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TRANSCRIPT

HOUSE OF ASSEMBLY
FOR THE PERIOD:
10:00 P.M. - 1:00 P.M.
FRIDAY, MAY 4, 1984

The House met at 10:00 a.m.

Mr. Speaker in the Chair.

Mr. SPEAKER (Russell): Order, please!

STATEMENTS BY MINISTERS

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

SOME HON. MEMBERS: Hear, hear.

MR. SIMMS: Mr. Speaker, today I want to
inform the hon. House of some new developments in our
department's hunter education programme and new developments
in our anti-poaching programme called Operation SPORT.

Mr. Speaker, we have had a
hunter safety programme in this Province since the early
1970s, in fact, since 1971, but it relied at that time on
American produced training manuals and materials and was
very narrow in scope. In September of 1983, for the first time
ever, we unveiled a new written-for-Newfoundland and Labrador
hunter education manual. I said at that time that it was
the basis for a strengthened and broader hunter education
programme. The purpose of this programme is to promote
responsible hunter conduct, emphasize the importance of
wildlife management laws and regulations, and to encourage
the safe handling of hunting equipment.

The hunter education course
is to be delivered by volunteer instructors recruited
from all over the Province. They are teachers, youth group
leaders, rod and gun club members, or anyone with an interest
and an ability to do the job. We have been using

MR. SIMMS: volunteers, Mr. Speaker, to deliver the programme since 1971 and it is common practice in all provinces.

Today I wish to advise that a drive will be undertaken to recruit and train the instructors for this course. A series of workshops will be held beginning this Fall at several locations around the Province to introduce new instructors to the course and to retrain existing ones. This marks a new beginning to our commitment to these people who give so much of their talents and time freely for the betterment of our young people and for the betterment of our wildlife resources.

We now have about 100 instructors in the Province, many of whom have been training young people for years to hunt safely. In fact, Mr. Speaker, one instructor in Grand Falls over the years has trained 800 students entirely on a volunteer basis. It is our goal to have 400 instructors continually delivering this programme. The main role of my Hunter Education Branch will be to serve these instructors, keep them active, and provide them with high quality teaching materials necessary to deliver the course. And once we have these 400 instructors, it should be possible to train about 4,000 students a year.

One important group of potential and current instructors are teachers in the high schools who presently teach the new environmental science course. In this course, students spend about ten to twelve hours studying moose and caribou big game management in the Province. Many of these students will desire more information and a chance to apply some of this knowledge. The hunter education course would extend, and complement, and add real-life importance to the existing environmental science course. And I am pleased to say, Mr. Speaker, that

MR. SIMMS: many teachers have already indicated a desire and an interest to get involved.

Mr. Speaker, recent surveys indicate that about 48 per cent of our adult population have hunted at some point in their lives. Similar surveys show - and this is fairly significant - similar surveys show that more than 50 per cent of hunting accidents are caused by persons under the age of twenty-one years. This obviously indicates that large numbers of our young people deserve the opportunity to be properly trained to hunt safely while learning more about our wildlife resources. My department is, therefore, committed to providing these people with the programme they deserve.

Mr. Speaker, in October of 1983, Operation S.P.O.R.T. began as a pilot project in the Corner Brook, Bay of Islands, and Deer Lake area. Thanks to the people in that area, their desire to control big game poaching and their willingness to do something about it, Operation S.P.O.R.T. has been extremely successful. The regional protection supervisor for the West Coast tells me that the programme has been the single biggest step forward in wildlife protection in his memory.

MR. SIMMS: Public apathy has been replaced by clear evidence of public support. Not only are calls coming in on the S.P.O.R.T. hot-line, increasing numbers of reports are being made directly to our protection officers. This programme has done what we hoped it would. It has provided citizens with an easy method of anonymously reporting poaching activity through a twenty-four hour toll-free telephone hot-line. So far, it has led to four convictions and the imposition of \$7,500 worth of fines in just a six month period.

As a matter of fact, Mr. Speaker, that will change as of yesterday, because there was a further conviction and a further \$3,000 fine. Since this is more than the programme cost, I suppose you could say that poachers are paying for an anti-poaching programme and even providing a surplus.

But the programme does more than help to convict poachers. Probably its greatest benefit is in creating a deterrent to would-be poachers. A poacher who is only concerned about being caught by a protection officer has far fewer worries than the one who also has to be concerned about the law-abiding citizens of his community.

Mr. Speaker, when we introduced the programme, we knew that many people were sick of big game poaching and motivated to do something about it. But we did not know if there were enough to make a programme like this work. Now we are so encouraged by the results of the programme, and the spontaneous comments we get from people in the pilot area about its value, I am pleased to announce today that we have decided to expand this programme to cover the entire Province.

MR. SIMMS: By early this Fall, operation S.P.O.R.T., which stands for Stop Poaching, Report Today, will be available to all provincial residents. A toll-free number for reporting big game poachers will be advertised through a variety of media. Packages of information will be sent to licenced hunters and will be available at Wildlife Division offices to anyone interested in participating in the Programme.

Since the cost of the programme during this fiscal year is dependent on the number of calls we receive, it is difficult to predict accurately, but we believe it will not exceed \$10,000. Therefore, if the programme in the rest of the Province has the same success as it has had on the West coast, it should have very positive results. In the pilot area calls are continuing to come, Mr. Speaker, and, meanwhile, it should be noted that a citizen who reports a violation remains anonymous and never has to appear in court.

The success of the programme, Mr. Speaker, is due entirely to the concerned residents of the West coast and I want to take this opportunity to thank them for showing that they care about the future of our wildlife resources. They have set a fine example for the people of all other areas of this Province who, too, will soon have an opportunity to demonstrate the strength of their commitment to our natural heritage.

SOME HON. MEMBERS:

Hear, hear!

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

MR. CALLAN: Mr. Speaker, those of us on this side of the House are very happy and pleased with what the minister is announcing here today. We have been advocating for several years, as a matter of fact, similar programmes. Of course, the extra \$5.00 that was tacked onto moose license application fees a couple of years ago was designed for this purpose, to give some education to combat poaching, and, of course, hopefully to bring into the schools. And here the minister is saying today that that is what his department is getting into now in a substantial way. Concerning the earlier part of the Ministerial Statement, Mr. Speaker, about volunteers around the Province teaching hunter safety and so on, as I have told the minister and the former minister, the minister who is now the present Minister of Fisheries (Mr. Morgan), when he was in charge of that department and the hunter safety programme, I complained for years that you do not go out and take a driver's license test until you get instruction first. But one of the big things that was wrong with the hunter safety programme was that there was no real instruction or education given prior to somebody going and firing three or four shots and, of course, answering very elementary and very simple questions in a hunter safety test. I myself, as commanding officer of a Army Cadet Corps in Norman's Cove for several years, taught a dozen scores of young men the hunter safety course. And, of course, I got to know Pat Latta, I guess he is still with the department, way back before I even

MR. CALLAN: the importance of maintaining the populations of big and small game in this Province. Because, as I said before, many Newfoundlanders, I am sure, do not realize when they go out poaching moose or rabbits or whatever, that neither of these two animals are native to this Province, they were introduced here from other provinces many years ago. It was around the turn of the century, actually, that rabbits and moose were introduced into this Province and, of course, have multiplied, and today we have large populations of both.

In connection with the second part of the minister's statement, Mr. Speaker, the Dial-a-Poacher programme, again is excellent stuff. I think the minister will admit that his department took a page out of the federal government's book. The federal government introduced Dial-a-Poacher in connection with the salmon fishery on the rivers on the West Coast and, of course, no matter where the idea came from, we think it is an excellent idea. There is no question that all across this Province, not only on the West Coast but all across the Province, there are many hundreds of people, like myself and the minister, who are very concerned about the tremendous amounts of poaching going on.

Two nights ago on the CBC programme Here and Now, we saw a film by Larry Hudson from the West Coast, showing the large amounts of poaching, and to see the baby moose there was just shocking, terrible! Down on the Bonavista Peninsula last year, eighteen animals were shot in the woods and just left there with not one ounce of meat taken off them, something done to fight back at the government,

MR. CALLAN: it seemed, or this is how Bill Davis, Chief Wildlife Officer, explained it. It was a matter of hitting back at the government because those people, obviously, could not get a moose licence or whatever.

But anyway, anything that the minister and his department do, Mr. Speaker, to combat poaching and to educate our younger people, in particular, and to try to maintain some of the culture that we have is excellent stuff, and we support it, Mr. Speaker.

ORAL QUESTIONS

MR. ROBERTS: Mr. Speaker.

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

MR. ROBERTS: Mr. Speaker, I have a couple of questions for the Finance Minister (Dr. Collins), who I understand is the acting Minister of Health. The Minister of Health (Mr. House), of course, is unfortunately not with us at this stage. We hope to see him back soon, obviously, and the quicker the better.

MR. ROBERTS: He is doing well?

PREMIER PECKFORD: Yes.

MR. ROBERTS: I am pleased to hear that and I know the Premier will convey the good wishes of all of us in the House to the minister. We may have our quarrels with the Minister of Health (Mr. House) in an official capacity, but personally he is high on the list of the best-liked members of the House. Mr. Speaker, as I say, the Minister of Finance (Dr. Collins), I understand, is the acting Health Minister, I want to ask him, if I may, a question or two about the changes to the children's dental programme which the Finance Minister announced in his Budget Speech. I am sure the minister recalls the changes but to refresh the House, briefly, the reference to the children's dental programme in the Budget Speech is simply that the charge levied by the dentists, or which must be levied by the dentists' against the parents or done without, has been increased by 150 per cent, from two dollars to five dollars a year. I wonder if the minister could let the House know, Mr. Speaker, to begin with, what consultations were held with the Newfoundland Dental Association prior to the budget change? Were any held and, if so, what were they?

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

DR. COLLINS: Mr. Speaker, I do know that the Department of Health, and the minister specifically, is in frequent contact not only with the dentists but also with the medical people; there are frequent meetings throughout the year, I am sure that during these meetings the question of the dental plan would have been discussed because it is of very avid interest to the dentists, so it would be unusual if in meetings with the Department of Health they would not bring forward the topic for discussion. Now if the hon. member is asking did the Minister of Health

May 3, 1984

Tape No. 1280

MJ - 2

DR. COLLINS: request permission from the
dentists to increase the fee, I would strong suspect - I have
not actually discussed that particular point with the Minister

DR. COLLINS:

of Health (Mr. House) - but I would strongly suspect that he would say, No, I certainly did not. And it would be very unusual for him to do so. There has to be, until Cabinet makes a decision on the content of the budget, particularly in terms of fiscal matters, there has to be confidentiality.

However, once the matter was finalized and once the House was informed about it, I am absolutely sure that the Minister of Health would have acquainted representatives of the dental profession in full detail about the matter.

MR. SPEAKER (Russell):

The hon. member for the Strait of Belle Isle.

The hon. member for the

MR. ROBERTS:

Thank you, Mr. Speaker, and I thank the minister. Certainly we on this side would have been surprised if the specific proposal had been discussed by the Health Minister. The minister said the Finance Minister (Dr. Collins), I think he meant to say the Health Minister. We would be surprised obviously if the proposal had been discussed with the dentists because, of course, the principles of budget confidentiality are involved.

I wonder if the minister could tell us what has passed between the Newfoundland Dental Association's representative, its executive, and the Department of Health, for which he answers in the House at this stage, since the budget, which, of course, made the whole thing public, with respect to this particular charge. And just so we are clear what it is, the government did not increase the charge; what the government said is that the amount the government pays to the dentists for providing a service was reduced by \$3 and if a scale for the service was, say, \$20, in the old days

MR. ROBERTS: the government paid \$18, or 90 per cent of the scale. The government have now reduced it by the budget to \$15, to 75 per cent of the scale, leaving the dentists a choice of either doing without or trying to collect the \$5 from the parents. So that is a 100 per cent increase, of course. Could the minister tell us what passed between the NDA and the Department of Health since the budget with respect to that matter, please?

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

DR. COLLINS: Mr. Speaker, I am sure this does not come as a surprise, but I know that the dentists were not enamored with the change, you know, I do not think they welcomed it as something very desirable, and I know they made some representations to the Department of Health expressing their displeasure. I am afraid at this stage I do not have at hand any details of the subject in how it was discussed with the Department of Health, but I certainly will, if the hon. member desires it, get at an early date a briefing, an updating, from the officials in the Department of Health and bring back any information along that line that I can.

I think it was clear that the dentists were not too happy with the change and they have made some representations to the department.

MR. ROBERTS: Mr. Speaker.

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

MR. ROBERTS: Mr. Speaker, before I ask a further supplementary, it is difficult to hear the minister although he is speaking in a normal tone of voice. There are some younger people outside or somebody outside the galleries, and it is difficult to hear unless we shout. Mr. Speaker, it does nothing for the decorum of the House for us to have to raise our voices in what is, so far at least, a very civil Question Period. Perhaps the attendants could be asked by Your Honour to try to keep the people watching the House, watching us perform, as quiet as possible.

I would ask the minister if he would -

MR. TOBIN: They are seated now.

MR. ROBERTS: My friend from Burin - Placentia West (Mr. Tobin) said?

MR. TOBIN: They have all been seated now.

MR. ROBERTS:

I thank him.

- Mr. Speaker, if the minister would undertake to get a statement for the House it would be much appreciated because I can tell him there is some considerable concern. I wonder if he would also undertake to tell the House, by means of a statement, or however he wishes, whether the officials of the Department of Health have offered any advice on this matter? Because my understanding is that there has been strong representation made to the effect that, if there had to be savings in the dental programme, this is precisely the wrong change to have made because it will have the undoubted effect of decreasing the number of children who come forward or are brought forward by their parents. I guess children do not come forward to the dentist under voluntary terms but are brought forward by

MR. ROBERTS:

their parents to the dentist for this work, and that the experience of the month, even since the budget changes were introduced, has confirmed this. I am asking the minister if he would take a briefing, and I understand and accept that he is not up to date on all these things, I would not expect him to be, but a briefing on it because there is a very serious problem emerging in that the children's dental programme has worked extremely well in this Province over the years, it has attacked what the minister, I know, would concur, is a major public health problem, and yet this particular change is a significant step backward and the results of the last month, since it has come in, are confirming it.

So I wonder if I could ask the minister when he addresses the issue if he would address these concerns as well.

MR. SPEAKER (Russell):

The hon. the Minister of Finance.

DR. COLLINS:

Mr. Speaker, as I mentioned, I certainly will get an up-dating on what transpired between the department and the dentists on this matter and any matter related to it. However, at this stage I just would like to make this comment, that when any service is decreased or changed or altered, obviously the practitioners of that service will become very agitated quite often, and will suggest things that will happen, and they do that honestly and, I am sure, out of real concern, but I think in many cases what one has to do is just listen to what they are saying; they are saying, We think this will happen, we suspect, or it will be that, and so on and so forth.

DR. COLLINS:

Now, as I say, they are often doing that out of real conviction and concern, but, nevertheless, they are not doing it out of fact, they are projecting into the future what their fears might be, legitimate fear, and no one is complaining about that, but they are, nevertheless, projections. And we saw that last year when government found it necessary to tighten up on health expenditures; we did not cut back on health expenditures, we just tightened up the amount of increase, and there were misgivings expressed by the medical profession on that. As a matter of fact, there were dire predictions made in some respects, when, in actual fact, none of those came about, certainly not to the extent that were projected.

Now, I am not criticizing people for making those projections because, as I mentioned, I am sure they make them out of real concern and probably out of real conviction. But, nevertheless, we do have to understand that these are projections. Unfortunately, I have learned that somewhat to my own chagrin, that projections do not often turn out the way that you think they might turn out.

MR. SPEAKER (Russell): Before I recognize another hon. member, it is a pleasure indeed for me to welcome two groups of students to the galleries today. First of all there are ten students from Grades VIII and IX and two adults from Lodge Bay, Labrador, which I understand is in the district of Eagle River.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: We also have in the galleries twenty exchange students from the Seminaire Ste. Marie in Shawinigan, Quebec. They are being hosted by twenty Grade IX students from MacPherson Junior High School who are enrolled in a French immersion programme, and these students are accompanied by Jean Marc Edwards and Diane Briard and I welcome these people, particularly the visitors, to the Gallery.

SOME HON. MEMBERS: Hear, hear!

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

MR. CALLAN: Mr. Speaker, I have a question for the Minister of Culture, Recreation and Youth (Mr. Simms). We note, of course, there was only one Ministerial Statement today so the election that we expected on the decision yesterday apparently will not be coming, but it is nice to have Ministerial Statements on the weekend, especially when they concern the whole Province. There are some people in the Province, of course, who have jobs and who have to plan their holidays probably several months in advance depending on where they work. Now there is some confusion, I think, Mr. Speaker, around the Province as to when exactly the rabbit snaring season opens. There is a large number of people who think that the rabbit season opens on the first of October. So I want to ask the minister would he confirm whether or not this is true or whether or not the law says

MR. CALLAN: that the rabbit season opens on the first Saturday in October, which I think this year is the sixth. It would make a lot of difference to someone planning their holidays. Would the minister answer that one?

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

MR. SIMMS: Mr. Speaker, I thank the hon. member for his question. I did raise it with me, I think, some weeks ago and in fact I had some communication from one of his constituents. I copied him on my reply to that individual. I am not sure if he has received a copy of it or not. My knowledge there is no change in the usual practise, which is to open the rabbit season the first Saturday in October.

where the confusion is coming from.

MR. CALLAN: Mr. Speaker, a supplementary.

MR.SPEAKER (Russell): The hon. member for Bellevue, a supplementary.

MR.CALLAN: There is confusion, Mr. Speaker, because the gentleman that the minister refers to was going to take his holidays starting in the first week, but then, when he discovered that it is not the first week but the first Saturday in October that the season opens, of course, it makes a lot of difference. On that same topic, Mr. Speaker, I think there is also a fair amount of confusion because a lot of rabbit snarers around the Province are of the misunderstanding - or as far as I am concerned it is a misunderstanding - that rabbit snaring is like lobster catching, that you can put your lobster traps out the day before the season opens, and a lot of people think that you can put out your rabbit snares the day before the season opens. Would the minister confirm or deny whether that is true or not?

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

MR.SIMMS: Mr. Speaker, my understanding is that if the law says you can begin rabbit hunting or snaring on the first Saturday in October, then I would suggest that that would be interpreted as meaning that you could not put out your snares until the first Saturday in October. If you do it before that, in my opinion at least, that would be illegal.

MR.CALLAN: Can you put them out the night before?

MR.SIMMS: After midnight, I guess, yes.

MR.SPEAKER: The hon. member for Bellevue.

MR.CALLAN: Mr. Speaker, last Fall in the legislature I asked the minister what his department

MR. CALLAN: was doing or planned to do about a situation , a troublesome situation, especially as it exists on the Avalon Peninsula where you have rabbit snarers and rabbit hunters with dogs. Of course, in my particular area this problem was blown up a bit recently when a beagle club was talked about being established in the Bellevue area. And the minister at that time, last Fall, in answer to my question, and I cannot quote him directly, but he said that officials of his department were studying the problem with a view to finding a solution. Perhaps the solution would be to designate certain areas for hunters with dogs only and another areas for snares only. Would the minister inform the House whether or not anything has been done about that problem, any decision taken?

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

MR. SIMMS: Indeed the problem is a serious problem. One that we acknowledge. I did have my officials do a internal study, if you wish, to see if there was any way to overcome the problem. It appears as if it will be really, really difficult to try to isolate certain areas for shooters and certain areas for snarers because of the long-time tradition that people have of snaring rabbits in particular. And it does not appear as if we are going to be in a position to do anything about that particular matter at this point in time. However, I would hasten to add and make the member aware of an announcement I made quite recently with respect to

MR. SIMMS: my intention to make public a green paper which will deal with management of big game and small game, deal with the licencing system that we presently use, a computer licencing system, and many, many other matters that are of great interest and concern to the people around this Province who have an interest in our wildlife heritage. And that will be one of the items that we will put in that green paper and we will invite public comment.

Most of the people that have made representations to me about that particular issue have not, unfortunately, been able to offer me specific suggestions other than general suggestions, which we have looked at but we are not convinced at this point in time would be a realistic solution to the problem. But I think the fact that we will make the opportunity available to the public to express opinions and suggestions to us in a green paper will perhaps help us find a solution to that problem and other problems that exist.

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

MR. CALLAN: Mr. Speaker, I have a new question for the Minister of Culture, Recreation and Youth. I refer to yesterday's questions that I asked the minister relating to the unemployment problems in this Province. Now the minister in his answer yesterday said that his department was not responsible for youth employment, or youth unemployment, however you look at it. But I refer, Mr. Speaker, to a statement issued Friday, August 5, last year, it was issued on August 5, it was on Friday, by the Minister of Culture, Recreation

MR. CALLAN: and Youth, and the minister was referring to the fact that earlier in the Summer, on June 12 actually, the Minister of Culture, Recreation and Youth, along with his colleague, the Minister of Labour and Manpower (Mr. Dinn), or Labour and Personpower, that they had both gone to Ottawa on June 12 and had met with Mr. Rompkey and also Mr. Axworthy, even though Mr. Axworthy could not make the meeting, but they submitted some proposals for 500 jobs for the young people in this Province and apparently nothing came of that. But the minister, on August 5, almost two months later, puts out a press release where he condemns the federal people for the high rate of unemployment among the young people in the Province, and, of course, gives no solution. In view of last year's experience, where the two ministers that I just mentioned tried to involve Ottawa in a cost-shared student employment programme that would have employed 500 students, in view of that not coming to fruition, let me ask the minister— and I do not care which minister answers it, the Minister of Labour and Personpower, or Culture, Recreation and Youth—

MR. CALLAN:

let me ask one of these ministers what programmes are planned for this year? Are there any proposals on the table to having something cost shared with Ottawa? What programmes of any kind are on the go for youth employment for this Summer?

MR. SPEAKER (Russell):

The hon. Minister of Culture, Recreation and Youth.

MR. SIMMS:

Well, Mr. Speaker, if the hon. member would permit I would just like to briefly address his preamble and then, again if the hon. member would permit, I would ask my colleague to deal with the question of plans. But just to deal with the preamble, if I might, with respect to that proposal we put forth last year, the reason I was involved in that was because the Minister of Labour and Manpower (Mr. Dinn) and myself were directed by Cabinet to put forth and present this proposal to the federal government, which we did, and unfortunately we did not receive a response to it.

And what I was saying in my answer yesterday to the hon. member's question related to the mandate of the Youth Services Division of the Department of Culture, Recreation and Youth, which is not one of involvement with respect to the creation of employment projects and things of that nature. That specific project was one that I was directed to present to the federal government by Cabinet specifically.

So, having addressed the preamble, may I seek the permission of the hon. member to refer the second part of the question to my colleague, the hon. Minister of Labour and Manpower?

MR. SPEAKER (Russell): Is it agreed that the hon. Minister of Labour and Manpower (Mr. Dinn) answer the question?

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: Agreed.

MR. DINN: Well, Mr. Speaker, the hon. member asked what federal/provincial programmes, I guess he means —

MR. CALLAN: Or totally provincial.

MR. DINN: - or totally provincial with respect to the creation of jobs for the youth of the Province. We have been sending correspondence back and forth between my department and the Federal Department of Employment and Immigration with respect to them participating in programmes for youth and general employment programmes in the Province similar to the type of programme that we had on the go last year, which hon. members will be aware of, called the NEED programme. We wanted, for example, the Canada Works monies that would be spent in the Province this year to be possibly even cost shared with respect to employment similar to the NEED programme, because the programme last year spent something like \$30 million and the programme was assessed by a federal committee and the federal committee indicated that that programme was the best make-work type programme that we have ever had in the Province of Newfoundland and Labrador.

SOME HON. MEMBERS: Hear, hear!

MR. DINN: Not only that, the assessment was done across Canada. So out of that assessment, having read that assessment and agreeing with most of what it said, we

MR. DINN: held a federal/provincial conference in New Brunswick several months ago, at which conference I asked the federal minister if a programme similar to NEED, using Canada Works money or additional moneys, would be put forward in the country this year. The federal government indicated quite clearly that they were not willing to participate with any province with respect to cost-sharing in job creation, and I thought that was a very disappointing thing.

Now, the federal government have provided moneys for 1984 - 1985 for job creation and the moneys, specifically, are in Canada Works. This Province has been allocated \$28,131,000 -

MR. CALLAN: For Canada Works?

MR. DINN: For Canada Works.

MR. CALLAN: No, for Young Canada Works.

MR. DINN: No, for Canada Works. The LEAD programme provides \$9.9 million; the Career Access programme, Job Core and Summer Canada provide \$5,800,000, \$2,207,000 and \$532,000. As I said, the unfortunate thing about these programmes is that there is no consultation or communication or assessment done with any of these programmes, nor is there any input by the Province for the spending of any of these dollars, even though we had a programme last year where we did have some say in the operation and the programme was assessed to be the best programme that was ever put off by Canada Manpower or Canada Employment and Immigration in the country. So there is no cost-sharing on those, nor will the federal government permit us to cost-share in these programmes. That covers the federal part of it.

The provincial government, through the different departments, is providing quite a

MR. DINN: a lot better than the NEED programme which was assessed to be a very good programme. So it is very difficult for this Province, with the few dollars that we have, to just pinpoint different sectors of society when we know that in that particular programme, where we had a few dollars the success of the programme was such that if we had a few dollars we have to put it in areas where it will do the most good. I have to compliment my colleague the Minister of Social Services (Mr. Hickey) for the success that programme has had.

The other thing, to my surprise, was that we were not able last year to get cost sharing for those dollars spent in Social Services on job creation; we were not able to get cost sharing with the federal government on the \$9 million that we did spend. And at the conference in New Brunswick I found out, to my surprise, that Quebec was the only province in Canada with a similar programme to the programme my colleague had, on which he spent \$9 million and could not get cost sharing, but Quebec allocated \$60 million and got \$60 million cost sharing from the federal government under CAP - the Canadian Assistance Programme - the minister's home province. So it is very, very difficult for this Province, it seems, to get any fairness or equity from the federal government at this point in time. And I do not think it is just isolated to this Province; I think there are some other provinces that have the same sort of problem with the federal government. As I say, the Social Services Department had \$9 million - with federal participation it should have been \$18 million - and under the criteria it was probably the best job creation programme in Canada. In Quebec, where they put \$60 million in, they had another \$60 million thrown in by the federal government under CAP, through Health and Welfare Canada.

MR. SIMMS: What was their explanation?

MR. DINN: There was no explanation. A brochure was put forward at the meeting by the Province of Quebec, and the other ministers went into a state of almost

MR. DINN: shock because they knew nothing about it, and to requests that other provinces had made to the federal government for cost sharing, as my colleague did, they just said, 'No, we are not cost sharing these programmes.' So, you know, we would like to cost share programmes, we would like to be able to have the dollars available to go it alone but we do not, we would like

MR. DINN: to be able to cost share but we do not seem to be able to get fairness and equity from the federal government for any job creation type of programmes.

MR. SIMMS: A good answer.

MR. CALLAN: Mr. Speaker.

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

MR. CALLAN: I thank the minister, Mr. Speaker, for his answer. I cannot debate it but I know how he feels and I know the experience of unfairness and inequity. You know, last year, for example, four students were hired for Jack's Pond provincial park in my district and did those four students come from the district of Bellevue? No, they came from Conception Bay. So I know about unfairness and inequity. I know about the problems that this government has with Ottawa. What the reasons are, of course, is another question. But in the three or four minutes that I have left, Mr. Speaker, I want to ask the Minister of Development (Mr. Windsor) a new question. I want to switch from rabbits and moose and youth unemployment to the American Hockey League. We are all very interested in hockey at this time of the year and some of us are disappointed that Montreal lost last night and some of us are happy, especially on the government benches.

Mr. Speaker, last September, as the Minister of Development will recall, there was a hockey tournament held in St. John's, called the Sealers Challenge, involving four teams from the American Hockey League, the AHL. One of the four teams was called the Moncton Alpines, which was a farm team of the Edmonton Oilers, who are going to win the cup this year, it looks like. At the time, last September, there was considerable speculation of St. John's getting the franchise in the AHL for the 1984/85 hockey season. However, for this to happen, of course, there had to be costly renovations

MR. CALLAN: what studies or reports are forthcoming from the minister's department regarding the AHL?

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

MR. WINDSOR: Mr. Speaker, yes, I remember the Sealers Challenge very well, I, in fact, attended one game and have a fine pair of seal skin boots, made locally, which I bought while I was there to prove it.

Mr. Speaker, as it relates to the possibility of a franchise, obviously that is a commercial venture which, if it is viable, if it is commercially feasible may indeed go ahead, and I understand there is a group of local citizens who have been looking at that. No formal approach has been made to my department. I understand my colleague may have had some preliminary discussions with them, but there have not, to our knowledge, been any formal approaches made requesting funding. We could only, obviously, consider that once we have seen the projections of the private group. Once we have seen the projections of the private group, once they come forward with their information as to what revenues they would be able to generate, and what assistance, therefore, might we require in order to make it a viable venture, we then would do a normal financial assessment as we would do with any development opportunity, to decide whether or not that is a viable venture on its own, or if it would require government assistance, and then, in fact, if that government assistance is of a level which can be justified, based on the rate of return that would come to the Province from this venture proceeding. So once we get that kind of an approach, we would certainly be happy to look at it.

MR. SPEAKER: Time for the Question Period has expired.

ORDERS OF THE DAY

Motion, the hon. the Premier to introduce a bill entitled, "An Act Respecting The Award Of Bravery", carried. (Bill No. 25).

On motion, bill No. 25 read a first time, ordered read a second time on tomorrow.

Motion, the hon. the Minister of Health to introduce a bill entitled, "An Act To Provide For The Registration Of Psychologists", carried. (Bill No. 30).

On motion, bill No. 30 read a first time, ordered read a second time on tomorrow.

Motion, the hon. the Minister of Mines and Energy to introduce a bill entitled, "An Act To Amend The Quarry Materials Act, 1976", carried. (Bill No. 29)

On motion, bill No. 29 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): Motion 2. Yesterday I recall the Minister of Finance (Dr. Collins) spoke for a couple of minutes.

DR. COLLINS: Question!

MR. CHAIRMAN: Is it the pleasure of the House that the -

MR. ROBERTS: Mr. Chairman, does not the minister wish to speak?

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

MR. ROBERTS: Speaking for the entire Opposition, Mr. Chairman, I know I speak for all of them without any fear of contradiction at all, I am not sure the minister addressed the point which we raised yesterday, so I would ask him to address it briefly again. The ad valorem tax has been lifted from the tobacco products, we talked about that yesterday and the Committee approved it, but the tax on gasoline of course is still an ad valorem tax. All that this measure does is reduce it in two areas of the Province, those areas contiguous to the Province of Quebec. And the government have decided to reduce it in those areas and the people there welcome it I am sure.

But, Mr. Chairman, the question remains of the wisdom of the ad valorem tax as a method of raising taxes on consumable items such as gasoline or tobacco. We have ad valorem taxes - the RST is an ad valorem tax, the income tax is ad valorem - but traditionally, on gasoline and such like, we have levied fixed taxes, taxes at determinable amounts. We have gone back to that now in the case of tobacco, we have not in the case of gasoline. I wonder if the minister could tell us briefly, or whatever length he wants, subject to the rules, of course, whether he proposes to make some

MR. ROBERTS: change in the future, whether the matter is under review, or whether he is satisfied with this method now.

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

DR. COLLINS: Well, Mr. Speaker, I am sure it does not come as a surprise to the hon. member or members of Committee that I do not like taxes. I do not think anyone likes taxes. We would all be glad to reduce them or even eliminate them if it were ever possible. In this particular regard there did seem to be a special problem - this is referring to the tobacco tax - there did seem to be a special problem there. The ad valorem mechanism was really causing almost a ridiculous situation, as I mentioned yesterday, one was piling on top of another and that the actual level in cents being collected on a cigarette was really getting out of hand and we had to put a stop to it. And my understanding is that other jurisdictions are coming up against the same problem. I do not know if other jurisdictions have switched over from the ad valorem to the straight tax or not. Now I have an impression that at least one did, but I may not be totally accurate in that. But I know that the problem has been discussed by other jurisdictions and if they have not done it I very, very strongly expect that some of them will find a necessity to do what we have done. Now, there was

DR. COLLINS: a particular problem there so that is essentially why we dealt with that. And, of course, there was this extra thing in Labrador where cigarettes were, shall we say, an attraction to go elsewhere and purchase other things to the detriment of businessmen on our side of the border.

In regard to gasoline, I suppose you might say, well, if you do it for tobacco you should have done it for gasoline. The only thing is the gasoline problem, the level of taxation on gasoline had not got out of hand. Our revenue take on gasoline in this Province is not that much out of line with other provinces. As a matter of fact, I think some other provinces, I believe it is PEI -

MR. ROBERTS: How do you determine when it gets out of hand? By dollars per capita or cents per gallon or what?

DR. COLLINS: Well, what I am saying is that the amount of tax we exact on a litre of gasoline, for instance, is not that much different from what other provinces are getting. As a matter of fact, I am pretty sure it is PEI which has a considerably higher gasoline tax than we have, so our ad valorem tax on gasoline has not caused the problems, the sort of ridiculous situation, I will term it that, that the ad valorem tax on tobacco had caused, and for that reason we decided to leave the gasoline tax alone. It had not caused significant problems and, secondly, I am afraid that our needs for revenues were such that we felt we could only reduce taxes at this stage where there was an urgent necessity to do so. We did decide that in the tobacco situation there was a real necessity to do so because the thing was silly almost.

DR. COLLINS: In the Labrador West situation we felt there was an urgent necessity to reduce taxes because it was harming local business activity up there. But in other respects, even though it was not desirable to have such a level of taxes, they were not causing the problems that we were finding in those other two areas, and our need for revenues were such that we felt that we could not move on it.

MR. ROBERTS: Mr. Chairman.

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

MR. ROBERTS: Thank you, Mr. Chairman.

I appreciate the minister's answer and I will take it for what it is worth. I wonder if the minister could indicate to the Committee, and perhaps we might ask it as well in respect of the tobacco tax what it is going to cost, in his estimate he must have an estimate, to lower the tax rates in respect of the two areas of Labrador? Because, of course, it is not simply the Western Labrador area. In the case of cigarettes, I believe it is both Western Labrador and Southern Labrador. I do not have the bill in front of me - and in case of gasoline and there is an important distinction, it is only Southern Labrador, the area really served by the road. The road begins at the Black Rocks in what is now Eagle River district - for a while it was part of the district which I represent. The road begins at the Black Rocks, which is just on the Newfoundland side of the border, the first Quebec community is Blanc Sablon, and the first Newfoundland-Labrador community is L'Anse-au-Clair, and the road goes up as far as Red Bay, about thirty miles, whatever that works out to, I guess fifty kilometers.

MR. ROBERTS:

So the people who live in that area will be exempted from paying the gasoline tax and there is a lot of merit in that. Our tax is unconscionably high and the Quebec one is significantly lower and, I guess, gasoline knows no nationality, it knows no border. It is like a rabbit or a moose. We have the problem with the caribou down in Northern Labrador that do not realize they are crossing provincial boundaries. Is it the George River herd it is called? And, of course, that leads to negotiations and discussions with Quebec. I wonder if the minister could

MR. ROBERTS: tell us, Mr. Chairman, please, what his estimate is of what it will cost to implement this exemption which I think all members of the House are supporting? And, growing out of that, can he tell us what it will cost - this is a little beyond the bounds of order, but I hope Your Honour will allow me to ask and allow the minister to answer - what it will cost to implement the cigarette tax exemption? And, could he tell us as well why the gasoline tax exemption is extended only in respect of Southern Labrador and not in what we shall call Western Labrador, the area in the district of Menihek, the communities of Wabush and Labrador City which, of course, are connected by road with the Quebec community of Fermont. And I assume Fermont has gas, and I assume you can buy gas in Fermont for less than you can buy it in the Province of Newfoundland and Labrador at Labrador City and at Wabush. So I notice we are not making an exemption in respect of gasoline tax for the people who live in Labrador City and Wabush. We are making it in respect of the tobacco tax, as I recall it.

I wonder if the minister could address those two or three questions, please, Sir?

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

DR. COLLINS: Mr. Speaker, we only have ballpark figures for how much it will cost because, you know, habits could change because of these changes, that is, consumption habits could change and so on, but we estimate that the gasoline change in Labrador West will be a very minimal cost, something of the order of between \$30,000 and \$50,000 a year.

MR. ROBERTS: The gasoline tax change does not apply to Labrador West.

DR. COLLINS: No, just Labrador South.

MR. ROBERTS: Okay, you said Labrador West, you meant Labrador South.

DR. COLLINS: Labrador South, I am sorry.
I will go into why we are just doing Labrador South in just a moment.

MR. ROBERTS: Sure.

DR. COLLINS: Really there is quite a minimal cost, it is a ballpark figure but we estimate it likely will not cost us much more than something of the order of \$50,000.

Now, in tobacco, we estimate that it will be somewhat more costly, but probably not in excess of \$500,000, and the tobacco tax, as the member mentions, the change there will apply not only in Labrador South but also in Labrador West. as well.

The reason why we did the tobacco tax in both areas and the gasoline in just Labrador South was purely a logistical one, shall we say, because if you are in Labrador West and you want to buy cigarettes, you can go over there and you can buy cartons, shall we say, and bring them back. Now, strictly speaking, you should not bring them back without notifying the minister that you are bringing them back and paying the tax on them but, I mean, in practical terms, let us face it -

MR. ROBERTS: You would need an army of policemen to search every vehicle.

DR. COLLINS: Yes, you would really have to set up border guards and everything.

MR. ROBERTS: The same as liquor, there is no way to ever stop people from bringing in liquor.

DR. COLLINS: It is just an impossible situation to do anything about that. But that is possible, people

DR. COLLINS: can go over there and buy a large amount of cigarettes and bring them back. Now, it is not likely that they would go over and bring back large amounts of gasoline because it is much more difficult to transport and, certainly, if anyone went over with a tanker and brought back gasoline, they might get away with it once or twice, but, sooner or later, word would get out and we would do something about it.

The other point is that it really is not good sense financially for a person to drive his car from Labrador City - Wabush over to Fermont and fill up because he is going to use so much gas getting over there and so much gas getting back that the benefit to him is minimal. So we felt that there would not be much traffic in that way. And again, we were a bit Scrooge-like, I suppose, we might have given them that relief, but we said, we do not have to give them that relief and we need the money, so we will not give them that relief. That is what it came down to.

MR. ROBERTS: Mr. Chairman.

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

MR. ROBERTS: Thank you, Sir, and again I thank the minister. I must say, I agree with his comments. It is, as I recall, eighteen kilometers from Labrador City to Fermont and if you saved, say, two or three cents a litre, you would burn up at least that much in going back and forth, as he says, whereas in the case of Southern Labrador, it is only a couple of miles from L'Anse-au-Clair up

MR. ROBERTS: the hill, across the Black Rocks and down into Blanc Sablon. Let me turn to another aspect of the gasoline tax. The yield from the tax this year is estimated by the minister in Statement 2, which is part of the budget papers we have been given, as being \$67.6 million. The revised estimate from the 1983 - 84 FY, the year which ended on 31 March, was \$65 millions, and I think that is probably a pretty good guess, those figures were probably put together at the end of February or early in March, the gasoline tax comes in on the fifteenth of the month, and we probably had ten month actuals, maybe even eleven months actuals, so the number \$65 millions is a pretty accurate estimate of what in fact the tax yielded during the 1983 - 84 fiscal year. Now I did not bring my handy-dandy little calculator here, but the minister, I have no doubt, will recall the devastation I wrought on his budget last year with my handy-dandy little calculator on the sales tax, but \$2.6 millions on \$67.6 millions is about 3.5 points, about a 3.5 per cent increase, and I assure the minister the numbers are close enough to correct. I wonder if he could tell the Committee, Mr. Chairman, why he is estimating the yield of the gasoline tax going up 3.5 per cent? The yield is directly related to the number of gallons, so there must be a methodology behind it. And let me also, since we are talking about the tobacco tax, the yield on the tobacco tax is down marginally, from \$42 millions to \$41.8 millions, that is \$200,000 on \$42 millions, that is a little less than .5 per cent. So we are talking in one case a flat yield, a little flatter than flat, 99.5 per cent as against 100 per cent last year, whereas in the case of the gasoline tax we are talking 103.5 per cent this year as opposed to 100 per cent last year. I wonder if the minister can tell us how we come by these numbers? Let me say, Mr. Chairman,

MR. ROBERTS: briefly that the revenue figures are the part of the budget to which little attention is paid as a rule but of course they are the heart of the whole process. The estimates of expenditure are relatively straightforward; the government decide what programmes they are going to fund and what expansions they are going to allow, if any, what new programmes they are going to bring in, if any, and then the rest flows fairly automatically. The wage rates are set, the interest rates that we have to pay on our debt is beyond our control, and so forth, but these are not

MR. ROBERTS: matters of the Cabinet need tangle with at any great length other than to ensure that adequate systems are in place to make certain that the amounts requested by the departments to operate and to continue offering services and programmes are the minimum necessary amounts to provide the desired level of service. It is the revenue estimates that cause the problems, and I do not mean tax increases because they cause their own problem. Last year, as the minister will concur - and I am not going to go into the reasons, he and I differ on that; let us put that aside - it was the revenue estimates that got us into trouble on the budget. And the reason why, at the end - I think we had four budget statements during the year; the main one, and then a second, third, and fourth attempt, as I recall - was the revenue yield which gave us the trouble in that they were significantly below the projections in the budget. So that is why I want to raise these two, because we are talking about them this morning and again yesterday afternoon: Why the difference in the yields? There is a methodology, I am sure, but I do not know what it is. Why bother speculating? The minister is here, so let he ask him why in the case of the gasoline tax we are expecting a 3.5 per cent yield whereas in the case of the tobacco tax we are expecting .5 per cent diminution? I am not suggesting that gasoline and tobacco are related one to the other, obviously they are not, but what are the formulas we are using to calculate these?

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

DR. COLLINS: Mr. Chairman, yes, as the member says some of the revenue projections last year were off and, of course, we have gone into that extensively over previous months. At this point I would just recall, though, to the Committee members' minds that our revenue comes from two sources, federally collected sources and provincially collected

DR. COLLINS: sources, and we do provincial projections on what we collect and the feds do projections on what they collect. And our margin of error was about the same. I think the amount we were off at the end of the year, half of it was due to our projections being off, half due to the feds being off. And it was just that that was a year when it was very difficult to make accurate projections, things were very volatile. You know, I am happy about this, but one of the things that caused the difficulty was the drop in the inflation rate. Because if your inflation is high, you know, really your revenues are high; if your inflation goes down, your revenues on a commodity tax base go down.

MR. ROBERTS: (Inaudible) progressive feature of the income tax.

DR. COLLINS: Right.

MR. ROBERTS: I generally am right.

DR. COLLINS: But these things are desirable, it is desirable to have inflation come down but, nevertheless, it does put one's projections off.

Now in the specific question here, in recent years we have improved, at least personnel-wise, our ability to project. I do not know if one can point to results, to actual facts and figures, and get confirmation of what I am going to say now, but certainly from a personnel point of view we have improved our fiscal policy capability. We have a large number of people there and we have, I think, improved the classification of the people in fiscal policy, and this whole effort was to try to give us a better handle on our revenue projections. The means to do that is available, I could certainly get the actual formulae. I have seen them, unfortunately I do not have the actual formulae with me just now but I can get them. On the gasoline tax there are

May 4, 1984

Tape 1296

PK - 3

DR. COLLINS:

factors. One did not take off the ad valorem so we will see some increase in the actual cents per litre that we will get as the year goes by because, undoubtedly, there will be some change in the base and therefore there will be some change in the cents we get per litre. That is one factor.

The other factor was the recovery from the recession. One of the striking things about it was

DR. COLLINS: the increase in motorcar sales, in automobile sales. And these two factors together are going to lead to greater gasoline consumption in this coming year. That is what our projects say, and that is why there was an increase in the gasoline tax revenues whereas there is not the same increase in tobacco revenues because we do not anticipate that there will be that increase in the consumption of tobacco products. But there will be an increase, that is our project. in the gasoline tax yield both from the point of view of consumption, because there are going to be more motorcars around, and secondly, there will be some increase in the actual cents per litre that we get because of the retention of the ad valorem mechanism.

MR. ROBERTS: Mr. Chairman.

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

MR. ROBERTS: Mr. Chairman, I think we have probably taken the matter as far as we can. I wonder if I could take the minister up on his offer. I do not know if he wants to table them. I suspect the formulae would be of crashing indifference to many of our colleagues in the House, Sir, although I know Your Honour would take them home and spend the weekend reading them and comparing them. If the minister wishes to table them, of course, that is up to him, but if he decides that that may not be necessary, would he be kind enough to send them to me. I assume they are standard formulae, I do not want to know anything that I should not, just standard formulae. Perhaps he could give me some indication as to whether the formulae - that is a-e for the benefit of my friends in Hansard - which we use for these purposes are comparable to those which are used across the country.

Let me just say as well, if I recall correctly, the senior officials directly responsible

MR. ROBERTS: for fiscal policy is Mr. Edward Power, who, I believe, is the Assistant Deputy Minister (Fiscal Policy), and I would certainly second the minister's words of commendation. Changes in the Department of Finance began back in the late '60s, I think. Denis Groom came in as Deputy Minister and changes began to be made, Victor Young came in, David Mercer, Ed Power, in fact, worked with the department, then, I believe, went off with DREE, if I remember correctly, and had a spell in private industry as a consultant.

DR. COLLINS: He was with the Conference Board of Canada.

MR. ROBERTS: The Conference Board of Canada?

DR. COLLINS: Yes.

MR. ROBERTS: I did not know that. I obviously have not read his CV recently. But there is a nucleus of absolutely superb officials - David Norris, who is now the Deputy Minister of the Finance Department; Gilbert Gill - and they started coming in in the late '60s and over the '70s they rose up through the system. And I think from time to time it is entirely appropriate for us in the House to take note of the fact that the public service has become much more professional over the last fifteen years. It began in the late '60s, really, with the creation of what has now become the modern Treasury Board, and I think it is very much to the good of the Province. The ministers are responsible, of course, to the House and to the people of the Province, but in the long run any minister's ability to make sound decisions, Mr. Chairman, will be very directly related to the quality of the advice which they get, and I have no doubt they are getting better advice.

MR. ROBERTS:

I am not sure the decisions are much better but that is a political quarrel. But I think it is entirely appropriate of the minister to point out the fact that the capability has been improved and I would like to second that. I will wait to get the formulae, I will tell the minister now I will put some of my own friends to work. He might be surprised to know who some of my friends are who do these things for me from time to time. So I will put some of my own friends to work and perhaps produce some interesting information there. I would be grateful if he would let me have the formulae, we could carry on from there.

I think, speaking for my colleagues, Sir, we are prepared to let the resolution go through the Committee unless of course the minister or somebody else wants to speak.

DR. COLLINS: By acclamation. By acclamation.
Motion, that the Committee report having passed the resolution and a bill consequent thereto, carried.

MR. ROBERTS: (Inaudible) resolution.

MR. CHAIRMAN (Aylward): We ordinarily do both and then it is read three times from the Chair when it comes up.

MR. ROBERTS: Our finance procedure is passing strange.

MR. CHAIRMAN: Motion 3. We are discussing the resolution pertaining to The Income Tax Act, Bill No. 5.

RESOLUTION

"That it is expedient to bring in a measure to amend The Income Tax Act.

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

DR. COLLINS: Mr. Chairman, the budget also contained another great forward thrust in terms of the corporate income tax rates and, very briefly, what we have done, we have sought to encourage business activity in the Province which to a very large extent is in the small business segment of the business sector. There are many, many more small businesses in the Province than there are large businesses. There are many, many more people employed with small businesses even if you take such large operations as paper mills and so on and so forth. And we felt that we would try to give a signal but also probably even some actual encouragements to the small business sector by reducing the corporate income tax rate which they pay.

Now I am sure that the criticism can be raised, well, many businesses are not profitable therefore this is not going to help them. That may be so in particularly bad times. But hopefully times will improve and even the small businesses which are not now profitable, and therefore could not conceivably benefit from a reduced tax rate if they are not paying any taxes, but hopefully these small businesses will become profitable and they will get some benefit from this reduction.

The rate now will be 10 per cent as opposed to 12 per cent, and that puts us very much in line with other provinces. As a matter of fact, the information I have is that there are only three provinces which will be less than that, New Brunswick has a 9 per cent rate, Alberta, of course, is always a bit of a standout in this regard, they only have a

May 4, 1984

Tape No. 1298

NM - 3

DR. COLLINS: 5 per cent rate, and BC has an 8 per cent rate. But all the others, with the exception of Quebec - I am afraid I do not have any information on Quebec -

MR. ROBERTS: They collect separately.

DR. COLLINS: Well, they collect their own tax.

MR. ROBERTS: The same as Alberta, they collect their own tax.

DR. COLLINS: They do now, yes, in the corporate tax area. But all the others,

DR. COLLINS: P.E.I. and Nova Scotia, Ontario, with the exception that they are having a tax holiday in Ontario.

MR. ROBERTS: There is an election coming up there.

DR. COLLINS: But it is a time-limited holiday.

MR. ROBERTS: Until the day after the election.

DR. COLLINS: But if we discount that, they have a 10 per cent rate, Manitoba has a 10 per cent rate, Saskatchewan has a 10 per cent rate. So our small business corporate tax rate will be in line with the majority of Canadian provinces now, whereas previously we were a bit out of line, we were 12 per cent, we were the only province which was at 12 per cent.

So, Mr. Chairman, I think that this is a positive move. I think that it will help to encourage an air of confidence in the business sector, which is very highly desirable. The budget also contained other measures to do the same thing, both from a capital expenditure point of view to help out economic activity, and also certain grants and so on, particularly through the Department of Development. All these together, I think, will enhance a sense of confidence so I would commend this move to the Committee and I move the resolution.

MR. ROBERTS: Mr. Chairman.

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

MR. ROBERTS: Mr. Chairman, I think it should be noted for the record that the member for Conception Bay South, I have no doubt it is a harbinger of things to come, is playing John The Baptist, but if he

MR. ROBERTS: gets asked to a dance he should be very careful. There he is sitting in a seat that is, of course, always assigned to a minister, and I think we should note that with pleasure. It would not be appropriate, in a procedural sense only, to move a resolution putting the House as solidly on record as saying that the member for Conception Bay South (Mr. Butt) ought to have been in Cabinet a long time ago, that if talent and loyalty and judgement and diligence were a reward, he would indeed have been in the seats of the mighty. But, of course, as we all know, that is not the case, he is not, and when he looks around we see that talent and diligence are not rewarded, are not a prerequisite for being in the Cabinet. So I say to my hon. friend that I hope he makes it into the seats of the mighty, that he rises from his present high eminence to even higher eminence of being the honourable, and I wish him joy.

But I understand earlier, Sir, he was down on the eighth floor trying out the seats around the Cabinet table, I have no doubt he has one picked out, as well, down there.

MR. PATTERSON: The teachers are going to draft him for education.

MR. ROBERTS: Well, now, I say to my friend from Placentia district (Mr. Patterson), it may well be the teachers are going to try to draft my friend from Conception Bay South for something. I understand they want him to be the guest of honour at a public function and the NTA are supplying the tomatoes for the function. It is like the fellow who did not want to admit - he had to fill out a pedigree for some reason or another - that one of his ancestors had been hanged for sheep stealing.

MR. ROBERTS:

I think most of us, if that had been the case, would have been quite proud of the notoriety, but he put down that his father had been killed by an accident while attending a public function when the platform collapsed, a literally truthful statement.

Mr. Chairman, the minister, for once, is correct when he says that this move which he asks the Committee to endorse is a wise one, and we on this side are prepared to lend our overwhelming support to it. It should be noted that there are eleven, counting Your Honour, eleven members in the House, which shows the

MR. ROBERTS: enthusiasm that is gripping the people of this Province at the progressive nature of this government's legislative programme. There was a meeting last night in Northeast Crouse in my constituency to commend the government. Unfortunately there was nobody there because there is nobody living in Northeast Crouse, but the meeting went ahead. The fact is that attendance in the House today is not so overwhelming, but I know though that those who are not with us physically are with us in spirit, some in spirits, I have no doubt, as well.

 Mr. Chairman, the only problem with this bill is one which grows out of the economic situation. All this bill does is reduce the corporate tax that is collected; at least it is payable and we assume it is collected and if it is not there is trouble. It reduces it from the twelve points of corporate income which was formerly the case to the ten points which is now to be the case. And, of course, on top of that there is a federal corporate tax. It should not be thought by anybody that a corporation taxable in Newfoundland has to pay only 10 per cent or 12, as the case may be, of its net corporate income, after allowable expenses are taken off, only has to pay 10 or 12 per cent to the tax collectors, to the Pharisees, the modern-day Pharisees. In fact, of course, there is a federal corporate tax which is payable on top of that. And to confuse the thing further, the 10 per cent of the corporate income, if you have to pay, Your Honour, is 10 per cent of your corporate income. Whereas when we come to look at the provincial income tax it is a percentage of the federal income tax. This is

MR. ROBERTS: not. This 10 per cent here is 10 per cent of the corporate income. So this will benefit any taxable corporation in Newfoundland that has taxable income. And I have no doubt there is a number, perhaps a large number, but and this is the important but, there are not as many as there should be. Business in Newfoundland has paid a very dear price these last two or three years for not only the incompetence of the administration economically, they are not entirely responsible, and I would not pretend they are, for the economic downturn in the Province and throughout Canada, the Government of Canada is certainly responsible in some measure, and a large part of it is beyond the control of any administration, be it here, be it in Ottawa or be it wherever. But we have seen a great deal of economic incompetence on the part of this government and it shows. My friend from Gander (Mrs Newhook), before she entered this type of elected politics, but while she served in elected politics as the mayor of Gander, elected-what? -twice, as I recall it.

MRS NEWHOOK: Four and a half years.

MR. ROBERTS: Four and a half years but elected twice as mayor of Gander?

MRS NEWHOOK: Only once.

MR. ROBERTS: Only once?

MRS NEWHOOK: For an extended period.

MR. ROBERTS: Well, in any event she was elected by her fellow citizens in Gander and they were glad to extend her and glad to send her in here to the House as they have on two occasions. But, Mr. Chairman, the lady, before she became a member of the House and a minister and devoted her full time to that, ran a business in Gander, a

MR. ROBERTS:

very successful business, which I would think is the epitome of a small business. They may have done a very large volume, may have made very large profits; for the honourable lady's sake, I hope so.

MR. TULK: The best automobile parts person in the Province.

MR. ROBERTS: I second what my friend from Fogo says, the best automobile parts dealer in the Province.

MR. TULK: She could make a Ford out of a Chrysler and a Chev.

MR. ROBERTS: She could make a Ford out of a Chrysler and a Chev? Why, then, can she not make a success of this government's municipal policy?

MR. TULK: Well, I think it is because of what happens here.

MR. CARTER: Pure dirt!

MR. ROBERTS: Speaking of pure dirt, in comes the member for St. John's North (Mr. Carter).

I am here praising the lady from Gander (Mrs. Newhook), and deservedly praising her. She deserves it, she merits it, she has earned it and she is worthy of it, and what do I get? I get the gentleman from St. John's North advertising himself by saying, 'Pure dirt!'! Never was there a man so given to 'self-advertisement as the gentleman from St. John's North and never; to paraphrase Churchill, has so much been said by one man about so little, as what the hon. gentleman from St. John's North says about himself.

SOME HON. MEMBERS: Hear, hear!

MR. TULK: Even Ray Baird laughs at that!

MR. ROBERTS: I say to my friend from Fogo (Mr. Tulk), the member for Humber West (Mr. Baird) has a

MR. ROBERTS: very good sense of humour.
He is a little twisted at times in his political thinking
but that is neither here nor there.

MR. BAIRD: It is the subject I am trying
to focus on.

MR. ROBERTS: Mr. Chairman, the hon. gentleman
looks, I do not know what he focuses on, but knowing some
of his habits, I doubt if he is focusing very much most
of the time!

SOME HON. MEMBERS: Hear, hear!

MR. CARTER: Would the member permit a
question?

MR. ROBERTS: I would gladly permit a question
if my friend has one.

MR. TULK: Oh, there he goes!

MR. CARTER: The question I have for him
is, since he is so rarely in this House, why is his
attendance so regular these last couple of days? Because
he has been most notable for his absence throughout this
session and when he does come, he does not come in until
quite late in the day. But now, not only has he been in
every day for the last couple of days, but he has been in
all day and, furthermore, he has been in the Chamber all
during that time. I think this is remarkable and certainly
deserving of comment.

MR. BAIRD: A chamber is a good place for him.

MR. ROBERTS: Mr. Chairman, I want to thank my
hon. friend. He is the only one I know who believes that
being a member of the House means you have to sit in the
House but, of course, that is all he has ever done.
I want to thank him, and I tell him the reason I have
been here so much this week is the thought that he will
be here, and it is Springtime. 'Spring is here, the grass

MR. ROBERTS: is riz/I wonder where
John Carter is?' - you know, that is the reason why.

MR. TULK: It is not time to sow savory!

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: He is irresistible! Obviously,
as my friend from Fogo reminds me, it is not time to
sow savory yet. In fact, the member for St. John's
North (Mr. Carter) has broadened his horizons -

MR. TULK: Oh?

MR. ROBERTS: - he is now into sweet basil,
thyme, he is a very herbaceous fellow! He is an
herbivore! He is herbivorous! I hope the ladies in
Hansard are able to tangle with that one, I would not
want to have to!

Mr. Chairman, now that we
have disposed of the member for St. John's North, the
one we call 'Savory John,' let me come back briefly to
the whole point of the resolution.

The problem is that too many
small businesses in Newfoundland - and my friend from
Gander (Mrs. Newhook) would have to concur with this -
are not making any taxable income at all, and if they
are making any taxable income, they are not making
enough even to generate the cash flows that would enable
them to carry on.

MR. ROBERTS: Business after business in this Province has experienced serious financial problems. In fact, it is all but impossible to find more than a handful of businesses in Newfoundland, the small businesses which, as the Minister of Finance (Dr. Collins) rightly says are the motor of economy, it is hard to find any or more than a handful that are in good financial shape. That is partially a matter of the taxable income they generate but also, as more and more people are coming to realize, it is a matter of cash flow. You have got to have enough cash coming in to meet the bills. If you are the government it is simple; You whistle downstairs to the Bank of Montreal and you get a further loan, I do not even know what the government's line of credit is now - \$20 million, \$30 million, \$40 million? But a small businessmen, comes Friday, or comes Friday week and he has got to meet his payroll, or the fifteenth of the month he has got to send in his gasoline tax, or the twentieth of the month send in his RST, or whatever day the federal withholding taxes are due, or his suppliers are expecting some money in return for their supplies or whatever. Now he has got to make sure he has enough cash on hand to cover the bills, to cover the cheques, and the problem with this measure, the problem with all of these measures is that they do not address the real issue. Now the federal government have made a number -

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

MR. ROBERTS: Well, then I will sit down and I will carry on again in a minute or two.

SOME HON. MEMBERS: By leave.

MR. CHAIRMAN: Does the member have leave?

SOME HON. MEMBERS: By leave.

MR. CHAIRMAN: The member has leave to continue.

MR. ROBERTS: I take it I have overwhelmed them with my eloquence and by the force of the argument, and the fact that nobody over there is more than comatose at this hour of the day and therefore does not want to speak. Thank you, Mr. Chairman.

MR. BAIRD: John Carter did not take it away.

MR. ROBERTS: John Carter did not take anything? What did he not take away, I say to the hon. member?

MR. BAIRD: Leave.

MR. ROBERTS: Well, if my hon. friend from St. John's North (Mr. Carter) wishes to speak I can only carry on by leave of the House, Mr. Chairman.

SOME HON. MEMBERS: By leave.

MR. CHAIRMAN (McNicholas): The member has leave to continue.

MR. ROBERTS: Thank you.

Now, Mr. Chairman, the federal government have made some moves which have helped small business. The best of them, I think, is the small business development bond it is called, which is a means whereby you, as a borrower, can actually - I do not know if Your Honour is a borrower or not -

MR. CALLAN: No, not likely.

MR. ROBERTS: - Your Honour is running a professional practise. I am with my friend from Bellevue (Mr. Callan), I think His Honour is more likely on the right side of the bank, the bank manager says, 'Sir' to him. To get along with these bank managers you are either like my friend from St. John's Centre (Dr. McNicholas), they say 'Sir' to you because you lend them money, because you have got a healthy credit balance, you can lend them money, or you owe them so very much that they have got to be nice to you because as Keynes said, 'If a man owes his bank 1,000 pounds and cannot pay it, then that man has a problem. But if a man owes

MR. ROBERTS: his bankers 1 million pounds and cannot pay it, then the banker has the problem.' But I am sure my friend from St. John's Centre (Dr. Collins) knows whereof I speak. He may not need a small business development bond, but if he should decide to venture into making widgets or whatever, then he may want to look at them because they do address the cash flow issue. The problem, Mr. Chairman, with this legislation, or all of the government's programmes, or the few there are in the budget that address this, and many other programmes is they do not address the cash flow issue. Having said that, I will simply make one other comment, that anybody who wonders why you have got to have four CAs, three lawyers and possibly divine inspiration to calculate your income tax correctly might want to read this. I will just read the first part of what we are being asked to introduced - and I do not blame the draftsmen, for once I think the draftsmen have done the best they can with a frightfully incomprehensible situation - "Notwithstanding subsection (1)" - now that really is something that a lawyer really perks up at, in other words notwithstanding all of the above here is what happens - "Notwithstanding subsection (1), when in a taxation year a corporation is eligible for a deduction under section 125 of the Federal Act" - by term of definition - "the tax payable by that corporation under this Act for a taxation year is equal to the aggregate of (a) ten per cent of an amount calculated by allocating to the province, on the same basis as set out in the regulations referred to in paragraph (a) of subsection (4) of section 124 of the Federal Act" - pause - "that is the least of the amounts calculated under paragraphs (a) to (d) of subsection (1) of section 125 of the Federal Act" - pause - "and allowed for the purposes of subsection (1) of section 125 of

May 4, 1984

Tape No. 1302

MJ - 4

MR. ROBERTS: the Federal Act; and" and then
it goes on from there. You know, really we have come to the
point in Canada where tax legislation is utterly

MR. ROBERTS:

incomprehensible. I will take advantage of the opportunity simply to say that, while we got to have tax legislation and while it has got to be precise, there is surely more and more to be said for moving to the concept of the flat tax rates or the single tax rates. I am not advocating the Henry George single tax philosophy of a century ago, I do not think that works. This kind of incomprehensible gibberish, which is necessary as the law now stands, surely the time is coming, or has come, maybe has long come, when we should replace it by far simpler legislation which I think would also be far more equitable. We have all got to pay taxes, we have all got to pay a tax which, I think is generally agreed, is a percentage of our income. That seems to be one of the universal taxes and is widely accepted as being a method of raising the money we need to fund the activities we want to do as a society through the government. But, by the name of all that is holy, do we have to do it in, I do not know what, 3,000 pages of tax acts - There are several - and regulations utterly incomprehensible? I think, in fact, more and more accountants, CAs, the guys who specialize in this, the lawyers who specialize in it, are coming to realize that it is beyond the wit of anybody and it more a matter of good luck than good management now, Your Honour, if anybody in Canada pays the tax that is lawfully due from the legislation. I do not think anybody any longer can understand the legislation. Or if there are people who are close to it, the rates they have to charge for their services - \$300 or \$400 an hour for a man's or woman's time - are far beyond the reach of anybody. So it is just a matter of luck. I do not speak to anybody trying to cheat, there are people who are trying honestly and honourably to pay the taxes that are due from them, but it is only a matter of luck whether they are getting too much or too little.

MR. ROBERTS: I recall a couple of weeks ago reading in the Toronto Globe and Mail, which is an admirable paper, of course, that they had taken a hypothetical tax with a fairly simple set of income and expense deductions and they had given the facts to, I think, seven separate accounting firms and tax services, H & R Block and that type of service, and to the National Revenue people, and they got eight different answers. I mean, you know, where do you turn? And I think the tax guys were high on some and low on others. You know, literally nobody understood what was going on. And this legislation is just but another example of it. You would have to be a Philadelphia lawyer's cell mate to understand this kind of stuff. I will take the minister's word that it is reducing the tax from 12 per cent to 10 per cent and on that basis I am prepared to support it, Sir.

MR. MARSHALL: Mr. Chairman.

MR. CHAIRMAN (McNicholas): The hon. President of the Council.

MR. MARSHALL: Mr. Chairman, the hon. Minister of Finance (Dr. Collins) is downstairs at a meeting, so I would like to reply very briefly to what the hon. gentleman has said on behalf of the Minister of Finance.

I do not think really it requires or the hon. gentleman intended really his comments to be answered in debate. He made certain musings about his impression of the Bill, his impression of small business and all of that. I think perhaps we can almost take that as his opinion.

I think the salient fact about this bill is that what it does it reduces the tax on small businesses from 12 per cent to 10 per cent. It is going to mean a tax reduction of approximately \$1,600,000 during this coming year. It is an initiative that has been taken by this government, along with the removal of the retail sales tax on business equipment, to see what this government could do to

May 4, 1984

Tape No. 1303

SD - 3

MR. MARSHALL: alter and nourish the operations
of small businesses in this Province and to do what it could
to foster economic activity

MR. MARSHALL:

and give it some stimulus. We would wish that the tax could be, Mr. Chairman, even lower than that, ultimately down to the national average as we would wish all of our taxes would be down lower.

The hon. member for the Strait of Belle Isle (Mr. Roberts) made some reference to the problems with respect to small businesses here; they are no different than the problems experienced in most parts of Canada. Obviously the plight of small business and business in general would be much better in this Province if we had control of our resources, but I will not get into a long dissertation of that either. But the fact of the matter is that this bill represents the carrying through by the Minister of Finance (Dr. Collins) of his promise in the Budget Speech. It represents implementation of the policy of this government to do the best that it can with the meager resources it has available to give some stimulation to business activity in this Province. And it is one, Mr. Chairman, that we are quite proud of. I mean, the hon. gentleman can get into all of the semantics he likes about the wording and what have you, but he knows, as well as I do and every member does, that taxation bills are of a nature that they have to be complex and they have to be complicated for reasons of statutory interpretation and judicial interpretation to be assured that there can be no loopholes in them.

But the bottom line of this is that it reduces, as I say, the small business tax by 2 per cent, a saving of \$1.6 million per year. It is a stimulation to small business in this Province which this government, very hard hit by events that should be patently aware to everybody in the

MR. ROBERTS: Province with respect to the economic problems that we had and our inability to get control of our resources, be it the fishery, be it the offshore, or be it, certainly, as very vividly before us now hydro notwithstanding all of this, this government has moved to stimulate small business and it is a measure, Mr. Chairman, that we are proud of. I move that the resolution now be read.

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

MR. CALLAN: Mr. Chairman, I wanted to have a few words on this. Of course, we support the bill, and we support this government in anything that it does in the way of reducing taxes whether it be to small businesses or big businesses or small people or big people, rich or poor. And, of course, the corporate income tax rate for small business, as I said, should be reduced. And we hope that the day is not that far away when it can be reduced by not 2 per cent, from 12 per cent down to 10 per cent, but down from, say, 10 per cent down to 5 per cent. But, of course, governments have to get their money from somewhere to pay their housekeeping bills and all the other bills, all the money that it takes to run a province, to pay the education bills and the health bills and the social services and to provide the water and sewer and the roads and so on that everybody in the Province wants and deserves.

But, Mr. Chairman, in talking about small businesses,

MR. CALLAN: from time to time, and this might not be a very appropriate time to do so, but I notice the Minister of Development (Mr. Windsor) is not in his place, but perhaps he is nearby, or somebody at least on the other side might hear what I am saying. From time to time when I get requests from some constituents who want to know what government programmes are on the go, "I am going to start up this small business. Now what programmes are there on the go so that I can get some help from the government?" And, of course, I think we are all familiar with the federal programmes, the federal areas from which one can draw assistance, you know, the FBDB, the Federal Business Development Bank, and, of course, the other federal programmes are fairly well known. But in the case of the provincial government, Mr. Chairman, we do not know. The only time we hear of provincial programmes is probably around budget time when there is a clause in there, or a paragraph in the Budget Speech saying that the government will be providing an extra \$500,000 this year to help industries concerned with the offshore to get started and develop and so on. I am wondering is there any sort of a brochure anywhere in any department of government, in the Department of Development I would assume you would find it, outlining government programmes for people who want to develop and set up small businesses? I am not aware of one. I do not know if the member for Conception Bay South (Mr. Butt) is aware of one. I am sure that he gets calls like I do, and letters.

MR. CALLAN: By the way, last night I bought a copy of Lifestyle. I had a copy but I gave it away and so I went and bought another last night, and Bob Cole was on the cover of it. But Bob Cole, before he became the national broadcaster on Hockey Night in Canada, headed up, under Premier Moores, the infamous or famous, whichever way you want to look at it, Action Group. And of course, you know, one of the first things our present Premier did when he took power was to pay off Bob Cole; he bought out his contract and paid him off and said, "The Action Group will be no more". It was a bad bit of business. The former Premier Moores should never have set up the Action Group and so our present Premier washed his hands clean of the Action Group. Mr. Chairman, there probably is a better system, but when you look back on it, at least the gentleman from Arnold's Cove, or Hodge's Cove, or anywhere across my district, or across the Province, anybody who had got an idea after they went to bed some night - you know, they probably lay awake and they were thinking, "What can I do to start up a little business that can maintain myself and my family - knew who to phone". There was easy access; all they had to do the next day was phone the Action Group and there was somebody

MR. CALLAN: there on the other end who could say to him, Well, Sir, you are thinking about going into farming; now the Department of Rural Development is the department that you should see, Or, you are thinking about going into a small fish plant; the FBDB will help you, I am sure, Again the Department of Rural Development, for example, if you borrow \$30,000 from them, or \$50,000 from them, the first \$25,000 is a grant, is a gift, you do not have to pay it back because you are going into a business that is going to be creating jobs and it will have a multiplier effect and, of course, you are into primary producing.

So there was somewhere where people could look and find out about things. I just saw a constituent a half hour ago, Mr. Chairman, who was planning to build himself a new house. 'What government programmes are on the go', he asked, and, of course, he wanted to know about the \$3,000 grant. I told him that was federal and the feds dropped that last Spring.

And, by the way, it is interesting some of the calls that you get. I have had telephone calls from people over the last couple of years who referred to that grant in many different ways. Actually, it is a \$3,000 grant, or it was, it is not in effect now but it was, to assist new homebuilders and some people used the \$3,000 to put in their cupboards, others used it to do their electric wiring, or to do their plumbing. But I have had people phone and say, 'There is a programme on the go, it is called a plumbing programme, a \$3,000 plumbing programme'. And they have used so many different names, some of it was awful funny, but, of course, what they were referring to was this programme that could be used for whatever purpose

MR. CALLAN: they needed it. The main thing is they got it and could spend it in building their new homes. But, of course, as I explained to the gentleman just now, I said, 'That one is gone but there is a provincial one, a \$1,500 provincial one for which you can qualify providing, of course, your home is not a big elaborate palace, a mansion, but is just a modest house.' And, of course, he explained that he was only building a small house, 22 by 24 or something, or 16 by 24 or whatever, so no doubt that gentleman will qualify.

He was talking about getting his old house repaired so he applied to Rural RRAP, where they have \$5,000 forgiven. An excellent programme, the Rural RRAP programme. If your house repairs are less than \$10,000, you qualify if the incomes of the husband and spouse combined are less than \$13,000 a year. As an example, if you spend \$8,000 on repairing

MR. CALLAN: your house, the first \$5,000 is a total and absolute gift. So you get \$8,000 worth of repairs and you only have to pay back \$3,000 - an excellent programme. But this gentleman, of course, was not repairing his house, he was building a new house so he did not qualify anyway, but hopefully he will qualify under the provincial one. But as I said, Mr. Chairman, if it is not already done, may I make a suggestion? Whatever provincial government programmes are available, since we do not have the Action Group any longer, why are they not consolidated or listed, or whatever, into some sort of a brochure? That is an excellent idea.

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

MR. CALLAN: But anyway, Mr. Chairman, we support this bill. It reduces corporate income tax two percentage points and we support it. We wish it was more.

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

MR. CARTER Mr. Chairman, the member for Bellevue (Mr. Callan) is suggesting that there is some government waste and extravagance and possibly misused resources. I would like to agree with him that some government money is wasted. And when I look across at the Opposition and I note that the Leader of the Opposition (Mr. Neary) is paid a Cabinet minister's salary for very little work, and what work he does do is to bad-mouth the government and to try and undo and pull down all that the government attempts to do. We have a House Leader (Mr. Hodder), and I forget what his salary is but it is some thousands of dollars, but he is hardly ever here. They have a Whip who has very little to do because they have very few people to whip, although they should all be whipped. And then they have vast offices with secretaries and free use of the telephone. So I would say

MR. CARTER: that there must be something approaching \$500,000 to \$1 million a year wasted on the Opposition.

MR. TULK: A quorum, Mr. Chairman.

MR. CHAIRMAN (Aylward): A quorum call. Call in the members.

QUORUM CALL

MR. CHAIRMAN: A quorum is present. Is it agreed to continue.

SOME HON. MEMBERS: Agreed.

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

SOME HON. MEMBERS: Hear, hear.

MR. CARTER: I was just speculating, Mr. Chairman, that there was possibly \$500,000 but now in the three minutes that I was waiting while the quorum was called I think it is something in excess of \$1 million wasted on the Opposition. Now I agree that they should have a small room to meet in, one of the smaller rooms over there would be more than adequate, and I agree that they should have a typewriter and a secretary, but I would say one would be certainly adequate. And I think they should have a telephone, perhaps even two lines, but I do not think they should have free use of the telephone to make long distance calls. I think they should have a fixed, stated amount, say \$1,000 a year. That would be more than enough for them to call their friends.

SOME HON. MEMBERS: Oh, oh!

MR. CARTER: Perhaps we can give them \$1,100 and they can call them all.

And I say this partly with tongue in my cheek but I am being deadly earnest, Mr. Chairman. I think a lot of money is

MR. CARTER: wasted on that lot over there. I really do. It harks back to the time when there were seventeen or eighteen but since then their numbers have been reduced. This is our fault, but it is to our credit too I suppose.

MR. BAIRD: Snow White and the seven dwarfs.

MR. CARTER: Obviously they are not doing their job and I think it is a scandalous misuse of public funds. That is the bottom line. And I would hope that the government spokesman when he gets up to speak on this bill will address this point and see if there cannot be some way that this large amount of money can be saved. So I would propose, quite seriously, that the Opposition vote be looked at and looked at two or three times with a view to reducing it to an appropriate size.

Mr. TULK: Mr. Chairman.

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

Mr. TULK: Mr. Chairman, in speaking to this bill, as the other people have said, we on this side agree with the bill. It is one of the few measures that the government has put in place that we think is a move in the right direction. I would like, if I could, to start off by saying to the member for St. John's North (Mr. Carter) he is humorous, somewhat humorous and I have noted some other change in him. His mind is opening up, he is starting to look not like the bigot that he has always looked like. He would allow us at least to exist and that is not the way the member for St. John's North has been thinking in the past. So I must congratulate him. He is starting to look like an open-minded individual, I guess he is starting to think. There is need for an Opposition and there is need for some

May 4, 1984

Tape No. 1308

ah-3

MR. TULK: government. The member for
Terra Nova (Mr. Greening) should be proud. I am sure
he must be the new person on that side who has
changed the mind of the government perhaps somewhat and
encouraged them to start

MR. TULK:

looking at things in a business light and, being a small businessman himself, I am sure he appreciates, at least, that the government has made a minor move in the right direction. Perhaps his investments might turn out to be profitable, which is more than can be said for a lot of other investments in this Province.

So, Mr. Chairman, as I said, for a government that has taxed everything that it can lay its hands on, finally they are making a sort of good move and, of course, it is good to see the government give some people in the Province a break. But, Mr. Chairman, what is needed, what the government should learn from this, is that this type of stimulus may indeed be very necessary, and perhaps more of the same kind of thing is needed for the economic development of this Province. God knows the economic development of this Province has suffered tremendously.

The government should keep thinking along these lines. They should have more of this kind of planning, more of this kind of thing, rather than the kind of confrontation that we have seen this government carry on in the Province with every individual, every union. The latest little escapade was that of the member for Conception Bay South (Mr. Butt) - and I understand I am getting all kinds of press time and I hope I am, because that is good - the member for Conception Bay South, about whom the Premier refuses to answer whether indeed he is speaking as the government would speak, whether it is the government's policy as to what the member for Conception Bay South is saying about the teachers' union, the teaching profession - and if you want to call it the union you can go ahead, or the Teachers' Association

MR. TULK: and other unions in this Province.

It is the kind of thing that is needed rather than the confrontation and the fighting that goes on between the government and every individual and every government in Canada.

Mr. Chairman, we have no choice, as I said, but to agree with this kind of move. If you go back to the infamous day in November when the government - I forget the year; it was, I think, a couple of years ago - brought in the 12 per cent sales tax, we on this side of the House opposed that increase because we said what the government was doing was discouraging consumer spending rather than encouraging it.

MR. WOODROW: How are we going to feed the poor of this Province?

MR. TULK: To the newest member of the Cabinet, I hope, I would say there are two ways to help the poor in this Province, and those are to increase economic development, stimulate the economy by creating more jobs, thus creating more income for the government. Make jobs available for our youth, for our unemployed people, thus creating new wealth for the economy. That is the Liberal way, and I would not expect the member, who I hope will be the newest addition to the Cabinet, to understand that.

MR. WOODROW: You can say a lot when you are in the driver's seat.

MR. TULK: Well, I hope within the next couple of weeks to see the hon. member in the driver's seat, holding down a Cabinet position

MR. TULK: in this Province. He deserves it. They should flick out some of the people that are there and put him in. He has been a good member, I am sure he will be a good minister. And I do not think, even though he was at one point going to be a candidate for the Liberal Party in Newfoundland, I think he has shown the Premier he has suffered long enough in the backbenches. Now that he has shown the Premier that he is a loyal Tory, he should now be rewarded for his loyalty and his punishment should end and he should go in the Cabinet. I am sure he would be a good Cabinet member.

As I was saying, Mr. Chairman, when this kind of legislation is brought before the House the Liberal Party has no choice but to support it, because we believe that if you are going to stimulate the economy of Newfoundland then you have to take certain measures with tax decreases. And that is opposite from Tory and that is the way it should be. This bill that we have before us is a small liberal move, but I suppose if you could tell them that they are likely to take it away again, they are likely to increase the tax. Tories believe in increasing taxes. They believe in taxing the small businessman. They believe in backing totally the huge corporations and that the small business should suffer. Now I suppose the member for Conception Bay South (Mr. Butt) will call me a Socialist.

MR. BUTT: The gentleman running Ottawa is a friend of Peking.

MR. TULK: You are talking about Pierre Elliott Trudeau, are you?

MR. BUTT: The Prime Minister.

MR. TULK: I want to say something to the member for Conception Bay South (Mr. Butt), that I think a lot of people in Canada will realize in five years time, after the Prime Minister is gone, and he retires, on June 17, there is no point in berating him at this point; he is a gentleman who is going out of office, and has served the office honourably. I want to say that to the hon. member for Conception Bay South that in five years time, I believe this will be a fact of history, that Canadians as a whole will say and history will say that Pierre Elliott Trudeau was the best Prime Minister that Canada ever had. I want to say that to him. And I hope one of us are around in five years time to see just exactly what we are saying. I think that will be the case.

MR. CHAIRMAN (Aylward): Order, please!

The hon. member's time has elapsed.

MR. TULK: Oh, Mr. Chairman.

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

MR. CHAIRMAN: Motion 5, Resolution dealing with The Raising of Loans by the Province. (Bill No. 26).

RESOLUTION

A bill, "An Act To Authorize
The Raising Of Money By Way Of Loan By The Province".

MR. CHAIRMAN (Aylward): The hon. President of the Council.

MR. MARSHALL: Well, Mr. Chairman, on behalf
of the Minister of Finance (Dr. Collins) I want to introduce
the Loan Bill. The Loan Bill is a bill that gives statutory
authority to the amount of borrowings that are required by
the Province. I cannot cease to emphasize
this, borrowings now come before the Legislature. The government is
not allowed to borrow unless it has been approved by the
Legislature. And the purpose for this, of course, is to
assure that the amount of borrowings is brought to public
attention.

I also want to point out once
again, even though it was ever so long ago, thank heavens, that
in times gone by, when the hon. gentlemen were in government,
one of the bones of contention was that any amount of money
could be borrowed in the Cabinet room. There was no limit.
It could be all done by Order-in-Council

MR. MARSHALL: It could be all done by Order-in-Council and that is, in fact, what was done and was one of the contributing factors to the madcap spending and borrowing that particularly occurred in the 1960s when the hon. gentlemen there opposite were continually attempting to bribe the people of Newfoundland to keep themselves in power from borrowed money.

But now we are required, as any democratic society should be, to bring before the Legislature the amount of the borrowings. In the Finance Minister's budget it is provided that the total amount of the borrowings, on page 19 I believe it is - give me an opportunity to dig it out here now.

MR. TULK: Take your time, boy. There is lots of time yet.

MR. MARSHALL: We got all the time in the world. Yes, I know. And the hon. gentlemen there opposite -

MR. TULK: Do you want to study the budget?

MR. MARSHALL: No, I do not need to study the budget. We know the budget by heart. Here we go. Statement number one of the net borrowings, total budgetary requirements for this year, \$206 million. That is statement number one to the budget found immediately after the table of contents.

MR. TULK: You do not have to be nasty.

MR. MARSHALL: The hon. gentleman is not nasty. I mean, I find that the hon. gentlemen, by the quality of the questions they ask from time to time, and the quality of the speeches that they make from time to time, really do need guidance and I am just trying to be helpful to the hon. gentlemen, that is all.

Anyway, it is there, it is \$206,327,500 that has to be borrowed this year, which

MR. MARSHALL: is a tremendous amount of money. That is the borrowing requirements of the Province. That is made up of some \$32 million on current account, or we have to borrow a certain amount on current account which in itself, Mr. Chairman, is a monumental achievement of this government. It has got to be remembered that Nova Scotia and New Brunswick, which are supposed to be farther up the ladder than us economically, and certainly they are because they are much more favoured in Confederation than this Province is, that they have to borrow astronomical amounts on current account. And this year the Province of Newfoundland, the Government of Newfoundland, is borrowing \$32 million on current account and I challenge anyone to deny the fact that this is a monumental achievement wrought by the Minister of Finance (Dr. Collins). As a matter of fact, this whole budget was a monumental achievement.

So \$32 million for the current account. As the Premier indicated when he spoke to the people in Newfoundland in connection with the wage freeze, I think that can be equated to our grocery account. We borrow \$32 million for our groceries. That is concerning to anybody when they have to borrow to meet current expenditures of that nature and we hope to remedy it in the future. Certainly a sure and secure and speedy remedy of this would be if we are able to get control of our resource base as other provinces did, we would not have to be borrowing that amount for current account. The fact that

MR. MARSHALL: it is only \$32 million, I submit, Mr. Chairman, it is a monumental achievement wrought by the Minister of Finance when you consider the economic condition of this Province, the legitimate demands of the general public, and the amount of revenue that is available to satisfy these demands.

So that is \$32 million; \$174 million represents the amount of borrowings that is needed on capital account and, of course, capital account are the fixed expenditures that have to be made from time to time by the government in connection with road building. And, as I indicated the other day, the Minister of Transportation (Mr. Dawe) has a very, very ambitious programme, a beneficial programme, an opulent programme when you consider our resources, of road building and road reconstruction in the Province. Part of that is in that.

Also, Mr. Chairman, included in that are the large expenditures on capital account being made by this Province with respect to hospital construction; the completion of the Clarenville hospital, the commencement of the hospital at Salt Pond on the Burin Peninsula, and the beginning of the extension to the Central Newfoundland Hospital.

MR. SIMMS: Hear, hear!

MR. MARSHALL: There are other expenditures and they are there for the hon. gentlemen to see. I do them perhaps a credit by saying, 'I wonder do the hon. gentlemen know the difference between current and capital account?' Because if they do, there is no need for me to explain it.

MR. TULK: I can tell you in ten ways.

MR. MARSHALL: So you do know the difference between current and capital account. Capital account are fixed expenditures, like on roads and hospitals, investments, you know.

MR. TULK:

Oh!

MR. MARSHALL:

So we are making an investment in Newfoundland this year of \$174 million. We are borrowing \$174 million on capital account and, as I say, that is another monumental achievement of the Minister of Finance (Dr. Collins). When you consider the resource base of this Province and what we have, when you consider the roads programme, the hospital construction programme, and all the myriad other programmes that have been set forth in the Budget Speech, it is a real monumental achievement of the minister.

So the total borrowings then, Mr. Chairman, amount, as I say again, on current and capital, to \$206 million. Taken from that are Canada Pension Plan borrowings. You do not need to have authorization for Canada Pension Plan borrowings, you only need it for the general private borrowings. So that brings you down to what you would normally need, which would be \$154 million. There is no drop-balance, as it were, for borrowings last year. At presently there is authorized and unborrowed, I am advised, some \$19 million, but that will be merged in this bill anyway. So we need \$154 million, if hon. gentlemen will follow me, and the amount that we are borrowing, the amount that is authorized here is \$225 million.

Now, why the difference between the \$150 million and the \$225 million? The difference is approximately \$75 million and that is, Mr. Chairman, to enable there to be a flexibility given to the government toward the end of the year, if it is necessary, when the financial markets of the world show what the financial people call a window, where you can perhaps get borrowings at a lower interest rate than it is projected that you will be able to get in the ensuing year, and that, Mr. Chairman, gives this government the latitude to be

MR. MARSHALL: able to borrow at the
more favoured interest rate. \ So it is a cushion there.

 Some people question
them but the fact of the matter is, that no monies can be
expended except in accordance with the Financial
Administration Act, and we advise the House that the
purpose of this cushion is there to enable the government
to have the latitude and the flexibility to be able to
take advantage of any situations, any favourable market
conditions that will enable us to borrow at a more
favoured rate than it is predicted we might obtain other-
wise.

MR. MARSHALL:

So, Mr. Chairman, I think that is a full and complete explanation of the bill, the reason for the borrowings. I would advise hon. gentlemen that they ought not get up and start talking about it. If they want to they can. They will avoid it probably with a great deal of embarrassment, really. The reasons for the borrowings and the borrowings on capital account are there in the budget for the hon. gentlemen to see - the list of capital borrowings and the purposes for it. I think the largest one is, if my memory serves me correctly - it is not immediately available here now, but if my memory serves me correctly I think the largest amount provided for - oh, here are the details of capital expenditures, on the back. But the largest amount you will see for capital expenditures, I think, is in road construction, road building and the bridge building programme. And that is what struck terror in the hearts of the hon. gentlemen, Mr. Chairman. When the Minister of Finance (Dr. Collins) delivered his budget, they thought that this was an election budget. Really they thought this was an election budget so that is why -

MR. BUTT:

An election budget!

MR. MARSHALL:

Yes. - most of them had

disappeared into the woodwork. The fact of the matter is, Mr. Chairman, every budget that this government brings down is an election budget. So the hon. gentlemen can be put on their notice, because every budget brought down by this administration is one that this government would have no hesitation whatsoever in going to the people of this Province with at any given time, in full confidence that they will know that we are managing the affairs of this Province in the most efficient, effective, fair, just and equitable way that is possible. And I can tell you, Mr. Chairman, it is a monumental task we have every time to fashion together any kind of a budget in this Province because of the meager

MR. MARSHALL: resource base we have. And I just cannot get up and talk about anything to do with finances without expressing the contempt that I feel for the hon. gentlemen there opposite, which I am sure is reflected by the rest of the people of Newfoundland, for the way in which they support people from the outside who are taking away from this Province the means of income from our own resources, that other provinces enjoy, with which, if we had that, we could provide must more appropriately the needs of the people of this Province. But at the present time, included in the borrowings, if the hon. gentlemen would like to address them, are things like \$9,400,000 for the completion of a new hospital in Clarenville. How does the hon. gentleman like that? \$3 million to commence construction on the Burin Peninsula hospital. There is provision here for the commencement of construction at the Marystown Shipyard of an \$8 million ice class ferry for Fogo. Now, where is Fogo? Is Fogo a Liberal district or a Conservative district?

SOME HON. MEMBERS: Oh, oh.

MR. MARSHALL: We have just expended, Mr. Chairman, millions of dollars. The Premier and the Minister of Health (Mr. House) were over very recently and opened in the district of the hon. Leader of the Opposition (Mr. Neary) a brand new hospital, that I have overlooked, in Channel - Port aux Basques. We brought in the amounts year after year in the budget

MR. MARSHALL: and what did the member do? He voted against it. In effect what he was doing was voting against the hospital in his own area.

There is provision here for funding, \$2,470,000, that is going to be borrowed for the purpose of various projects under the Burin Peninsula Development Fund, when we can get that unstuck with the federal government. The Burin Peninsula is a great beneficiary this year of expenditure of this Province. We have a fish plant opened in Grand Bank that would not be opened but for us. We have a fish plant in Burin that would have been closed down but for us.

MR. TUJK: Where is it?

MR. MARSHALL: Really, I would rather whisper, because surely you must be embarrassed to even ask, are you? On the very first page, look. Budget Highlights I am looking at, and you will find them in there. Does the hon. gentleman wish me to read it and translate it for him? I would be quite happy to if the hon. gentleman would like it translated. And one of the things, Mr. Chairman, as I say, I expect the hon. gentleman to address when he gets up to address the House is an \$8 million expenditure for the good people in Fogo, on Fogo Island. Now, is the hon. gentleman going to castigate that expenditure? Is he going to vote against this budget as the Leader of the Opposition (Mr. Neary) did? Is he going to vote against his ferry like the Leader of the Opposition voted against his hospital from time to time?

And there is \$500,000, Mr. Chairman, another amount here - now the hon. gentlemen will object to this and they should object to it - \$500,000 towards the total cost of renovation of a concrete graving dock for the Newfoundland Dockyard in St. John's. Now the Newfoundland Dockyard in St. John's, Mr. Chairman, was an asset of this

MR. ROBERTS: Province when it was a country, it was a part of the railway of this Province which is now taken over by the Canadian National Railways. In order to improve the synchrolift, to make sure that the synchrolift in this Province did not close, we asked the federal government through Canadian National. to fund Canadian National. Because Canadian National wished it, we asked the federal government to fund the synchrolift and what happened? No, go. And all of a sudden, Mr. Chairman, unprecedented in the annals of Canadian history, not unprecedented in our relationships with Ottawa, though, but certainly in the rest of the provinces, this poor little Province had to fund a federal Crown Corporation to make necessary improvements to a dry dock which we gave to the Canadian National when we came into Confederation and that was to the tune of \$8 millions. Now what has happened this year? It seems like there is a pattern. We have also, this year, to put \$500,000 in in order to improve the synchrolift, to provide a graving dock and to provide the means whereby larger ships can be serviced down there at the Newfoundland Dockyard.

MR. SPEAKER (McNicholas): Order, please!

The hon. the minister's time has elapsed.

MR. MARSHALL: Mr. Chairman, thank you very much. I could go on and on. I just wait in anxious anticipation. Do the hon. gentlemen want me to go on?

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

SOME HON. MEMBERS: By leave.

MR. MARSHALL: The hon. gentlemen have obviously very little to add. If the hon. gentlemen say that, they have very little to add.

MR. CALLAN: Leave has been withdrawn, Mr. Chairman.

MR. MARSHALL:

I will get a chance at it again.

MR. CALLAN:

Mr. Chairman.

MR. CHAIRMAN (McNicholas): The hon. the member for Bellevue.

MR. CALLAN:

Mr. Chairman, yes, the Government House Leader (Mr. Marshall) could have had leave but apparently he did not have very much to say because he decided to insult us and therefore, had leave withdrawn. But, Mr. Chairman, here we are looking for authority from the Legislature to borrow another \$220 million, for good projects. Some of them are good projects, Mr. Chairman, there is no question about that.

MR. CALLAN:

And I am particularly interested in and happy to hear about the additional millions of dollars that are going to be spent this year on roads and bridges. Earlier this morning we talked about the inequities and the inequalities that exist between this Province and other provinces in the way that Ottawa treats them. We talked about youth employment in Quebec and, of course, how they had a special arrangement there that no other province in Canada had because the minister is from that province. But as I said earlier this morning, Mr. Chairman, you do not have to go and talk about Ottawa and Newfoundland and the dealings that we have with one level of government with the other, all you have to do is stay right in this Province and you will see the inequities and the unfairness in the way taxpayers' money is not spent where it should be spent in many, many instances. But, Mr. Chairman, I do not want to get into that in any big way we talked about it earlier, and I have talked about it on many occasions. What I want to get into now, Mr. Chairman, is this: Why is it that we have to borrow another \$220 million? Everybody is aware, Mr. Chairman, when this Province entered Confederation thirty-five years ago there was no debt in this Province. As a matter of fact, we were given \$40 million to be placed in the chest. And, of course, when the Liberal government of J.R. Smallwood went out of power in 1971, less than \$1 billion in debt - \$750 million, I will add on an extra \$50 million, \$750 million, three quarters of a billion dollars in debt. And where are we today, Mr. Chairman? We are very, very close to \$4 billion in debt after twelve years of Tory mismanagement and waste, and nothing to show for it. Now, here we are, Mr. Chairman, today borrowing \$220 million. But, Mr. Chairman, what I want to talk about is this book here.

MR. TULK:

What is that?

MR. CALLAN: It is Managing All Our Resources, it is the famous Five Year Plan.

Now, Mr. Chairman, I want to ask a question. Perhaps the Minister of Finance (Dr. Collins) can answer it. This Five Year Plan runs out next year, by the way. It runs from 1980 to 1985. I assume that there is a similar book in the works now, being prepared, and next year there will be a new book with another Five Year Plan.

Well, Mr. Chairman, the government should pay attention. The government should review this book, The Five Year Plan - Managing All Our Resources. The government has to ask itself several serious questions. As you go through this book and look at the Five Year Plan that came out in 1980 and is now almost finished, what were the objectives? This book, by the way, Mr. Chairman, essentially was prepared in 1979. It came off the press in 1980, which was the first year of the Five Year Plan, but essentially, as I said, Mr. Chairman, it was prepared in 1979. That was the year, of course, that the Premier came to power, in the Spring of 1979 and then, of course, he got his mandate in June, 1979.

But what were the hopes and the aspirations of this brand new, lily white government as it came to power in 1979 and looked back with distaste on the former P.C. Premier, Mr. Moores? - 'Put as much distance as we can between us and the former Premier,' that was the goal set out by the present Premier, Mr. Chairman.

Let me read a paragraph or two from this document, Mr. Chairman. In the preface to this historic book, The Five Year Plan, Mr. Chairman,

MR. CALLAN: it says: "This report covers the period 1980 to 1985 and is a summary document, the result of a detailed intensive planning process which began in mid-1979 and will continue." I assume it is still continuing.

Mr. Chairman, what were the hopes and the aspirations of the Premier and his government back in 1979, and how many of these hopes and aspirations have come to fruition? Let us look in the back of the book, Mr. Chairman, and see what they had to say about the offshore and see where that is nearly five years after this book was written. Let us look at the government's hopes and aspirations back in 1979 - 1980 and see what they are now, how they have been realized four years later.

Just let me quote from this book, Mr. Chairman. Here is what it says: "The Province of Newfoundland has' -

AN HON. MEMBER: (Inaudible) reading that, sure.

MR. CALLAN: I want to refresh your memory. Let us see where we are, see what was accomplished. "The Province of Newfoundland has immense resource development opportunities" - no question about that

MR. CALLAN: in 1979. Some fish stocks are recovering from the over-fishing of the sixties and seventies, particularly Northern cod. Landings of all species should exceed one million tons annually by 1985, about double the 1979 landings. Most of the growth potential is in cod which can be taken for the most part by energy efficient inshore and middle distance fleets. This stock is vital to hundreds of communities." By the way, Mr. Chairman, how many hundreds of communities do we have in our fair Province?

AN HON. MEMBER: 700.

MR. CALLAN: 700.

MR. PATTERSON: 701.

MR. CALLAN: They have resettled on Merasheen, have they not? "The firm policy of the Province is that these communities have first claim on the resource". In 1979 the government says, "therefore the cornerstone of the provincial development policy is to obtain a meaningful role in the management and control of fisheries."

Now five years later what has transpired, Mr. Chairman? What has happened? What has been accomplished in Fisheries? What has happened?

MR. MARSHALL: A point of order, Mr. Chairman.

MR. CHAIRMAN (McNicholas): A point of order, the hon. President of the Council.

MR. MARSHALL: Mr. Chairman, I know the rules of relevancy are very, very hard to interpret and to apply. But, Mr. Chairman, there is probably a rule as well, although an unspoken rule, of people being able to speak coherently and sensibly which the hon. gentleman is not doing. I cannot envoke that, but I do envoke, Mr. Chairman, the rule of relevancy. Here he is talking about

MR. MARSHALL: fish plans and what have you, and fishing companies, the monies for which are not voted by this government, the fish companies that he refers to are outside the ambit of this bill. Here, Mr. Chairman, we are talking about borrowing \$206 million and the hon. gentleman has not addressed it at all. He is irrelevant, he is out of order, he is incoherent and insensible.

MR. CALLAN: To that point of order, Mr. Chairman.

MR. CHAIRMAN (McNicholas): To that point of order, the hon. member for Bellevue.

MR. CALLAN: I do not know why the Government House Leader is so nasty this morning, Mr. Chairman. It is Friday. It is beautiful outside. It is sunny. And all of us hope to get away from it all for the weekend and perhaps in another week we will be able to get away from the Legislature until October or November, next Fall. But to that point of order, Mr. Chairman, the Government House Leader (Mr. Marshall) says that I am not being relevant and that I am being incoherent and these sorts of things. The fact of the matter is, Mr. Chairman, that I am being very relevant. We are here today and we are talking about a money bill. Of course

MR. CALLAN: on any money bill the debate is wide-ranging. The Government House Leader (Mr. Marshall) knows that. But we are talking about borrowing \$220 million -

MR. TULK: Not \$206 million.

MR. CALLAN: That is right. He made a mistake, he said \$206 million. It is \$220 million. What I am doing in my remarks, Mr. Chairman, is giving reasons why this government has failed in the last five years in its five year plan, how it has failed and why. If it had not failed in its objectives, then there would be no need for us to be here this morning talking about borrowing \$220 million, we would be coming close to self-sufficiency. I suggest that there is no point of order.

MR. CHAIRMAN (McNicholas): To that point of order, we are discussing a money bill and because of that there are pretty wide terms of reference and the hon. member is in order.

The hon. the member for Bellevue.

MR. CALLAN: Mr. Chairman, where have we gone in fisheries? Do we have the control, and do we have the input we hoped to have? Of course not. This administration has not succeeded in the way that it set out to nearly five years ago.

'The second major objective of provincial development policy is to obtain access to Churchill Falls power which is being sold to Quebec under a long-term fixed-price contract. The transmission of this power to the Island is by far the most attractive option to meet domestic needs, but the recall provision is for only 300 megawatts. In addition, Newfoundland must obtain a fair price for the energy being sold to Quebec.' Where are we today, where were we yesterday on that particular hope and aspiration that was set out five years ago? Failed!

MR. CALLAN:

Failed, Mr. Chairman.

This administration has failed in its plans for the fishery, and it has failed in its second objective.

MR. CHAIRMAN (McNicholas):

Order, please!

The hon. gentleman's time has elapsed.

MR. CALLAN:

I will get on to this, Mr.

Chairman, at another time.

MR. CHAIRMAN:

The hon. the member for Fogo.

MR. TULK:

Mr. Chairman, can they not

get anybody up over there to justify what they are doing here? Is the government completely dead? Has the sun gotten to them? The member for St. John's North (Mr. Carter), has he gone out in the fields and gotten sunstroke? I thought he would get up.

Mr. Chairman, the member for Bellevue (Mr. Callan) has just outlined some very good reasons why we should discuss this \$220 million that the government is seeking to borrow rather than, as the President of the Council (Mr. Marshall) said, \$206 million.

Mr. Chairman, I want to address some of the things that the President of the Council said in his few words that he threw out, his poison that he threw out again on the other side. He said, 'We have passed from the days of Orders-in-Council for borrowing', and that is as it should be. He is right in that regard, he is absolutely right, but then he goes on to mention the madcap spending of the, and I think those are his words, 'The madcap spending of the Smallwood years', the government that went before the Tories took over in 1972, and he talks about the huge deficit that was created by that madcap spending of \$700 million. And as the member for Bellevue so rightly pointed out, that borrowing was in the vicinity of \$700 million to \$750 million. The public debt of

May 4, 1984, Tape 1318, Page 3 -- apb

MR. TULK: Newfoundland was \$700 million to \$750 million. After twenty-three years in office, the Smallwood administration

MR. TULK:

had accumulated a deficit of \$750 million. The Tory Administration has been in office now for something like - what? - twelve years or thirteen years and we have not \$700 million, but \$4,000 million. We are getting close to the \$4 billion mark for the public debt in this Province, and that works out, Mr. Chairman, to be somewhere in the order of \$6,750 for every man, woman and child in Newfoundland.

MR. BUTT:

Does that include the

Opposition?

MR. TULK:

If there is a child born this

minute, and I suppose there will be one born almost every half an hour at least in Newfoundland, he comes into Newfoundland, thanks to the Tory Government, with a debt of about \$6,750, approximately. Thanks to the Tory Administration.

He also comes into Newfoundland, unless things change dramatically, unless this government gets down to spending its money wisely and doing the kinds of things that it set out in its five year plan to do and it has not done, and the Minister of Finance (Dr. Collins) very conveniently keeps tacking on a year and saying, well, the five year plan is beginning this year, but that child comes into this Province where he is likely to face the highest unemployment in Canada, where he is likely to face a government that no longer believes that our human resources are our greatest resources and, therefore, does not provide the kind of educational opportunity for him that was in Newfoundland under the Liberal Administration. And I have to say to you that I, myself, have many times disagreed and disagreed violently with that former administration, but not to the extent

MR. TULK: that you can disagree with the crowd that is over there now, who are governing this Province now. Because we see no new initiatives, nothing, absolutely teetotally nothing from this government, nothing at all. We have seen them spend dollar after dollar on administration, on studies, on fighting this one in court, and that one in court and still nothing happens in the Province. So while a child that is born this minute comes into the world facing a debt of \$6,750 right away, he can also be assured that he is going to live in Newfoundland if this present government continues on the way it is, where he is probably going to face the highest unemployment rate in Canada, the highest cost of living in Canada, and the highest educational costs of any province in Canada.

The President of the Council (Mr. Marshall) referred to the budget, the budget of the Minister of Finance (Dr. Collins), and he said that it was a budget that was a monumental achievement. Well, if the past predictions and the past budgets and the past blueprints that the Minister of Finance has put out for spending in this Province, hopefully to have some economic development, is any indication, then I would rather class it as probably another monumental blunder. Because what have we seen this Finance Minister do in Newfoundland? His predictions are about as accurate as the weather forecasts.

PREMIER PECKFORD: It is better than most of the Provinces in Canada.

MR. TULK: Anybody in Newfoundland knows what we are talking about when we talk about the weather forecasts.

PREMIER PECKFORD: Less than Canadians in Ontario.

MR. TULK: If the Premier wants to speak he can have ten minutes after I am finished, all right? If you want to speak you can have your ten minutes to speak.

PREMIER PECKFORD: (Inaudible) your own Province.

MR. TULK: The predictions of the Minister of Finance (Dr. Collins) are about the same as the weather forecasts, and the Premier knows how accurate those are in Newfoundland, I am sure he does. We have seen him come in here and predict no deficit, we have seen him come in and predict, I think on one occasion, a surplus, and, we

MR. TULK: have ended up in the last two years with a government which has created a deficit in this Province of \$100 million. And the Minister of Social Services (Mr. Hickey), who, I suggest to you, professes to be, and I believe he is, a very sincere Minister of Social Services, has seen his department suffer and the people, the clientele of his department, the people who have to use his department suffer far more than perhaps they should suffer as a result of the mismanagement of his own colleagues around him. It is shameful. And I am sure that the Minister of Social Services will agree that it is shameful what is happening to some of the people in this Province today who cannot earn a living for themselves. He will agree with that. He will agree that it is terrible that a young person in this Province cannot find employment and is forced to live with his family until he is twenty-five and live off his father's pension and so on. He will agree that that is correct. I know he will. And it comes about as the direct result of the mismanagement of this Province. But getting back to the matter at hand, the Minister of Finance's forecast is about as accurate, as I said, as the weather forecast. I made a note of what the President of Council (Mr. Marshall) said. He said there is \$69 million, a difference between \$154 million and \$205 million, that they have authorization to borrow. I suggest to him that he is looking for \$220 million to borrow, not \$205 million. He is asking this legislature to approve \$220 million that he would like to borrow this coming year. And he says we only really need, as far as we can learn, we

MR. TULK: only really need \$154 million. Now if you take \$154 million from \$220 million what we are really looking at is \$84 million. And he says, oh, we have built that in because the interest rates in the money markets of the world may indeed be better in the Fall than they are now. I wonder if the government itself really believes what it is saying, that they are having a \$32,255,000 deficit this year, do they really believe that? Or have they built in enough borrowing power in this bill so that if the deficit is up again around \$100 million they have the ability to borrow and they do not have to come back to this House. Now I wonder if that is really the question, because the difference that they are asking for and what the President of the Council (Mr. Marshall) says they need is something like \$84 million and we already have a projected deficit of \$32 million. So I wonder if we are really looking at perhaps \$100 million to \$110 million deficit this year? I wonder if that is the reason that is built in?

MR. STEWART: Not a chance.

MR. TULK: Not a chance. The member for Fortune-Hermitage (Mr. Stewart) says, 'Not a chance.' I suspect that they will try every means possible, that they will use the recipients of the Department of Social Services, they will use every working-class person in this Province to make sure that that deficit is not there. But if we look at their past record even with those kind of Draconian measures like the Premier announced on television just before the budget,

MR. TULK: in spite of all of the measures, all of the restraint programmes that they can put in place, that they can find to put in place, we may indeed end up again this Fall with perhaps a deficit of another \$100 million. Now, one other thing: The President of the Council, the Minister responsible for Energy (Mr. Marshall) and whatever you want to call him, said that the Minister of Finance (Dr. Collins) had addressed the legitimate concerns of the people of this Province, The legitimate concerns of the people of this Province, he has addressed them and done a great job on them, he highly praised him.

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

MR. TULK: I will get back to it, Mr. Chairman.

MR. CARTER: Mr. Chairman.

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

MR. CARTER: Thank you, Mr. Chairman.

It seems a pity to allow this to be dominated by one side of the House. I just have a couple of points I would like to make on this Loan Bill. This Loan Bill would not be necessary if we had gotten the proper deal on the Upper Churchill, you know, that is absolutely obvious. Some months ago I put the whole proposition to a five year old child and the child came out in our favour, so you do not have to be a Supreme Court Justice, you do not have to be a lawyer or a sea lawyer, you do not have to be an educated person to have an innate sense of fair play, and my suggestion to the federal government is this: That now that it seems as if any negotiations with Quebec will

MR. CARTER: certainly be protracted, that the federal government through its equalization payments should seek to redress this imbalance and it does not seem to me to be inappropriate for them to say, 'Well, look, really Newfoundland would be getting another \$600 million or \$700 million if this contract had not been bungled by what can almost be described as a present fugitive from justice. Therefore, as the parent government of this great nation, we will undertake to redress this wrong if only on a temporary basis, and for the next four or five years, however long it may take for us to negotiate a proper equitable settlement with Quebec, then the federal government will step in and perhaps not redress the balance entirely but will recognize - when putting together this equalization formula - will recognize this grave imbalance. And I would warn the Province of Quebec that 2024 is not all that far away. - it seems like a long time, but it is not all that far away - and that contract does expire then, and if that contract is kept in its present form until 2024, I think Quebec can rest assured that they will not get one volt, not even one amp, not even one ohm of that power from Churchill Falls. So if they have any thoughts for their grandchildren they ought to start thinking them now, because no contract can be enforced where there is no good will. And the Province of Quebec are rapidly dissipating any neighborly good will that we would feel towards them, and it is only natural that we should feel goodwill towards them because they have had a difficult past, they have been put upon by a central government, they have been put upon by a colonial power as we were and much of our history is the same, is identical, and it is too bad that they cannot feel a little

MR. CARTER:

more neighbourliness towards us. And I am only sorry that this whole sorry mess cannot be cleaned up. But the events of yesterday have proven that negotiations will be that much more protracted. So the text of my remarks is to call upon the federal government to redress this imbalance if only on a temporary basis. And I think an innate sense of fair play would lead to the conclusion that our equalization payments should be upped by several hundred million dollars per year and then it would not be necessary to borrow this \$220 million.

MR. MATTHEWS:

Mr. Chairman.

MR. CHAIRMAN (Aylward):

The hon. member for Grand Bank.

MR. MATTHEWS:

Thank you, Mr. Chairman.

After listening to the debate

by members of both sides this morning, I feel obligated to stand up and have a few remarks, particularly in rebuttal to some of the remarks that have been made by members of the Opposition and in particular to the member for Bellevue (Mr. Callan), who got up reading and quoting from our Five Year Plan, which, of course, was really zeroing in on what this government saw as a need for this Province, this government, to have control and some say in the management of our various and our great natural resources. And, of course, in quoting from the Five Year Plan, he particularly talked about the fishery. I would say as a member of the government the Five Year Plan that he was quoting from, I would be very disappointed if the points that he made regarding resource utilization and management for this Province were not echoed in the next Five Year Plan of this government for this Province, because it is obvious for various reasons that we have not accomplished the vision that we see for the people of this Province and for the generations of Newfoundlanders to come, and that is some say in the management of our resources

MR. MATTHEWS: and the utilization of the resources for the benefit of our people. And, of course, I feel obligated to get up in this particular debate, particularly when you start zeroing in on aspects of the budget where there were so many negative comments from the Opposition regarding the budget and, of course, we all realize that not only Newfoundland but Canada and the world is experiencing very difficult economic times. Of course, here we are as a Province, as a provincial government, with very, very limited funds but yet coming out with a very, very positive budget. And all I have to do is to reflect upon the measures of the budget particularly and zero in on the Burin Peninsula region, of course, where I represent one area, the district of Grand Bank, and to look at the very many positive aspects there in that budget. Particularly when I look at the Burin Peninsula hospital, the provision for some \$3 million in funding there, when I look at the initiatives taken by this government in giving the Grand Bank people a chance, a new lease on life, a struggle to include the St. Lawrence fish plant as an asset in the new company, Of course, now with the Province really taking the lead in the establishment of the Burin Peninsula Development Fund and matters materializing there, hopefully within the next while we will see some great developments there particularly at the Marystown Shipyard and the reactivation of the St. Lawrence fluorspar mines which are so positive. How can anyone, even a member of the Opposition, stand up and talk against it. You see, Mr. Chairman, I think the members of the Opposition are gravely mistaken when they talk about the attitude and the changes in the beliefs and the support of the people of this Province for this present government. Yes, there is disgruntlement in this Province today by the people of Newfoundland, there is disappointment, but it is not disappointment and disgruntlement with the stand of this administration, because this administration

MR. MATTHEWS: very truly represents the wishes and desires of the people of this Province that the resources that we brought into Confederation be utilized for our benefit. And what the people of this Province are disappointed and disgruntled with is the treatment that we have received from the federal government, a government that should be caring for all parts of this country, but it is very obvious that they are more tuned in to satisfying the needs of Central Canada because of politics than they are of treating the people of this Province in an equitable manner. I say that very sincerely, Mr. Chairman. And I also say, after the Supreme

MR. MATTHEWS:

Court ruling yesterday, I left the House of Assembly after closing and went to a hotel in this city and sat at a discussion, quite naturally, about the case and other matters in this Province, with people whom I had not met before. From the concerns that they expressed for the treatment that this Province has received over the past number of months from the federal government in Ottawa, it is quite obvious to me what the feelings of the people of this Province are. They are not disgruntled with this administration. They appreciate the stands taken by this administration for their benefit.

I would like just to go back to the budget, Mr. Chairman, and say that if only we could receive a good deal from the offshore, which we so greatly deserve, and if only the federal government would now get involved to try to facilitate a better deal on Churchill Falls, then as a member representing a rural district of this Province, I feel that our acquisition of the monies to improve services such as roads, the fishery, health services and education would just be tremendous. I think, Mr. Chairman, that that is what the people of this Province desire. I think that is why I am confident that the people of this Province will continue to support the stands and the positions taken by this government, and it is one reason, Mr. Chairman, why, in this Province today, that I, as the member for the district of Grand Bank, am so very, very proud and supportive of the stands taken by the present provincial government. Thank you.

SOME HON. MEMBERS:

Hear, hear!

MR. CALLAN:

Mr. Chairman.

MR. CHAIRMAN (Aylward):

The hon. the member for Bellevue.

MR. CALLAN: Mr. Chairman, it must be that there is going to be a Cabinet shuffle.

Mr. Chairman, before my time ran out a half hour or so ago, I was talking about the Five Year Plan and the hopes and aspirations of this government.

Now, the member who just took his seat (Mr. Matthews), Mr. Chairman, talked about the hotel room that he was in and the discussions that he had with some people whom he had not met before, and the way the member was describing it, it was the federal government in Ottawa that ruled yesterday against this Province.

MR. MATTHEWS: On a point of order, Mr. Chairman.

MR. CHAIRMAN (Aylward): Order, please!

On a point of order, the hon. the member for Grand Bank.

MR. MATTHEWS: I think Hansard will very clearly show that that is not what I said in my speech, and for the hon. member's information, the opinion of those present was that they felt that there was some interference, influence by the federal government in the Supreme Court. Now, that is not what I said, I was only repeating the opinions of other people and what was discussed by them.

MR. TULK: To that point of order, Mr. Chairman.

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

MR. TULK: We have heard this for the last couple of days, that the federal government intervened, and indeed they did intervene. And that

MR. TULK: is not what I would desire to have them do. But let me ask that crowd on the other side again -

MR. CALLAN: That hon. crowd.

MR. TULK: - and the Minister of Justice (Mr. Ottenheimer) is the best person perhaps to answer it: Does he believe that it would have made an iota of difference - and I ask the member for Grand Bank (Mr. Matthews) - to the legalities of the case, regardless of who had intervened and who had not? It is a legal matter, not a political one.

MR. SIMMS: Mr. Chairman, to that point of order.

MR. CHAIRMAN (Aylward): To that point of order, the hon. the Minister of Culture, Recreation and Youth.

MR. SIMMS: I think it is rather obvious that the member for Grand Bank has touched a few nerves on the other side.

MR. TULK: No!

MR. SIMMS: And even what he has admitted to saying is not at all what the member for Bellevue (Mr. Callan) is suggesting he said. Therefore, the member for Bellevue is entirely out of order, should withdraw, if he does not withdraw, should apologize to the member for Grand Bank, and if he does not do that, then the hon. member should be named. Everybody in this Province, Mr. Chairman, knows that the

MR. SIMMS: federal government sided with the Province of Quebec in that particular issue.

MR. TULK: Would it have made any difference?

MR. SIMMS: And so what he said was that the people he talked to last night indicated that they felt that the federal government influenced that decision. Now what can be more obvious? They supported Quebec in the case, therefore they did influence the decision, Mr. Chairman.

MR. CHAIRMAN (Aylward): Order, please! Order, please!

MR. TULK: What difference did it make?

MR. SIMMS: Name the hon. member, Mr. Chairman, and ask him to withdraw it.

MR. CHAIRMAN: Order, please! To that point of order, when Hansard is published in the near future it will be quite clear to see what each member said, so I rule that there is a difference of opinion.

The hon. member for Bellevue.

MR. CALLAN: Mr. Chairman, I am glad that I had assistance from both sides of the House in clarifying and making that very, very salient point that it was the Supreme Court of Canada that ruled against us on the offshore, it was the Supreme Court of Canada that ruled against us on the Reversion Act, and Mr. Chairman, the Minister of Culture, Recreation and Youth (Mr. Simms) said that it looked as though the member for Grand Bank (Mr. Matthews) hit a nerve, I think I have also hit a nerve; judging from the catcalls and the abuse coming from the government benches I must have hit a nerve as well.

MR. SIMMS: You are digging your own grave.

MR. CHAIRMAN (Aylward): Order, please!

MR. CALLAN: But, Mr. Chairman, now that they have wasted five minutes I will continue.

Mr. Chairman, I want to quote another paragraph from the Five Year Plan. It said, "The Come By Chance oil refinery and the Labrador Linerboard mill managed to operate for only a few years. The refinery went bankrupt early in 1976 and remains idle." And here is a good prediction for the future, Mr. Chairman, which says, "The Come By Chance refinery remains idle although there is a strong probability it will reopen under new ownership." This is what the author of this book said back in 1979/80. Where is the refinery today, Mr. Chairman? Where is the refinery today? So much for five year plans and hopes and aspirations.

Let me get back to what I was quoting from before I sat down earlier, Mr. Chairman. The first major hope and aspiration was that this Province could get more control over the fishery, and therefore develop it into a money-making affair, which, of course, would take this Province out of the doldrums of poverty that we have been in for 450 years or so. But, Mr. Chairman, the second major one, the second major objective, set out five years ago almost, was the development policy to obtain access to Churchill Falls power. We know what happened to that. It happened yesterday. 'A second major energy objective is to develop all or part of the 2,300 megawatt capacity of the Lower Churchill.' The Upper Churchill was ruled on yesterday and it is gone. The 2,300 megawatts capacity of the

MR. CALLAN:

Lower Churchill, to develop that, that was the objective five years ago. 'This will depend on being able to exercise our right to transmit power across Quebec to other markets and could be aided by the attraction of a heavy industrial user of energy to Labrador.'

SOME HON. MEMBERS: Oh, oh!

MR. CALLAN: Let me emphasize that point, if my colleague and others opposite will contain themselves. Mr. Chairman, it will depend on 'the attraction of a heavy industrial user of energy to Labrador,' obviously referring to the proposed aluminum smelter, aluminum mill. Now where is the aluminum smelter almost five years later? It has been talked about. The Minister of Development (Mr. Windsor) spent some of the taxpayers' money in this Province with a bunch down in the United States to do a feasibility study, but where is the aluminum smelter? And where are the 2,300 megawatts that were supposed to be developed on the Lower Churchill nearly five years later? Nothing happening, Mr. Chairman.

Now then, the next paragraph of this famous book, it says, "With respect to offshore oil and gas there is a strong possibility that a commercial find has been made." This was said back in 1979-1980. We know now there is no question about that, a find has been made. There is lots of oil out there, there is no question about that, and, of course, there are some members opposite, and especially the Premier, who will almost go as far as to take credit for putting it out there.

MR. MARSHALL: Would the hon. gentleman like to rise the Committee -

MR. CALLAN: I will adjourn the debate.

MR. MARSHALL: - and save us from this excruciating boredom for the weekend.

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

Is it agreed to rise the Committee, report progress and ask leave to sit again? All those in favour 'aye', contrary 'nay', carried.

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. CHAIRMAN: Mr. Speaker, the Committee of the Whole have considered the matters to them referred, directed me to report it has adopted certain resolutions and recommends that Bill Nos. 9 and 5 be introduced to give effect to the same, has made other progress and ask leave to sit again.

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

On motion, the following bills were read a first, second and third time, ordered passed and title be as on the Order Paper.

A bill , "An Act To Amend The Income Tax Act". (Bill No. 5)

A bill, "An Act To Amend To Amend The Gasoline Tax Act, 1978", (Bill No. 9).

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

MR. MARSHALL: Mr. Speaker, I move that the House at its rising to adjourn until tomorrow, Monday, at 3:00 P.M. and that this House do now adjourn.

On motion, the House adjourned until tomorrow, Monday, May 7, at 3:00 P.M.