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PRELIMINARY
UNEDITED
TRANSCRIPT

HOUSE OF ASSEMBLY
FOR THE PERIOD:
3:00 p.m. - 6:00 p.m.
THURSDAY, MAY 3, 1984

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER (Russell): Order, please.

STATEMENTS BY MINISTERS

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: The Government of Newfoundland has received the Supreme Court of Canada decision on the reversion case with profound and deep disappointment. At this particular time, we obviously are not in a position to make a detailed statement relative to that decision until we have had an opportunity to consider and weigh the reasons for it. We only have the decision as communicated to us over the phone from our people in Ottawa, and we do not have the decision itself and all the reasons, but we will have them this afternoon then we will be able to further consider the matter.

However, it can be stated and must be understood that in deciding that Newfoundland does not have the right to repeal an act which it enacted, the Supreme Court of Canada was at the same time stating it was within the power of the federal government to enact legislation with respect to the Upper Churchill lease and the contract entered into as a result of it. In other words, the Supreme Court of Canada, in saying that the provincial government did not have power to redress this inequitable contract, was at the same time indicating that the federal government did have the power.

In ruling thus, the court was upholding the argument presented by the federal government when it decided to intervene in the court case on the side of Quebec. We should not forget, Mr. Speaker, for one minute that in this court case the Canadian Government, the Government of Canada took a position that it would side with one party over another, and that in that court case it decided to side with the Province of Quebec against the Province of Newfoundland.

PREMIER PECKFORD:

In doing so Ottawa sought the jurisdiction and we now call upon it, the Government of Canada, to exercise its power in a fair and equitable way.

At the present time the independent assessment of the Economic Council of Canada proves Quebec is receiving benefits from that contract in the vicinity of \$790 million per year. The benefit accruing to the Province of Newfoundland merely amounts to approximately \$7 million to \$8 million annually - \$790 million a year for Quebec, \$7 million to \$8 million for the Province of Newfoundland. Therefore, all considerations of natural justice requires that inequitable contract be redressed.

PREMIER PECKFORD: With the Supreme Court of Canada having indicated that it is the federal government which has the power to redress this inequity, the government of the Province, on behalf of the people, now calls upon the federal government to use the powers conferred upon it by the Supreme Court of Canada to give to the people of Newfoundland some reasonable, just and fair return from that contract.

Time is of the essence. It must be realized, Mr. Speaker, that all alternative means which may be available, including 92(A) under the new Constitution, on which there has been an extensive amount of research done over the last several months by the Department of Justice and other people that the Department of Justice consulted, that all alternative means, and this is extremely important, which may be available will result in delays similar to what we have already experienced. In other words, Mr. Speaker, if tomorrow morning, out of the other alternatives that are available to us, and there are some, three or four other alternatives, they have not better chance of success quite likely than the present initiative that was taken back in 1980, the Water Rights Reversion Act, and now it is 1984, and in any case, besides it not having perhaps any better chance of success, any one of those other alternatives, it would face litigation by Quebec and thereby place us in the courts before we could do anything. And, of course, we already have the federal government there in most cases siding on behalf of the other party involved and not siding with us, and therefore adding its weight and pressure, legitimate I guess in our system, on the court to rule in a certain way.

PREMIER PECKFORD: So we have to recognize from all the advice that I have been given, not only today but in the last several months as we assessed other alternative means that are available to us, including 92(A), that it will result in similar delays to what we have already experienced. So any action we want to take tomorrow

PREMIER PECKFORD:

or next week or next month will have inherent in it innumerable delays and court litigation and with no greater probability of success than the initiative that we have just had a decision on. So, therefore, in light of these delays and the fact that we have been at this for longer than any of us care to remember, we must, and we have no other alternative, but to call upon the federal government. As much as there are those around who would say, well, you are always calling upon the federal government for this or that or something else, we just had a decision from the Supreme Court of Canada, the highest court in the land, which says that we do not have the power to revoke a piece of legislation that we passed, on the basis, I guess, that even though we had the power to enact it at that time, because the contract was entered into from that time to this time, that, therefore, extinguishes our power here in this Legislature to revoke that earlier piece of legislation. The contract got in the way and the contract outweighs our power. Our power gets extinguished by a contract. So we have no other alternative but to call upon the federal government, the national government, which has been given the speedy and secure means to redress this inequity, to give to the people of this Province justice and equity from that Upper Churchill deal.

That is our preferred course of action. That is what we want to see happen a second from now, a minute from now, an hour from now, a day from now, a week from now, a month from now. That is the cleanest, most effective way to deal with this inequitable situation that the Economic Council of Canada, and everybody else in Canada who has looked at this situation, agrees with.

I remember one time being in Ottawa when the Ottawa Citizen, of all papers, which has never shown all that much sensitivity to Newfoundland, even came out in

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PREMIER PECKFORD: favour of Newfoundland and against
this inequitable contract. In the meantime, the government can
state that it will unceasingly and unstintingly pursue every
available avenue at its disposal to rectify the Upper Churchill
inequity.

PREMIER PECKFORD:

We will examine, over the next few weeks, the alternatives that have been presented to us by our lawyers and by the experts in the field. It must be remembered in this matter that what the present administration is doing is trying to reclaim the right to resources that had been taken from us and to redress a contract, the operation of which has proven to be oppressive, unjust and intolerable to the people of this Province.

In calling upon the federal government to provide the obvious solution which the Supreme Court of Canada has indicated lies within its powers, the Government of Newfoundland continues its pledge to the people of this Province to employ every conceivable, available means means to redress this oppressive burden on the people of this Province.

Mr. Speaker, it is not a very nice day for this government or for me personally or anybody in this House. And I would submit to you, Mr. Speaker, or to anybody in this Province we years ago established a task force to examine alternatives that were available to us to try to rectify this unfortunate happening of our history and of our resource development and we took a course of action which we believed to be in the best interest of our Province. Our own Court of Appeal, the Supreme Court of Newfoundland, ruled in our favour on this issue; they ruled in our favour and it has been overturned by the Supreme Court of Canada. It was ruled in our favour by the Supreme Court of Newfoundland, let nobody forget that. We were not on some wild goose chase out fighting windmills. It was confirmed that we had a good case by the Supreme Court of

PREMIER PECKFORD: Newfoundland. And that gets more credibility when one considers that the Supreme Court of Newfoundland did not rule for us on the offshore, but they did rule for us and for this legislation as it relates to the Water Rights Reversion Act, and it has been overturned by the Supreme Court of Canada. Obviously we have to live with that decision. But it is abundantly clear, Mr. Speaker, to anybody

PREMIER PECKFORD: that if we do not have the power to change a piece of legislation that this Legislature had passed, not in its present composition; that does not make any difference, but this Legislature had passed a piece of legislation and now we cannot change that piece of legislation, that is what the Supreme Court of Canada has said, because a contract has intervened which overrides our power. So therefore, Mr. Speaker, if we do not have the power to override it, who has the power to override it? Does the Province of Nova Scotia have the power to override it? The Province of P.E.I.? The Province of New Brunswick? The Province of Quebec? No, Mr. Speaker, there is only one jurisdiction that has the power to override and to make just something which is blatantly unjust, and that is the Government of Canada which obviously, therefore, speaks for all the people of Canada. And we appeal to their sense of fair play to now get on with the job of rectifying it. And it is no good, Mr. Speaker, for the Minister of Justice in Ottawa or the Prime Minister or anybody else in this country to throw back at us 92(A), because if we try to move under 92(A) tomorrow morning, under the new Constitution, it will be litigated by Quebec and we will be back in the courts again for the next four or five years and have to live under the oppressive contract that was entered into years ago.

We have taken whatever actions we could take. We have moved in ways which we think were reasonable, and the Supreme Court of Newfoundland said, 'Yes, you are reasonable,' and we are not inclined to move into other areas of litigation which will take years and years to resolve while we have to maintain zero, zero, Mr. Speaker.

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Tape No. 1235

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PREMIER PECKFORD: We would like to see the federal government, whose acquiescence was present in the original agreement as they

PREMIER PECKFORD:

turned a blind eye and allowed this to happen in the beginning, start to open their eyes and recognize that all people in this country are equal and deserve a fair, reasonable return on their resources. We will insist in a reasonable, sensible, proper way that now it is time for federal government action. We have done all we can do. We can continue to fight legally and spend hundreds of thousands of dollars, millions of dollars on legal fees and hire the best people we can and proceed on 92(A) in litigation, proceed on a taxation formula, but the power contract says, 'Any taxation of any like kind' - I am sick and tired of reading it - therefore makes it all null and void and we got to pick it all up and, if we do not, Quebec can come in and take over the Upper Churchill plant. They have the right then to take it over. So there is only one course. We have fought the good fight and we will continue to fight the good fight. But, surely goodness and mercy, there comes a time in the history of anything which is so blatantly unfair, when others, who consider themselves to be our brothers within the same country, have got to come to our rescue and say yes in the same way as we, through social policy, have recognized that there is a group of people in this country who speak French who must therefore have their rights upheld throughout this country, we must have bilingualism; and in the same way as we must recognize the Native peoples of this country and pass over to them large tracts of land, jurisdiction over their minerals, jurisdiction over their trees, jurisdiction over everything that we still have to fight for as a Province, that if that is applicable to those people who are part of Canada, surely then as part of Canada we can request - yea, not demand - request that we be treated no differently as it relates to our search to be equal Canadians in this here country called Canada.

Thank you.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER (Russell): The hon. member for Port au Port.

MR. HODDER: Mr. Speaker, we on this side of the House would have liked to have seen the contract settled in favour of the Province. We on this side of the House would have liked to have seen the Lower Churchill contract made equitable again so that the benefits could accrue to the people of this Province. We are saddened that the Supreme Court made the decision which they have, but I must say, Mr. Speaker, that the Supreme Court is a court of the law. They are not a group of people who take a vote amongst counsels. They are the highest court in the land and, if we are to have law and order in this democracy, we must look to and respect the Supreme Court decision which puts us in a position, Mr. Speaker, where we now have to sit down and talk to Quebec. We have to negotiate, but we negotiate now with a very seriously weakened hand.

Mr. Speaker, it was only a little while ago, we must remember, that this Province broke off negotiations with Quebec; we know not what those negotiations or what those offers were. Then we had asked the Supreme Court of Canada to hold the decision until the talks were over and then have the decision come down.

Mr. Speaker, the bad judgement of this government, and the Premier can talk about us against them again, but the bad judgement of this government has shown itself again. Mr. Speaker, I ask what is left? Everything that has been touched by this government has failed. And I would say to the

MR. HODDER: government that if we have anything else let us not make it public because we are sure to lose it again. Keep your hands off it. I believe that the government should resign. The Premier can stand and he can wave his hands and put it again on the federal government of Canada - and perhaps that is where we do have to go now, Mr. Speaker, to the federal government of Canada - and he can try to arouse, as he has done before, the sympathy of the people of Newfoundland, us against them, and the last part of his statement I could almost agree with, but when he started again his campaign against the federal government,

MR. HODDER: it was reminiscent of the early days, before the offshore decision came down, and the tactics which this government had used at that particular time.

Mr. Speaker, the Premier, who has for the past four years attacked, and attacked and attacked over the constitution, the church/school issue, the Labrador boundary issue, the red herrings that have been brought up in order to defeat whatever the Government of Canada has tried to do, is now going cap in hand saying, Please, now we want legislation, that is our only alternative. I say, Mr. Speaker, that this is a sad day. It is an accident of history and it is a contract that should be redressed.

MR. PATTERSON: It is not an accident, though.

MR. HODDER: Yes, Mr. Speaker, an accident of history. There are two hon. gentlemen who sit in this House who sat on this side of the House, the Minister of Social Services (Mr. Hickey) and the Minister of Justice (Mr. Ottenheimer), when this matter came before the House of Assembly, and no noise and no objection was raised.

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

MR. SPEAKER (Russell): Order, please!
The hon. the Minister of Social Services on a point of order.

MR. HICKEY: I have heard that too often, I do not want to hear it again. The hon. gentleman should put up or shut up. Get Hansard and find out where I was on that issue. Get it!

MR. ROBERTS: To that point of order, Mr. Speaker.

MR. SPEAKER(Russell): The hon. the member for the Strait of Belle Isle(Mr. Roberts) to that point of order.

MR. ROBERTS: The hon. the member for St. John's East Extern(Mr. Hickey) and I have sat in the House for the same length of time. The matter that has come before the House of Assembly, in any form it has come before it, and his government, his administration are the ones who have said that it came before the House, I will say here that the Minister of Social Services, during his time in this House, never, when he was on this side, spoke out against the Churchill Falls matter - the legislation that came before the House was a very minor matter to amend the lease, or whatever it is called, the principal lease, the 1961 Act - the hon. gentleman for St. John's East Extern is in the same position as everybody else in Newfoundland and Labrador, exactly, and that is this:

MR. HICKEY: I was part (inaudible).

MR. SPEAKER: Order, please!

MR. ROBERTS: Mr. Speaker, I listened to the hon. gentleman in silence; if he cannot do me the courtesy, perhaps he would leave the House.

Mr. Speaker, the hon. gentleman was in the same position as everybody else, including my friend, the Minister of Justice(Mr. Ottenheimer) who also sat on this side. They are the only two over there who were here in 1966 as members. Never did anybody in this House question the deal until it turned out to be the appallingly bad deal that retrospect shows it to have been. That is all that my friend from Port au Port is saying; it is in order to say it because it is truthful.

MR. SPEAKER: To that point of order: Whether or not some hon. member in this House spoke for

MR. SPEAKER(Russell): or against an issue
back some years ago is obviously a difference of
opinion between two hon. members.

MR. ROBERTS: Hear, hear! Carry on.

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

MR. HODDER: Mr. Speaker, it is not
for us to argue what happened in history. It is a fact
that when this contract was entered into that the price
of oil, for perhaps forty years, had been a certain way
and everyone in this Province thought it was a wonderful
thing.

SOME HON. MEMBERS: Oh, oh!

MR. HODDER: Mr. Speaker, that is not the question. The question is the same as the offshore question, the Premier has blundered again. And the history of this administration is one of failure after failure, blunder after blunder. Instead of acting like sane and responsible individuals in these matters that affect the future of Newfoundland and Labrador, the government seem to want to always take the wrong road in the wrong direction.

I might point out as well, Mr. Speaker, that CFLCo, which is two-thirds owned by the Province of Newfoundland, opposed us in Supreme Court on this appeal.

PREMIER PECKFORD: Under whose auspices?

MR. ROBERTS: Frank Moores and your administration.

MR. HODDER: Yes, that is right. Under your administration.

PREMIER PECKFORD: Which minister argued for it?

SOME HON. MEMBERS: Oh, oh!

MR. HODDER: While we do not know what happened in Cabinet, Mr. Speaker, we know which government did it.

But, Mr. Speaker, I want to emphasize again that we all want to see the Churchill Falls contract matter settled, but there is a right way and a wrong way to do it, and the government and the Premier have picked the wrong way again -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Russell): Order, please!

MR. HODDER: - in using the Supreme Court of Canada to try to break the agreement.

MR. SPEAKER(Russell):

Order, please!

The time for the hon. member
has expired.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

Before we continue, I would like
to take this opportunity to welcome to the gallery thirty
students from the Inglis Memorial High School in Bishops Falls
with their teacher, Mr. Horace Davis.

SOME HON. MEMBERS:

Hear, hear!

ORAL QUESTIONS

MR. SPEAKER:

The hon. member for the Strait
of Belle.

MR. ROBERTS:

Mr. Speaker, may I ask the
Minister of Energy (Mr. Marshall), I am not sure if in fact
he is the minister, but anyway the President of the Council
who is responsible for energy matters, now that the Supreme
Court has rendered its opinion on the Water Rights Revision
Act appeal, the one that we have just been talking about,
would the government agree to table in the House - I do not
care if it is a white paper, a green paper; how it is
tabled does not matter - table the details of the negotiations
that went on between Hydro-Quebec on one hand and Newfoundland
and Labrador Hydro on the other? As far as I know they
were between those two entities, although I do not even know
that for certain because, of course, we in the House have been
kept in the dark. It seems to me, Mr. Speaker, now

MR. CARTER:

You are always in the dark.

MR. ROBERTS:

Mr. Speaker, my friend
for St. John's North (Mr. Carter) is even in the dark when
he is here. Mr. Speaker, I am dealing with a serious matter.
I would just as soon my friend for St. John's North did not banter today.
Bantering with a bird brain is not terribly interesting at this

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MR. ROBERTS: stage when we have serious matters before us. Mr. Speaker, I wonder if the minister would undertake to make the information public so that the people of

MR. ROBERTS: Newfoundland and Labrador can know what the Cabinet have quite properly known? There is now no harm in any position being made public. Like my friend opposite, I have not seen this decision; I know what I heard on the radio in a brief two or three minute report. I do not even know whether it was an unanimous judgment.

PREMIER PECKFORD: It was.

MR. ROBERTS: How many judges, eight or nine?

PREMIER PECKFORD: I am not sure how many.

MR. ROBERTS: I did not even know that until the Premier told me. We have to wait until we read it to see what the judges said. We know what the answer is, so now there is nothing to be gained by keeping details confidential. It is the aspect doctrine, we all knew that was the case, and no doubt that is what the court said, 'Is the glass of water half full or half empty?' Unfortunately, very unfortunately, it ruled against us, but what can we do about that?

MR. SPEAKER (Russell): The hon. President of the Council.

MR. MARSHALL: Mr. Speaker, the results of the negotiations will all be made public in due time. This government acts at all times responsibly in relation to matters that are before it and we are now faced with a decision that has just momentarily come about. So we are not going to act precipitously with respect to anything.

The only thing I can say is that the government of this Province will bring, in due course, all details to the public. We do not choose to at the present time because it is our earnest hope that this particular contract can be redressed initially through the process of realistic negotiations. And I would underline the words 'realistic negotiations'. And before we make all details public,

MR. MARSHALL: Mr. Speaker, we have got to be assured that there is no prospect of any realistic negotiations. We hope there is.

PREMIER PECKFORD: And we never broke off negotiations.

MR. MARSHALL: The hon. gentleman's colleague there opposite said that we broke off negotiations.

MR. ROBERTS: Not about those.

MR. MARSHALL: We did not break off negotiations. As far as we are concerned -

MR. ROBERTS: Only the Premier (inaudible).

MR. MARSHALL: If the hon. gentleman wants to give me an opportunity to respond, I will. As far as we are concerned we would hope that negotiations will continue. But, Mr. Speaker, we would hope that they will continue with a realistic prospect of success. Whether that realism is naive depends upon the circumstances. I would have to say today, having seen the result of the government at Ottawa arrayed with the Province of Quebec against the people of this Province and the government of this Province, perhaps a lot of people might logically say that the hope through negotiations is very dim. But hope springs eternal, Mr. Speaker, as far as this government is concerned. And in this, as well as in the offshore negotiations, we will do everything we possibly can within the Canadian Confederation to realize an amicable, reasonable negotiated settlement. It is for that reason that I decline

MR. MARSHALL:

to make those details public at the present time, at the same time saying that, in due course and in due time, all of this information will be made available to the public when the government of this Province becomes aware, in the unfortunate event that there is no prospect of continuing further negotiations.

MR. ROBERTS:

Mr. Speaker.

MR. SPEAKER (Russell):

The hon. the member for the Strait of Belle Isle.

MR. ROBERTS:

Thank you, Sir.

Well, the minister's answer speaks for itself and I am not allowed to debate it but, of course, the fact is nobody trusts this government and that is the kind of reason why.

Let me ask the Minister of Justice (Mr. Ottenheimer) then, Mr. Speaker -

MR. MARSHALL:

Do you want us to negotiate in public with Quebec?

MR. ROBERTS:

No, there is no point in negotiating in public but the negotiations, Mr. Speaker, have ended -

MR. SIMMS:

No, they have not.

MR. ROBERTS:

Mr. Speaker, the dice has been thrown and, unfortunately, the dice did not come up in our favour.

MR. SIMMS:

It does not hurt to ask.

MR. ROBERTS:

Well, if the government are not going to make an effort, I am not going to try to badger them.

MR. MARSHALL:

On a point of order, Mr. Speaker.

MR. SPEAKER:

Order, please!

MR. SPEAKER (Russell): The hon. the President of the Council on a point of order.

MR. MARSHALL: This is the Question Period. It is a time for asking questions. We do not need speeches, least of all from one of the rump roasts of the Smallwood administration.

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: Mr. Speaker.

MR. SPEAKER: The hon. the member for the Strait of Belle Isle, to the point of order.

MR. ROBERTS: Thank you, Mr. Speaker.

To the point of order. I am not going to get into a slanging match with the hon. gentleman, whose conduct speaks for itself and is beneath comment. All I will say, Mr. Speaker, is that, of course, it is the Question Period, it is also answer period and when one is interrupted by the Premier, it is only, I suggest, entirely within the spirit of the House that one attempts to answer it. Let the Minister of Energy (Mr. Marshall) attempt to discipline his ideological bed mate, his fellow separatist, the Premier of the Province, so we can get on with the Question Period.

MR. SPEAKER: Order, please!

To that point of order, there did appear to be some debate taking place over the issue at hand and I would request the hon. the member for the Strait of Belle Isle to pose a direct question.

MR. ROBERTS: Thank you, Mr. Speaker, I was attempting to ask a question of the Minister of Justice (Mr. Ottenheimer), growing out of question which I asked him yesterday about the police negotiations. Has he had an opportunity to make himself familiar with the position and, if so, could he tell the House what it is?

MR. SPEAKER (Russell): The hon. the Minister of Justice.

MR. OTTENHEIMER: Mr. Speaker, as I recall, the hon. gentleman's question yesterday was whether negotiations had broken off between -

MR. ROBERTS: The Brotherhood and Treasury Board.

MR. OTTENHEIMER: - the Royal Newfoundland Constabulary Association, which I think it is now called; it used to be called the Brotherhood but, of course, there are women in the Force now, and I think it is called the R.N.C. Association and Treasury Board.

MR. OTTENHEIMER: I answered yesterday to the best of my knowledge that negotiations have not broken off. The first meeting took place approximately two weeks ago, I can not say the exact date, and there have been no meetings since but meetings will be taking place. I would not interpret that as a break-off. Obviously these are subjective terms, but I have usually understood a break-off in negotiations to mean that, after two sides had met for some period of time, then, you know, there was a deadlock and there had been a breaking off. So, you know, in my understanding there would not have been a break-off. There has only been in fact one meeting so I would not consider that there has been a break-off of negotiations.

MR. SPEAKER (Russell): The hon. member for the Strait of Belle Isle.

MR. ROBERTS: Mr. Speaker, I thank the minister and I am not going to get into a tautological debate with him. I wonder if he could tell us whether the negotiations are scheduled to resume? You know, a meeting ends and the question is when does it resume. When they left the table - let us use a neutral term - were further meetings scheduled? If not have meetings been scheduled in the interim because all I am concerned with is the status of negotiations. If they work out, good, and if they do not there will be time enough for recriminations then?

MR. SPEAKER (Russell): The hon. Minister of Justice.

MR. OTTENHEIMER: Mr. Speaker, I do not think any date has been set for the next meeting. I do not think so.

MR. CALLAN:

Mr. Speaker.

MR. SPEAKER (Russell):

The hon. member for Bellevue.

MR. CALLAN:

Mr. Speaker, I have a question for the Minister of Culture, Recreation and Youth (Mr. Simms). As the minister is well aware, I am sure, as we all are, the university students, most of them at least, finished writing their exams last week, and, of course, they are looking for employment for the Summer. In another couple of weeks the trade school students will be on the streets doing the same thing. And the minister is aware, I am sure, that in the last federal budget there was \$157 million set aside by the federal government for youth employment. And, in addition to that, the federal government also set up a Youth Ministry to deal with this problem. Let me ask the Minister of Culture, Recreation and Youth, especially the Minister of Youth, what plans does his department have to alleviate some of the problems of university and trade school students for this Summer looking for employment?

MR. SPEAKER (Russell): The hon. the Minister of Culture, Recreation and Youth.

MR. SIMMS: Mr. Speaker, first of all let me say that the hon. member is obviously not very well in tune with the responsibilities of the Department of Culture, Recreation and Youth. The Department of Culture, Recreation and Youth has no involvement at all in employment programmes for young people. It provides services to various youth groups throughout the Province, adult leaders of youth organizations, and its main mandate is to provide assistance in developing their character and leadership abilities and so on and we do that through a series of programmes. So it is not the Youth Services Division's responsibility to provide employment programmes for young people. So that is the specific response to the question. I can also just say in passing that the new Minister of Youth, Madam Payette, a former counterpart on the federal level in her capacity as Minister of Fitness and Amateur Sport, and on her appointment I wrote her and indicated to her that I would be interested in sitting down with her to discuss some possibilities in terms of joint programmes, to help follow the same sort of mandate that the Youth Services Division of my department presently has.

MR. CALLAN: A supplementary, Mr. Speaker.

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

MR. CALLAN: That was my next question, actually.

I was going to ask the minister if any talks have been held or are there any ongoing plans to work out some sort of a joint federal/provincial agreement to try and create some employment for the youth. But the minister in answering my first question said that his department was not into that sort of business and so on, so let me ask the minister then this question. In my district, for example, in the district of

MR. CALLAN: Bellevue, there are three provincial parks which of course are under the jurisdiction of the Minister of Culture, Recreation and Youth (Mr. Simms). Now only two of these parks employ students, one at Bellevue itself, Bellevue Beach, and the other one at Jacks Pond near Arnold's Cove. My information is that there will be one student less hired at Jacks Pond this Summer than there was last year and previous years, and there will be one student less hired at the Bellevue Beach Park this Summer than last year. Let me ask the minister how many parks across the Province will there be a loss of student employment in and therefore how many student jobs will be lost in the provincial parks across the Province this Summer?

MR. SPEAKER (Russell): The hon. Minister of Culture, Recreation and Youth.

MR. SIMMS: Mr. Speaker, just to reiterate, I did have some communication in writing with Madam Payette, as I indicated, to have some discussions about the possibility of joint approaches to alleviating some of the problems that our young people find themselves facing these days. And I also followed that up verbally when I met her some weeks ago in Yellowknife at the Arctic Games. She indicated she would be communicating with me to discuss those matters. I have not as yet received a response from her and that was several months ago.

Secondly, this government has undertaken some initiatives, I can tell the hon. member, by the establishment of an inter-departmental committee on youth services, which is something that had not been in existence until just a few short months ago, where senior public servants from a number of departments have been meeting on a regular basis to assess some of the recommendations and topics discussed at the recent national conference hosted by the Youth Advisory Council. The hon. member would be aware of that. And this committee has been meeting actively and on a regular basis to discuss some ideas with the ultimate objective to put forth some recommendations to me which I will then take forth to Cabinet for consideration.

So there is a process underway and there is a constant process underway in terms of services to youth groups and young people by

MR. SIMMS: the Youth Services Division of my department.

With respect to the park jobs, I can tell the hon. member, of course he is well aware as well, that the funding available is not as great as it has been in previous years. That has meant, that we have had to do some alterations with respect to the number of jobs. But I am also still pleased to say that there will be somewhere in the area of 100 to 125 student jobs this year in my particular department alone, and there would not be much difference in the total numbers from last year. And I understand from conversations and discussions with my colleagues in Cabinet that there will be somewhere in excess of 500 student jobs created by this government during the Summer at a cost in excess of \$1.25 million in salaries, to the best of our assessment.

MR. CALLAN: Mr. Speaker.

MR. SPEAKER(Russell): The hon. the member for Bellevue.

MR. CALLAN: Mr. Speaker, the Minister of Culture, Recreation and Youth(Mr. Simms) has admitted, then, that there will be a decrease in the number of student jobs in the provincial parks this Summer. Bellevue and Jack's Pond are just two examples, that has been verified, and, of course, there are others across the Province.

Let me ask the Minister of Public Works and Services(Mr. Young) will there be a decrease in the number of student jobs in his department this Summer? Will it be the same as last year, or will it be higher?

MR. SPEAKER: The hon. the Minister of Public Works and Services.

MR. YOUNG: Mr. Speaker, to the best of my knowledge it will be similar to last year, or probably a little bit better.

MR. TULK: Mr. Speaker.

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

MR. TULK: I have a question for the Minister of Education(Ms. Verge). She is not in her seat, she is gone. Could I perhaps put the question to the Premier if the minister is not around? Is she in the vicinity of the House? She was in her seat there a minute ago.

PREMIER PECKFORD: Ask the question, boy.

MR. TULK: I will put the question to the Premier then, It concerns a statement made by the member for Conception Bay South (Mr. Butt), when he stated in this House, and, I understand, was actually quoted in both newspapers, yesterday, I believe, as saying that the NTA, in his opinion, was being seriously eroded by political action groups within that organization. I would like to ask

MR. TULK: the Premier if that is the policy of his government, to take that tack that the member for Conception Bay South (Mr. Butt) has taken, or, indeed, just what is his feeling toward that kind of statement?

MR. SPEAKER (Russell): The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, as the hon. member for Fogo (Mr. Tulk) should realize, every hon. member of this House has the right to speak, has the right to express one's views on any issue of the day that arises in the Province, and that the hon. the member for Conception Bay South rose in his place and expressed his views on matters that were of current interest to many of the people of the Province. That is the hon. member's right.

The government's position as it relates to education, or health, or anything else in this Province is well known and I do not need to recapitulate our educational policy for the hon. member for Fogo, he is quite aware of it. As a former teacher I am sure he is very, very familiar with it and I would only be really insulting the hon. member if I went into a long diatribe trying to articulate all the points in the educational policy that this Province has, and that the Minister of Education (Ms. Verge) has made on several occasions. So the hon. the member for Fogo should recognize that every hon. member on this side of the House, and on the other side of the House, has the right, yea, I would say, Mr. Speaker, the obligation to stand in his or her place in this hon. House and express one's views on matters of public interest. That is what

PREMIER PECKFORD: the hon. member for Conception Bay South (Mr. Butt) did, and the hon. member for Fogo (Mr. Tulk) understands that, I am sure. As I say, I would not want to delay this House, and I would not want to insult the hon. member by presuming that he does not know what the policy of this government is on education here in this Province.

MR. SPEAKER (Russell): The hon. member for Fogo.

MR. TULK: May I ask the Premier, Mr. Speaker, to elaborate on whether or not he agrees that the NTA is being seriously eroded? I asked the Premier to answer the question of whether indeed that was the policy of his government. It is a statement made by a government member, a member of the backbenches; does he or does he not agree with the statement? Is that the feeling of this government towards the NTA?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, everybody, the hon. member for Conception Bay South, the hon. member for Windsor-Buchans (Mr. McLennon), any hon. member on the backbench has the right to express one's views on matters that come up, you know, in our society. Now the hon. member knows that the ministers, the Minister of Education (Ms. Verge) and myself and others, have a certain policy as it relates to education and we are about to implement it. Whether my view coincides with the hon. member Conception Bay South is neither here nor there. We have a policy on education. The hon. member for Conception Bay South can get up and make his views known on how he views the present leadership of the NTA. He can indicate that in his view that the NTA is moving too far towards the union movement as opposed to a professional organization, which I think is what the hon. member said. He is entitled to his view and it has nothing to do with the ministry. I hope the hon. member for Conception Bay South

PREMIER PECKFORD: continues to articulate his opinions in this House, and all hon. members on both sides of the House. That is the hon. member for Conception Bay South's (Mr. Butt) view. That is his view of it. He believes that the NTA is becoming too trade union, mechanically orientated. As I understand it, and I read the views of the hon. member, he believes in his mind that the NTA is becoming too much like a union of electricians or a union of welders and so on, and that the teachers of this Province, through the University and so on, have tried to establish themselves as a professional organization like doctors, lawyers, and so on, and it is the view of the hon. member for Conception Bay South that they should continue to push towards a professional association and negotiate with the government in the same way as doctors and other professional people do. In his view, as I understand it, they are moving more away from professionalism, in that sense, in negotiations and more toward the trade union movement as reflected through NAPE or CUPE or The International Steel Workers Union or The Pulp and Paper Workers Union or whatever, or a Loggers Union.

PREMIER PECKFORD: So, you know, that is the hon. member's view and he is entitled to it. As part of a democratic society, if he were not I would fight very hard to ensure that he got that right to be able to continue to express his views. This is an open party, it is an open government and members in the backbench are very, very free to express their opinions on all matters associated with the public life of this Province.

SOME HON. MEMBERS: Hear, hear.

MR. TULK: Mr. Speaker.

MR. SPEAKER (Russell): The hon. member for Fogo.

MR. TULK: Mr. Speaker, I recognize full well that it is the right of every member in this House to speak out and he is responsible, really, to only one group of people and that is the group of people who elect him. That is the only real responsibility that a member of this House has. Let me again ask the Premier the question that I have been asking him and let me give him another quotation from a newspaper. 'The member for Conception Bay South branded some of their members as west-wingers socialists. Most of them I think, would like to run for public office but for one reason or another do not do that. They use their unions to achieve political points.'

I am asking the Premier is he in agreement, is the government in agreement with the statements made by the member for Conception Bay South? Is it his view that there are members of the NTA who are left-wing Socialists and are using the NTA to achieve political points rather than to be a professional union? Is it the view of his government, is it his view as Premier, is it the view of the Cabinet that what the member for Conception Bay South said is right?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD:

Mr. Speaker, the ministry is going to proceed in a responsible manner. Because we have to sit down and negotiate with the Newfoundland Teachers' Association and CUPE and NAPE and all the rest of them, we are not going to, as a ministry and as a government, suddenly make statements on one side of the coin or the other. Because we have to sit down and work with and negotiate with these people, it would be irresponsible of me as the Premier or representing the Minister of Education (Ms. Verge) to make these statements, but it is quite responsible and quite within the powers of the member for Conception Bay South (Mr. Butt) to do so. He is expressing his view. If in fact we wish to express our view on the behavior of the NTA or any other union from time to time, we will. We have not made a Ministerial Statement on it. Obviously we do not want to express our view on it at this point in time because we wish to be responsible as a government in our dealings with the various organizations that have to negotiate with us. We want to take a responsible attitude on this matter and that is the ministry's position, that is the government's position. The position of the member for Conception Bay South can be expressed by him from time to time, as can those of all hon. members on this side of the House.

PREMIER PECKFORD: I am sure the hon. the member for Conception Bay South (Mr. Butt) was quite aware of what he said and stands by his statements, and that is quite as it should be. But, as a ministry and as a government, obviously we are not going to take positions and make statements which one way or another will affect ongoing relationships and negotiations between any groups or organizations. But as far as members in the backbench are concerned, they are quite at liberty to express their views from time to time and, as I said, I hope they continue to do so.

MR. TULK: Mr. Speaker.

MR. SPEAKER (Russell): The hon. the member for Fogo.

MR. TULK: Mr. Speaker, I come back to this again because what the Premier said is true, because he has to negotiate with those people, he has to work with them, and it is very important to know the relationships that we need established are in place. As the Premier of this Province, as the leader of the Cabinet, as the leader of the government, does he or does he not agree with such statements of the member for Conception Bay South as there are NTA members who are spearheading an anti-government movement that is doing absolutely nothing for the teaching profession? Does he agree with that statement?

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

MR. SPEAKER: Order, please!

The hon. the President of the Council on a point of order.

MR. MARSHALL: I rise on a point of order against the tiresome, boresome type of questions the hon. gentleman is

MR. MARSHALL: asking. Beauchesne, page 129, "A question oral or written must not: (c) multiply, with slight variations, a similar question on the same point." And "(d) repeat in substance a question already answered, or to which an answer has been refused." Well, no answer been refused, the question has already been answered. So, Mr. Speaker, I contend that the hon. gentleman is out of order. I mean, he is being a tiresome bore, that is what he is. He is getting up in the House and he is asking questions and repeating them over and over and over again and it is out of order.

MR. HODDER: To that point of order, Mr. Speaker.

MR. SPEAKER (Russell): The hon. the member for Port au Port to that point of order.

MR. HODDER: Mr. Speaker, the only tiresome bore is the House Leader (Mr. Marshall) opposite. I stand to point out one thing, that I clearly heard the Premier say to the House Leader opposite, 'A point of order'.

PREMIER PECKFORD: I did not, Mr. Speaker.

MR. HODDER: I clearly heard the Premier and obviously -

MR. SPEAKER: Order, please!

PREMIER PECKFORD: A point of privilege.
I did not say anything of the sort,
Mr. Speaker.

MR. HODDER: Who has the floor, Mr. Speaker?

MR. SPEAKER: Order, please! Order, please!
The Premier has risen on a point
of privilege which takes precedence over a point of order.

PREMIER PECKFORD: Mr. Speaker, on a point of personal
privilege, I have to take exception to what the hon. the

PREMIER PECKFORD: member for Port au Port (Mr. Hodder) has just said. I never opened my mouth, I did not say, 'Point of order' or order a point of order. I said nothing in this world resembling that. I never said a word to the House Leader (Mr. Marshall) about a point of order. I did not even know the hon. member was going to get up on a point of order. I was ready to respond again to the hon. member for Fogo (Mr. Tulk). That is a very, very unkind way for the hon. the member for Port au Port to act. He cannot verify, he cannot substantiate that allegation that I turned to the House Leader and said, 'Point of order.' I did not say it and I would ask for the hon. member to be man enough to get up and say that he did not hear me. I did not open my mouth, I did not say a word. I must say that I am really surprised at the hon. the member for Port au Port because I really did not think that he would say that.

PREMIER PECKFORD: I do not know where he got that. He might have heard it from somebody else; some other member might have said it. He might have heard it in his ears but he did not see it come from my mouth, and it did not come from my mouth because I did not open my mouth, I did not say anything. And that is not fair, for the hon. member to treat any hon. member the House this way. There is no evidence to prove it, in any case.

MR. SIMMS: Shame!

MR. HODDER: To that point of privilege, Mr. Speaker.

MR. SPEAKER (Russell): The hon. the member for Port au Port, to that point of privilege.

MR. HODDER: Mr. Speaker, I clearly heard what the Premier said.

PREMIER PECKFORD: No, you did not.

MR. HODDER: Mr. Speaker, he says he did not say it. Okay, fine, I will accept that he did not say it.

SOME HON. MEMBERS: Oh, oh!

MR. TOBIN: Withdraw! Withdraw! Be a man.

MR. HODDER: Someone said it.

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

To the point of order raised by the hon. the President of the Council (Mr. Marshall), I must admit that the questions being asked by the hon. the member for Fogo (Mr. Tulk) were being very repetitive and maybe he should ask a different question.

MR. TULK: Mr. Speaker, let me ask the Premier, then, if he does not agree with the statements that have been made and attributed to the member for Conception Bay South (Mr. Butt) in the press coverage that

MR. TULK:

has appeared and which, indeed, were made in this House, and since, as he said himself, the relationship of the government with the NTA and with other unions in the Province is very important, would he now issue a public statement saying that the government does not agree with the statements that were made by the member for Conception Bay South (Mr. Butt)?

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Russell): Order, please!

The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, we, as a government, are not going to spend our time saying we agree or disagree with any hon. member in the backbenches or anybody outside with an opinion. Our policy is clear. We will sit down and negotiate with the NTA or with CUPE or whatever. We are not going to get into the business that the hon. member is into, making a slur here and making a slur there.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

PREMIER PECKFORD: We are a responsible government which wants to deal responsibly with all the unions in the Province. Therefore, we are not going to be coming out every day saying, 'This organization has gone too far this way, this organization has gone too far that way.' The member for Conception Bay South is a member of this Legislature and has the right to express his views.

Now, the Government of Newfoundland and Labrador, because it has to negotiate with those people, obviously will not be coming out and saying, CUPE is this, CUPE is that, NAPE is too far right, NAPE is too far left or whatever. We will respond to a statement.

PREMIER PECKFORD): The President of Treasury Board (Dr. Collins) from time to time will respond to a statement made by the leader of CUPE or the leader of NAPE or the leader of the NTA, or one of the ministers who are affected by it; if it is the NTA, it might be the Minister of Education (Ms Verge), as well as the President of Treasury Board. The Minister of Labour and Manpower (Mr. Dinn) from time to time will try to intervene to assist

PREMIER PECKFORD: in the solution of a problem between the employer, government, and the employee, CUPE or NAPE or NTA. But to ask the Premier or the Minister of Education (Ms. Verge) to confirm or deny whether he agrees with an opinion expressed openly and democratically by one of this House? How stupid, Mr. Speaker! How stupid to make such statements. I mean, I must say, Mr. Speaker -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Russell): Order, please!

PREMIER PECKFORD: - the hon. the member is part of the same profession as I am, but from time to time I must question whether I am really a part of the same professional organization as the hon. member.

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

MR. HODDER: Mr. Speaker, I had a question for the Minister of Development (Mr. Windsor). I do not know, Mr. Speaker, what to do. The member for Fogo (Mr. Tulk) had a question for the Minister of Education (Ms. Verge) and she was not in her seat, now she is back; the Minister of Finance (Dr. Collins) has been in his seat and is out, the Minister of Social Services (Mr. Hickey) has been in his seat and out. Can the ministers stay in their seats so we can ask questions?

But I will ask my question to the Premier. It should go to the Minister of Development.

SOME HON. MEMBERS: Oh, oh!

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

The time for the Question Period has expired.

MR. HODDER: Why were you not here to answer questions?

MR. WINDSOR: I have been here for three years and you have only asked me two questions.

NOTICE OF MOTION:

MR. SPEAKER (Russell): The hon. Premier.

SOME HON. MEMBERS: Oh, oh!

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

PREMIER PECKFORD: Mr. Speaker, when hon. members are ready, I would like to give notice of a bill.

I wish to give notice that I will on tomorrow ask leave to introduce a bill entitled, "An Act Respecting The Award Of Bravery," which will be given in the first instance to the hon. member for Port au Port (Mr. Hodder) for his brave defence of opposition rights in the House today.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. Minister of Finance.

DR. COLLINS: Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a bill entitled, "An Act To Provide For The Registration Of Psychologists". This might be of use to the Opposition.

MR. SPEAKER: The hon. Minister of Mines and Energy.

MR. DAWE: Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a bill entitled, "An Act To Amend The Quarry Materials Act, 1976".

MR. SIMMS: Hear, hear!

ORDERS OF THE DAY:

Motion, the hon. the Minister of Finance to introduce a bill entitled, "An Act To Amend The Public Servants (Pensions) Act", by leave, carried. (Bill No. 16).

On motion, Bill No. (16) read a first time, ordered read a second time on tomorrow.

Motion, the hon. the Minister of Development to introduce a bill entitled, "An Act To Repeal The Gander Development Corporation Act, 1975", by leave, carried. (No. 14).

On motion, Bill No. (14) read a first time, ordered read a second time on tomorrow.

Motion, the hon. the Minister of Development to introduce a bill entitled, "An Act To Amend The Newfoundland And Labrador Housing Corporation Act", by leave, carried. (No. 13).

On motion, Bill No. (13) read a first time, ordered read a second time on tomorrow.

Motion, the hon. the Minister of Justice to introduce a bill entitled, "An Act To Remove Anomalies And Errors In The Statute Law", by leave, carried. (No. 20).

On motion, Bill No. (20) read a first time, ordered read a second time on tomorrow.

Motion, the hon. the Minister of Health to introduce a bill, "An Act To Amend The Newfoundland Registered Nurses Act, " carried.

(Bill No. 24)

On motion, Bill No. 24 read a first time, ordered read a second time on tomorrow.

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

COMMITTEE OF THE WHOLE

MR. CHAIRMAN (Aylward): Order, please!

RESOLUTION

That it is expedient to bring in a measure to amend The Tobacco Tax Act, 1978.

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

DR. COLLINS: Mr. Chairman, the Committee is excessively rowdy today and noisy. But I think that when they see the substance of this bill they will fall into awed silence and after a moment's contemplation will then carry it by acclamation or whatever.

Anyway, Mr. Chairman, we are debating a resolution which states ' That it is expedient to bring in a measure to amend The Tobacco Act, 1978.' I know there is no need to recall the Budget Speech to the minds of the members of the Committee because I am sure they have been studying it ever since it was introduced. But, however, in case there is one person who neglected to do his reading last night, I would just like to mention that in the Budget Speech I did report to the House that I was pleased to announce that effective April 1, 1984 that gasoline and tobacco taxes - and we are not referring

DR. COLLINS: to the tobacco tax in particular—
will be reduced so that retailers in the border
areas can compete more effectively with their neighbouring
communities in Quebec. But in addition to that, I also
reported that we were going to change the means by which
tax is exacted on tobacco products and we were going to
do it so that we would now not have it on an ad valorem
basis, that is on a percentage basis, but that it would
be a fixed amount.

DR. COLLINS: Mr. Chairman, just let me mention why we decided to change it from the ad valorem system.

MR. ROBERTS: You would not have to amend it every year it was done automatically.

DR. COLLINS: Well, in 1981 most jurisdictions in Canada actually went the ad valorem way because these particular items for sale, in particular, tobacco products and gasoline, the prices were quite volatile so that a fixed dollars amount of tax, or fixed cents in manner in which these materials are usually sold, would quickly become out of date, shall we say. But with the volatile nature of the prices of these materials, if you did it on a percentage basis your tax would keep up automatically to your intent. This was the rationale that the various jurisdictions used.

Now, as time went along a defect showed itself, because in actual fact there were two jurisdictions exacting tax; there was the federal level and there was the provincial level. The federal exacting of tax had an influence on the base on which the provincial tax was predicated. Now, of course, in addition to the federal tax, the manufacturer or the wholesaler price also had an affect on the base on which the provincial tax was exacted. And what turned out in effect was that, for instance, the federal tax would go up a notch, and then, as that affected the base on which the provincial tax was calculated, the provincial tax would go up a notch. Then, because that affected the base on which the federal tax was exacted, the federal tax would go up a notch and , therefore, you had one exacerbating the effect of the other. It was a sort of a ping-pong type of effect.

DR. COLLINS:

Of course, in addition to all of this, if the wholesaler or the manufacturer puts up his base price, of course, that again would have an effect on the taxation.

And what it meant in effect was that the level of tax being exacted really became excessive in terms of what was originally intended. We had representations from the various wholesalers and other individuals involved in the sale of tobacco products pointing out this difficulty. We were not the only ones who had representations from these people, practically all provinces who had ad valorem tax had similar representations. These matters were discussed by the taxing authorities in the various provinces and the validity of the problem was recognized. Accordingly, we in this Province have decided to go back to the previous system, and it means that the taxation on cigarettes now, for instance, will be fixed, until such time as this House decides the contrary, at 4.78 cents per cigarette and in terms of tobacco at 1.32 cents per gram. This change was effective as of the end of March 1984. So that was one point.

Now the other point was, of course, we changed the tax level in the border areas of

DR. COLLINS:

Labrador. The reason

we did that there was we had representations from business people up there particularly in the retail trade, indicating that there was so much traffic, so much travel, across the border by citizens of Western Labrador into Quebec to buy tobacco products there at a lower price, because the Quebec tax level was lower than in this Province, that not only were those businessmen in Labrador West losing business from the sale of tobacco products, but also because the individuals who went over to take advantage of the differential in tobacco tax would also make other purchases in Quebec. So that the businessmen in Labrador West were losing that type of business also. So we decided to pretty well equate the tobacco tax in Labrador West on our side of the border with that in effect on the Quebec side so as to overcome that particular enticement for consumers to travel to Quebec.

Now, Mr. Chairman, in doing that, of course, we assessed what other jurisdictions did in similar circumstances and we did find that the same differential in taxation existed between Saskatchewan and Alberta and this is the move that they made there. In certain states of the United States Union where there are tax differences, this is the same mechanism used there. So it is not really a unique mechanism. It may appear on the surface to be strange to exact a certain level of taxation in one part of a jurisdiction different from that exacted in another part of the jurisdiction, but one must always be practical in raising revenues through taxation and this has proven to be. Despite its apparent unusualness this has proven to be a realistically satisfactory way of raising taxes without unduly diminishing the effect of that taxation on legitimate businesses in particular areas of a jurisdiction.

I might add, Mr. Chairman, that

DR. COLLINS: these measures, particularly the Labrador area measure, has been received with considerable satisfaction by the people involved and I think the reason why they have expressed satisfaction is that this was really overcoming a particular hardship under which they were labouring previously.

The mechanism by which we give this relief is that the retailer does pay the full amount of tax, but then he will claim a rebate after the sale has been made to a consumer. Now we do it that way because if we did it any other way we feel that there would be a tremendous amount of leakage in terms of tobacco products being bought quite legitimately at lower tax rates in Labrador West but then perhaps being exported, or at least transferred or transported to other parts of the Province and sold there to the detriment of tobacco products in those other parts of the Province where there was a higher rate of taxation exacted.

DR. COLLINS: By using the rebate method we feel that we can control this to a very large degree.

MR. ROBERTS: (Inaudible)
to rebate.

DR. COLLINS: Yes, when the retailer receives the tobacco, the product from the wholesaler.

MR. ROBERTS: (Inaudible)
consumer

DR. COLLINS: No, no, it is the retailer, it is not the consumer. The consumer does not get the rebate, the retailer, the businessman gets the rebate upon application. I think, Mr. Chairman, that those are the main points I should bring before the Committee at this point in time, and I move that the resolution be adopted and that a bill subsequent thereto be introduced for acceptance by the House.

MR. CHAIRMAN (Aylward): Before I introduce the hon. the member for the Strait of Belle Isle (Mr. Roberts), the Chair would like some direction from the House. By the rules of the House we are operating under the standard debating rules, an hour for each person opening the debate and an hour for response, and thirty minute debates thereafter. It has been customary in the House to run the Committee the same as the Estimates Committees, which would allow fifteen minutes to open -

MR. ROBERTS: And then, Mr. Chairman, the right to speak more than once?

MR. CHAIRMAN: Yes.

MR. ROBERTS: And the other thing, I think, it is probably a custom that has now become a convention in the constitutional sense, is when we dispose of the resolution here in the Committee the bill is given the three readings without further debate. That is not

MR. ROBERTS: a rule, or maybe it is a rule, I do not know. We looked at it at one stage, I know, but I think it has become a well-established practice.

MR. CHAIRMAN (Aylward): Yes.

MR. ROBERTS: But my understanding is I may speak for fifteen minutes now, and then I may speak again subsequently, if I can catch Your Honour's eye, or the minister or any other hon. member, Is that correct?

MR. CHAIRMAN: That is correct, yes.

MR. ROBERTS: That is fine by me.

MR. CHAIRMAN: So do we have leave of the House to operate under the Estimates Committees' rules?

SOME HON. MEMBERS: By leave.

MR. CHAIRMAN: The hon. the member for the Strait of Belle Isle.

MR. ROBERTS: Thank you, Mr. Chairman. I do not want to contradict you, of course, Your Honour, but you said you would introduce me to the House. I thank Your Honour, but I was here somewhat before Your Honour was, and who knows? - I may be here afterwards.

MR. CHAIRMAN: I recognize you.

MR. ROBERTS: In any event, I am grateful to Your Honour for recognizing me and allowing the floor of Committee.

MR. BAIRD: I am glad somebody recognizes you.

MR. ROBERTS: The hon. gentleman for Humber West (Mr. Baird) now is the only member of the House since Frank Moores - Frank Moores had a movie named after him called the Rowdyman, the hon. gentleman now has had a movie named after him called The Iceman -

MR. BAIRD: (Inaudible) are not in on it.

MR. ROBERTS: Yes, the hon. gentleman was

MR. ROBERTS: . in the Rowdyman, he was was into Frank Moores, too, in many ways. We can now banter a little because, I say to my friend from Humber West (Mr. Baird), that he is not nearly as serious as his friend from St. John's North (Mr. Carter). In any event, he is the man from up from under.

There is also a Eugene O'Neill play you might want to look at, called The Iceman Cometh. In our case, it is the Iceman Throweth.

MR. BAIRD: I wrote that.

MR. ROBERTS: The hon. gentleman may have written it. He did not read it, and if he read it he did not understand it.

Mr. Chairman, let me come back to the bill before the Committee. The bill itself, as the minister has told us, does two things, it will achieve two changes in the law when it becomes law, and I venture to say that it will, it may even

MR. ROBERTS: have the support of those of us on this side. I say 'may', because, quite candidly, I am not certain and, having reviewed the minister's Budget Speech I am even less certain, as to whether or not this represents a tax increase. Now, I suppose if I continued to smoke - and I have not smoked anything, including cigarettes, for twenty years. Now, there is nobody who is more against alcohol than a reformed alcoholic or, I would say to my friend from St. John's North (Mr. Carter) and he would agree, there is nobody more against loose living than a reformed prostitute. But I have no idea what the cost of cigarettes is at present in this Province. I just do not know. Now, 4.78 cents a cigarette translates into 95.6 cents on a packet of cigarettes. I was going to ask the Minister of Justice (Mr. Ottenheimer), who is a well-known smokophile but, as was pointed out to me by several of his colleagues, the Minister of Justice has no idea what cigarettes cost. He last bought one in 1943.

MR. OTTENHEIMER: 1946.

MR. ROBERTS: I would ask my friend from Port au Port (Mr. Hodder), who is also addicted and is generally to be found hanging on the wrong end of a cigarette, but he, my colleagues tell me, last bought a cigarette several years ago. My friend from Fogo (Mr. Tulk), who is addicted to cigarettes, I understand, maybe can tell me. What do cigarettes cost now?

MR. TULK: About \$2.65.

MR. ROBERTS: I am not very old, but I can recall, as a young fellow, you used to go into a shop and, in those days there was little affluence around St. John's and cigarettes were sold separately, the packs were broken.

MR. ROBERTS: I do not know whether my friend from St. John's Centre (Dr. McNicholas) can remember; if not, his constituents surely could. People could not afford to buy a whole packet of cigarettes, which was all of forty or fifty cents. The retailer, the little shopkeeper, would break a packet and you would buy them, and, as I recall, they were two cents each or three for a nickel.

MR. TULK: That is right.

DR. McNICHOLAS: Three for a nickel, yes.

MR. ROBERTS: Three for a nickel, my friend from St. John's Centre says.

DR. McNICHOLAS: Five for tuppence.

MR. ROBERTS: Five for?

DR. McNICHOLAS: For two pence.

MR. ROBERTS: Five for tuppence. That may have been in the North of Ireland or in Southern Ireland, but here we had pennies, big pennies. We had shillings too, until that nefarious Canadian Government and those nefarious banks took them out of circulation after Confederation, thereby ending a most lucrative racket that myself and a number of others who had been sent back and forth to school had developed, whereby you would go and buy a shilling, which was twenty cents, a twenty cent piece, a shilling, and you could use it for a quarter on the great Canadian mainland, and that is a 25 per cent profit right there. You came home for Christmas holidays or the Summer from school and you would go back with as many shillings as you could garner. Every aunt would give you a dollar and your grandmother might give you five, and you might hook ten off your father and you would have, I do not know, fifteen or twenty dollars, a vast amount of money - and some of that money went to buy cigarettes,

MR. ROBERTS: I assure you - and you would go and change it into shillings. But the nefarious Canadian banks, aided and abetted, no doubt, by the nefarious Canadian Government, even in those days, were down on private enterprise. You would change your money into shillings and carry them up to the great Canadian mainland and use them as quarters. I am sure my friend from Humber West (Mr. Baird) did that on occasion too.

MR. BAIRD: They would probably get you first.

MR. ROBERTS: I mean, they have got nothing better to do. They aspire over there. They sometimes perspire too.

But now let me come back. I do not know whether this is a tax increase or not. The minister might tell us, and I make no apologies for my ignorance on it. I am afraid I can tell him about the price of spirits and wines and beers in this Province because I buy the occasional bottle, I am even known to consume part of a bottle from time to time in a quiet, reposeful moment, even think of the minister sometimes in the D.T.'s. I think of my friend from Humber West (Mr. Baird) when I am in the D.T.'s, that is when he comes to mind, pink elephants and icemen cometh.

Mr. Chairman, the 95.6 cents that we are levying on a packet of twenty - do they still make cigarettes in packets of twenty?

MR. TULK: Oh, yes.

MR. ROBERTS: They used to fit shirt pockets. The Americans could never get over it, how clever the Canadians and the Brits were to make cigarettes in packets that fit shirt pockets. Now, of course, it is only Canadians who are clever because the Brits do not make pockets on their shirts. I mean, you buy a shirt in England, I suppose in Ireland, too, and it has got no pocket on it. I do not know where they put their cigarettes. Maybe my friend from St. John's Centre (Dr. McNicholas) could enlighten us as to where the Brits put their cigarettes, and where the Irish tell them to put their cigarettes, at which end, of the cigarette, of course.

DR. COLLINS: They have a flat fifty in the UK.

MR. ROBERTS: They had a flat fifty?

Oh, boy, that is the affluent doctor speaking. I will tell you, we never had a flat fifty.

MR. ROBERTS: We had two cents each or three for a nickel and you would pool your money. You would get your school chums together, eight or nine years of age, and you would pool your money and somebody would have to get up enough courage to go into the shop and, barely seeing over the counter, holding out the money and announcing, of course, you were buying it for your mother because, of course, it was then, as it is now, against the law in this Province to sell cigarettes to children under sixteen.

MR. TULK: We used to have to have notes.

MR. ROBERTS: Down in Ladle Cove they had to have notes?

MR. TULK: I used to write them.

MR. ROBERTS: Well, I tell you you did not need notes for a corner store in St. John's. But how many shopkeepers turned Nelson's blind eye when this trembling little hand would come out, with a trembling little voice wrapped around it, saying, 'Three cigarettes, Sir, and it is for my mother.' You know, how many? I am sure my friend from Conception Bay South (Mr. Butt) doubtless did that from time to time.

MR. SIMMS: That is why he is so short.

MR. ROBERTS: That is why he is so short? I see.

MR. SIMMS: Cigarettes stunt your growth.

MR. ROBERTS: I see. Well, I am nigh on six feet, it did not stunt my growth. It may have stunted my intellectual growth. I do not smoke now but I was fully grown when I stopped.

MR. SIMMS: How about cocaine?

MR. ROBERTS: No, I do not even snort cocaine. The minister might tell us whether it works or not. Is it as good as they say?

MR. SIMMS: I have no idea.

MR. ROBERTS: I have hearsay knowledge of it.

MR. SIMMS: What does the heresay knowledge say?

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MR. ROBERTS: Heresay knowledge says that cocaine, all these drugs, are frightfully addictive, terribly destructive and in every sense not to be tampered with or touched. There are many types of insanity in this world, Mr. Chairman, but doing drugs of any kind surely has to be among the most insane. Now I know alcohol and tobacco are drugs and, furthermore, I have no

MR. ROBERTS:

hesitation in saying, and I am sure my friend from Exploits (Dr. Twomey) would concur, as would my friend from St. John's South (Dr. Collins), the worst drug we have in Canada is alcohol in the damage it does, the harm it does, to individuals and to the society as a whole. There is no doubt about that. And society profits handsomely. I suppose I am not here to say we advocate either prohibition or not taxing the stuff but, you know, it is the worst drug. And tobacco is the next worst. I do not think we realize how much harm tobacco does. But it is interesting how many people are not smoking. I can remember on airplanes when there were no non-smoking sections; and then there would be three or four rows at the front of the airplane that were for non-smokers; and now the card separating the sheep from the goats, the non-smokers from the smokers, is moving further to the rear of the aircraft all the time.

MR. POWER: The majority do not smoke.

MR. ROBERTS: Is that correct? The majority does not smoke. Well, then the majority is certainly right. I mean, there is no good comes from it although it may put something in the Treasury.

MR. TULK: Number 19 on EPA.

MR. ROBERTS: Number 19 on EPA and they have twenty-six seats, as I recall, on the 737. In any event, the nice thing about Committee, Mr. Chairman, is that you do not have to be right dead on the point and we can go into these discursive debates which are designed exclusively to ensure that my friend, the Leader of the Opposition (Mr. Neary), when he returns from his constituency, will find the House meeting,

MR. ROBERTS: I can assure him he will. As will my friend from Eagle River (Mr. Hiscock), who is in Labrador South raising the bloody red flag of rebellion and revolution, I hope.

MR. TULK: And Liberalism.

MR. ROBERTS: And my friend from Mount Scio (Mr. Barry), who is due back on Monday, the Liberal member for Mount Scio who will be with us on Monday, telling us of the enlightenment which he has gained in serving in other countries. My friend from Port au Port (Mr. Hodder), I understand, will be with us tomorrow, late in the morning, commuting as he does across the Province, the original jet setter.

SOME HON. MEMBER: Hear, hear!

MR. HODDER: What about the resolution?

MR. ROBERTS: Well now I say to my friend from Port au Port I have a whole pile of notes I have

not even used. I understand that none of you guys are going to speak. Mr. Chairman, "Scorn not the base means by which mankind doth ascend." The first thing I would ask of the minister is whether this is a tax increase? I just do not know, I really do not know. I know that it is 95.6 cents a packet. I do not know even what the ad valorem rate is and how it is calculated - you would have to be a Philadelphia accountant. And the second point I want to make, Mr. Chairman, is that we on this side think that the ad valorem method is not a good method of levying taxes. It is an efficient method of levying taxes. It is insidiously efficient because it simply raises the tax as the base price, which basically, as I understand it, is the

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MR. ROBERTS: cost to the wholesaler. I do not put that forward as being a precise definition but briefly put the tax at this level is levelled on the wholesaler's cost. And that is much like the value added tax that is imposed in the UK and throughout the common market, a

MR. ROBERTS: very, very effective and efficient tax, but also one that negates the very concept of Parliament levying taxes, and only Parliament exercising the taxing power. Because, of course, when you levy a tax at an ad valorem rate, Your Honour, what you are simply doing is saying, "We have set a rate, a percent, and the return goes up and up and up." The income tax is levied ad valorem, as all of us learned, I assume to our pleasure and profit, on April 30 when we filed our tax returns; if not a gentleman from the National Revenue Department will be bringing their thumb screws around shortly. But the ad valorem tax takes away from the House the ability to levy a tax. In the first part of this bill, Sir, it is back to a flat number, 4.78 cents is what the bill says, and 4.78 cents is what it will be, assuming that this becomes law, on each and every cigarette, and I have no doubt that cigarette is defined if ever in the unlikely event that the philanthropists who manufacture cigarettes increase the size of their cigarette by putting more tobacco in it and making it longer or shorter. Actually it is the same on a king size cigarette as on a - whatever the pint size one is called. I mean, if you really wanted to do the government in your duty is to smoke king size cigarettes. If you want to help the government, your duty is to smoke short cigarettes -

MR. BAIRD: And often.

MR. ROBERTS: - and often, because you are contributing 4.78 cents per cigarette. So it will soon be a test of a patriotic member

MR. ROBERTS: on the government side, whether they smoke king size or short size. And all those, Mr. Chairman, on the other side, and that is almost all of them, who spend nights trying to find ways to curry favour with the Premier in the hope that lightning will strike and when the shuffle in the Cabinet comes they will be elevated into the seats of the mighty -

MR. TULK: Kissing his picture.

MR. ROBERTS: - kissing his picture, yes, yes, his full length picture, I say to my friend from Fogo -

MR. TULK: That is right.

MR. ROBERTS: - what they should do is smoke short cigarettes.

MR. POWER: I am sure you realize that revenue from cigarettes is not all profit, that there are high health costs.

MR. ROBERTS: Well, I agree with my friend from Ferryland on this as so many other things, that I suspect society as a whole is probably a net loser. That applies to alcohol but it equally applies to seat belts. My guess is imposing the seat belt requirement, as was done a couple of years ago, would demonstrably be a substantial saving to the Province. You know, we could go on on many things, but I believe fervently in Medicare and in the hospital insurance programmes, but nonetheless we put no penalty upon an abuser. I would not put a penalty upon somebody who uses a lot of services. If we are going to put penalties, put penalties on somebody who is there because

MR. ROBERTS: of self abuse, going out and drinking yourself into an alcoholic stupor, and ending up being a drag on the health system at how many hundred dollars a day? I saw a bill from the Janeway the other day and I think it was \$700 a day for the acute care, the active care facilities down there.

MR. CHAIRMAN (Aylward): Order, please!

MR. ROBERTS: So soon?

MR. CHAIRMAN: The hon. member's time has elapsed.

MR. ROBERTS: I will give way. There will be other opportunities.

MR. CHAIRMAN: The hon. member for St. John's North.

MR. CARTER: There are a couple of points I would like to make partly in reply to the member for the Strait of Belle Isle (Mr. Roberts), who very seldom comes into this House, and probably very seldom visits his district. I do not know.

The point that has to be made is that this is an attempt to diminish interprovincial smuggling and as long as Canada consists of ten provinces, each with their own taxing jurisdiction, I suppose it is inevitable that the tax rates on various substances will vary from province to province. Where this variation is only slight it probably does not make any difference. But when the variation is as great as between, say, Newfoundland and Nova Scotia, especially in the case of cigarettes, then it is -

AN HON. MEMBER: What is the tax in Nova Scotia?

MR. CARTER: It is about half what the Newfoundland rate is, so the temptation to smuggle from Nova Scotia to Newfoundland is very great.

MR. ROBERTS: There have been several massive convictions now.

MR. CARTER: Yes. Some of these truckers have been found with most of their load consisting of -

MR. ROBERTS: Did you hear tell of a gentleman in Goose Bay being found?

MR. CARTER: I do not know. I did not hear. Perhaps the hon. gentleman would like to get up and blacken somebody. I will certainly sit down if he wishes to get up and mislead the House or blacken somebody's reputation.

MR. ROBERTS: If my friend will yield to me I will gladly carry on then.

MR. CARTER: Just for a moment.

MR. CHAIRMAN (Aylward): Order, please!

The hon. member for St. John's North (Mr. Carter) is finished?

MR. CARTER: No, I am yielding to the hon. gentleman.

MR. ROBERTS: He is finished?

MR. CARTER: No, no, I am yielding to the hon. gentleman.

MR. CHAIRMAN: The hon. member for St. John's North is permitting a question from the hon. member for the Strait of Belle Isle.

MR. CARTER: Yes.

MR. ROBERTS: Mr. Chairman, I simply say to him I am not misleading but, more than that, the name which I referred to was in the newspaper and I understand it is correct. And the name is not important, what is important is the \$17,000 the Minister of Finance (Dr. Collins) might confirm was the amount of the cigarettes that were confiscated, and then, of course, there was a fine levied on top of that. So the gentleman involved lost in the order of \$20,000 or \$25,000, just to show how serious this smuggling is. And this is only the ones they catch.

MR. CARTER: Mr. Chairman.

MR. CHAIRMAN (Aylward): The hon. member for St. John's North.

MR. CARTER: Mr. Chairman, if the hon. member's information is correct it is despicable and, of course, if it is not correct it is libelous.

MR. ROBERTS: I was the one who wanted to raise the (inaudible).

MR. CARTER: There is no need to bring personal names into this debate, especially persons who are not in this House and able to defend themselves.

MR. ROBERTS: Oh, that is the new theory for the hon. gentleman.

MR. CARTER: I have never, as far as I can recall, dragged forth the names of people in this House who could not defend themselves.

AN HON. MEMBER: That is right.

MR. CARTER: I would gladly go aboard of anyone in this House, on either side of the House, that I certainly would not stoop and I do not think any hon. gentleman should stoop to dragging in names of either people who were members or are not and never will be members of this House, who do not have the right of reply.

MR. ROBERTS: How many times have you attacked Joe Smallwood in the House?

MR. CARTER: Well, I think that he occupies a special category, because he continues to remain politically active and he is certainly not without his defenders in this House and not without an ability to reply. I think there is certainly an exception to be made in that gentleman's case. However, I was pointing out that the difference in tax on certain substances from province to province is so great that it tempts people to break the law. And I often wonder how some small towns, I think they are in Quebec and Ontario, which practically straddle the border

MR. CARTER: between the United States and Canada manage. I just wonder, because not only do they have different rates of taxation, they have different currency and different laws and yet, I understand, there are some towns whose main street straddles the border between the United States and Canada, and that must create a horrendous problem. I just do not know what is done. In other words, if you walk across the street you are in the United States and if you walk back you are in Canada. I do not know how they administer it, I do not know how they manage at all. However, fortunately that problem need not concern us in this debate here. But the problem of the border between Quebec and Newfoundland and Labrador is just a mark on the ground and you can walk back and forth a hundred times a day between the two provinces and legally buy, I suppose, anything in either province. But the problem occurs

MR. CARTER: when you bring it back across the Border. And, I suppose, anyone operating a skidoo and visiting his neighbour in Blanc Sablon can fill up with gas quite legitimately and go back home, and buy some cigarettes, and come back to Blanc Sablon - crisscross the Border as many times as he likes. I think the authorities are only concerned when he purchases more gas or more cigarettes than is necessary for his immediate need. I do not think, and I think the minister will confirm, that anyone who buys a package of cigarettes in Nova Scotia is certainly entitled to smoke them on the ferry coming across, and if ten or fifteen are still left in the package may legitimately and legally smoke them on his way driving back across country. However, I do not know at what point it becomes illegal. I suppose after you get a carton of cigarettes the authorities are concerned.

Before I sit down I would just like to address this concern to the minister and suggest that perhaps this is where more interprovincial co-operation could occur. In other words, does the Province of Newfoundland ever sit down with the neighbouring Provinces of Quebec and Nova Scotia to see just what the tax rates are and whether or not their tax rates could be brought more into line? I realize, certainly, the federal government cannot dictate, nor should any provincial government try to dictate or to coerce the establishment of a particular tax rate in a particular province, but I do think it would be a very worthwhile endeavour to sit down with one's neighbouring provinces and see if you cannot try and bring the tax rate as much into line as possible, having regard to one's fiscal needs. So that is one question I have.

The other thing I have to say is that during the passage of the Health estimates last year, not this year, the question was asked how much, in the opinion of the department, would be saved if no one smoked? And the

MR. CARTER: answer was an astonishing \$100 million. It was suggested that if no one in Newfoundland smoked, the Department of Health would save each year \$100 million in health care, both heart trouble and respiratory related diseases.

MR. CALLAN: Where did you read that?

MR. CARTER: Pardon?

MR. CALLAN: Where did you read it?

MR. CARTER: I did not read it I heard it.

I was Chairman of the Health Estimates Committee and this question was asked, and either the minister or one of his officials volunteered the information. It had to be an estimate, in fact, it had to be a guesstimate, I mean, how can you be precise about a thing like that?

MR. CARTER: But with his knowledge of the needs for the year, he said he was perfectly safe in suggesting that \$100 million would be saved. Now probably it would not be saved in the first year if everyone stopped smoking, you are assuming that no one smoked and had not smoked for a number of years. But if no one smoked in Newfoundland, \$100 million would be saved in health costs and health related care. And to my way of thinking that is an astonishing figure. It is probably greater this year. That was last year that figure was mentioned, and this was off the top of his head, I imagine if he looked into it it would probably be more.

MR. CARTER: I do not have the budget book in front of me, but what is our income from tobacco? Does anybody have a budget book with him?

MR. TULK: \$41 million.

MR. CARTER: \$41 million. Well, we take in \$41 million and we spend \$100 million, so there is a net loss of \$60 million there. So it calls into question the wisdom of our not making much greater efforts to discourage people from smoking. Obviously, it would be undemocratic to prohibit people from smoking. It is a risk that people can take and perhaps some people can safely take. Some people smoke all their lives and die of something else at the age of ninety-five. But still, some other people smoke and do apparently put their lives at risk and, furthermore - I suppose it is their own business if they put their own lives at risk - they put the government at great expense or society at great expense to care for them and care for their families. This was just the direct health costs, \$100 million; the indirect costs in terms of cost to society, I would say, would be equally great. In fact, it is probably not stretching the point to say that the fact that we smoke in Newfoundland costs Newfoundland society something of the order of perhaps \$150 million. To me, that is an astonishing figure, and I leave the House with that information.

MR. TULK: Mr. Chairman.

MR. CHAIRMAN (Aylward): The hon. the member for Fogo.

MR. TULK: Mr. Chairman, the bill that is in front of us refers to - as has been said so often this evening - a very, very addictive drug and we are talking about a tax on that drug, a tax on cigarettes and a tax on tobacco. And I suppose there are people in this House

MR. TULK: who can verify just how addictive tobacco is, I certainly can as a private individual. It is a habit that is, of course, very hard once you get into it, to break. I am somewhat surprised at the figures given by the member for St. John's North (Mr. Carter). I do not doubt them, they are probably true and, as he said, they are probably higher. But it is surprising and there is no doubt that the social costs of cigarettes, the social costs of smoking are tremendous. I suspect, as he said, that we really do not know just how high the costs are for the cigarettes we put into our mouths. As he remarked, if we spend \$100 million a year and we take in \$41,800,000, it is not even a good revenue source for the Province, it is not even good business to have people smoking cigarettes and to be perhaps taxing them. The only thing is, if you tax them high enough, I suppose a great many people will quit smoking anyway just because of the cost alone. So perhaps the increase in tax that the Finance Minister (Dr. Collins) has introduced in the House is a good tax increase if it indeed cuts down on the amount of smoking that is done in this Province. I do not know just how effective that is. I would like to hear the minister address that, or somebody on the government side who perhaps knows, if you increase the price of cigarettes just how effective it is in getting people to quit smoking. The Minister of Rural, Agricultural and Northern Development (Mr. Goudie), I do not know when he is going to quit. I suppose he can go up to Labrador and get his cheaper than I will on the Northeast Coast.

MR. GOUDIE: Ten cents.

MR. TULK: Ten cents, is that all? Then

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MR. TULK: it is not worth your trip to
Labrador, and you certainly will not be bringing any down
to sell to the rest of us in this House at that rate.

MR. TULK:

I am sure that once the price reaches a certain stage, then we will all, I suppose, as people, as citizens of this Province will have to take a look at whether indeed we can afford to smoke. In that regard, there are people who would say that perhaps we should raise the price of a package of cigarettes to, say, five bucks a pack, or even ten bucks a pack to get us to quit smoking.

The member for St. John's North made another point, saying that perhaps it was undemocratic to ban smoking, to not allow people to smoke. I do not know if that is the case or not. If it is costing this Province hundreds of millions of dollars, then, perhaps, in this particular case we cannot afford democracy and perhaps we should discourage it in every way possible.

This is a tax measure, Mr. Chairman, and I would like to look at it as a tax measure, and what it is going to do for revenue for this Province. It is obvious, if you look at last year's estimates, the revised estimates showed that we took in \$42 million, and this year we are taking in slightly less, \$41.8. As we said last year, I guess if you look at it purely as a tax measure, as we said about the 12 per cent sales tax on this side of the House, you have reached the law of diminishing returns whereby when you increase the tax on the cigarettes you lose in terms of the real dollars. Again, to come back to the sales tax, the 12 per cent sales tax and talk about that as an example of what increasing taxes can do, I think you will see if you follow what is happening in this Province, and if you look at the amount of money, and if you look at it as a stimulus to the economy, increasing or decreasing the sales tax, you will find out what has happened in Newfoundland. By increasing the sales tax to 12 per cent on certain items we have, in this

MR. TULK: Province, I believe, put a damper on the economy rather than letting taxes act as a stimulus.

I think the same thing is true of the tax on cigarettes and on tobacco. In terms of a tax measure and in terms of a health measure, it is perhaps good that we raise the price of tobacco, and that we raise the price of cigarettes. It is good in terms of health, and in terms of the social costs that we save, but in terms of using it as a revenue measure, as a measure of bringing in dollars to the treasury of the Province, we have perhaps reached the point where that is going to decrease even further. Hopefully there is a balance somewhere, hopefully there is a balance, where, through decreasing the social costs and decreasing what we take in in the Province, the two will meet and we will have a good solution.

I would like to ask the minister, or somebody on that side of the House, and perhaps the member for Naskaupi, the Minister of Rural, Agricultural and Northern Development (Mr. Goudie), can answer this, being the minister for Labrador - this bill also looks at decreasing the cost, I believe, of the tax on cigarettes to 2.75 cents on every cigarette in Labrador. In other words, it is less in the Town of Labrador City and the town of Wabush and the coastal area of Southern Labrador, extending from the boundary with the Province of Quebec to and including the Community of Red Bay, the cost is somewhat less than it is on the Island of Newfoundland. I think it is down to 2.78 from 4.78 which would be two cents on a cigarette. Am I correct in assuming that?

MR. TULK: If I am correct in assuming that, the Minister of Rural, Agricultural and Northern Development (Mr. Goudie) is wrong, because he is getting his cigarettes for forty cents a pack less than I am in Newfoundland, if that is correct, because of the tax alone.

AN HON. MEMBER: He smokes American cigarettes.

MR. TULK: American cigarettes? He gets those too.

But, in any case, I would like for the minister to say what the effect of that tax decrease is going to be on health costs? I know that the merchants in Labrador are having trouble competing with people on the Quebec side of the Labrador boundary, I know that, but on the one hand we are saying that we should increase the tax on cigarettes for health reasons and yet in Labrador we are saying let us decrease the price. I think it is a question we should address. Now there seems to be a contradiction in what we believe as a Province and, indeed, what the government believes as a government.

I would like to ask another question, too, and that is with this decrease in the taxes on tobacco and cigarettes in those communities in Labrador are we looking at a situation where it will equalize the price with Quebec, or are we still leaving our merchants at a disadvantage? Just where are we with that tax measure? Perhaps that kind of thing can be answered for us and if so, Mr. Chairman, I will have nothing else to say about it except to say that somewhere down the road as a province and as a government and as people and as members of the House we have to very seriously sit down and see just what we want to do. Do we want to keep people smoking, or do we indeed want to stop them completely from smoking? Do we want to

MR. TULK: benefit from the taxes as a revenue measure, or do we indeed want to cut down on the social cost side and try to encourage our people in as many ways as possible to stop smoking altogether, to see that that is done and indeed as a government and as a Province and as legislators in this Province have no part of that very addictive drug called tobacco?

MR. YOUNG: They are coming to get you.

MR. TULK: Are you running? I am not.

So, Mr. Chairman, with those few words I would ask the minister or somebody to answer the question as to what is going to happen in Labrador, and have we indeed reached the point of diminishing returns in terms of what it will do as a revenue measure in this Province.

What is happening in Labrador? Is it now equal on both sides of the border of Labrador and in Quebec? And are we indeed, perhaps, taking off the damper that the tax puts on those who want to smoke by decreasing the tax in Labrador? How does the minister grapple with that question? As the Minister of Finance (Dr. Collins) perhaps he can confirm the figures given by the member for St. John's North (Mr. Carter) as to whether, indeed, smoking in this Province contributes to the cost of health care, something in the vicinity of \$100 million. And if that is the case, are we indeed gaining anything from the tax on tobacco at all? Perhaps what we should be doing as a government is trying to ban smoking in public places, or taking some of the measures that have been taken in Ontario.

MR. CHAIRMAN (McNicholas): The hon. Minister of Finance.

DR. COLLINS: Mr. Chairman, the last three members who spoke on this asked a number of questions and I will endeavour to respond to them. The first one, the hon. member for the Strait of Belle Isle (Mr. Roberts),

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DR. COLLINS: asked whether the fact that
we are now saying that 4.78 cents will be exacted from each
cigarette, if that is a tax increase.

DR. COLLINS: Mr. Chairman, no it is not a tax increase from the effective tax as currently in place. Now when the ad valorem was put on, the cent amount that related to that particular percentage gave rise to a smaller number of cents but, as I mentioned when I introduced the motion, since the ad valorem was put on there has been this, what I call the ping-pong effect, whereby the fact that the federal ad valorem tax had an effect on the base that increased our effective tax collected and so on and so forth. So that amount has increased since the time the ad valorem first went on in 1981, but the amount of tax that is presently exacted from a cigarette is 4.78 cents, so we are fixing it at the current rate. So this resolution and the bill that will be introduced as a result of this resolution is not giving rise to a tax increase at this particular time, it is just holding the effective tax collected at the current rate.

Now the hon. the member for the Strait of Belle Isle (Mr. Roberts) did have somewhat harsh words to say about ad valorem. He said that this really takes away some of parliament's control, or the House of Assembly's control over taxation when you apply an ad valorem rate. I do not think that that can be logically borne out, because, I mean, it was this House that gave government the authority to put on an ad valorem tax. The House knew what it was doing. When it did give that authority it did say, 'Yes, you can collect taxes as a percentage of the base price.' And it did that in full knowledge, presumably, of what the effect would be. So I do not think, really, the putting on of ad valorem tax in an ad valorem way in actual fact did impair the control that the House of Assembly, this Legislature, has over taxation methods. It would be different if the ad valorem tax was presented in such a way that people had the wrong impression of what it was going to do, but I do not

DR. COLLINS: believe that was so. I think everyone knew that when you put on ad valorem tax it meant that if the base went up the effective tax went up. The House knew what was going to happen. However, as I mentioned, it has given rise to rates of tax that are excessive from the point of view of sales of the product being taxed and this is why we are changing things.

The hon. the member for the Strait of Belle Isle (Mr. Roberts) also commented on the high rate of tax on tobacco products, and the member for St. John's North (Mr. Carter) alluded to this too when he asked if there was any co-operation or consultation between provinces on taxation of tobacco products. On the latter point, yes, there is a great deal of consultation going on between provinces. Each year, at least once a year, there is a meeting of senior officials dealing with taxation matters and they sit down and they talk about all forms of taxation, particularly consumer taxation, of which tobacco taxation is one, and to exchange ideas, to exchange methods whereby problem areas are dealt with and that type of thing. They do not really get into policy areas,

DR. COLLINS: which is not their particular field but, of course, if they have any suggestions as to policy, they will bring them back to their respective ministers.

There are also other consultations that go on in terms of exchanging information. For instance, if it is known that certain products are being bought in one province and being transported to another province with an illegal intent in mind, we will often hear from the province where the product is being purchased that such and such a thing is happening to give us a chance to look into it and take any measures that seem to be desirable. So there is consultation going on. However, the consultation has not reached a stage where there is similar taxation in each province, and I doubt very much whether we would ever come to that. I think it would be very difficult to impose a single tax right across the board. I think it really would interfere with each jurisdiction's prerogative in taxation matters. And, you know, that is a very jealously guarded prerogative of every jurisdiction.

One matter has come up, and that is, whether the provinces, as a whole, should approach the federal government to allow these types of taxes to be considered indirect taxes. And what I mean by that is consumer taxes now are called direct taxes because they are paid by the consumer, by the person at the end of the chain. He pays it at the time of making his purchase. So each individual consumer pays a tax and that tax has to be collected from each individual consumer. If you are raising taxes in an indirect way, you usually exact the tax at the wholesale

DR. COLLINS: level and this means that you have to exert considerably less effort in getting your tax revenue. There are usually very many fewer wholesalers than there are retailers and consumers, so it is much easier to collect a tax, but not only that, it is much easier to control, that you are getting in all the taxes that should be given to the taxing authority. And, as hon. members realize, we are running into difficulties there in terms of tobacco taxation with regard to smuggling. If we could collect the tobacco tax at the wholesale level, this would give us a means of having a greater ability to detect other people having tobacco in their possession on which tax has not been paid. We would know, you know, 'Are you a wholesaler or are you not a wholesaler?' If you are not a wholesaler and you have tobacco products in your possession, there should be tax paid on them, if tax is not paid on them then you are in violation of the act. But, at the present time, as long as a person has a vendor's licence, he can have tobacco products in his possession on which no tax has been paid and, if you suspect that he has some in his possession, you know, for doubtfully legal purposes, he can always come back and say, 'Look, I have not sold them yet, so I do not have to have the tax in my possession or I do not need to have collected the tax yet.' And it makes it difficult to make a conviction stick even though you have very good grounds to think that there is illegal activity contemplated.

The other point that I think is worth making about our admittedly high level of taxation which applies to tobacco products but, of course, as hon. members know, applies to many other things too, income tax and so on and so forth, is that we in this Province, even after however many years it is in Confederation - What is

DR. COLLINS:
or thirty-six.

it? - thirty-nine or thirty-five

MR. SIMMS:

Something like that.

DR. COLLINS:

Something like that. Even after
that period of time in Confederation -

MR. TULK:

Thirty-five years.

DR. COLLINS:

Thirty-five, is it? - we have to
make a considerably greater tax effort in this Province to

DR. COLLINS: supply services to the Newfoundland public which, even having made that very severe tax effort, a tax effort in many respects greater than any other province makes, we still have not been able to supply the services of an equivalent level of policy and of quantity that other provinces can supply at a lesser tax effort. So we still have a long, long way to go. We have to make special efforts in this Province to supply services that other provinces can supply with a considerably lesser effort in taxation terms. And that is something that this government is continually struggling against. It is something that is not easy to correct. I do not need to go into, at this stage, the type of things that we have been doing to try to correct, really, what is an unconscionable situation but we have not achieved it yet. We will continue to strive so that we can lower our tax effort and give reasonable services nevertheless.

The other point that the hon. member for Fogo (Mr. Tulk) brought up was what is the effect - if I understood him right - what is the effect of decreasing the tax in the border areas of Labrador? Well, the effect is actually to equalize on both sides of the border, and in all practical terms, the taxation on tobacco products on our side of the border is the same as that on the Quebec side, so there is no particular advantage in going into Quebec now to buy your tobacco products.

MR. CHAIRMAN (McNicholas): Order, please! The hon. member's time has elapsed.

SOME HON. MEMBERS: By leave.

DR. COLLINS: By leave? Just one sentence or two.

DR. COLLINS: I think he also sort of implied that if we lower the tax in the border areas of Labrador, does that mean that other citizens in the Province have to make up for that? You know, if we lower it here do we have to increase it there? Well, no, that is not the case. The fact that we have lowered the tax in the border areas of the Province means that we are not getting that amount of tax in, the Exchequer is the loser of that amount of tax that we have not collected. We do not make it up by increasing the taxes of the other tobacco consumers in the Province.

Mr. Chairman, I think that pretty well concludes all the points that I can recall now that were brought up and again I move the adoption of the resolution.

Motion, that the Committee report having passed the resolution and a bill consequent thereto, carried.

MR. MAPSHALL: Mr. Chairman, we will never be able to repeal that act, I guess, once now it is passed.

MR. CHAIRMAN: Motion number 3.

Order, please!

Before the minister speaks I would like to announce there are no matters for debate on the adjournment at five-thirty.

The hon. the Minister of Finance.

RESOLUTION

DR. COLLINS: Mr. Chairman, again we are debating a resolution and the resolution states "That it is expedient to bring in a measure to amend The Gasoline Tax Act, 1978." The reason for bringing in this amendment to the Tax Act, if the House subsequently decides to bring in a bill subsequent to this resolution, is for very similar reasons to the matter we were just discussing with regard to the Tobacco Tax Act. In other words, we are lowering the gasoline tax in certain parts of Labrador. Now, the only difference is we are lowering it just in Southern Labrador in this instance. There is close proximity between gasoline retail outlets in Southern Labrador with those gasoline outlets over the border in Quebec. So it is very easy for people to go over the border and fill up the tanks of their cars and so on and, of course, that is to the detriment of gasoline vendors on our side of the Southern Labrador border. Now, that does not apply in the other border areas of Labrador, for instance, in Lab City and Wabush, because the distance from Lab City and Wabush to the nearest point in Quebec, Fermont in Quebec, is such that it really is not practical, you use as much gasoline to get over to fill your tank as the benefit you would get from filling your tank.

MR. CALLAN: You can smoke a lot of cigarettes on your way over, too.

DR. COLLINS: You can smoke a lot of cigarettes over, too, as the hon. member says. But, anyway, the point is it was only a problem in the Southern part of Labrador, and because the Province

DR. COLLINS: needs every dollar of taxation it can get, as long as that does not do any undue harm to business activity, we felt that we just could not extend the lower tax rate to the parts of Labrador where it was not a problem. The gasoline tax in Southern Labrador, therefore, will be reduced from 9.9 cents per liter down to 8.4 cents per liter which again makes it pretty well equivalent to the areas of Quebec on the other side of the border in Southern Labrador. Now, there has been some question as to whether we actually have lowered it enough. We have had some representations from people in Southern Labrador saying that there still is a differential even with this decrease, and we are investigating that. But I think that is not a general situation. There may be, say, one vendor in Southern Labrador on the Quebec side who is selling gas cheaper than his fellow vendors over there. We are looking into it but I think we will find with the lowering of the tax that we are affecting, if the Committee and subsequently the House accepts the bill, will actually overcome the difficulty down there.

I do not know if there are any other things about the bill. I do not believe there are so I move the resolution.

MR. CALLAN: Mr. Chairman.

MR. CHAIRMAN (Aylward): The hon. member for Bellevue.

MR. CALLAN: Mr. Chairman, I want to have a few words on this bill. I was going to speak on the Tobacco Bill but this one is almost similar in its intent and whatever. I noted with interest that

MR. CALLAN: when the bill on the tobacco tax was approved there the Government House Leader very nastily said to Mr. Chairman, 'I guess that that means that that bill can never be repealed,' referring, of course, to the court case and another bill that was introduced into this House a couple of years ago, and 'We are prisoners' says the Government House Leader.

But anyway, Mr. Chairman, it is a sad day for this Province.

MR. CALLAN: Earlier this afternoon, as I said, we saw the court decision on the Churchill power contract and the Water Reversion Act and so on. This bill before us here right now, Mr. Chairman, is a tax bill, and I suppose the debate for that reason is fairly wide-ranging. But there seem an awful paradox in this Province, Mr. Chairman, that we have the highest taxes in Canada. A lot of the taxes that we talk about when we talk about the highest taxes in Canada are not as much in view, they are not the sorts of taxes that we run into on a daily basis. For example, everyday I pay taxes on gasoline and everyday I pay taxes on cigarettes, but there are many hidden taxes, taxes that have been sneaked in by this government during the twelve years that they have been in power, many of them very regressive, very regressive in their nature. And, has been pointed out on many occasions before, the law of diminishing returns is a law that the Minister of Finance (Dr. Collins) should keep in mind, I believe, when he goes to prepare his next budget, approximately a year from now. Of course, if there is an election around the corner, no doubt the retail sales tax will be reduced next year. They are 12 per cent, the highest in Canada. But as I said just now, the strange paradox in all of this is that here we are, the little Province of Newfoundland and Labrador with about 630,000 souls, and we are the most heavily taxed, we have the highest unemployment rate, the poorest Province in Canada and, of course, the paradox in all of it is that our Premier is the most expensive Premier in all of Canada, the most expensive Premier in all of Canada. And to add insult to injury, Mr. Chairman, now the Premier decides that he wants to travel across Canada for two or three months, or four or five months to go and spend another \$200,000 or \$300,000 of the poor taxpayers' dollars. Mr. Chairman, in the nine years that

MR. CALLAN: I have been a member of this Legislature - well, not nine but I have travelled to and from the city for those years, from 1975 up until the present moment, and I would say, Mr. Chairman, that during that nine year period I have spent enough money on gasoline tax to pave a road like the one in Markland, for example, and some of the other roads. I am very happy to say, by the way, Mr. Chairman, and I was going to save this for my half hour speech but I have other things to talk about - I adjourned the debate on Tuesday and now we are into legislation. Are we on legislation again tomorrow or are we back to the budget?

MR. MARSHALL: It is a surprise.

MR. CALLAN: A surprise? Okay. I will be ready in any event.

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MR. CALLAN:

But I was going to say -

MR. SIMMS:

anyway, sure.

You can use the same speech

MR. CALLAN:

No. I was going to say here is something different in this speech. I was very happy yesterday when the Minister of Transportation (Mr. Dawe) met me and he said, You would like for me to go down and look at some of the roads in your district. I received your letter. And, he said, how about if we set it up tentatively, at least, for the first week in June. I was very, very pleasantly surprised. The last time that I went through my district, Mr. Chairman, with a Minister of Transportation, to look first-hand at the dirt roads and so on in my district, the last time that happened -

MR. SIMMS:

What does this have to do with the gasoline tax? That is irrelevant.

MR. CALLAN:

What it has to do with it is that gasoline taxes pay for building and paving roads. Certainly the Minister of Culture, Recreation and Youth (Mr. Simms) must know that.

MR. SIMMS:

But it is stretching the point.

MR. CALLAN:

It is stretching the point, I know. But, anyway, I am very pleased that here is a minister who has consented to travel with me to look at some of the roads in my district.

MR. SIMMS:

Travel with you?

MR. CALLAN:

Yes, travel avec moi.

MR. SIMMS:

Did he say when?

MR. CALLAN:

Yes, the first week in June.

MR. SIMMS:

Did he say what year?

AN HON. MEMBER:

No.

MR. CALLAN:

Mr. Chairman, the Minister of Culture, Recreation and Youth (Mr. Simms) is being affable but I am trying to be serious.

MR. SIMMS:

You will not make it back.

MR. CALLAN:

But, anyway, that is very nice and I hope, Mr. Chairman, I trust that that alone, the fact that the Minister of Transportation (Mr. Dawe) has consented to go and look directly at some of the roads in my district, I hope that is a little bit of an indication that not only is the minister concerned about the roads in my district, as I am sure he is concerned about the roads in all of the Province, but I hope that it is an indication that he also has in mind to spend some of the taxpayers' dollars that we are talking about here, taxes that are taken in on income tax, and retail sales tax, tobacco tax. Again, as I said, I smoked enough cigarettes in the last nine years and spent enough money in gas and paid enough money in taxes to do some of the roads in my district, especially some of the shorter roads. For example, and I have never mentioned this in the Legislature before, but the member for Trinity North (Mr. Brett) will be interested to hear, I am sure, that that little piece of road through Adeytown, for example

MR. BRETT:

You mentioned that before.

MR. CALLAN:

I mentioned it a dozen times I hope, and I will never forget it.

MR. REID:

Good old (inaudible).

MR. CALLAN:

The member for Trinity-Bay de Verde (Mr. Reid) is on to a good thing now, he is announcing in the Carbonear Compass projects in the district of Bellevue.

SOME HON. MEMBERS:

Hear, hear!

MR. SIMMS: He is a good member. He is even better than the member for Bellevue (Mr. Callan).

MR. CALLAN: He must be a good man. All I say to the member for Trinity-Bay de Verde (Mr. Reid), and more power to him, if he wants to announce projects in my district that is fine just as long as we get the projects. I do not care who announces them, but I would -

MR. REID: When people come and ask me to do a job for them I will do it, I do not care where they come from.

MR. CALLAN: I make a suggestion to the member for Trinity-Bay de Verde -

MR. REID: I get more letters and correspondence than you do.

MR. CALLAN: Would you like to bring it in and table it?

MR. SIMMS: He treats it with confidentiality, boy, not like you fellows.

MR. CALLAN: Mr. Chairman, the member for Trinity-Bay de Verde, if he wants to make announcements about my district I hope that he will not be like the Premier. If he is going to be out in the forefront making announcements

MR. CALLAN: in Tory papers or wherever, that he will make the bad ones as well as the good ones. I hope that he will make the bad ones as well as the good ones.

MR. REID: In the next election I am going to run in your district.

MR. CALLAN: I challenge the member for Trinity - Bay de Verde (Mr. Reid) to come to the district of Bellevue in any election. He would have about as much of a chance, Mr. Chairman, of winning an election in Bellevue on a Tory ticket as I would have if I ran in St. John's South or Centre or East or North or West. If I lose any sleep, Mr. Chairman, it will not be over the next Tory candidate in Bellevue. My problem the next time in Bellevue, Mr. Chairman, is fighting off the Liberal candidate looking for the nomination, that will be my problem.

But, Mr. Chairman, what a callous government we have!- the highest taxes in all of Canada, but the highest paid Premier and the best accommodated, the most expensive - the most expensive is the best way to describe our Premier because, of course, it is not all just salary, it is the fringe benefits. And, of course, the \$100,000 that was spent on an electric fence around Mount Scio House - two weeks after they erected the fence, the Premier moved out! What another extravagance and waste!

MR. MARSHALL: Two weeks is not right.

MR. CALLAN: Well, what was it, two months? Whatever it was, if it was two years, it was an absolute waste, Mr. Chairman.

But, Mr. Chairman, at least I must give the government credit for one thing, that

MR. CALLAN: they saw an inequity and they did something about it.

SOME HON. MEMBERS: Hear, hear!

MR. CALLAN: It is too bad, Mr. Chairman, that this government does not try to do more about the many, many, many other inequities that exist around this Province. But here was an inequity, here were people living on the border of Quebec in Labrador and, of course, who were paying extravagant sales taxes for things that they cross the border into Quebec to get and here was an inequity which the government has done something about.

It is too bad, Mr. Chairman, that this government is not more anxious and more forthright in trying to do something about the many other inequities that exist in this Province. And, of course, as I said at the beginning, the thing for the Minister of Finance (Dr. Collins) to do to get rid of some of the inequities is to reduce the sales tax from the present 12 per cent

MR. CALLAN: down to at least ten per cent or 8 per cent. Two years in a row now, Mr. Chairman, the minister has brought in a budget where he hoped to take in millions and millions in sales tax and it was not forthcoming, and at the end of six months the minister had to come out and say to the people of this Province, 'Well, we budgeted wrongly, we did not get the taxes in that we were hoping to get in and so, therefore, we are \$30 million or \$60 million short in current account,' even though this same minister, the good doctor, Mr. Chairman, has been budgeting in the same way for the last three years, at least the last three years. The minister has been told on occasion after occasion after occasion that what you are doing is bringing into play the law of diminishing returns, because you would get more money in sales tax if you reduced it than by maintaining it at 12 per cent. Even though the minister has been told that year after year for the last three years at least, and even though his budgets have come out \$30 million or \$60 million out of wack, the minister still, Mr. Chairman, has not listened. I guess, perhaps, he is waiting until next year, an election year, when he can reduce it then, perhaps by four points, and appear to be the great saviour and the great doctor to all our ills in this Province when it pertains to taxes, hoping, of course, to use that in an election campaign in a year from now provided, of course, there is not an election around the corner. Is there one around the corner? The Premier looked like he was starting an election campaign this afternoon.

MR. CHAIRMAN (Aylward): Order, please!

The hon. the member's time has elapsed.

MR. ROBERTS:

Mr. Chairman.

MR. CHAIRMAN:

The hon. the member for the Strait of Belle Isle.

MR. ROBERTS:

I was so carried away by the eloquence of my friend from Bellevue (Mr. Callan), lucid, articulate, hard-hitting. I know hon. gentlemen and lady opposite were not able to understand it or appreciate it but, Mr. Chairman, we can lead a horse to water but we cannot make it drink. We can even lead half a horse to water.

I see my friend from St. John's North (Mr. Carter) has returned to the manger, as it were, to the stall.

MR. POWER:

You can lead the wrong half of the horse, too.

MR. ROBERTS:

Well, I say to my friend from Ferryland (Mr. Power) that he is not the wrong half of the horse because he is the front. It is his friend from St. John's North who is to the rear and accordingly takes his place.

MR. TULK:

But they are the same horse, a horse of a different colour.

MR. ROBERTS:

It is amazing how many times we use a horse. We could say a horse, a horse, my kingdom for a horse.

Now, let us come back to the Gasoline Tax Act which, after all, is what is before the Committee, or I suppose to be pernickety, precise, the way the minister tries to be whenever he has an inability to grapple with the issue, which is frequent, he gets pernickety, precise, what is before the Committee is the resolution. "That it is expedient to bring

MR. ROBERTS:

in a measure to amend "The Gasoline Tax Act, 1978", and then when we look at the measure that it is allegedly expedient to introduce, namely, the amendment to the Gasoline Tax Act, it comes down to the Labrador amendment, let us call it, the border amendment.

MR. CARTER: This is awful rubbish!

MR. ROBERTS: Yes, I agree. I agree with my friend, this is awful rubbish. This amendment is awful rubbish, and the hon. gentleman opposite is awful, a-w-e-f-u-l. He is filled with other things too, but he is filled with awe. I watch him, I watch the eyes light up on his face when the hon. gentleman from St. John's East (Mr. Marshall) speaks. He is the Pole star by which my friend from St. John's North (Mr. Carter) guides himself. When he goes to bed at night, his last conscious thoughts are of the gentleman from St. John's East. His last fleeting sight is of the picture, surrounded by a halo and reverently lit by three candles, of the gentleman from St. John's East which hangs, not on the wall of my friend's bedroom - and this is hearsay, of course - but hangs on the ceiling, so that when he closes his eyes at night, he gives thanks to his Creator, to his Maker because that, of course, is exactly what it is.

MR. TULK: The last thing he sees at night.

MR. ROBERTS: My friend from Fogo is saying something.

MR. TULK: When he opens his eyes, it is the first thing he sees in the morning.

MR. ROBERTS: Oh, yes. But my friend from St. John's North has had his eyes closed lo, these many years!

MR. TULK: Right.

MR. TULK: The hon. the member for Grand Bank (Mr. Matthews) agrees with that one.

MR. ROBERTS: The member for Grand Bank is not a bad fellow, I mean, he is a Tory but other than that he is okay. But the fact he is the member for Grand Bank, that is only a temporary aberration.

MR. TULK: That is right.

MR. MATTHEWS: Always a Tory.

MR. ROBERTS: I cannot help it if he is always a Tory. My friend from Grand Bank should be aware of a joke, a story, told on a platform that, you know, 'I was a Liberal and my father was a Liberal and my grandfather,' and somebody from the audience bawled out and said, 'If the hon. gentleman were descended from a jackass, what would he be?' And the answer was, 'A Tory.'

MR. MATTHEWS: We have it the other way around, I think.

MR. ROBERTS: Do you? I say to my friend from Grand Bank it is funny how many of these jokes are applicable - you know, the ones I used to hear about Mr. Smallwood and, previous to that, we heard about Mr. Diefenbaker. And, of course, I can recall when the gentleman from St. John's North (Mr. Carter) was carrying but the hem of the garment of John Diefenbaker, indeed, considered himself lucky to kiss the earth upon which John Diefenbaker had trod, on the rare occasion when Mr. Diefenbaker's feet ever touched the ground.

MR. TULK: He did that with Frank Moores too.

MR. ROBERTS: He used to do it with Mr. Moores, yes, Mr. Frank Moores, my quondam client, a gentleman of stature, ability and great foresight. He had the foresight to sling out of the Cabinet my friend from St. John's North!

Now, I really am trying to talk about this Gasoline Tax amendment.

MR. TULK: When are you going to tell the story about (inaudible)?

MR. ROBERTS: It is 5:30 p.m., is it? Is this the day we get off early?

SOME HON. MEMBERS: Yes.

MR. ROBERTS: Do you know why the House has Private Member's Day on Wednesday, Mr. Chairman? - I cannot ask the Chair a question, I am being rhetorical. But it is no accident why the House has Private Member's Day on Wednesday. There is a reason for that. In the old days, of course, there was a Wednesday half-holiday in St. John's and the only day on which people would be able to get off work and come in and watch the House was on Wednesday, so that is why Private Member's Day is Wednesday. Now, today, of course, people in this Province, there are thousands of them off work all the time, thanks to the policy of this administration, but still they do not come to the House. There is a moral in that too.

Now, I want to ask the Minister of Finance (Dr. Collins) why we are not extending the negation of the ad valorem principle to the Gasoline Tax Act? The Gasoline Tax Act, as amended in 1982 by the act now known as 1982 Chapter XV SN, says that the gasoline tax is an ad valorem tax, it is 22 per cent. So every time the price of gasoline is raised by the philanthropists who run the oil industry, every time it is raised, the amount which we, the people contribute to finance the madcap schemes of the Minister of Finance (Dr. Collins) -

MR. CARTER: We have heard all of this before.

MR. ROBERTS: Yes, and we will hear it again and again because the truth shall make ye free. Mr. Chairman, every time the price of gasoline is raised the price of the tax goes up. Now the minister brings in an eloquent argument in favour of ending the ad valorem tax on cigarettes, something which has no redeeming social value. In fact, as my friend from Ferryland (Mr. Power) so rightfully said, it is a positive drag upon the Treasury, a cost, an imposition on the Treasury as well as a very detrimental factor to our health. He ends the ad valorem tax there because it lays a cruel burden - and I am paraphrasing the minister, he has never in his life said anything as colourful or as catchy as a cruel burden - but it lays a cruel burden upon the poor fellow trying to get a drag.

DR. COLLINS: I am having a cruel burden laid on me by the hon. gentleman opposite.

MR. ROBERTS: Yes, I say to my friend from St. John's South (Dr. Collins) that he has many cruel burdens to carry and not the least of them are his colleagues and the most of them is his ideology. Because, Mr. Chairman, everytime the Minister of Finance (Dr. Collins) speaks it should be noted in the history books, because, of course, we are hearing the Garibaldi, the great liberator, not the Daniel O'Connell, Daniel O'Connell whose statue, of course, stands in O'Connell Street and so it should. We will not have a Collins' Street I will tell you, not likely

DR. COLLINS: We have one already.

MR. ROBERTS: We have a Collins Street? The only Collins ever to rise to glory in Ireland was the big man, the big one, Michael, and he was assassinated by Irishmen, shot down in cold blood, Michael Collins, a great figure of a man. Was it not Michael Collins who when signed the 1922 treaty said to Churchill and Lord George, the ministers who signed it for the British side, I am

MR. ROBERTS: signing my own death warrant'?
But I do not wish that upon the hon: gentleman from St. John's South (Dr. Collins). I think he has to stick around and help us to get out of the mess he has gotten us into. Why should he be lucky?

Mr. Chairman, the cruel burden the Minister of Finance (Dr. Collins) carries is his ideological burden. It is not a very large burden but it is a cruel one.

What I want to know though is since we are ending the ad valorem tax in respect of cigarettes, that drag upon society, that positive menace to our health, that imposition on the Treasury, since we are ending that because it lays such a cruel burden upon the back of the poor fellow trying to get a drag - a fellow out trying to get a few drags somewhere now, we are sympathetic towards him because the ad valorem tax is unfair, it takes too much out of his hide - how come we do not do it for gasoline? We all have to deal with gasoline. We all have to buy it except those who have diesel, but in this Province we charge ad valorem on diesel, too. Little escapes

MR. ROBERTS: the net cast by the Minister of Finance (Dr. Collins). There is only one thing he has not taxed yet, and if he could find a way out to measure procreational activity he would. Recreational activity is taxed, and if the minister could find a way -

MR. CARTER: How about hot air?

MR. ROBERTS: My friend from St. John's North (Mr. Carter) knows how to do it.

MR. CARTER: Is there a tax on air?
How about hot air?

MR. ROBERTS: Mr. Chairman, if there was a tax on air the hon. gentleman opposite, Sir, would be flat as well as flatulent. But, Mr. Chairman, to let me come back, we do not tax procreational activity and that is about the only form of activity that is not being taxed.

We all have to use gasoline.

MR. CHAIRMAN (Aylward): Order, please!

MR. ROBERTS: Is it time already?

MR. CHAIRMAN: The hon. member's time has elapsed.

MR. ROBERTS: I am sorry to hit the microphone. I thank Your Honour. And when shall we two meet again, Sir, to carry on this exciting and illuminating debate?

So I move that the Committee rise, I guess. It is five-thirty, we have to go home or we are here the night.

DR. COLLINS: Mr. Chairman.

MR. CHAIRMAN: The hon. Minister of Finance for a half minute.

DR. COLLINS: Mr. Chairman, it does not take much to demolish the hon. member's argument. He fancies himself as a debator and he gets into these school boy things. He suggests that gasoline is not related in any way to health hazards. He presumably has not heard of highway accidents which are a tremendous cost to the Exchequer and, by his reasoning, we should now do something to make gasoline difficult to get to cut down on highway accidents.

Mr. Chairman, having demolished totally these purile arguments put forward by the member opposite I move that the Committee rise.

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

MR. SPEAKER (Russell): The hon. member for Kilbride.

MR. AYLWARD: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and ask me to report the passing of a certain resolution and recommends that a bill be introduced to give effect to the same, and has made some further progress and ask leave to sit again.

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

On motion, Bill No. (8) read a first and second time.

MR. ROBERTS: I have not heard the order to stop the clock, Sir. Now it is after 5:30 and the Standing Orders, I suggest respectfully to Your Honour, say the House adjourns at 5:30.

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MR. SIMMS: Automatically, right, on Thursday.

MR. ROBERTS: That is right. So the Speaker should leave the Chair. He should not be taking reports from the Committee.

MR. SPEAKER (Russell): It is not five-thirty according to the Chair.

On motion, Bill No. (8) read a third time, ordered passed and its title be as on the Order Paper.

MR. SPEAKER: It being now five-thirty on Thursday and no questions for the Late Show, I do leave the Chair until ten o'clock tomorrow Friday, May 4.