all of them are, I think, of a housekeeping nature.

There is a provision under of present act, Mr. Chairman, that where a person purchases a tangible personal property through a sale in bulk the buyer is required to obtain from the seller a certificate issued by the Deputy Minister to the effect that the seller owes no Retail Sales Tax.

Now the words that are phrased tangible personal property as shown in this section seems to have fallen into disuse because it is not as easily definable in the trade as the word stock, s-t-o-c-k, and the word stock is defined and set forth in the Bulk Sales Act and the other provinces as we do in other legislation dealing with sales in bulk refer to the definition as contained in the Bulk Sales Act. Consequently Section 18 (1) of this act will, if passed, change the phrase from tangible personal property to stock.

Mr. Hickman: Now, Mr. Chairman, under Section 42 (2) of the old Act there is no provision for the time in which a person has to make an application for refund if he or she is entitled to it. And this bill, Clause 21 (2) provides that any person who feels, upon this feeling, upon reaching the position where he or she feels they have a claim for a refund, must make it within three years from that date.

There is also a provision in the new Act, Mr. Chairman, which allows vendors in the event of default to recover back a portion of the retail sales tax which was paid on a particular goods. For instance, if a person, as I understand, goes in to buy a motor car now and that car is financed, and the retail sales tax on the purchase is paid in full at the time of the sale, ^{if} there is default, and the car is subsequently repossessed then handed back to the seller, and the seller sustains a loss, then the seller should be able to recover back because he has also lost a portion of the retail sales tax which he had advanced on behalf of the purchaser. So there is a provision where that money which was over paid, where there is a default, can be recovered.

Now all of this is pure housekeeping, as I am sure the Leader of the Opposition will agree. But I am trying to meet my commitment to indicate what else is there. There is a provision to try and tighten up the business of bona fide gifts brought in from outside of the Province. And we have had a couple of cases within the last couple of years where very a substantial piece of personal property where we will say a husband was bringing in - I remember one, an item worth many, many thousands and thousands of dollars and just before they crossed the twelve mile limit, the piece of property, and I do not want to identify it, because if you start identifying people - was deeded over to the wife as a gift for the purpose of avoiding retail sales tax. We will have to stop that.

There is a provision, again closing a loophole in the old Act, but under the new Act where a public utility, and in particular in the Newfoundland Telephone Company - they have hundreds of telephones in their system that they use themselves, every other user pays a retail sales tax, except them - and that loophole again is covered, they should pay a tax the same as any other person or business in the Province.

MR. HICKMAN: There is also a provision, Mr. Chairman, to clear up the problem which, I think, was raised by the hon. the member for Stephenville (Mr. McNeil) with respect to the present provisions on movable residential homes. A couple of years ago the Act was amended to provide for the taxing of movable residential homes on the basis of one half the purchase price, but this was subject to the conditions that such homes be fabricated away from the site on which they will be used and moved to the site in not more than two sections. Experience has shown that such homes are now being transported in three sections. And this Clause will permit the movement of homes up to four sections in order to take advantage of the reduced based for taxing them; and I believe I am right, it was the hon. gentleman for Stephenville (Mr. McNeil) who drew this to our attention, and I think we have very satisfactorily overcome that difficulty, that genuine difficulty which he brought to our attention.

I think I have covered all of them, Mr. Chairman, in looking at my notes, but if I have not I will continue to read my notes and try to answer any other questions. What I would like to do, if it becomes necessary, with the consent of the Committee, that after the resolution is carried and we get into the Clause by Clause, the Clauses are very technical, if some hon. gentleman has a question I will probably invite the Assistant Deputy Minister of Finance, ^{of} Debt Management, Mr. Carew, who has been outside being enlightened for the last five or six hours on the great debates on economy that we have been hearing, to come in and sit next to me. But this Act, I do not see any real amendments in it, and the language may be so clear that we will not require him, but I just alert the Committee that after the resolution is passed I may have to do that.

Other than that I commend this very well drafted bill

MR. HICKMAN: and the resolution to a very discerning Committee on Ways and Means and I would anticipate that it will carry unanimously without debate.

MR. W. ROWE: Not the only time the Minister of Justice has anticipated wrongly, Mr. Speaker. I would say, as a matter of fact his batting average has been confirmed this morning.

Let me first of all join the minister though, Mr. Chairman, in congratulating the group who have been and are now in the process of drafting bills for this House, legal draftsmen for the House of Assembly. Let me commend them for the great job they are doing, tremendous job, I think a great improvement in the draftsmanship and so on I have seen certainly this year compared to years gone by. Also I believe there is more of attempt being made to consolidate the various statutes, the bills and so on so it is easier for people to have access to the law that governs them, particularly, I guess, lawyers who need to interpret the law for people, lay people, have access to a compendious piece of legislation rather than looking through fifteen or twenty or ten or twelve various amendments affecting a bill.

But, Sir, while saying that, and while congratulating the people here in the House today and the other people being responsible for that, let me say to the minister himself that he should not pretend, Mr. Chairman, that this act is simply a consolidation of laws or that the substantive amendments which have been made are merely housekeeping, because they are not. I notice the minister skipped over very quickly, as if it did not even matter, the fact that the main reason for this bill, the main reason for it is to increase the sales tax. That is why this is here, Mr. Chairman. If it were not for the fact that the sales tax is being increased to eleven per cent by this government, this bill would not even be brought in this year.

MR. W. ROWE: Probably next year it might or the year after it might have a consolidation. But the minister, Sir, in his usual way, and I am not attributing any unavowed or unworthy motives to him, in his usual way, Sir, tries to slip through the main reason for the bill, that is the increase in sales tax, which will effect people where it hurts the most, in their pocket books, tries to slip that through in a great big consolidation with a few housekeeping changes made, Sir.

I would say that this bill, as I said, would not be coming to the House at all were it not for the fact that this increase in the sales tax is being proposed and is going to be passed by this government.

Mr. Speaker, on that, I do not know if my hon. friend, the member for Baie Verte - White Bay (Mr. Rideout) made this point last night or not. I was out of the House for an hour or so, just before the House closed, and I did not hear his speech; he and I were talking about it, he was going to make the point concerning the average rate of increase in the sales tax over the past, nearly thirty years under the former administration and the present administration. I do not know if he made the point or not. If he did not make it, I will make it; if he did make it it can certainly bear repetition, and being repeated. It should be noted, Sir, that in twenty-three years of government the former Liberal Administration increased the sales tax from zero to, I believe, seven per cent at the time that it went out of office in 1971, the end of '71 leading into 1972, seven per cent in twenty-three years which is an average increase in the sales tax of about one-third of one per cent per year. One-third of one per cent per year on the average, the increase in the sales tax by the former administration.

AN HON. MEMBER: That is inflation.

MR. W. ROWE: What has inflation got to do with it? The hon.

MR. W. ROWE: member should not display his ignorance,
Mr. Chairman. Inflation has got nothing to do with
sales tax.

If there is an inflationary spiral in costs there is also an inflationary spiral in the amount of money which is collected under existing sales tax rates. It has got nothing to do with increases in the rate of sales tax, Sir. He has no notion what he is talking about and he should keep quiet and not embarrass the government and his side of the House on this matter of sales tax increases. It has nothing to do with inflation, nothing in the world to do with inflation. It has got to do with the government trying to get more money from the people, more money from the people. And Mr. Chairman, seven per cent in twenty-three years is something around one-third of one per cent per year on the average of an increase in the sales tax to bring it from zero to seven per cent.

In six years, Mr. Chairman, in six short years this government has increased the sales tax by four more per cent, up to eleven per cent, which is

MR. W. ROWE: an average increase of about two-thirds of one per cent every year, an average increase of about two-thirds of one per cent per year; this government. In other words, Sir, one-third of one per cent a year increase on the average under the former administration, two-thirds of one per cent on the average under this administration over the past six years. In other words, Sir, the average rate of increase of the sales tax has doubled under this administration, has doubled and the people of this Province should realize that and be made aware of that because it is very important. Mr. Chairman, doubled the increase in rate.

Mr. Chairman, can we have a quorum call? There is not enough people in the House, Sir, to make a half decent speech. Contempt for the House being shown.

MR. CHAIRMAN: I would ask the Clerk of the House to count the Committee.

I am informed a quorum is present.

The hon. Leader of the Opposition.

MR. W. ROWE: Thank you very much, Mr. Chairman. It shows the great interest of the government, Sir. They cannot keep fourteen out of thirty members in the House. What a disgrace, Sir.

AN HON. MEMBER: (Inaudible) the member for St. George's (Inaudible).

MR. W. ROWE: The hon. the member for St. George's is to be congratulated on many grounds, not the least of which, Sir, is that she is an assiduous attender of this House, something which the members of the government cannot claim.

MR. HICKMAN: (Inaudible) two there (inaudible)

MR. W. ROWE: Yes, they are all waiting though. They want to make sure that the government, Sir, which has been elected to represent the people's interest, is adequately represented in the House, and interested in what is going on and listening to what is going on and talking about what is going on.

SOME HON. MEMBERS: Oh, oh!

MR. W. ROWE: Yes, we are elected to represent the people of our districts, that is right.

AN HON. MEMBER: (Inaudible)

MR. W. ROWE: Better make sure there are fourteen in there, Mr. Chairman, because there is no way that these important tax measures are going to go through this House with a rump Parliament in attendance. What we need is for the government members of the House to show some interest in what is going on, especially, Sir, when the people are about to be mulct again because of a 1 per cent increase in the sales tax. And what I was saying, Sir, before the fact that there were only half a dozen members in the House was discovered, was that for twenty-three years the average rate of increase in the sales tax was one-third of 1 per cent and, over the past six years under this administration, two-thirds of 1 per cent of an increase every year, double the rate of increase, 100 per cent increase in the rate of increase in the sales tax under

MR. W. ROWE: this administration. And that is something which the people of the Province should know, particularly, Sir, when at the same time the public debt in the Province has gone up by 150 per cent over that same six years - \$900 million or, say, somewhere less than \$1 billion in twenty-three years and now, Sir, up by another \$1½ billion in six years. The people should know that not only has the debt more than doubled - 150 per cent, one and one-half times greater amount of debt now after six years than was incurred over a twenty-three year period, not only has that happened, Mr. Chairman, but the rate of the increase in the sales tax has doubled over that same six year period, the standard of public services, Sir, has gone down over that six year period. There is at least \$1 billion, Mr. Chairman, of that public debt, not to mention the money that was drawn in by increases in taxation, at least \$1 billion that I defy one man, woman or child in this Province to say where it went. And there is \$500 million which we can put our finger on which was thrown away, deliberately thrown out the window by this administration on the three infamous actions that they took, as Your Honour is well aware and the people of Newfoundland are growing more and more aware and will be made more and more aware between now and the time leading up to the next time the people themselves can speak with their ballots, namely, the premature, abortive, unnecessary and partisanly political attempt to deceive the people by this start up on the Lower Churchill and the Brinco takeover, Sir, and of course, the \$200 million down the drain on the Linerboard mill in Stephenville; \$500 million, Sir - \$1,000 for every man, woman and child in this Province thrown out the window. If we assume there is an average size of a family of five or six

MR. W. ROWE: in this Province - five or six per family - \$5,000 or \$6,000 taken by this government for every family in the Province, taken and crumpled up, Sir, and thrown out the window by this administration. And the people are wondering - no, they are not wondering, Sir, they know that there has to be another increase in the sales tax this year, not to mention other increases in taxation, the worst kinds of taxation as a result of the tender ministrations of this government, the tender mercies of this government, Sir.

So the Minister of Finance should not come into this House and pretend that this bill is a consolidation, pretend that there are a few little house-keeping things, Sir. The meat of this bill, as has been mentioned before and will be mentioned again on as many occasions as I can muster, Mr. Chairman, the meat of this bill and the principle of this bill is

MR.W.ROWE: to increase the sales tax, increase the taxation, increase the amount of money which our people, already hard-pressed, with one of the lowest incomes, if not the lowest, around the lowest income in Canada per average, with the lowest standard of public services in Canada, now they have to dig into their pockets, reach down deeper into their pockets and pay out more retail sales tax. Of course,as we said earlier, Sir, it is the most regressive tax possible because it hurts the least able and the most disadvantaged, it hurts them most. The Minister of Public Works is showing his concern, Sir, by flicking a flag or something around the House -

MR. DOODY: (Inaudible) same thing (inaudible).

MR. W.ROWE: Are you going to walk tomorrow? I am going to have a walk for myself tomorrow. Five miles. I wish it was twenty-five.

MR.DOODY: I had a hard enough time trying to learn to walk.

MR. W.ROWE: Is that right?

MR.DOODY: I am going to get my friend from Mount Pearl (Mr.Windsor) to push me in a wheel chair.

MR.W.ROWE: I should mention while the hon. minister reminds me of it. There is a walk for muscular dystrophy - Is it muscular dystrophy tomorrow? I have three or four down, There are three or four going on, Sir. The various disabled groups and other groups in the Province are interested in public figures getting involved in these walks so that some publicity can be brought to bear on it and hopefully they can raise more money as a result. One of them is taking place tomorrow. Cystic fibrosis tomorrow, Mr. Chairman, and then some other as time goes on.

Mr. Chairman, getting back to the principle of this bill, Proposition 13 as passed in California was dragged in,I believe,by the Hon. Minister of Finance. There is a reason, Sir, while Proposition 13 went through in California with flying colours; there is a reason for that, Sir. The people there, even in that richest part of North America, recognized that property taxes,for example,are a very regressive form of taxation. They do not bear any relationship to income or enough relationship

MR. W. ROWE: to income. But, Sir, as regressive as a property is, it is not half as regressive as the sales tax because I suppose the amount of property you own bears some relationship to how well off you are; it bears some relationship to it if not a total relationship. But, Sir, the amount of sales tax you pay and the cut it takes out of your income bears no relationship at all to the amount of income you have. There is an inverse relationship; the proportion that you pay in retail sales tax goes up the lower your income is and that is why, Sir, we are so much against this increase in the sales tax by one per cent. We should not be in favour of it, nobody can be in favour of it and this government has decided to impose another percentage point on the hard-pressed people of this Province as they have done, Sir, at double the rate over the past six years, doubled the rate of increase on the average over the past six years for retail sales tax.

We now, Sir, have in this Province, we now have the highest taxes in terms of retail sales tax and income tax and the combination of these taxes imposed by this government, the highest taxes imposed by this government, by this government now - I am not talking about property taxes or anything else but taxes imposed by this government directly - we have the highest taxes in North America.

MR. HICKMAN: he highest corporation tax.

MR. W. ROWE: But the minister is trying his best to get rid of that, Sir, he is trying to give a break to the corporations.

MR. HICKMAN: The highest corporate tax - that is a break.

MR. W. ROWE: Trying to withdraw, trying to lower, rather, make less the amount to be paid by corporations. But in taxes, Sir, that this government has the power to impose and has imposed, namely, retail sales tax, income tax, corporation taxes and taxes of that nature, taxes on gasoline, taxes on tobacco, Sir, we have the highest taxes in North America. That is what we have and we should know that. And we have the highest unemployment rate in North America as well as the

Mr. W. Rowe: highest tax rate. We have the highest! We have the lowest, rather, standard of public service in North America, and we have the highest per capita debt in North America. This is what this government has brought us to, Mr. Chairman, and this point should be made and made again, and made again until the people know the pass to which they have been brought by this administration in six short years, with no evidence whatsoever, Mr. Chairman, that things are going to get better under this administration. The only evidence we have that things may get better is if the Government of Canada, the Government of Canada continues to help out disadvantages regions like us by the measures which they took some months ago in lowering the retail sales tax by 3 per cent, bringing it down to 8 per cent. And I do hope, I do not care if it is for political reasons, elections, economic reasons or what it might be, Sir, I do hope that they see fit to extend the decrease of 3 per cent in the retail sales tax, I hope they see fit to extend that by another six months and another six months after that, if need be.

Mr. Chairman, most of what can be said about taxation and the regressive system of taxation and the increases in that regressive and retrograde system of taxation which this government has imposed was said last night. But, Sir, I did not want to sit down before going on the record once more to indicate the spendthrift policies of this government over the last six years or so, an increase in the public debt by 150 per cent with nothing to show for it in the case of at least a \$500,000,000-\$1,000 for every man, woman, and child in the Province, Sir, we are paying on that \$50 million or \$60 million a year interest on the dead for nothing, \$500,000,000 thrown away and every year \$50 million or \$60 million or more of servicing of that debt coming out of the pockets of the Newfoundland people.

Yet in spite of the spendthrift, in spite of the irresponsible borrowing practices of this government, which have brought us very close, Sir, to the point of no return, in spite of that, Sir, we still see increases in their sales tax, increases which

Mr. W. Rowe: our people cannot tolerate and cannot bear any longer.

Now, Sir, having made those points on the major aspect of this bill, let no one in the House be fooled by the fact that this is a consolidation. That is the major point, that it is a tax increase. Having made those points, Sir, there is some very brief words I would like to say on some of the other clauses in the bill. Clause (16), Sir, the note concerning which says the amendment would remove the provision where persons are not subject to tax upon bringing tangible personal property into the Province, or upon receiving delivery of tangible personal property in the provinces as bona fide gifts.

What kind of enforcement provisions are there on that? I would like for the minister to tell us when he gets up. Is this a haphazard sort of thing? Do they use informers, for example, if somebody on board the boat, I suppose, that he referred to, or on board the plane saw a gift worth several thousand dollars going from husband to wife. What do they do, inform the Department of Finance?

MR. HICKMAN: Apart from the point of view of somebody and I will answer this in clause to clause - from the point of view of someone saving up in Toronto and you are given, you know, a pen and pencil set that sort of thing forget, nobody tries to, you know, that kind of genuine gift - but what was discovered was that in the case of, let us say, for example, of a boat, a pleasure craft which is taxable, that when the boat was about to enter Newfoundland waters there was a bill of sale signed by the husband to the wife to escape taxation under the bona fide gift clause. That is the kind of thing we are getting after.

MR. W. ROWE: Yes, I know, but who enforces these? Somebody saw that going on, did they?

MR. HICKMAN: Well, I mean you pick it up through the Registry of Deeds.

MR. W. ROWE: Well, that was picked up in the Registry of Deeds, But what happens if -

MR. HICKMAN: You would do the same thing with a motor vehicle through the - you pick it up because of cross-checking.

MR. W.N. ROWE: What about the Premier? For example, say the Premier goes to Montreal - I do not know, this is hypothetical.

PREMIER MOORES: Take it easy now. Take it easy, take it easy.

MR. W.N. ROWE: What if the Premier goes to Montreal and gets his yearly two dozen suits done, say? I would assume that as Premier of the Province, he goes through two or three dozen suits a year working on behalf of the people.

MR. F.B. ROWE: That is reasonable.

SOME HON. MEMBERS: Oh, oh!

MR. W.N. ROWE: Anyway, he goes to Montreal, or the hon. the Minister of Justice goes to Montreal and gets his tailor to do up the two or three dozen, \$500 or \$600 suits. Now, just let us put that scenario on the table for a moment, Sir. Just let me paint the scenario first.

AN HON. MEMBER: All right.

MR. W.N. ROWE: The Premier goes to Montreal and has his yearly two dozen suits done at \$600 to \$700 per suit and then brings them back into the Province. He does not pay any sales tax up in Ontario - or he should not if he is doing anything at all clever because they are going to be exported out of Ontario. He brings them into the Province here and I am sure he does not pay a retail sales tax on them here. Because if he does, I am sure he is the first one who ever has.

PREMIER MOORES: I never knew I had to or I would have done so.

MR. HICKMAN: He is the only gentleman I know who, if he comes back and he has a ten dollar item that is taxable in Newfoundland, will go to the Department of

MR. HICKMAN: Finance and pay it.

MR. W.N. ROWE: Well, he is an honourable gentleman.

PREMIER MOORES: He is off his head.

MR. W.N. ROWE: I would say we have a gene pool of - what? - 500,000 or 600,000 people in Newfoundland and I would say that that example of honesty is one which should not exist in such a small gene pool. I would say that you would need to go to 10 million people before you would find a man who is that honest. I say we should be clapping ourselves on the backs, Sir, for having in our small little place a man that honest.

PREMIER MOORES: A personal attack and we do even try to stop it.

MR. W.N. ROWE: But, Mr. Chairman, it is a serious matter, you see. There is a law, as I understand it, unless it has been changed in the last number of years, that if you buy something in Ontario and bring it in here, as the hon. Minister of Justice has said, then you should pay the sales tax on it here. Is that correct?

MR. HICKMAN: Yes.

MR. W.N. ROWE: Right. Nobody does it! The Premier comes in with his two dozen suits, say twenty suits, for arithmetic purposes, at \$700 per suit and what are we into? We are into \$14,000 in suits. Now does he pay his 11 per cent on it? Does he pay his \$1,400 sales tax, \$1,500 sales tax on it? That is what I would like to know.

MR. HICKMAN: Your dream is not correct. The hon. the Premier when he buys his \$1250 suit -

MR. W.N. ROWE: No, it is only \$750 the Premier's suits are.

MR. HICKMAN: No, no. The Leaders of the Opposition wears \$700 suits.

MR. W.N. ROWE: I wear \$70 suits - the London, New York and Paris on them.

MR. HICKMAN: If he buys it, as I understand it, in Eaton's and takes it out on his arm, there is not point in saying, 'I am from Newfoundland; the tax is payable in Ontario.' It is only not paid if it is shipped to Newfoundland, right? There is a fine distinction that they keep making.

MR. W.N. ROWE: Yes. Well, the point I am making, Sir, is that if there is a law which cannot be enforced, why do we turn everyone into, at least, theoretical criminals?

MR. HICKMAN: What it is trying to do is get the day to day gifts and you cannot put - you have to have some discretion - you cannot put a dollar sign on them. Because as you say, if somebody seven suits -

MR. W.N. ROWE: Well, Mr. Chairman, I have heard it all now. These big, big gifts -

MR. HICKMAN: Yes.

MR. W.N. ROWE: I mean, if somebody does all of their - you know, if we are going to have a law whereby you pay a sales tax on things which are brought into the Province by people, then we should enforce it or we should not have the law. That is my feeling on it and I would say that nobody in the Province knows the law exists. The Premier, I am sure, when he brings in his suits does not know the law exists.

MR. HICKMAN: I must go out. I will listen in. I will not be too far. Carry on.

MR. W.N. ROWE: Okay. But, Sir, if we cannot enforce it, unless we are going to have some sort of a customs setup in every point of entry into the Province, and check on people, to see if the Premier's suits are in his suitcase, if they are made in Montreal and so on.

MR. F.B. ROWE: And if there are labels on them.

MR. W.N. ROWE: Unless we are going to do that - the labels on them that is right, and the price tags still

MR. W.N. ROWE: on them, \$850 - then, Sir, we should change the law and not force people, even advertently, to be breakers of the law, and I would commend that to the hon. minister.

I hope the Premier, now that he has had a learned lecture in the law, that every time he brings in his \$700 suits, or whatever he might bring in purchased elsewhere that he would show a good example, Sir, for the people of the Province by going immediately to the Department of Finance -

MR. HIGHMAN: The Premier's suits are in trouble.

MR. W.N. ROWE: - and pay.

MR. HICKMAN: He has been paying, as you know.

MR. HICKMAN: If the hon. gentleman buys in any store in Canada, you know, of any size, they will charge and, lo and behold! they send the money down to us.

MR. W. ROWE: Do they?

MR. HICKMAN: Yes. Now if you could find some little - Do the people in Canada still go to tailors?

MR. W. ROWE: I would imagine. All that crowd over there still go to tailors, do they not? Look at them, sartorially turned out here.

MR. HICKMAN: Tony on Duckworth Street.

MR. W. ROWE: Look at the hon. Minister of Tourism, Sir. Comes in here, Sir, he has won two prizes, Mr. Chairman. Best dressed man of the year twice. He lost out one year. Who did he lose out to? It was in The Daily News, front page. So I am sure he gets his - You do not win a prize for best dressed man of the year, Sir, without having \$600, \$700, \$800 tailor made suits from Montreal. You just do not, Sir. It is impossible to do so. I would like to know if the Minister of Tourism paid his retail sales tax on those suits when he brought them in or if the Premier does?

MR. HICKMAN: Tony the tailor does them.

MR. W. ROWE: Well, I hope he did, because Tony is a great -

MR. HICKMAN: The most modern thing on Duckworth Street.

MR. W. ROWE: In any event, Sir, it is a matter that would bear some investigation because I would say that the Province loses hundreds of thousands of dollars a year on the failure of people to pay sales tax when they bring goods into this Province having purchased them elsewhere and having not paid the sales tax elsewhere. But, Sir, what I would recommend, what I would say, is that let us give this poor little Province a break. Let the minister have the law changed and not have anyone even technically break the law by coming in, bringing in things and not paying tax on it, purchased

MR. W. ROWE: elsewhere, except of course if someone is bringing stuff in in bulk and so on or if it turns out that there was an abuse of this by a tremendous expenditure of money outside the Province, and there would not be because no one is paying taxes anyway. But, Sir, let us not have technical criminals in the Province. Let us not have the Premier of the Province, or the Leader of the Opposition of the Province, or anyone else for that matter, inside the House or out, who are technically criminals because they may buy something somewhere, not pay sales tax in that Province, bring it in here where they are supposed to pay sales tax when they bring it in and not do so, Sir. And I would commend that to the Minister of Justice. We should not make theoretic even, criminals out of people. Let us change the law unless we are prepared to enforce it. We have a lot of speakers yet, Sir.

Thank you, Mr. Chairman.

MR. CHAIRMAN: The hon. member for Trinity - Bay de Verde.

MR. F. ROWE: Mr. Chairman, Sir, the revenue this year through taxation on tobacco I think amounts to about \$16,300,000, the estimated revenue for this year.

AN HON. MEMBER: For what?

MR. F. ROWE: For tobacco, the tobacco tax.

MR. STRACHAN: That is the one we are on, the sales tax.

MR. F. ROWE: Well, what is going on with that one there?

MR. STRACHAN: You have the wrong bill. Go on to it, the retail sales tax.

MR. F. ROWE: Yes. I made a mistake, Mr. Chairman. I have to admit that. I was so studiously studying the Auditor General's report on a matter that I wanted to bring up concerning the tobacco tax, Sir -

MR. STRACHAN: It is still involved in it.

MR. F. ROWE: - that I could probably raise it in this Committee stage, that I slipped by one number, Sir, the number of the bill. I thought we were on Bill No. 37.

MR. W. ROWE: My speech made some impact.

MR. F. ROWE: Sir, I was researching the tobacco tax so sensibly, Sir, that I was not even listening to my leader in this particular instance.

Sir, this is, as the Leader of the Opposition indicated, this is a very bulky bill and it just does one thing, Sir, once again raises the taxes on the people of this Province. Now, Sir, I am going to reiterate in the few moments that I have at my disposal the fear that I stated last night, because I think it bears repeating, and that is Sir, in spite of the fact that the Minister of Finance indicated something along the lines that we do have, I believe he stated in North America -

MR. DOODY: The second lowest.

MR. F. ROWE: The second lowest, is it? The second lowest personal property tax in North America. Sir, that is completely irrelevant to this particular bill, the fact that we have the second lowest personal property tax in this particular Province. Because, Sir, the fact of the matter is that all of the other taxes,

MR. F. ROWE: when they are put together, puts a very heavy burden on the people of this Province. And as I indicated earlier, the fear that I have is in the immediate future - not even in the long term future, it is in the immediate future - that this government has not laid the foundation, the groundwork or articulated any policy whatsoever to gain revenue from sources other than the federal government, which I believe pumps into this Province almost if not 50 per cent of the revenue of this Province, comes directly from the federal government.

MR. W. ROWE: That is the direct.

MR. F. ROWE: That is the direct. And, Sir, a great sector of the revenue coming into the Treasury comes from the people themselves, out of the pockets of the people, through one form of tax, whether it is personal property tax, whether it is tobacco tax, liquor tax, sales tax, any kind of a tax. A great, huge revenue source in this Province is directly out of the pockets of the people. And, Sir, here we are with the highest unemployment in Canada, the highest unemployment since the Depression - I think somebody indicated the other day it is even higher than it was during the Depression.

Sir, the only other source of revenue that will make the financial position of a province healthy is if you have a sound base in industry whether it is primary or secondary industry. You have to have that sound base whether it is industrial or whether it is based on resources such as hydro or such as the fisheries.

Now, Sir, if I can get the attention of the hon. members opposite, if this government could articulate and did articulate, and I suppose there is still

MR. F. ROWE: a possibility that they may be able to articulate some reasonable policy and philosophy whereby they could indicate to the people of this Province and the members on this side of the House that they have plans whereby they would construct a sufficient industrial resource base so that we will gain money - Mr. Chairman, the hon. the Minister of Finance is distracting me and mouthing for me to sit down, dying to push this bill through, Sir, making faces. Sir, the hon. the Minister of Finance does not have to make a face. Sir, I have never seen an hon. gentleman so depressed. I would recommend, Mr. Chairman, that probably the Premier might like at this stage to replace, to rotate the House Leader, because obviously the present House Leader on the government side is under extreme stress and strain.

MR. HICKMAN: If the hon. gentleman will make that motion I will guarantee you it will carry unanimously.

MR. F. ROWE: I can so move, Sir, that the hon. the member for Bonavista South (Mr. Morgan) be made the Government House Leader for a period of two or three weeks to relieve- somebody with some great intelligence and intellect and who is always calm, cool and collected and never speaks out of turn, Sir, never gets up on foolish points of order, is always consistent with caucus and Cabinet policy, never speaks out against that, somebody like that, Sir, The member for Bonavista South should replace the present Government House Leader and give him a break for two or three weeks.

MR. CHAIRMAN: (Collins) Order, please!

MR. F. ROWE: Yes, Mr. Chairman, I realise-

MR. CHAIRMAN: I have to point out that amendments must be relevant to the motion.

MR. F. ROWE: Sir, I was trying to accommodate the hon. House Leader opposite. I think he was quite serious, Sir.

MR. HICKMAN: - a gift set.

MR. F. ROWE: Sir, the point that I am making is this, is that the hon. House Leader, the Minister of Justice and Finance should not get up and try to take credit and brag about the fact that we have the second lowest personal property tax in North America, when he knows full well that in every other form of taxation we are probably the highest.

SOME HON. MEMBERS: Oh, oh!

MR. F. ROWE: Probably the highest.

MR. H. COLLINS: (Inaudible) total taxes (inaudible).

MR. F. ROWE: Sir, if the Minister of Health cannot take care of health problems, he should not interject himself into financial problems.

MR. H. COLLINS: In total taxes we are in sixth position. Tell the truth. Do not be misleading the House.

MR. F. ROWE: Point of order. Mr. Chairman, I would ask that the Minister of Health retract that statement. I do not think any hon. member can accuse another hon. member of misleading the House, and to insinuate that he is not telling the truth by suggesting that he tell the truth.

MR. CHAIRMAN: Order, please! The remark in question, I believe was that an hon. minister said encourage an hon. member to tell the truth and do not mislead the House. There was no question of deliberate misleading. And I do not think there was any direct implication that the truth was not being told, it was just an exhortation to engage in the truth, I would say. So I would feel that this is not a point of order that the Chair need rule on at this stage.

MR. W. ROWE: A wasted point of order.

MR. SPEAKER: The hon. the member.

MR. W. ROWE: You raised the point of order.

SOME HON. MEMBER: Oh, oh!

MR. F. ROWE: Now I shall repeat again, Sir, and if the hon. Minister of Health wants to make his contribution in this debate and falsify or correct any statements that I have made he has got every opportunity to do so when his time comes.

SOME HON. MEMBERS: Hear, hear!

MR. F. ROWE: He can speak next if he wishes on Monday.

But, Sir, the fact of the matter is that the Minister of Finance should not take any credit whatsoever, and brag about having the second lowest property tax in North America when he knows full well that here we have an economy with very high unemployment, we have got one of the lowest per capita incomes in Canada, and we have got some of the highest taxes in Canada. And I repeat, Sir, that our only significant revenue is Ottawa and the taxes from the people of this Province in one form or another.

MR. H. COLLINS: The hon. member will (inaudible).

MR. F. ROWE: It is not - no, Sir, that is quite untrue, Sir. Quite untrue. Alberta is a case in point.

SOME HON. MEMBERS: Hear, hear!

MR. F. ROWE: In Alberta, certainly the greatest significance source of revenue for that province is not the people, not taxing the people, and it is certainly not Ottawa. It is the very thing that I am talking about the development of a natural resource. Now they happened to hit a bonanza out there in oil; we down the line may hit a bonanza in oil, minerals, gas off the coast. That will be our salvation, but that is down the road. What I am talking about is immediate steps being put forward by this government to set up a financial base to contribute to our revenue other than Ottawa and the people of this Province. And this government, Sir, has had a total of six and one-half years, going on seven years, to develop programmes in order to lessen the burden on the taxpayers of this Province. And, Sir, what have they come up with? They have come up with increased taxes yearly. They have increased, as the Leader of the Opposition indicated, on the average, look at all of the taxes on the average, they have increased, they have doubled the taxes in this Province in seven years compared with the twenty-three years

June 16, 1978

Tape 4537

PK - 3

MR. F. ROWE: of the previous administration.

SOME HON. MEMBERS: Oh, oh!

MR. F. ROWE: And, Sir, over the past six and a half years this administration has not come up with a master plan even in the minutest details.

AN HON. MEMBER: Obviously they are not going to admit (inaudible).

MR. HICKMAN: If the hon. gentleman would sit down we can call it one o'clock.

MR. F. ROWE: If the minister wishes to call it one o'clock,

June 16, 1978

Tape 4538

EC - 1

MR. F. ROWE:

I will sit down so he can have an opportunity to rise the Committee.

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

MR. SPEAKER:

The hon. the Chairman of Committees.

MR. CHAIRMAN:

The Committee of the Whole have considered the matters to them referred, made some progress and ask leave to sit again.

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

On motion the House at its rising adjourned until tomorrow, Monday, June 19, 1978 at 2:00 P.M.