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Speaker: Honourable Thomas Lush

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The House met at 2:00 p.m.

MR. SPEAKER (Lush):
Order, please!

On behalf of hon. Members, I would like to welcome to the galleries today the Mayor of the Town of Channel, Port aux Basques, Don Hann, together with Councillor Steve MacKenzie. Also Roland Mauger and Len Wilson. These people are on the Port aux Basques Diversification Committee, and Mr. Bryson Webb, Administrator of Dr. Charles LeGrow Health Centre. All are from the district of Port aux Basques.

SOME HON. MEMBERS:
Hear, hear!

MR. WOODFORD:
Mr. Speaker.

MR. SPEAKER:
The hon. the Member for Humber Valley.

MR. WOODFORD:
Thank you, Mr. Speaker.

Mr. Speaker, I would like to give notice that I will on tomorrow introduce a point of privilege. I have a few other things to check out and some more information to get, but in order to protect my rights as a Private Member and as a Member of the House of Assembly, today I would like to give notice.

MR. SIMMS:
Mr. Speaker.

MR. SPEAKER:
The hon. The Opposition House Leader.

MR. SIMMS:
Mr. Speaker, I wish to raise a point of privilege today. It is a very serious matter, at least I

believe it is a very matter and so do a lot of other people, and I hope that the matter will be taken seriously by the House. I raise it at the earliest opportunity as Beauchesne says, because it is a matter that transpired last Thursday, when the House last sat, and of course Your Honour would be aware that there was no opportunity on that day to raise such a question of privilege.

I want to begin my remarks by quoting from Beauchesne's 6th Edition, paragraph 26, which says: 'A question of privilege is a question partly of fact, partly of law, the law of contempt of Parliament.'

I want to make a case, or intend to make a case, Mr. Speaker, in connection with the Budget Speech delivered by the Minister of Finance last Thursday, which, I believe, will show that a decision announced by the Minister of Finance at that time was totally in contempt of our Parliament, and I believe that because of his actions the privileges of the Members of this House have, in fact, been breached.

Mr. Speaker, when I have concluded I believe that you will have no alternative but to determine that the matter is of such a serious nature as to entitle my subsequent motion. In other words, that a prima facie case exists.

I would like to refer Your Honour to the list of examples in Beauchesne. It is the 6th edition, page 13, which quotes a list of those items that are not considered to be privilege, and the matter that I will raise is not included in any of these categories and for a very good reason. My example, in our view,

does fit a question of privilege.

Mr. Speaker, the matter I wish to raise is the announcement by the Minister of Finance to eliminate the Office of the Parliamentary Ombudsman. This office, and the office holder is a servant of this House not a servant of the Government, not a servant of the Cabinet. It is a totally independent office. This decision announced by the Minister is a breach. It is a matter that reflects badly, I believe, on the honour and integrity and character of this House as a whole, and of its Members.

Beauchesne, Paragraph 111 says 'Servants of this House are of necessity also covered by the privileges of Parliament.'

Mr. Speaker, we believe the decision announced by the Minister, of course, to be a retrogressive step without any question at all. It is a matter that transcends party politics. The Act itself was introduced in 1970 by a Liberal Government, and brought into force in 1975 by a Conservative Government.

The present Ombudsman had his position renewed in 1986, supported by, I might add, the Opposition of the Day. I have several quotes here from the Minister of Fisheries who was strongly supportive of the position, quotes from the Minister of Forestry strongly supportive of this particular position, back just two years ago or three years ago, 1986. And, if I may be bold enough, Mr. Speaker, I remind Your Honour that Your Honour, as well, spoke very highly of this particular position while Your Honour, of course, was in a much different capacity as a Private

Member. And to quote Your Honour, Your Honour said, 'Mr. Peddle has demonstrated himself to be an Ombudsman deluxe.'

SOME HON. MEMBERS:

Oh, oh!

MR. SIMMS:

And you believed that he had gained the respect of all the people of the Province.

Mr. Speaker, the other issue that is related is the manner in which the decision was made and the fact that the individual concerned nor his staff were advised formally of this particular vindictive move.

MR. R. AYLWARD:

Shame! Shame!

MR. SIMMS:

We believe that what has transpired is not only contrary to parliamentary privileges, but, in fact, it may very well be contrary to the law which provides the method to remove the parliamentary Ombudsman. Needless to say, Your Honour would be well aware of this. Most of the Commonwealth, forty nations, all provinces with one exception, P.E.I., have an Ombudsman. The Ombudsman has extensive powers to insist on evidence and documents which MHAs do not have; they do not have that authority.

This Government, Mr. Speaker, is the first Government that we can find in the history of the modern parliamentary sense, if you wish, to remove the Office of Ombudsman, and that, Mr. Speaker, is a shame, aside from being a breach of the privileges of this House.

SOME HON. MEMBERS:

Shame! Shame!

MR. SIMMS:

I will just summarize, Mr. Speaker, by saying this: According to the Act, Section 4 (1), 'The Ombudsman is an Officer of the House of Assembly. Section 4 (2): 'He is appointed on the recommendation of the House of Assembly. Section 7: 'He can only be removed on the recommendation of the House of Assembly for a number of reasons - disability, neglect of duty, misconduct, or bankruptcy.' But on the recommendation of the House of Assembly, not vice versa. He makes annual reports to the House through Your Honour, I believe. The estimates do not provide for the continued full functioning of this office as required under section 33 of the Act, and they do not meet the requirements of section 9.1 of the Act, that the salary be the same as the Chief Judge of our Provincial Court. I would go so far, Mr. Speaker, as to charge that the Government has, in fact, failed to comply with the law, and that, Sir, in our view, is a very serious matter, a matter that eventually would have to be determined, I guess, by the Courts, and I would not be surprised if something along those lines might happen.

But my specific charge in conclusion, Mr. Speaker, is that the Minister of Finance - and they can laugh all they want, but I can assure them that I consider this matter to be very serious. Very serious! My specific charge is that the Minister of Finance announced the decision outside his authority and without proper regard to the privileges to the House of Assembly. And if Your Honour finds that a prima facie case exists, then I would be quite prepared to move that the office of the Ombudsman be fully

reinstated and that the entire question be referred to the Committee on Elections and Privileges.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the Government House Leader.

MR. BAKER:

Thank you, Mr. Speaker.

I will be very brief in dealing with the grandstanding of my hon. friend. This is not a matter of privilege, number one. We cannot reinstate the office of the Parliamentary Commissioner because it is still there. It has not been removed, so we cannot reinstate something that is already instated. The funding does exist, to the tune of \$137,600, in the estimates of this Province.

Mr. Speaker, in the Budget the Minister of Finance announced that legislation would be brought into the House and then the House would decide. That is all the Minister of Finance did. If I could quote from the Budget Speech, Mr. Speaker, the Minister of Finance read, 'Mr. Speaker, Government will shortly be introducing legislation to repeal the Parliamentary Commissioner (Ombudsman) Act.' It was simply an announcement of an intention to bring legislation before the House. Mr. Speaker, when Government can no longer announce its intention to bring legislation before the House so that the House can decide on a matter, then I say it is time we disband the whole democratic process and the whole House of Assembly.

Mr. Speaker, for Government to announce its intention to bring legislation into this Legislature for a decision by the Legislature is obviously not a point of privilege, and is simply grandstanding by the Member for Grand Falls (Mr. Simms).

MR. SPEAKER:

The Chair will rule on the matter a little later.

MS VERGE:

Mr. Speaker.

MR. SPEAKER:

The hon. the Member for Humber East.

MS VERGE:

Thank you, Mr. Speaker.

I rose intending to speak on the point of privilege raised by my colleague, the Member for Grand Falls, the Opposition House Leader. Does Your Honour wish to hear my comments?

MR. SPEAKER:

The Chair feels it has heard enough. If the Chair entertains the Member for Humber East, then I would also have to entertain a Member from the other side. I will entertain just a short dissertation by the Member for Humber East.

MS VERGE:

Thank you, Mr. Speaker.

I believe my colleague has already put the case very clearly; he has made several important points and put them across plainly. To amplify what he said about the announcement made by the Minister of Finance I would like to draw to the attention of Your Honour that not only did the Minister of Finance deliver his Budget Speech

in this Chamber on Thursday but, then, after the House sitting on Thursday, the Minister of Finance discussed the Government's intentions with regard to the office of the Parliamentary Commissioner with the news media. In a number of interviews which were aired following the Budget Speech, the Minister stated that the Government was intending to disband the office of the Ombudsman to get rid of the incumbent, Mr. Peddle, and also completely disband the institution.

As my colleague has pointed out, the manner in which the Government approached this, namely, failing to consult directly Mr. Peddle or his staff, was most discourteous and not what people would expect of a Government holding itself out to be ethical and subscribing to the principles of fairness and balance. Common decency and courtesy would have dictated direct face-to-face consultation on the part of the Government with Mr. Peddle, the Ombudsman, and his staff before the shocking announcement of the Minister in the Budget Speech.

Mr. Speaker, in the Minister's interviews outside the Chamber following the Budget Speech he indicated quite clearly that he has no regard for the office of the Parliamentary Commissioner and, speaking as a Minister of the Government, said that the Government were intending to disband the office completely. As my colleague, the Member for Grand Falls, pointed out, many jurisdictions have an Ombudsman, every Canadian province except PEI, and most of the commonwealth nations. The institution was originated in Sweden in the early eighteen hundreds.

MR. SPEAKER:
Order, please!

I would point out to the hon. Member that she is not getting to the essence of the point of privilege. The fact that there are Ombudsmen all over the world has no relationship to the point of privilege. I would ask the hon. Member to please clue up and state what the point of privilege is.

MS VERGE:
Thank you, Mr. Speaker.

The Ombudsman, as created by legislation of the Province passed in this Chamber, in 1970, during the Smallwood Administration, constitutes the office of Parliamentary Commissioner, or Ombudsman, as an officer of this hon. House. The legislation further provides for the appointment of the Ombudsman by the Lieutenant-Governor in Council on the recommendation of this House, following a resolution of the House, for a term of ten years. That is designed to ensure the impartiality of the Ombudsman. The Act further provides for the removal of an incumbent in specified circumstances.

In any event, it is an office that is part of this House. The incumbent, Mr. Peddle, was appointed under the Act by a resolution of the House, supported unanimously by Members opposite, then sitting in Opposition, as well as the Government, back in 1986. Your Honour spoke eloquently in favor of the reappointment, praising both the virtues of the office and the incumbent. As well, the Minister of Fisheries and the Minister of Forestry spoke in glowing terms of

Mr. Peddle and his contribution to ordinary citizens of the Province.

Mr. Speaker, for the Government to announce to the public, in interviews by the Minister as well as the Budget Speech, that the Government is going to cancel and disband this Office now without prior due consultation with the Ombudsman, without prior due debate and decision of the House of Assembly, constitutes a breach of the privileges of all the Members of this Assembly.

Thank you, Mr. Speaker.

SOME HON. MEMBERS:
Hear, hear!

MR. SPEAKER:
The hon. the Government House Leader.

MR. BAKER:
Thank you, Mr. Speaker.

I will be very brief again. I dealt with the original grandstanding of my friend, the hon. the Member for Grand Falls. There were two new points raised by the Member for Humber East (Ms Verge). One is some statements she claims were made outside the House. I would like to remind your Honour of Beauchesne, Paragraph 31, Subsection 3: 'Statements made outside the House may not be used as a basis for a question of privilege.' That, in effect, takes care of the only point she brought up that she considered to be relevant.

The other point that was made was more a moral one than a legal argument, and that had to do with the notification of the Ombudsman ahead of time. I would like to inform you, Your Honour, that previous to the Budget I tried to

contact the Ombudsman but he was on two weeks holidays, in Florida, at the time. I reached the hotel a couple of times but he was unavailable. He got back to my Office once, and I was out and unavailable and could not be located. He was intransit then for a day and a half, I believe, with a stopover somewhere in Toronto. Consequently, knowing that it was very difficult to reach him and having tried a number of times, officials from my Department then contacted the office of the Ombudsman, the second in command, whoever that happens to be, to inform the office of the situation. So it was handled properly, Mr. Speaker. I would like to reiterate again that it is the right of Government to announce its intention to bring in legislation. Had we done otherwise would have been wrong. Mr. Speaker, there is no prime facie case established. There is no case of privilege. It is simply a case of grandstanding by Members opposite.

SOME HON. MEMBERS:
Hear, hear!

MR. PARSONS:
Mr. Speaker.

MR. SPEAKER:
The hon. the Member for St. John's East Extern.

MR. PARSONS:
Mr. Speaker, I would like to bring to the attention of this hon. House that this past week our finest in blue, the Royal Newfoundland Constabulary Hockey Team, distinguished themselves in Cornwall, Ontario, by winning the championship game. Mr. Speaker, on behalf of this hon. House, I wonder if you would send the

appropriate congratulations.

Thank you, Mr. Speaker.

MR. DICKS:
Mr. Speaker.

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

MR. DICKS:
Mr. Speaker, on behalf of the Members of the Government I would like to join with my colleague in making that sentiment unanimous. I would say that it is welcome to see our members in blue doing so well on the rink, and I say it reflects their competence off the ice as well as on.

Thank you, Mr. Speaker.

SOME HON. MEMBERS:
Hear, hear!

Statements by Ministers

MR. BAKER:
Mr. Speaker.

MR. SPEAKER:
The hon. the President of Treasury Board.

MR. BAKER:
Thank you, Mr. Speaker.

Mr. Speaker, I would like to comment further to hon. Members and the public regarding last week's tentative collective agreement with the Province's Nurses. It has come to my attention that some hon. Members are concerned about the level of this tentative settlement and, in particular, the effect such a settlement might have on our financial situation if offered to all employees.

For the record, Mr. Speaker, I want to make it clear to hon. Members, to people of the Province, to public employees that the tentative settlement achieved last week with our nurses cannot be considered as precedent-setting for all bargaining units coming to the table this year.

Mr. Speaker, this settlement recognizes that nurses are a special case. Newfoundland is not the first province to recognize this. Our objective in this round of negotiations was to provide a settlement to nurses which recognize that they had fallen behind other sectors of our public service, that they had fallen behind other provinces and that they had special problems that had to be addressed.

With this offer we hope to slow down or stop the loss of nurses to other jurisdictions and to other professions within this Province.

Other bargaining groups are not in the same situation. Each group will be dealt with based on their own particular needs and the Province's ability to meet these needs. Mr. Speaker, all groups will be dealt with with fairness and balance.

MR. SIMMS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Opposition House Leader.

MR. SIMMS:

Mr. Speaker, first of all may I say I am astounded that the President of Treasury Board would make such a statement here in this Legislature today.

Let me just refer to a couple of

comments he made in this statement, and then I will make my closing comments, which will be brief, I assure you.

He says that the settlement with the nurses recognized a number of things: (1) That they had fallen behind other provinces. I have a sneaky feeling that other groups in the public service will be able to make the same argument. (2) They had special problems that had to be addressed. I have a sneaking suspicion that other groups in the public service will make exactly the same claims. But what is most interesting here, Mr. Speaker, is that what has happened here today is nothing short of an act of arrogance, an act of insolence. It is a threat of the highest order. This Government has already had a very shaky start with respect to its negotiations with the public service, and this is simply a further infringement on the collective bargaining process and the President of Treasury Board should know better.

Mr. Speaker, the Legislature is not the place for the President of Treasury Board to make such an inflammatory statement, such an arrogant statement. It is, as the Premier would say himself, an unconscionable act that he has perpetrated today on the public servants of this Province and he should hang his head in shame.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

Before going on to Oral Questions there are a couple of people in the galleries the Chair would like to bring attention to. On behalf of all hon. Members, I would like to welcome to the gallery the Mayor of Bauline, Mr. Whalen.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

Also, we would like to welcome Scott Ledrew, a native of Corner Brook. Scott is an international triathlete who has competed in Europe this past year. He is also a six time winner of the Corner Brook triathlon and three time winner of the St. John's triathlon.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

Also, I would like to welcome a former Member of the House, Mr. Eugene Hiscock.

SOME HON. MEMBERS:

Hear, hear!

Oral Questions

MR. RIDEOUT:

Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. RIDEOUT:

Thank you, Mr. Speaker.

The Minister of Finance presented this House and the people of the Province with perhaps the most devious political document this House and the people of this Province have seen in some time when he presented his Budget on Thursday.

Mr. Speaker, the Minister, in his own warped way of thinking, called it a people's Budget, yet, the one and a half per cent payroll tax will impact on everybody; it will impact on the rich, the poor, the

disabled, widows, students, everybody. It is a regressive tax, and everybody in Newfoundland and Labrador will have to cough up \$15 million additional taxes this year and \$25 million next year.

Now, Mr. Speaker, the question I want to ask the Minister is this: Will the Minister table for the House and for the people of this Province his pre-Budget calculations, which would have been developed for him by his officials, giving the financial impact of this new tax on every man, woman and child in Newfoundland and Labrador?

MR. SPEAKER:

The hon. the Minister of Finance.

DR. KITCHEN:

Mr. Speaker, the Leader of the Opposition makes some strange statements about this very excellent tax, as taxes go. I do not understand why they were predicting before the Budget an entirely new set of taxes.

MR. SIMMS:

No, you were.

DR. KITCHEN:

Do you remember what they were saying? They were going to do this. We even had a press conference called by the hon. man from under the rock, who can out after six months in hibernation, to tell us that the retail sales tax was going to be increased and extended, and all this, and advised everyone to buy cigarettes. And one of my colleagues here went out and bought 50 cartons of cigarettes.

Mr. Speaker, this particular tax is not going to fall hard on people in this Province. First of all, it does not fall on small

businesses; \$300,000 may be deducted from the payroll, so that means that anyone with a payroll less than \$300,000 in a year is not touched at all.

The other thing you have to keep in mind, Mr. Speaker and Members of the House, is that the cost of the tax is deductible as part of business expenditures, so that corporate income tax is not payable on it. So the actual effect on a large corporation is not one and a half, but probably .8 of one per cent. And one of the largest contributors will be the Government of Canada. I know they feel sorry for the Government of Canada, but they need not feel sorry for the people of Newfoundland.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. RIDEOUT:

Mr. Speaker, the only person who has hibernated and dug his head in the sand in this Province in the last twelve months is the Minister of Finance.

Now, Mr. Speaker, in view of the fact that practically every food item we consume in this Province comes in from outside the Province, in view of the fact that most of those carriers would have a payroll in excess of \$300,000, and in view of the fact that you can be sure those carriers will pass that tax on to the consumer, can the Minister tell the people of this Province that in reality his payroll tax is, in this case, a food tax, Mr. Speaker?

MR. SPEAKER:

The hon. the Minister of Finance.

DR. KITCHEN:

No, Mr. Speaker, it is not a food tax. I do not know what is wrong with the Leader of the Opposition. I do not know what he had for breakfast, but he does not seem to understand that this is about the fairest tax that can ever be imposed.

MR. RIDEOUT:

A supplementary, Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. RIDEOUT:

Mr. Speaker, will the Minister of Finance explain to the people of Newfoundland and Labrador, despite his \$15 million partial food tax/partial payroll tax this year, despite the fact that he is ripping \$20 million out of the pockets of consumers of electricity in this Province, despite the fact that he is taking \$5 million extra in fees and licences, birth certificates and things of that nature, and \$20 million extra in personal income tax this year, will the Minister explain to the people how he has the gall to stare them in the face and tell the people of this Province that he did not introduce any new taxes in this Budget?

MR. SPEAKER:

The hon. the Minister of Finance.

DR. KITCHEN:

Mr. Speaker, we had no intention of adding any taxes this year.

AN HON. MEMBER:

No, that you did not.

DR. KITCHEN:

We did not. The hon. the Leader of the Opposition's colleague in Ottawa decided, at the last minute, to bring in a Budget that

would take \$20 million from our money, and we then had, at the last minute, to bring in a tax to recoup that. Thank goodness we were able to produce a fair amount of it on the backs of the people who taxed us.

MR. WINDSOR:
Mr. Speaker.

MR. SPEAKER:
The hon. the Member for Mount Pearl.

MR. WINDSOR:
Mr. Speaker, the hon Minister should stop trying to blame everything on Ottawa. If he looked at his own Budget Highlights he would see that equalization has increased by \$27 million this year.

AN HON. MEMBER:
What?

MR. WINDSOR:
Twenty-seven million dollars additional equalization payments from Ottawa this year. The Minister is again trying to pass his Budget off as a people's Budget. When by taking his Budget Highlights, his own document here, and simply adding up the first page of where the money comes from he shows very clearly there that he is taking an additional \$93 million out of the pockets of the taxpayers of this Province, would he explain how this is a people's Budget?

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

DR. KITCHEN:
Mr. Speaker, I am going to have to ask the Member if he would repeat his question.

MR. SPEAKER:

The hon. the Member for Mount Pearl.

MR. WINDSOR:
The Minister has sand in his ears from having his head stuck in the sand so long, Mr. Speaker.

The question is, the Budget Highlights indicate \$93 million additional taken out of the pockets of taxpayers. Would the Minister therefore explain how he can call this a People's Budget and say there are no new taxes on individuals?

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

DR. KITCHEN:
I suppose the Opposition have to say something about this best Budget that has been introduced in this House in about seventeen years. I do not know why he is out of step with all the editorial writers in Newfoundland. Even our old friend, Bob Nutbeem, gave me a good boost.

MR. SPEAKER:
The hon. the Member for Mount Pearl.

MR. MATTHEWS:
They know who is the real nut, I do not know about the beam.

MR. WINDSOR:
Mr. Speaker, the Minister is quoted as saying there are no additional taxes on individuals; there is no increase on individual taxes. Now, Mr. Speaker, the Minister is being very dishonest when he says that. The Minister knows that gasoline tax is based on an ad valorem basis, and I might point out that it was increased last year from 22 to 23 per cent. That was the first time, by the way, since 1981 that

the ad valorem gasoline tax was increased. When the Minister says there is no increase in gasoline taxes, he must find that that is not true. All he needs to do, again, is look at his Budget and he will see there is an additional \$4 million being raised from gasoline taxes, and that is not just from increased consumption.

He says there is no increase in personal income tax. Mr. Speaker, the Minister knows full well -

MR. SPEAKER:
Order, please!

MR. WINDSOR:
I will be very brief.

MR. SPEAKER:
The hon. gentleman is giving a speech. He is on a supplementary, so he should get to the question.

MR. WINDSOR:
Thank you, Mr. Speaker.

You are accurate. I will indeed be as brief as possible.

The Minister states there is no increase in the personal income tax. He knows that he announced last year a 2 per cent increase, 1 per cent of which becomes effective this year. That costs some \$20 million. But the key one, Mr. Speaker, is the Liquor Corporation. The Minister did not announce any increase in prices of liquor or beer this year, yet his Budget indicates an additional \$2.5 million must come from the Newfoundland Liquor Corporation. Now, Mr. Speaker, I want to ask the Minister how does he propose that the Newfoundland Liquor Corporation is going to find an additional \$2.5 million if it is not going to increase the price of

beer, wine and spirits this year?

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

DR. KITCHEN:
The Member asked a whole series of questions there. I do not know if I should answer them all now or take them one at a time. Considering the gas tax, I do not know if the Member realizes it, but we have decided in this Province, or they decided, that the railroad would be gone and that instead of the railroad we would have gas driven vehicles carrying things from place to place. Naturally we are predicting an increase in gasoline revenue, based on a national policy which has seen the elimination of the railway and the substitution of vehicular traffic.

MR. WINDSOR:
Mr. Speaker, the Minister, obviously, is not going to answer the questions.

MR. SPEAKER:
Order, please!

I have not recognized the hon. Member as yet, but I will. The hon. the Member for Mount Pearl.

MR. WINDSOR:
Thank you, Mr. Speaker. I apologize for that in my enthusiasm to get back at the Minister.

Mr. Speaker, let us get back to the Newfoundland and Labrador Liquor Corporation. My quick calculations indicate to me that this increased revenue demanded from the Newfoundland Liquor Corporation will require the price of a 750 milliliter bottle of spirits, to increase by 20 cents per bottle, and that a dozen beer

will have to increase by 13 cents per dozen.

Now, a very simple question: Will the Minister confirm that a bottle of spirits will go up by 20 cents and that a dozen beer will go up by 13 cents? Yes or no?

MR. SPEAKER:

The hon. the Minister of Finance.

DR. KITCHEN:

I guess the Minister knows a little bit, unlike the previous Minister of Finance.

Mr. Speaker, the distillers have put up their prices and this will result in a 50 cent increase, I think, in the price of a bottle of spirits, and a 20% increase in the price of wine.

AN HON. MEMBER:

That has nothing to do with your profits.

AN HON. MEMBER:

It will go up in addition that much.

DR. KITCHEN:

No, no.

AN HON. MEMBER:

Yes, yes.

MR. TOBIN:

Where are you getting the \$2.5 million from?

DR. KITCHEN:

Also, Mr. Speaker, I might add that beer prices have been put up recently by the breweries, and this has resulted in an increase in revenue. Other than that, that is it.

MR. SPEAKER:

The hon. the Member for Mount Pearl.

MR. WINDSOR:

Now, Mr. Speaker, we all know that the price of spirits and the price of beer from the manufacturers is increasing. I am talking about the profit shown here. That is added on top of the increase that will be passed along to consumers because of increases at the wholesale level.

I would like to know how does he proposes to get \$2.5 million more profit without increasing, and if that profit does not reflect itself in 20 cents on a bottle of liquor and 13 cents on a dozen beer?

MR. SPEAKER:

The hon. the Minister of Finance.

DR. KITCHEN:

Mr. Speaker, I am amazed at Members opposite being so concerned about this matter. I would think they would raise questions about the sales tax, and congratulate us on not raising the sales tax, or the RST, and all the other points. Instead of that, they are very concerned about the fact that the Newfoundland and Labrador Liquor Corporation will be producing a few extra dollars this year.

MR. RIDEOUT:

You did not tell the truth in your Budget. That is cause for resignation.

MS VERGE:

Mr. Speaker.

MR. SPEAKER:

The hon. the Member for Humber East.

MS VERGE:

Thank you, Mr. Speaker.

My question is also to the

Minister of Finance. Has the Minister found out whether his new employer payroll tax, which he touts so much, applies to municipalities, Memorial University, post-secondary education institutions, the institutes and colleges, school boards and hospitals? If so, would the Minister enlighten the House and the public?

MR. SPEAKER:

The hon. the Minister of Finance.

DR. KITCHEN:

Mr. Speaker, this is a good question and one that I have been contemplating.

The proposal for the payroll tax is that everybody pays the tax. Everybody pays the tax except for the renewable resource industries, forestry, fishery, and agriculture, primary and secondary industries.

Now, the impact on the Provincial Government, for example, Government Departments, on municipalities, on school boards and that sort of thing, we are looking at it very carefully. I do not want to make a firm statement at this time. I will be making one shortly. Once the details are finalized, we will be doing it then. I do not want to be making partial statements from here and there, but we will make a firm statement on that shortly.

SOME HON. MEMBERS:

How do you know? The Budget is a fraud. You do not even know (inaudible). The Budget document is (inaudible) incompetence. It is a real fraud.

MR. SPEAKER:

The hon. the Member for Humber East.

MS VERGE:

Mr. Speaker, this is unbelievable. The total payroll of Provincial Government funded corporations in this Province must be between one-third and one-half of the payrolls in the Province. How did the Minister calculate his estimated \$15 million revenue this year from the new payroll tax?

MR. SIMMS:

A good question! A good question!

MR. SPEAKER:

The hon. the Minister of Finance.

DR. KITCHEN:

Mr. Speaker, the fifty is a good estimate.

MS VERGE:

Based on what?

DR. KITCHEN:

Never mind what it is based on. We will talk to you later.

MR. WINDSOR:

You must have flicked an eye - did you? - and came up with it.

DR. KITCHEN:

What I am going to do, as I said before, is make a statement about all these intricacies of the tax.

MR. TOBIN:

Answer the question, boy!

DR. KITCHEN:

Mr. Speaker, let me say this, that any tax, including the retail sales tax, is always subject to interpretation - who pays? Do I pay, or do I not pay? Sometimes cases go to court to figure out what is going on. We are asking, and we are going to make a firmer statement shortly on that point. But I am not going to make it now.

MR. PARSONS:

The Budget is a fraud. It is a fraud copy.

MR. SPEAKER:

The hon. the Member for Humber East.

MS VERGE:

Mr. Speaker, I would like to ask the Minister whether his estimate of \$15 million being raised from this new employer payroll tax, to be effective August 1, 1990, includes revenue from municipalities, Memorial University, Cabot Institute, the other institutes, the community colleges, the school boards, the General Hospital, St. Clare's Hospital, the Grace Hospital, the hospitals elsewhere in the Province, Western Memorial Regional Hospital, the Senior Citizens Homes. Can the Minister explain where he got his \$15 million estimate?

MR. SPEAKER:

The hon. the Minister of Finance.

DR. KITCHEN:

I said before and I will say it again, and the third time, I will be making a statement on these intricacies later.

SOME HON. MEMBERS:

He does not know. He does not know.

MS DUFF:

Mr. Speaker.

MR. SPEAKER:

The hon. the Member for St. John's East.

MS DUFF:

Mr. Speaker, I must say I am totally shocked. I thought I was going to get a negative answer when I raised this question, but it has now been confirmed that

this tax is going to apply to hospital corporations with budgets in excess of \$300,000. I would like to ask the Minister, given that the payroll of the health care institutions in this Province is in the order of \$400 million, is the Minister aware that what he is talking about is a callback on an annual basis of close to \$4.5 million from our health care institutions?

MR. R. AYLWARD:

No, he is not aware of that.

MS DUFF:

He is not aware. I think the Minister is not aware of a lot of things.

I would like to put it another way.

MR. SPEAKER:

The hon. the Member for St. John's East.

MS DUFF:

Since the health care institutions

MR. DOYLE:

He did not say anything.

AN HON. MEMBER:

He was stuck in mid-flight.

MS DUFF:

Oh, he did not answer?

MR. RIDEOUT:

No, he would not give an answer.

MS DUFF:

Excuse me. I am very sorry. I will now ask another question to the Minister of Finance, and perhaps he can answer both of them at the same time. The health care institutions in the Province are totally dependent on the Provincial Government for their funding to meet their payrolls,

and since most if not all of these institutions operate on an annual deficit budget, I would like to ask the Minister to explain the rationale behind applying this tax to Government funded institutions which, to my mind, is giving with the right, taking with the left, or robbing Peter to pay Paul.

MR. SPEAKER:

The hon. the Minister of Finance.

DR. KITCHEN:

Mr. Speaker, lest Members opposite in their glee or in their desire to make trouble and stir up the populace for no reason, let me state this, that this is the Government that opens hospital beds and gives out money to health care. This is what we do. And let me say this, that the health care institutions of this Province will not suffer from this tax. But I am not going to make a firm, clear statement at this time about the way and the manner and the time in which this tax applies to these institutions.

MR. SIMMS:

You brought in the Budget.

MS DUFF:

A supplementary, Mr. Speaker.

MR. SPEAKER:

The hon. the Member for St. John's East.

MS DUFF:

We are having great difficulty getting any kind of a straight answer out of the hon. the Minister of Finance. I will just try once more in this final supplementary. The Minister is quoted in the paper as saying 'This tax is not going to be applied to corporations that are not in the sole business of making money.' Now, today in the House,

he is indicating that, in fact, the tax is going to be applied to hospital corporations and school boards and municipalities. I would like to ask the Minister why the conflict between these two statements? Does he think that in fact hospitals, municipalities and schools are in the business of making money?

MR. SPEAKER:

The hon. the Minister of Finance.

DR. KITCHEN:

Mr. Speaker, I guess I will have to say it again. Perhaps I should put it in big letters up here. We will make a firm, clear statement on this matter later, and it will not be done next week, it will be done after a period of time

MR. WINDSOR:

It should have been done before the Budget.

AN HON. MEMBER:

This is shameful.

MR. RIDEOUT:

Is the Budget document worth anything, or is it not?

MR. WINDSOR:

Why do we not adjourn for two weeks, until the Minister knows what is in the Budget?

MR. RIDEOUT:

Does it mean anything? It is not worth the paper it is written on.

MR. SPEAKER:

The hon. the Opposition House Leader.

MR. SIMMS:

Thank you, Mr. Speaker. I just have a short supplementary question I would like to follow up to the Minister of Finance. What we see transpiring here today is

absolutely unbelievable. The Minister of Finance, only four or five days ago, introduced the Budget and presumably made his calculations and his estimates based on some in-depth decisions taken by Cabinet around the Cabinet Table. Did the Cabinet approve this one and a half per cent payroll tax to be applied to all of these Government funded agencies which my colleagues have been asking about? That is the simple question. And, secondly, perhaps he can tell me who is running the Department. In a phone call today with - I will not mention the individual's name. I can tell the Minister after who it was, but it was a Tax Analyst, an official with the Tax Policy Division of the Department of Finance, March 20th, today, who said, 'Municipalities, post-secondary institutions, school boards and hospitals will all be taxed.' Who is running the show?

MR. SPEAKER:

The hon. the Minister of Finance.

DR. KITCHEN:

Mr. Speaker, let me say this: I have asked officials in my Department to give me a full report as to what is taxed in Ontario, what is taxed in Quebec, what is taxed in Manitoba, particularly with respect to hospitals, and I have told them this, because -

MR. R. AYLWARD:

You set policy.

DR. KITCHEN:

No, no, just listen. We set policy and, Mr. Speaker, we will clarify this matter in due time. At the moment, let me say this, that no municipality, no hospital, no school need be concerned about

the actions of this Government.

MR. HEARN:

Mr. Speaker.

MR. SPEAKER:

The hon. the Member for St. Mary's - The Capes.

MR. HEARN:

Thank you, Mr. Speaker.

My question is also to The Minister of Finance. Apparently he has not thought out the tax very well, so I will ask him some very simple questions and he might be able to give us a yes or no answer. He has already admitted in the House today that the payroll, or maybe I should say the interpretation tax is placed upon local carriers transporting food products into the Province. Would the Minister tell us, since these products are usually distributed through brokers or wholesale firms, are these firms also subject to the payroll tax?

MR. SPEAKER:

The hon. the Minister of Finance.

DR. KITCHEN:

It is quite clear that any business or institution with a payroll over \$300,000 will be taxed. Now the question that the Member has raised is, what about those who are partially in the food business and partially not in the food business? That would be a matter for Tax Administration to decide, just how much they are in and how much they are out. It is part of the complexities of any tax, as this particular one will be.

MR. RIDEOUT:

You have done no homework on this. Absolutely no homework done on it at all.

MR. HEARN:

Well, Mr. Speaker, we -

MR. SPEAKER:

Order, please!

The Chair has on many occasions said that when we are recognizing individuals, it is the individuals who are speaking who should be giving the questions and I see no reason for comment in between as it just delays the Question Period and does an injustice to the Member asking the question.

The hon. the Member for St. Mary's
- The Capes.

MR. HEARN:

Thank you very much, Mr. Speaker. You are very right, Sir. I ask the Minister, then, since he has admitted that the people bringing in foodstuffs will have to pay a payroll tax, and the major distributors and brokers will have to pay a payroll tax, the next stop is at retail level, so the supermarkets, the larger chains, are they also subject to the payroll tax?

MR. SPEAKER:

The hon. the Minister of Finance.

DR. KITCHEN:

Yes, Mr. Speaker.

MR. SPEAKER:

The hon. the Member for St. Mary's
- The Capes.

MR. HEARN:

Thank you, Mr. Speaker.

So we now have it that the people who bring food products into the Province, local carriers, are subject to the tax, we have the wholesalers and brokers subject to the payroll tax, and we have the retailers subject to the payroll

tax. Undoubtedly all the fees will be passed on to the consumer, so how can the Minister stand with a straight face and tell the people of Newfoundland they are not being hit with a tax, when every time they go in to buy a loaf of bread - and these people cannot afford to buy fifty cartons of cigarettes like his honourable friends. He promised a gold mine when he read his Budget to the people and he gave them the shaft, so how can he tell the people they are not being hit when they are directly going to be hit with a tax every time they go into a supermarket?

MR. SPEAKER:

The hon. the Minister of Finance.

DR. KITCHEN:

Mr. Speaker, the effect that this will have in the supermarket on the price of a loaf of bread is so minuscule that it will not be able to be seen at the cash register. What the Member is trying to do is to make something out of nothing. As I said before, the amount of tax is deductible from one's profits, and, therefore, it is a reduction in income tax, to a large extent, from these and what is passed on is about .8 of 1 per cent. What that means on a loaf of bread is minuscule and it should not be brought up here in the House.

SOME HON. MEMBERS:

Oh no!

DR. KITCHEN:

It is not the same as adding 1 per cent. What you are doing is really misleading the people of the Province - you are misleading and exaggerating.

MR. RIDEOUT:

The beans and baloney tax.

MR. DOYLE:
Mr. Speaker.

MR. SPEAKER:
The hon. the Member for Harbour Main.

MR. DOYLE:
I have a question to the Minister of Finance as well, Mr. Speaker. Since Newfoundland businesspeople, Newfoundland firms, do their business with local trucking firms and mainland trucking firms, would the Minister agree that the 1.5 per cent payroll tax discriminates against the Newfoundland trucking firms, in that the mainland trucking firms will not have to pay the payroll tax but the Newfoundland trucking firms will have to pay it? Is that considered by the Minister to be discrimination against our own local firms?

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

DR. KITCHEN:
No, Mr. Speaker, it is not.

SOME HON. MEMBERS:
It is not?

MR. SPEAKER:
The hon. the Member for Harbour Main.

MR. DOYLE:
Again, Mr. Speaker, with respect to the Minister's 1.5 per cent tax I would like to ask him if that policy would be applicable not only to the local trucking firms, but it would be applicable to steamship firms as well? That is the mode of transportation that the business sector in Newfoundland, especially the food chains, deal quite extensively with. I would like to ask the Minister if that policy will be

applicable as well to the steamship firms whose head office is outside the Province of Newfoundland but who do business within the Province?

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

DR. KITCHEN:
Mr. Speaker, I am going to have to tread carefully on this one, because it is obviously a case of a company doing business in two locations. It is my understanding that when a company does business in two locations there is a proration that occurs. That is a tentative answer, and I will have to check it.

MR. RIDEOUT:
You mean there was no work done on that?

MR. SPEAKER:
The hon. the Member for Harbour Main.

MR. DOYLE:
Mr. Speaker, it would be considered discrimination if the steamship companies and the local trucking firms have to pay the tax and the mainland trucking firms do not have to pay that tax. That is considered, I believe the Minister would agree, to be blatant discrimination. As this creates unfair competition, and this is what I am trying to get at the Minister on, it is unfair competition for our local trucking firms, I ask the Minister what is he going to do to correct this unfairness and this imbalance that is going to be created within the Province for our own local trucking and steamship firms? Is he going to introduce some kind of policy or make it up to the local trucking firms or steamship firms which are going to be losing

because the mainland firms are going to be getting off scot-free?

MR. SPEAKER:

The hon. the Minister of Finance.

DR. KITCHEN:

Mr. Speaker, as I understand it, the mainland firms will not be getting off scot-free. I might add that in Ontario the payroll tax is considerably higher than it is here, and so is it in Quebec and Manitoba. In addition, as I say, I believe, as in other taxes, there will be a proration of the amount of payrolls here and elsewhere.

MR. SIMMS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Opposition House Leader.

MR. RIDEOUT:

Mr. Speaker, I have a quick question for the Minister of Finance in relation to this payroll tax. There is some confusion out there I detect, at least from reading an article in the newspaper over the weekend from a Chartered Accountant, of all people, who said that his interpretation of this tax is that the tax would be placed on the amount of payroll in excess of the \$300,000. We are not quite sure, because there are others who have said that if you have a payroll in excess of \$300,000 you will be taxed on it all. Can the Minister simply clarify that?

MR. SPEAKER:

The hon. the Minister of Finance.

DR. KITCHEN:

What you do if you have a payroll of \$400,000, is you subtract \$300,000 and pay the tax on the

\$100,000 balance.

MR. SIMMS:

That is in excess.

DR. KITCHEN:

Yes.

MR. SIMMS:

A supplementary, Mr. Speaker.

MR. SPEAKER:

The hon. the Opposition House Leader.

MR. SIMMS:

Mr. Speaker, may I ask the Minister, to go back to some previous questions from my colleagues on this side of the House in particular, can the Minister explain to the House how the Minister is able to get the amount of \$25 million annualized as the revenue from this particular tax if he does not yet know whether or not all these other Government funded agencies were included in that calculation? How is that possible? Can the Minister explain that?

MR. RIDEOUT:

Is he does not know what his exemptions are, how can he calculate it?

MR. SPEAKER:

The hon. the Minister of Finance.

DR. KITCHEN:

Mr. Speaker, there are many ways of handling this question, and they all add up to virtually the same thing.

MS VERGE:

How about telling the truth?

SOME HON. MEMBERS:

Shame! Shame! That is shameful. Terrible!

MR. SPEAKER:
Question Period has expired.

SOME HON. MEMBERS:
Oh, oh!

MR. SPEAKER:
Order, please!

Notices of Motion

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

MR. DICKS:
Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a Bill entitled, "An Act To Amend The Judicature Act, 1986."

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

DR. GIBBONS:
Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a Bill entitled, "An Act To Amend The Mineral Act."

Answers to Questions for which Notice has been Given

MR. SPEAKER:
The hon. the Premier.

PREMIER WELLS:
Mr. Speaker, last week I undertook, in answer to a question from the hon. the Member for Humber East, to provide information as to circumstances where the Government's position with respect to the Meech Lake Accord and its intention to seek rescission of it if it were not approved, the instances where that was made known to the public and discussed during the recent election campaign, and I am happy

to do so today.

The Western Star, April 14, and I quote, 'Although the deal to bring Quebec into the Constitution has been ratified by Newfoundland and seven other provinces, Wells says if he cannot get it changed he will ask the Legislature to rescind its approval.' There is a similar statement in the London Free Press that says, 'Liberal leader, Clyde Wells, who some observers say is less than a week away from the Premiership,' they were right about that. They go on then to state clearly, 'that he has vowed to rescind the Provinces law.' There are a number of other papers all across the country. There is a particular letter, just to make clear that the voters knew and understood it, let me read a letter from a voter published in the Evening Telegram. I will just read the last couple of lines of it, only the last paragraph, 'I have always voted PC, but my family and I certainly must now vote Liberal provincially in order to protect Newfoundland from our PC endorsement of the Meech Lake Accord.' So the voters knew what they were doing, and decided their vote, some of them at least, on that basis.

Mr. Speaker, there are numerous other references, and I am happy to table it and make it available to hon. Members.

Orders of the Day

MR. BAKER:
Mr. Speaker, I would first of all like to table the Estimates Committees for this year. By agreement of both sides of the House we have decided we would go with five instead of seven Members

this year. I would like to table for the information of all hon. Members the Estimates Committees. That will be distributed, I guess, by the House.

Mr. Speaker, recalling Motion 2.

MR. SPEAKER:

Motion 2. The hon. the Minister of Finance.

MR. SIMMS:

Mr. Speaker, I would just like to raise a point of order.

MR. SPEAKER:

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

MR. SIMMS:

I think it is a valid and legitimate point of order, whether it is deemed to be a breach of the procedure or not I do not know, that is for Your Honour to decide. I cannot let the opportunity go by without making the point. The Government is today calling Motion 2, which is commonly referred to as the Interim Supply Bill.

Now Mr. Speaker, what is so unusual or strange about this, I believe, is the fact the Interim Supply Bill itself was only just distributed to Members of this House within the last ten or fifteen minutes or so. It seems to me that this is not in keeping with the Premier's approach to everything - fairness and balance. The Interim Supply Bill was just distributed ten minutes ago, and now it is a Bill calling for nearly \$1 billion of expenditure and the Government intends now to call debate on the Bill. That seems to me to be quite unfair and quite awkward, and this side of the House was, quite frankly, expecting the

opportunity to respond to the Budget debate, which is normally the practice. The Minister of Finance delivers a Budget, and in keeping with tradition and practice the Opposition Finance Critic gets an opportunity then to respond to the Budget.

The Government has seen fit now to deviate from that, I guess for some reason or other. I am not quite sure what the reason might be, but worse of all they decide now to debate the Interim Supply Bill even though that Bill has only been distributed in the last ten minutes. Now how on earth can the House expect Members to really have an opportunity to do any research into the types of questions it might ask with respect to a \$1 billion expenditure under Interim Supply? It is grossly unfair, Mr. Speaker.

MR. SPEAKER:

The hon. the Government House Leader.

MR. BAKER:

Thank you, Mr. Speaker.

To that point of order, what we are doing is allowing for lots of debate, whatever debate the Opposition wants on Interim Supply. It is a normal procedure. If the time does not permit the full seventy-five hours debate on Budget and to get the Budget through the House, that the Interim Supply be brought into the House.

Interim Supply deals only with what has already been presented to Members in the Estimates, which Members have had in their possession since last Thursday, Mr. Speaker.

So they have received the

Estimates, they had all weekend, five days to study the Estimates. Interim Supply, simply is about one quarter of the Estimates for the year - to allow Interim Supply for approximately a three month period.

Also, Mr. Speaker, I would like to point out that in terms of the procedure on Interim Supply as published, our rules of procedure under Procedure and Interim Supply, it makes it clear, it says that the Interim Supply Bill is distributed with the resolution and studied and debated at the same time as the debate on the resolution and so on. It indicates that it is perfectly okay to pass out the Interim Supply Bill at the same time that we call the Interim Supply in the House.

The real reason, Mr. Speaker, is that had the Interim Supply Bill actually been ready a week ago, then it would have been given to hon. Members a week ago. It was just now ready this morning. It was properly distributed and Members have had lots of opportunity to look at the Budget to look at the Estimates and make their comments, because essentially, Mr. Speaker, this is part of the Budget Debate and the time comes out of the time allotted for the Budget Debate.

MR. SPEAKER:

The hon. the Opposition Leader.

MR. RIDEOUT:

Mr. Speaker, what I am concerned about here is simply this. I believe that a check through the proceedings of this House, at least since Confederation, will show that this is the first time in the history of this Province that the Budget was introduced and

the Opposition did not have a chance, through their Finance Critic, to respond the next sitting day to the Budget. That is the big problem that I, as Leader of the Opposition or a Member of the Opposition, have with the decision that the Government House Leader has pounced on us today. Not so much that we got it five minutes ago or ten minutes ago, we can handle that, we can deal with that. For the first time in the history of this Province, as far as I know, the Government is deliberately short circuiting our right as an Opposition on behalf of the people, to respond in detail to the Budget document that was tabled in this House by the Minister of Finance on Thursday. That is the point.

SOME HON. MEMBERS:

Hear, hear!

MR. RIDEOUT:

It has never happened before. I can guarantee you, Mr. Speaker, it has never happened before in fifteen years. That bad old Tory Government that was over there. It never happened in the darkest days we were over there, Mr. Speaker. But coming from a Government less than a year in office trying to short circuit and circumvent this House, I cannot believe, Mr. Speaker, that the Government would do this.

Now the other thing I want to say to the Government is this. Unlike the Government when they were Opposition, we have no intention whatsoever of being so petty as to dig in our heels on an Interim Supply Bill. None whatsoever. The Opposition of yesteryear used to waste days and days, weeks and weeks, and sometimes it might have gone on a month on the Interim

Supply Bill.

AN HON. MEMBER:

(Inaudible).

MR. RIDEOUT:

Well I am certain that it was weeks and weeks - knowing full well that it was part of the Budget debate anyway, that it comes out of your seventy-five hours. Now, Mr. Speaker, this particular Opposition is more organized than that and we do not intend to do that. If we take a day or two on Interim Supply that is much as we intend to take.

SOME HON. MEMBERS:

Hear, hear!

MR. RIDEOUT:

We do not intend to take any more than that because the rest of the Budget debate and the Estimates Committees and the seventy-five hour time limit will be dealing with the same spending that the Government is asking for in Interim Supply. So we do not intend to waste any undue amount of time or hang up the Interim Supply Bill. We may take a day or so and that is it. So that does not concern me. What does concern me is the precedent that has been set here of the Opposition not being allowed, on the first sitting day after a Budget comes down, to respond in detail with unlimited time, as our Finance critic would have, to respond in detail to the most devious political document this House has seen in some time.

MR. SIMMS:

Right on!

SOME HON. MEMBERS:

Hear, hear!

MR. BAKER:

Mr. Speaker.

MR. SPEAKER:

The hon. the Government House Leader.

MR. BAKER:

Thank you, Mr. Speaker.

I would like to very briefly respond to the pyrotechnics of my hon. friend opposite. I would like to say to him, Mr. Speaker, that if he is going to exaggerate and so on then that is all very fine. We recognize that a certain amount of exaggeration is in political speeches. But I would ask that he at least stick to the truth.

AN HON. MEMBER:

Oh, oh!

MR. BAKER:

The truth is that in previous years when he was over here the Opposition did not waste months on Interim Supply, simply because Hansards will show, months and weeks -

AN HON. MEMBER:

(Inaudible).

MR. BAKER:

Yes, months. I understand he is verifying exactly what I am saying. I would like to point out to hon. Members of this House who were not here before, Mr. Speaker, exactly what used to happen. The Interim Supply Bill would be introduced a day or two or three days before the end of March, at which time Opposition Members or Government Members would then say 'either pass the Interim Supply Bill or we are going to hold up the pay cheques of the public service.' And this was pulled time and time and time and time again.

Now, Mr. Speaker, who is organized and who is not organized? I would say to the Leader of the Opposition (Mr. Rideout), Mr. Speaker, that if, in fact, what he is saying is correct, if they are quite ready to say, okay, let us give Interim Supply, then we can get on with the Budget debate and my hon. friend for Mount Pearl (Mr. N. Windsor), who is finance critic, can go on and talk for five or six days on the Budget. We would like to have Interim Supply because it is absolutely necessary. We do not want to come to the end of the month and all of a sudden be held up to ransom by this Opposition, we know what they are like, Mr. Speaker, that is exactly what would happen.

SOME HON. MEMBERS:

Hear, hear!

MR. RIDEOUT:

It has never been done before that the Opposition could not reply to the Budget.

MR. SPEAKER:

The hon. the Opposition House Leader.

MR. RIDEOUT:

Just close her down, boy! Put the locks on the door.

MR. SIMMS:

Thank you, Mr. Speaker.

I would ask the Government House Leader to reconsider this situation. We have already given an indication that we do not intend to hold up the Interim Supply Bill. But I think if we force Your Honour to rule on the matter, which I do not want to do, but if we forced Your Honour to rule on the matter, Your Honour will obviously have to do a bit of research, will have to check

Hansards of recent years to see what the practices and traditions in our House have been

I think if he does he will find that the practices and traditions have been that the Official Opposition, the Finance critic, gets an opportunity on the next sitting day after the Budget is presented, to give the Opposition's formal response to the Budget document on behalf of the people of Newfoundland and Labrador, which we were elected to do, to present the Opposition views. Now, Mr. Speaker, what is happening here is that the President of Treasury Board is trying to short-circuit that and I would ask him to reconsider it because I think it is a very bad and dangerous precedent. The Opposition has already said we have no intention of holding up the Interim Supply Bill. The Finance critic may only have a requirement to speak for an hour, or a couple of hours, I do not know how long he intends to speak, but I do not think he intends to speak for days. We are not planning that kind of a little tactic if that is what he is concerned about. But I would prefer to uphold the honour and tradition of this House, and the practices of this House, by allowing to occur what has always occurred, and that is let the Opposition present its formal response to the Budget, otherwise I would have to ask Your Honour to make a ruling on the matter and I do not think that would be fair.

MR. SPEAKER:

We will recess for a couple of minutes.

Recess

MR. SPEAKER:
Order, please!

I apologize for the delay, but in view of the statements and remarks made, The Chair wanted to be sure we had sufficient research done in the short time available. In three years in modern times, 1980, 1983 and 1984, after the Budget Speech was presented we did not go into the Budget Speech the first day after. In 1980 the Budget was presented on March 28th, and it was not until May 5th that the Budget Speech was called and the first speaker heard. In between that the Estimates were debated. In 1983 the same set of circumstances; it was March 17th when the Budget was presented and on March the 21st, the Government called Order No. 2. - precisely the same order that the Government called today. In 1984, likewise. So the Chair wanted to make sure. Secondly, of course, all hon. Members know the Government has authority to call the business of the day, as long as all the rules are followed. In this particular case, motion was given on Thursday, so I rule there is no point of order, and everything is in order.

The hon. the Opposition House Leader.

MR. SIMMS:
I have a further point of order.

MR. SPEAKER:
Another point of order?

MR. SIMMS:
Yes.

MR. SPEAKER:
On a point of order.

MR. SIMMS:
Not as complicated as the last

one, I hope, Your Honour - the question of debating time - since Your Honour has ruled the Interim Supply will proceed. As I understand it, and as I recollect, we do it by agreement. Normally, it is fifteen and fifteen - and then ten and ten back and forth. It is by agreement, is it not? It is not in the Standing Orders?

AN. HON. MEMBER:
No, it is not.

MR. SIMMS:
I am asking the Clerks at the Table. Standing Order 118, the Member is shouting across the House, Mr. Speaker. It is the one to which he is referring, but I do not see where it actually says the debating time for Interim Supply Debate will be, fifteen and fifteen, ten and ten. It refers simply to the Estimates Debates and those we understand are covered in Standing Orders. I do not think the rules for debate on Interim Supply that we have been using in the past, are covered in the Orders. It has always been by Agreement, otherwise you use a half hour, half hour the normal speaking time. So I wonder if the Government House Leader will agree then to the practice which we have established over the last number of years, where the Minister and the official responder will get fifteen at the beginning and then everybody else gets ten and ten back and forth, is that agreed?

MR. BAKER:
Agreed.

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

DR. KITCHEN:
Mr. Speaker, I would like to inform the House, that I have received a message from His Honour

the Lieutenant-Governor.

MR. SPEAKER:

All rise.

From: Government House, March 20,
1990

To: The hon. the Minister of
Finance:

"I, the Lieutenant-Governor of the Province of Newfoundland, transmit Estimates of sums required for the public service of the Province for the year ending the 31st day of March, 1991, by way of Interim Supply and in accordance with the provisions of the Constitution Act, 1867, I recommend these Estimates to the House of Assembly.

(Sgd.) _____
Lieutenant-Governor"

The hon. the Minister of Finance.

DR. KITCHEN:

Mr. Speaker, I move that the Message together with a Bill be referred to the Committee of Supply.

On motion, that the House resolve itself into Committee of Supply, to consider the Message of His Honour the Lieutenant-Governor together with said Bill, Mr. Speaker left the Chair.

Committee of Supply

MR. CHAIRMAN:

Order, please!

Resolution

That it is expedient to introduce a measure to provide for the granting to Her Majesty for

defraying certain expenses of the Public Service for the financial year ending the thirty-first day of March one thousand nine hundred and ninety-one the sum of nine hundred and eighty-three million five hundred and fourteen thousand three hundred dollars (\$983,514,300)

MR. CHAIRMAN (Snow):

The hon. the Minister of Finance.

DR. KITCHEN:

Mr. Chairman, what we are doing in this Bill is asking for Interim Supply in the amount of almost \$1 billion of which \$254 million, and some odd, is for Health; \$224 million is for Education; \$220 million for Works, Services and Transportation; \$26 million for Justice, roughly; Municipal Affairs \$59 million; Newfoundland and Labrador Housing Corporation \$4 million; Social Services \$67 million; Mines and Energy \$10 million; Fisheries \$15 million; Environment and Lands \$9 million; Development \$34 million; Public Service Commission \$1 million; Legislature \$2.5 million; Finance \$13 million, and a bit; Executive Council \$4 million; and Consolidated Funds and Services \$.7 million. This, we estimate, will enable us to handle the affairs of Government for up to three months.

Mr. Chairman, I would like, in speaking in support of this Bill, state that we wish we could ask for less, in a way, but we need that amount of money to carry out the program which we have announced both in the Speech from the Throne and in the Budget. It is always a very difficult thing to ask the people of the Province for money, particularly when you look at the situation in which we find

ourselves. I want to say a few words about the fiscal position of the Province at the moment rather than about taxes and about the manner in which we make our expenditures. Normally what Governments do is to be careful with their money in good times so that we will have money to spend when times are not so good. In the good years we hoard it away, and in the bad years we have a treasure from which we can take money. This is a very prudent way for individuals to act, if possible, and for Governments to act, and for businesses to act. It is common sense that when you do well you are fairly careful with what you make and you save a bit.

Unfortunately, Mr. Chairman, in the past six or seven years, apart from last year, this has not been the case. What has been happening is that we have not been balancing our current account revenues. I would like to point to chart 6, which occurs in the back of the budget document, which indicates that in 1982-1983 on current account, a good year - \$37 million in the hole. In the next year \$59 million in the hole on current account. In 1984, \$87 million in the hole. The next year \$44 million in the hole, \$28 million in the hole, \$29 million in the hole, and in the last year, the former administration almost balanced. They just went 0.8 in the hole which is not too bad. Last year we were able to - even though the year was not as good economically as some of the previous years - we were able to put away \$38 million on current account, and this year we estimate \$10 million.

What I am trying to say, Mr. Chairman, is that given the fiscal

position of the Province, we have to be very careful about our money. There is no money tree. We just cannot shake the tree and have the money come down. If we want to raise additional funds we have two places to get it from. We can get it from Ottawa or we can get it through increased taxes, or - there is a third way - if the economy is good, without raising the rate of tax we may be able to produce more revenue, and this occurs. But we have to be extremely careful with what we do with peoples money. But given the needs of the Province we also have to be careful that people are properly educated, and that they get an appropriate amount of hospital care when it is required. And this is what we have attempted to do in our current budget, and it is why we are asking for interim supply right now, so that we can continue these services over the next several months.

But I do want to stress that the Provincial deficit of \$5.2 billion is a large amount of money for a Province of our size to carry. It works out to be, as I mentioned in the Budget Speech - \$9000 for every person in the Province, and after this year it will be more, because we are estimating we are going to go in the hole on current and capital account another quarter of a billion dollars. So it will be up to about \$5.4 billion or \$5.45 billion total, which is a lot of money. And we have to be extremely careful. And when people ask for additional expenditures, and everybody does, since the budget was announced ever so many people have come to me and said, 'Gee, we did not get what we were looking for. We want some more for this, we want some more for that, and you really

forgot to put in something for that.' Lots of people are saying that. Even though we thought we spent an inordinate amount of money, yet this is what is happening. And all of these requests are legitimate, in my view, it would be nice to be able to spend on them. In the same way as managing ones household affairs there are all sorts of good things you can spend your money on, but you have to say to somebody, 'I am sorry, we just do not have it, we just do not have the cash to do this or to go on this trip or to do the other thing.' And similarly, I look upon Government as being very similar to a household economy where what we do: we try to spend on what is absolutely necessary and not to go in the hole because once we go in the hole we have to pay interest. I meet constituents sometimes who have real serious money problem, people who get in the hole to financial institutions, and they sometimes never get out, and they have to cut back on their food in order to pay a mortgage and things like that. It is important I think that we in this Government realize that there is an end to the purse. It is not up there to be shaken, and this is one of the reasons we have attempted to look carefully at all expenditures. This year every Department of Government was asked carefully to look at its expenditures and to try to figure out ways to save money. And if there were expenditures that were not absolutely necessary to make, let us not make them, that will free up money for something else or enable us not to raise taxes. Because taxes is just taking from one taxpayer's s pocket and putting it in another basically, either a corporate taxpayer or whatever. What amazed me are the

number of people who think, who really believe, and I am not talking about poor people, who think that Government should give them money. People who think, for example, that if I buy a Government bond the Government should give me extra incentive in order to buy a Government bond. Or if I am prepared to invest in a Newfoundland company the Government should come across and give me some other money to make more money. This attitude that many people have that the Government is there as a tree to be shaken, I believe it has got to be stopped. I do not mean to portray that we are against expenditures were necessary because God knows we must spend money on many things in this Province. Our level of social services is not high. Many businesses need encouragement to get started. It is very difficult to get business going in this Province and we have to give encourage where it is warranted. But sometimes when it is not warranted people ask.

So we went through the Government Departments and asked them to cut back as much as they possibly could. And if there was a service they were performing that was no longer necessary or they thought might not be necessary identify it, we will discuss it and we will see. So a number of things were eliminated. I suspect there is a fair amount of other things that are there yet that might very well be eliminated. Hopefully we will be able to eliminate things that are not necessary, but to retain things that are necessary. No one wishes to cut out things that are essential. But it is important, I think, that Government look very carefully at its expenditures and spend on what is necessary, but

not on what is unnecessary. I believe myself there are a number of things that we could still look at fairly carefully.

In eleven months we have been able to look at some things. We have identified, for example, the Office of Ombudsman and proposed to the House that they consider eliminating this Office. And rightfully so. Things have changed in the past seventeen years. It is not the same as it was. We now have in this House of Assembly fifty-two Members, and I believe everyone or almost every one is a full time Member whose remuneration is given on the grounds that they will be a full time Member. I understand also that every Member has a secretary. I can remember a few years ago when we had to share, three or four of us would have to share a secretary.

And we have a strong Opposition and a strong Government so if anything happens in the public service that should not happen, Members opposite are there to call attention and they have done so in the past and hopefully they will do so in the future. And not only that, Mr. Chairman, we also have now the press, by gosh we have a great press. Every time you do not hang up your carphone, they are there. They are there talking about your battery, and properly so. And I am glad they are always looking and pruning and where they see Government waste they should be at it.

AN HON. MEMBER:
(Inaudible).

DR. KITCHEN:
Proper thing! Not only that we have The Freedom Of Information Act now which we did not have a

few years ago, whereby Government Departments have to provide information. The situation is not like it was a few years ago. I would also like to say that I have been representing Districts at three different times in my life, once the last year of Mr. Smallwood's Administration I was there for a short time, and I was there in Mr. Moore's last couple of years, and also here now. I tell you that the number of Ombudsman-like tasks that I have performed in my lifetime, not in my lifetime in the House, which is relatively short, far exceed those that are published in the Ombudsman's Report. I am sure that Members opposite and Members on this side can point to a similar dossier of wonderful things and good things that they have been able to do. Not that the Office is completely irrelevant because I do not believe it is. But we are talking about money and as I see, it is a frill that we no longer require. Because our freedoms are much more highly protected now than they were a few years ago. We have causes, we have organizations that fight for various groups, we have human rights organizations, we have women's organizations that fight for their rights and properly so. This is not like it was a few years ago when these organizations did not exist. We have many, many groups that push for the rights of individuals.

I have no problem with eliminating irrelevant institutions. If an institution no longer has a function, a worthwhile function, not that it is of no value, but it is not of very much value, and given the financial position of the Province we have to cut it back. Similarly we have to probably look at other

organizations and agencies also to see if they too need the funding. Just because they needed it fifteen years ago, or ten years ago, does not necessarily mean that they will get a free ride forever. Because the alternative is to deny that \$250,000 to someone who really does need it. That is the problem. We are caught with priorities here. What is prior? You cannot have everything Johnny. You cannot have everything. You can either have the truck or you can have the so and so but you can not have both of it. This is the situation we are finding ourselves in now. You cannot have everything. As much as we would like to be able to shake a tree, wave a wand and get whatever we want, but we are not in that position, Mr. Chairman. We are in the position of being a poor Province, with a Federal Government which is reducing the rate of increase of its established program financing, which is capping many programs. Without the Federal Government's expenditure in this Province, we would be in bad shape. But the fact remains that they are spending at a decreasing rate in this Province, that is squeezing us and we have to accommodate. It is basically a question of do we tax more, or what it is that we cut back on. Maybe someone in Opposition might be able to say well you should not have cut that, you should have cut this, and that would be a legitimate point to discuss.

MR. CHAIRMAN:
Order, please!

The hon. Member's time has elapsed.

DR. KITCHEN:
Thank you, Mr. Chairman.

SOME HON. MEMBERS:
Hear, hear!

MR. CHAIRMAN:
The hon. the Member for Mount Pearl.

MR. WINDSOR:
Thank you, Mr. Chairman.

First of all I think we have to discuss what we are about here today. And the first thing I have to say, having received the Interim Supply Bill a half an hour ago, I do not think that has ever happened before. I think that is an affront to the Members of the House of Assembly to come into this Chamber this afternoon expecting to debate the Interim Supply Bill and we have not even seen it until about one half an hour ago.

Government is asking in this Bill for nearly \$1 billion, Mr. Chairman.

AN HON. MEMBER:
He did nothing about it. He talked about everything else but.

MR. WINDSOR:
That is the problem, the Minister has not addressed it at all. That does not surprise me, Mr. Chairman.

We saw the Minister's lack of performance during the Question Period this afternoon. The whole Question Period was basically directed toward the Minister, very pertinent questions about the budget. The Minister, Mr. Chairman, I will not say refused to answer them, because I do not think he knew how to answer them. I do not think he knew the answers. They were very legitimate questions seeking information on what is in the Budget, and the Minister,

Mr. Chairman, admitted that he did not know. In fact, he told us that it will probably be a couple of weeks before he gets around to issuing some sort of a statement to tell us exactly what is covered, for example, by this new tax, this new health and education tax. A health and education tax, Mr. Chairman, and the Minister does not even know if health and education institutions are also taxed by the health and education tax. He could not even tell us, yet the same Budget he wants us to approve, a billion dollars, without even knowing that information. We do not know what is in this Budget, because the Minister could not give us the answers this afternoon.

MR. R. AYLWARD:

He is reading his own Bill now to find out what is in that.

MR. WINDSOR:

He is reading his Interim Supply Bill. I would suggest it is probably the first the Minister saw his Interim Supply Bill.

The President of the Council says 'Oh, it is only 25 per cent of the annual Budget. Mr. Chairman, it does not take very long with a calculator to find out that some of those like Works, Services and Transportation, 76 per cent of their annual budget is being requested here. And the Department of Development, 57 per cent of the annual budget is being requested. There is not much information here. We are asked to approve a billion dollars on the strength of one sheet of paper which we received a half hour ago, and the Minister cannot provide even the most basic information about what is in the Budget.

Mr. Chairman, this whole process

seems to be falling down. This whole Budget, Mr. Chairman, is a very devious document, as several speakers earlier today indicated, and will over the next number of days and weeks as we debate the Budget itself, because what we are talking about here is a portion of the Budget. The Government House Leader is accurate, in that all you are asked to do here is to provide some interim funding for the time being, and we as the Opposition, as the Opposition House Leader indicated, and I think the Leader of the Opposition indicated, no intention of holding up Interim Supply as hon. gentleman opposite did when they were on this side of the House, and tried to hold Government up for ransom. We were into the last minute trying to get Interim Supply approved so that we could pay salaries the next day; sometimes we had gone into April before we had it approved, sometimes we had to have evening Sessions.

There is nothing to be proven, Mr. Chairman, by doing that, and we have no intention of doing it. We want to get into the meat of the Budget, and we would like to get some answers. Over the next number of weeks we will be showing exactly how devious this Budget is, how - I will not say dishonest, Mr. Chairman, that may be unparliamentary, but it is very clearly misleading the people of this Province when the Minister tries to indicate that there is no increase in taxation to the people. I mentioned a couple of points this afternoon as it relates to some of the more obvious ones, as it relates to the Newfoundland Liquor Corporation. The Minister tried to give the impression in his Budget that there was no increase in the price

of alcohol or alcoholic products, spirits, wines and beer, in this Budget. Now Mr. Chairman, that is very clearly misleading the people of this Province. Take a very simple look at the Budget document and it is clearly spelled out that there is an increase of \$2.5 million revenues returned to the Province from the Newfoundland Liquor Corporation. It is absolutely impossible for the Newfoundland Liquor Corporation to return \$2.5 million without increasing the price of their products. The Minister tried to slough that off by saying, Oh, the price is going up through the manufacturer. That has absolutely nothing to do with it. The cost is irrelevant, Mr. Chairman. It is the profit margin on top of that that we are talking about here. That is what we are talking about. And on top of the \$2.5 million, one will assume that the Newfoundland Liquor Corporation will also be considered as an employer and, based on their present salaries - they are easily abstracted from their Annual Report, which I did - a very quick calculation will indicate another \$108,000 to be recovered from the Newfoundland Liquor Corporation. That all is going to be passed along to the consumer of this Province, yet the Minister would have us believe that there is no direct taxation.

Personal income tax, Mr. Chairman, has gone up, as I indicated. The Minister introduced an increase last year of 2 per cent on personal income tax, which impacts an additional 1 per cent this year, and I think that brings in an additional \$20 million in personal income tax. What he does not say, of course, is that effective next January the new Goods and Services Tax applies,

and Retail Sales Tax, for example, will go up because of that. He did not increase the per cent of Retail Sales Tax, but because Retail Sales Tax will be now applied on top of the federal tax there will, in fact, be an increase of revenues received by this Province from Retail Sales Tax. But the Minister stands up and says, I did not increase Retail Sales Tax. He did not lower it either, Mr. Chairman, to give back to the people the additional amounts that will now be received by the Province because of that. He did not say in his Budget that additional revenues will be received of \$4 million from tax on gasoline, \$4 million this year, and that is not just from increased consumption. I will grant the Minister that a portion of that will be increased consumption, but what that is, Mr. Chairman, is the fact that gasoline tax is based on a ad valorem system. The Minister increased it last year to 23 per cent from 22 per cent, and it was the first time since 1981 that there had been an increase in the percentage tax applied to gasoline, the first time since 1981. So now the Government automatically receives an increase from gasoline tax because of the fact that the price of gasoline is going up at the wholesale level.

Fines and Licences: The Minister stated quite clearly that there would be an additional \$5 million in fines and licences to be received by the Government. Well, where does he think those are coming from? Who is paying the fines and licences if it is not the consumer of this Province? And the Corporation Capital Tax, \$1.7 million. That is applied to banks, finance companies, insurance companies and credit

unions. Who indeed, Mr. Chairman, pays that? Obviously, that will be passed along to the consumer. For the Minister to try to persuade this House and the people of this Province that these types of taxes are not direct taxes on the people I think is very misleading, and we will develop some of these points over the next number of weeks as we go forward.

The point I want to make here is that this Budget is not only not a People's Budget, it is not a Budget that is designed to deal with the economic realities of today. In the Budget Speech the Minister says, The main thrust of this Budget will be to deal with social programs, particularly Health, Education and Social Services. This is the thrust of a people oriented Budget to deal with Health, Education, and Social Services and to develop the resources of this Province. Now, Mr. Chairman, how gullible does the Minister think the people of this Province are?

Again, I am simply referring to the Budget highlights now, which are very clear and concise Highlights of the Budget Speech. All you have to do, Mr. Chairman, is look, for example, at the resource sector, a little pie-shaped graph which indicates the section, or the percentage of the provincial Budget that is allocated towards the resource sector.

How much time do I have, Mr. Chairman? Am I running out of time now?

MR. CHAIRMAN:

You have four minutes.

MR. WINDSOR:

There is 6.7 per cent of the total

Budget allocated to the resource sector. The Minister of Development is smiling. I think he knows what I am about to say. I would hope the Minister of Development is concerned about this, and the Minister of Fisheries. At a time when the Fisheries Budget is cut by over \$2 million, I would think the Minister of Fisheries would be concerned, as I am sure my friend, the Minister of Development, is. The resource sector is now decreased to 6.7 per cent whereas last year, in 1989, it was 8.1 per cent. That is a 2 per cent cut.

MR. FUREY:

We are going to do more with it than last year.

MR. WINDSOR:

You are going to do more with 6 per cent than you could with 8 per cent. Well, maybe the hon. the Minister of Development will tell me how he is going to do more with 6 per cent than we did with the 15 per cent, I announced in my Budget of two years ago, allocated to the resource sector.

MR. FUREY:

What did you do with it?

MR. WINDSOR:

We did a great deal with it. The fact of the matter is, Mr. Chairman, the percentage of Government allocation now to the resource sector has decreased in the last two years, since this Government took office, from 15.1 per cent to 6.7 per cent. At the same time, the general Government sector, which covers the debt, hon gentlemen opposite will say we reduced that to 27.6 per cent this year from 28.5 per cent last year, and that is true. There is a slight decrease this year in the percentage allocated to the

general Government sector. They do not say that the year before it was 20.8 per cent and so, in fact, they increased it by 8.5 per cent last year so they could reduce it this year by only 1 per cent. When you do a similar analysis on the social sector, Mr. Chairman, you will see that there is an increase this year of 2 per cent, 65.7 per cent up from 63.4 per cent last year. They do not say that last year they reduced it from 64 per cent the previous year down to 63 per cent.

So they are playing with numbers, they are playing with words, they are not being totally honest with the people of this Province when they say they are not hitting the consumer of this Province. Every cent of increased revenue that was announced in that Budget comes out of the pockets of taxpayers.

This new Health and Education tax, which is a payroll tax - they can call it what they want - it is a payroll tax on the employers of this Province, the people who create the jobs. We will show over the coming weeks, as we get into the Budget Debate itself, when we get through this Interim Supply, of whatever benefit that is, we will show how negatively that is going to impact on businesses in this Province and on the Government's ability to create industry and to attract new business here. And you will look at the funds that are available, down to 6.7 per cent from 8.1 per cent, for the Minister of Development and other resource Ministers to try to develop industry, to try to attract industry to this Province. When you couple that with the disincentive built into this new payroll tax - call it what you will - it is clearly a

disincentive. It is a tax which tells businesses, do not grow too large. It is something that puts businesses in Newfoundland and Labrador at a decided disadvantage with the same businesses in Sydney, Nova Scotia, which is right next door. This afternoon one of my colleagues raised a question on the trucking of goods into this Province, the trucking of food into the Province. A trucking firm based in Halifax, Nova Scotia, does not pay the employee tax when they are trucking into the Province.

MR. CHAIRMAN:
Order, please!

The hon. Member's time has elapsed.

MR. WINDSOR:
We will get back to the Minister later on.

MR. CHAIRMAN:
The hon. the Member for Stephenville.

MR. K. AYLWARD:
Mr. Chairman, it is a pleasure today to speak for a few minutes; I would just like to have a few minutes to speak to the Interim Supply Bill. The expenditures we are requesting funding for, I believe, are well-documented and well-merited. The Heads of expenditures outline include Works, Services and Transportation, Development, Fisheries, Forestry and Agriculture, and it goes on down the line. In those expenditures is included funding for hospital beds that will reopened by this new Provincial Government, which I think is a very positive and is part of the way this new Government would like to operate and would like to see it as a major priority. So I see it as a

very positive move and one that is welcomed by most people in the Province.

When I hear the Opposition talking about the amount of dollars we are bringing in here for Interim Supply, the way we are doing it and democracy etc., I am quite surprised at that, knowing that the former Government did not even open the House last year before they called the election, and decided to go to the people without a budget being passed so that expenditures could be approved by the people of this House of Assembly.

To be constructive in their criticism is fine, but it is very difficult to sit down and take that kind of criticism when you know what they got on with last year. It is absolutely amazing. I think last year, at this time, there was a leadership convention on the go for the Government in power. I think it was just a temporary lull to see who was going to take over for the next ten years. I know a number of Members opposite who were in that leadership campaign. I suppose, last year at this time it was just about over, and some people were not probably as happy as others, and then they decided to have the transition team down at Hotel Newfoundland, I think, and they then decided to look at what was going to happen to get their people in place for the next Government.

But, of course, they were doing all of this but they did not open the House of Assembly, and the Government was supposed to operate without the House being open, and with no Budget passed, no nothing, they decided to go to the people. Now we are being accused of

bringing in Interim Supply the day after the Budget is brought down. It pales in comparison to what they got away with last year, and it absolutely amazes me that such criticism could be rendered.

I do not mind them criticizing, saying there is not enough money here or there is too much money there, but when you look at what happened last year, when it comes to democracy in this Province, it was absolutely nuts and crazy and everything else, and you kind of wonder. When I hear that criticism I think it should be pointed out what the former Government did in exercising these democratic ideals they now have. They get on with telling us how to do the job, when the example that was set was not exactly the highest in the land. It is most unfortunate.

I think the Member for Mount Pearl should take those comments and then, maybe, his criticism should be somewhat muted when he talks of how this Government is operating.

There are expenditures here, Mr. Chairman, for the Department of Social Services. I think it should be highlighted that this Government is bringing an additional number of social workers into the system. I believe that will be very positive in dealing with the problems that are out there, problems which have been let go on for too long, and which this Government is going to attempt to deal with. Mr. Chairman, you cannot solve all the problems in a short period of time, but you can certainly put measures in place to attempt to deal with them. And that has been the problem, I think, that there has been no long-term plan to deal with these major issues. I am

pleased to see that funding is there to deal with the social problems in the Province that we are now experiencing.

Also, I notice there is funding, Mr. Chairman, for the ERC, and also there is an Asian initiative within the Department of Development. I think that is very a forward thinking measure for this Government, Mr. Chairman, looking at the global marketplace. It is a pleasure to see that this Government and this Minister of Development are thinking like that, thinking forward and trying to attract business to this Province. It is a very noteworthy measure that is being put forward, and I think it will be money well spent.

Again, I do not expect any criticism from the other side on that one, because, of course, as we all know, the Minister in the former Government did a fair bit of travelling trying to attract business to this Province. So I do not expect that we are going to get too much criticism of our Minister of Development and other Ministers for at least trying to do the same thing, and hopefully we will have better luck in doing it.

I also notice, Mr. Chairman, there is funding for Education, and it is very positive this year. When it comes to education a fair number of dollars are allocated. I see some good improvements, like improvements in student aid, improvements in the post-secondary system - some very positive dollars going there - and some good improvements. Funding for school construction was increased by this Government last year, Mr. Chairman, much higher than it was in previous years, and increases

were made last year to equalization, and so on.

I am looking forward to criticism from the other side, but I would hope that it would be muted, Mr. Chairman, and that they go back and look at their own Budgets of the past three or four years, so that when they make the criticisms they will not have it coming back at them. It is good to criticize, but you should be constructive in your criticism.

As I said, this time last year there was no Budget, there was no nothing, because the hon. people on the other side thought that they were going to have their leadership convention, have their election, and wipe out the Opposition, there would be four or five members left - I think that was their plan - and they would again be in power for another ten years and we would never have to worry again. There was no thought about the democracy of it last year, Mr. Chairman, it was just naturally assumed that this was going to occur. Now we hear criticism of us over here for bringing in Interim Supply the day after the Budget was brought in.

I find it absolutely amazing. The House of Assembly was not open for a fall Session for the last number of years, until this Government came to power. Talk about democracy, Mr. Chairman. I mean, let us get real around here. No House Assembly open in the fall, no fall Session for the last four years, until this Government came to power, and we are being accused of not being democratic. Well, I have to tell you I find that absolutely amazing when there was no Budget last year.

I mean, they are still flinching

from last year's defeat. It is hard to get used to. But, again, we had nice offices. I notice here in the House of Assembly Expenditures we have offices for everybody. Everybody is being treated so good. Fairness and balance all the way. I just cannot understand it, Mr. Chairman, when I hear these criticisms.

To talk about health care, Mr. Chairman, this year the Sir Thomas Roddick Hospital in Stephenville is getting a new x-ray machine for medical purposes. The other machine was fourteen years old. But, of course, Stephenville was an Opposition District for a number of years, especially the last four or five, so I did not get a look in. But that is okay. We are going to share the dollars, Mr. Chairman, in a proper manner, as fair as we can, taking into account the politics over the course. Hon. Members know they can make fair representation to this Government and that they will be treated fairly. They know that. It is also evident in this Budget and the expenditures brought forward. A number of initiatives have taken place in Opposition Districts as well as Government Members' Districts, so we are very well balanced around the Province.

We are concerned about economic diversification and creating a better economy. We are going to keep doing that, Mr. Chairman, despite the very harsh criticism which the Opposition keep throwing at us. We welcome that criticism, Mr. Chairman, because it makes us a better Government, it will make us more accountable and so on. The only problem is, before they are making their criticisms they should go back and look at their

own record, before they open up and go after us. I have to tell you, Mr. Chairman, it is amazing.

I give credit to the Minister of Finance for bringing in his fine Budget. We look forward to the deliberations we are going to have over the next few weeks as to the expenditures that are coming forward. A very good Minister of Finance, who is very concerned about the Province and his expenditures, with a good, fiscally responsible Budget, and with a social conscience. A good Liberal Budget, as far as I am concerned, Mr. Chairman, and I support it fully. Thank you, Mr. Chairman.

SOME HON. MEMBERS:

Hear, hear!

MR. CHAIRMAN:

The hon. the Opposition House Leader and Member for Grand Falls.

MR. SIMMS:

Thank you, Mr. Chairman.

I just want to make a few brief comments on this Interim Supply Bill.

First I will make some comments on the speech just made by the Member for Stephenville (Mr. K. Aylward).

MS DUFF:

He should be in Cabinet, I think.

MR. SIMMS:

Yes, the hon. the Member for Stephenville should be in the Cabinet.

MR. R. AYLWARD:

He should be Minister of Finance, too.

MR. SIMMS:

In fact, I would suggest to the

Premier if he were here that the Member for Stephenville would make a fantastic Minister of Finance.

MS VERGE:

Well, I do not know about that, but he would probably be better than the present one.

MR. SIMMS:

Yes, certainly compared to the existing one. He would make a great Minister of Finance. His love, of course, is the Youth Services Division, Culture, Recreation and Youth. His tongue used to be down to his ankles hoping that he would go in the Cabinet and become the Minister of Culture, Recreation and Youth. Of course, the Government eliminated that division. I am not sure if he can handle Municipal Affairs, that is a pretty heavy portfolio.

MS VERGE:

That Division, in Municipal Affairs, is getting a Budget cut.

MR. SIMMS:

Yes. I am getting to that.

He made a fine speech and toed the Party line and said all the right things. Hopefully the Premier had his speaker on, down on the eighth floor, and heard everything that he said and is keeping track and keeping score.

Mr. Chairman, the Member, of course, suggested that when the Opposition criticized that it should be criticism of a constructive nature. I think those were the words he used. That is a reasonable suggestion, and, quite frankly, even though it may not appear that way to Members opposite, I think I can say with some degree of satisfaction that that, in fact, is what we try to do, We try to criticized

constructively.

And I know the Minister of Social Services will agree with me, because he is now an expert on giving speeches about the effects of sensationalism by the media, and the negativity associated with sensationalism. He now is an expert on that, and so he should be, having had a lot of experience at it.

If you will notice, and I think if Members opposite were objective in their assessment of our performance as an Opposition, you would have to admit, and have to agree, that indeed our activities and our questions put forward, and so on, are not those of a sensationalized nature; they are very reasonable and very constructively put forward in the hope that we can get the Government to respond. Now, sometimes you run into the odd Minister who might give you an answer, but we have an example, unfortunately, of a gentleman - I must say I find the hon. the Minister of Finance to be a half decent fellow. He has a great sense of humour. I know his students at the University called him the Mad Professor. I do not know why they did that. They must have been doing it in a joking way. The Minister was never offended by that. I am sure he laughed it off, and chuckled it off. He does have a sense of humour. Unfortunately, Mr. Chairman, what you see is that at a time when he should be responsible and serious, it is the time he tends mostly to be humorous and tries to make jokes. That is unfortunate, because the questions put forth today were of a constructive nature.

Members opposite must surely be

asking themselves the question, How did the Government make a decision to implement a one and a half percent payroll tax on organizations with payrolls in excess of \$300,000, draw the conclusion that that would give us an annual estimated revenue of \$25 million, if it did not have it plotted out? There must have been some thought, some consideration somewhere that this \$25 million figure was arrived at. Generally speaking, what happens is the officials put forth for the Minister's consideration to take to his Cabinet colleagues, probably through P and P - he would have to get the approval of the President of Treasury Board, because he is the most powerful Minister over there. I say to the private Members there, the backbenchers on the Government side, if you want to get something done, go see the Government House Leader. He is the man who has the power and the authority. There is no question about it.

So the Minister of Finance went to the President of Treasury Board, I suspect, and said, 'By God, the officials just came up with a great idea for a new tax, a chance for us to get a few million dollars.' The President of Treasury Board said, 'Oh, yeah? What is that, Herb?' And, he said, 'We can implement this payroll tax.' The Tories would not do it for years. It was brought up to us for years, and we rejected it year after year. So, the President of Treasury Board said, 'It sounds like a good idea, Herb. Let us sit down and figure out how much this is going to give us.' Herb said, 'Well, there are so many businesses and so many organizations in the Province and they have so many thousands and millions of dollars in payroll,

and 1.5 per cent of that would be \$25 million.' The President of Treasury Board said, 'Go to it, Herb. Go to it. Bring it up to Cabinet and I will support you.' He went to Cabinet and Cabinet said, 'You have this all figured out have you, Herb?' 'Yes, it is all figured out, boys, and we are going to get \$25 million.' Nobody asked, does this include a 1.5 per cent payroll tax on municipalities? Does it involve a 1.5 per cent payroll tax on hospitals? Does it involve a 1.5 per cent payroll tax on universities and community colleges? Nobody asked those questions. It was based on an overall figure the officials gave them, and he took 1.5 per cent of it and it comes out to \$25 million. Now, if that is not how it was done it certainly seems that it is how it was done, from the answers the Minister gave us today. My point is this: Do Members opposite not agree that those kinds of questions we asked today were of a constructive nature? Those were legitimate questions. In fact, the Minister himself admitted today that there is some confusion about it. He admitted it today.

MS VERGE:

He said he, himself, is confused.

MR. SIMMS:

Now I am told that the Mayor of St. John's asked the President of Treasury Board last Thursday, the day of the Budget, 'Does this involve the City of St. John's?' The President of Treasury Board said, 'I am not sure.' Then he said, 'Well, I will go see.'

MR. MURPHY:

You had better be careful of your source now.

MR. SIMMS:

Is that a slur on the Mayor of St. John's by the Member for St. John's South? No, it cannot be.

So the President of Treasury Board said, 'Go ask the boss. Go ask the Premier. He knows everything.' So, the Mayor of St. John's walked up to the Premier and said, 'Is that one and a half payroll tax apply to the City of St. John's?' Guess what the Premier said. 'I do not know.' And he asked somebody else, probably the Minister of Finance. No, maybe it was the Minister of - yes, it was! It was Eric the Amalgamator, the Minister of Municipal Affairs, and the Minister of Municipal Affairs, do you know what his answer was to the Mayor of St. John's?

SOME HON. MEMBERS:

I do not know.

MR. SIMMS:

You got it. 'I do not know.' Now, who in the heavens knows if nobody in the Government knows. The Minister of Finance said today he does not know. Oh, he is going to tell us later on. He is going to check it out and tell us later on.

But, Mr. Chairman, my point is that these are legitimate, constructive questions. These are very legitimate questions - and the Member nods his head. If the tax is applied to hospitals, then, obviously, it is a regressive measure because they will lose several millions of dollars from their -

DR. KITCHEN:

(Inaudible).

MR. SIMMS:

Well, how are they going to pay

the tax if it applies to hospitals? I remind the Minister that officials in his own Department, as of today, said the tax applies to hospitals.

DR. KITCHEN:

(Inaudible) as one.

MR. SIMMS:

There was an official today and there was another official called on Friday. Officials have said, one on Friday and one today, that the tax is included for hospitals, school boards, post-secondary institutions and municipalities. All will be taxed.

If that was taken into the calculation of the \$25 million, and now because of the heat the Minister is backing off and is going to make a big statement next week or in a few days time saying the Cabinet has discussed this matter and there is so much pressure put on by the power houses in the Cabinet, the Minister of Social Services -

MR. CHAIRMAN:

Order, please!

The hon. Member's time has elapsed.

SOME HON. MEMBERS:

By leave.

MS VERGE:

By leave. That was a really good speech.

MR. CHAIRMAN:

The hon. the Minister of Social Services.

MR. SIMMS:

We have to catch a (inaudible). We are going over to Piccadilly.

MR. EFFORD:

Mr. Chairman, leader number two

should sit down for a few minutes.

MR. DOYLE:

You picked a dilly last week.

MR. EFFORD:

Mr. Chairman, I was a bit confused. This is the Interim Supply debate, is it not?

AN HON. MEMBER:

That is right.

MR. EFFORD:

It is the Interim Supply Debate. I thought, when I was sitting down listening, there were some references made to the Budget Speech. I did not see anything connecting that with Interim Supply. It goes to show you, Mr. Chairman, that their performance on that side of the House is equal to their performance when they were on this side of the House. Nil. Nil. Because I came in today prepared, hopeful that I would get some questions during Interim Supply on some of the things we would be expected to be dealing with in the Department of Social Services. I sat down with six pages. Two speakers got up and there was not one question, not one reference to any Department on Interim Supply. I mean, your problem is that you have to get someone to set down at your caucus meetings and show you how to come into the House of Assembly and act like an Opposition. You have not got it together yet. You need some professional advice.

MR. R. AYLWARD:

Actually, you only have two more years and you can (inaudible).

MR. EFFORD:

Two more years? You are going to get an early pension, are you?

Mr. Chairman, I think last week's Budget was a people's Budget. No question about that. But I have never seen in all my life, in all the different groups and organizations I have been involved in, and I am a person who enjoys criticism, I can take it and I can also give it, but I have never before seen a bunch of people stymied, stifled. Not a word! Nobody. Not even the Leader of the Opposition. He got in front of the cameras, he coughed two or three times and he tried to get something out. I mean, it gave us a clear pat on the back, and the Minister of Finance, in telling us very, very clearly that the Budget last week was the best Budget to come down in the last seventeen years, since you were on this side, a Budget in which the priorities were in the right place. In other words, we did not put the millions of dollars in growing cucumbers to make pickles that could not sell, we put it into opening hospital beds. That is the one clear message, people need good health service. The Member for St. John's East, I keep referring to her, she should come over here, because she is a Liberal at heart. She is concerned about the health of people and the welfare of the people of the Province of Newfoundland and Labrador. She is not taking the same attitude as you people are, saying that the Budget was not for the people of the Province. What do you want to do, take the rest of the money you have, throw it into Corporations so that the large Corporations like the Sprungs can take the money and run off to Calgary with it, run off to the United States, run off to Bermuda, where they can put secret companies without anybody knowing who owns them, all the result of the former

Administration? But the minute a new Government comes in and shows some concern for the people of the Province, not a word, not a word, and a pitiful display at Question Period. The last session and again today, a pitiful Question Period. In fact, I am tempted to get up and ask a question to show them how to do it because it is unbelievable. If I would not be caught in another conflict of interest, I might even write a question for him. At the last ten minutes, what really surprises me, usually no matter how ineffective an opposition is, they do have enough questions for those total thirty minutes, but I suspect after today, the Speaker is probably going to decrease Question Period to twenty minutes because the last ten minutes they ran out of questions. Only for leader no. 2, who jumped to his feet to ask a question, it was only that which kept them going the last five minutes, and most of the questions were repeated over and over and over. To look at the people of the Province, it was a clear result. All you had to do was look at all the editorials, all you had to do was look at the news media as a whole. It had to leave the Opposition speechless. To say that this is not a people's Budget. The Member for Humber East, last year, in Estimates Committee, asked thirty-one questions, but did not write them down, before I had an opportunity to ask one. I said to you, very, very clearly, that next year, in next year's Budget, the main topic of our questions was child abuse, that we would answer the problem with the child abuse victims in this Province, that we would put a system in place and that we would deal with it. We would correct the mistakes of the former Administration, the lack of staff,

the lack of ability, the lack of programs that the former Administration did not implement in the Department of Social Services. Now, last week's Budget, fifty new workers to work in the child abuse unit in St. John's and around Newfoundland and Labrador. Fifty child abuse workers will be working in the Province of Newfoundland and Labrador wherever the need presents itself, if it is in St. John's, in Corner Brook, if it is in Labrador, it is going to be distributed. You can criticize it however you want. The fact of the matter is, I never heard the Member for Humber East, say she was pleased.

MS VERGE:

Next Saturday, in the Western Star.

MR. EFFORD:

Well, unfortunately this is the eastern part of the Island. We do not get the Western Star.

MS VERGE:

You should get it, you are the Minister for the whole Province.

MR. EFFORD:

Well I will get it in time. You should have sent me a copy. I would have been glad to read some positive comments from the Member for Humber East, because she showed the greatest concern. Now I do not expect the former Minister for Social Services to say anything positive because he is afraid that I might stand up here for the next two hours and tell him about all the things that I have had to correct which he created in the Department of Social Service during the few short months he was there. He is not going to say anything of a positive nature because he does not know anything about the

Department anyhow. But the Member for Humber East certainly had a genuine concern last year in the Estimate Committees about the child abuse, and it is climbing in the Province, in excess of 7,000 cases in the Province reported right now and climbing every single week. So something had to be done about it, is that not a peoples' budget, is that not something for the people of the Province? We are not centered in one little part of the Province and going to put a number of people there just to correct one problem, it is for the whole Province of Newfoundland and Labrador. Another thing that we are very interested in doing is helping out the single parents of the Province, to try to implement a program where single parents can get away from dependency on social services, can get a chance of a decent education.

SOME HON. MEMBERS:
Hear, hear!

MR. EFFORD:
Is that not caring for the people? Things will be done. Things will be done for the people. We will not throw money away. We will put money in a priority base that matters most for the people. Day care at the university, day care for the whole Province. Day care for the whole Province is at the top of our priorities for the next two or three years. We have already met with your colleagues, your co-workers in Ottawa who promised the Day Care Strategy Program prior to the last election and as soon as the election was over, what did they do, they cancelled it.

Just recently in the Budget the \$100 million, probably the Member

for St. John's East or the Member for Humber East has not found this out yet, they have even cut a portion of that \$100 million hidden in the clauses, \$17 million now even cut away from that to save money on the day care strategy program. Closed up the women's centers, cut back the funding for the women's centers. I am not blaming the feds. They are facts. I do not have to stand up here and blame them, all you have to do is look at the Budget. It is all over Canada. One of the things that we have done for day care, we have increased -

MS DUFF:
Where do you find it?

MR. EFFORD:
If you could not find it it was because you did not read it properly. If it was the former Minister of Social Services I would say that he could not read at all, but I would not say that to the Member for St. John's East. But you did not read it properly. In the Budget you will find that there is a \$100,000 allocation and that the amounts of deductible income for people in the low income brackets has increased. It goes on a scale. If you want me to start off, it used to be \$747 that you were allowed to make before you would have to contribute anything towards day care. Now it starts at \$807 and increases according to the scale. If the Member for St. John's East would like to see the scale, here it is. So there is something for day care in this present Budget.

SOME HON. MEMBERS:
Hear, hear!

MR. EFFORD:
Let me say very clearly, when we

sat down to draw up the Estimates for the Department of Social Services, it took some time to make preparations for suggestions that we would like to see in the Budget. The whole executive and all the people in the Department of Social Services were all involved. One person did not sit down isolated in his or her own office and decide what is going to happen for next year. We consulted all people right across the Province and we asked them what improvements they would like to see in the Department of Social Services. One of the top issues, I think, was day care.

But every Member in this House of Assembly knows that the contribution must come from the Federal Government. There is not enough money in the Newfoundland Treasury to provide this decent day care service that is required all over the Province of Newfoundland and Labrador. In St. John's, in Corner Brook, and in some of the urban centers you do have some day care. In rural Newfoundland you have none.

Now why do we not have any? I have only been Minister ten months, twelve months May 5, what a celebration we are going to have. What happened over the last seventeen, eighteen years? What happened about day care then? Why is it now all of a sudden the Member for Humber East, the Member for Kilbride, the Member for Burin - Placentia West, the Member for Grand Bank gets up and says how come you have no day care? We have no day care because you did not put it here. That is the reason we have no day care. We are trying to straighten out the mess that you created. And that is only one instance. How come the Minister of Health had to

spent the last six or seven months concentrating on a way in which he could hopefully straighten out the health situation, a mess that was created. He inherited the mess. He did not cause the mess.

MS VERGE:

Who caused the hospitals in Grand Bank and St. Lawrence to be closed?

MR. EFFORD:

Who caused the problem in the health care? We are trying to straighten it out. We are trying to straighten it out.

AN HON. MEMBER:

Talk about Come by Chance and Markland.

MR. EFFORD:

I am sure the Minister of Health when he gets the opportunity will stand to his feet and will be able to answer all the questions connected with the health facilities in Newfoundland and Labrador. He will be able to brag about all the beds that he is opening up this summer, about the new nursing positions, about the recent agreement that was just made to give the nurses some respect all over the Province in wages and on, and on. In fact, I suspect he will be to his feet numerous times not just for ten or fifteen minutes, he will be up there so much that the Chairman will have to tell him to sit down. He can go on and on. In fact he made me a bit jealous because I would have liked to have gotten what he got for his budget. But there is another year coming.

I did pretty well. I am pleased with it. I am very pleased with it.

MR. CHAIRMAN:

The hon. Member's time has elapsed.

MR. EFFORD:

Oh I was just getting started.

MR. CHAIRMAN:

The hon. the Member for Burin -
Placentia West.

MR. TOBIN:

Thank you, Mr. Chairman.

I just had the opportunity to glance through the budget for the Department of Social Services again while the Minister was speaking. Let me say I was totally surprised to see that the budget for Child Welfare Allowances for this year was \$731,000 where last year it was \$790,000. So the Minister talked about child welfare allowances, Mr. Chairman, and he stood by and saw that happening. The one thing that is blatantly clear in this is that the Minister of Social Services was the big loser in the Budget discussions as it relates to what happened, and the Minister of Health was the big winner. I have sat around the Cabinet table, too, Mr. Chairman, and I know what happens when everybody has to fight for their own Department and their own budget to get their programs included. The Minister of Health had his increased by \$74 million, the Minister of Social Services had his increased by \$17 million, and when you take away the \$9 million increase for the Social Services and the numbers are going to increase obviously for the people going on social assistance, when you remove that, remove the capital construction for the Whitbourne Boy's Home that was started when I was Minister, the Department had less money than it had last year. Now, Mr. Chairman, who is the big winner and the big loser in this? The

Minister of Social Services has the gall to stand in this House, Mr. Chairman, and tell us what his Budget got increased by. That is what happened. The other interesting thing is that when you add on the 4 per cent you get an increase over last year's budget of \$2.5 million yet you have a \$9 million increase budgeted so that also gives us a clear indication of Government's economic vision for the Province when they are going to spend \$7 million with more people coming on the social assistance role. That is where the Minister of Social Services is coming from, Mr. Chairman, and as it relates to the fifty social workers let me say to the Minister, and to the Government, that that is basically the most blatant political scam that has ever been introduced in this House.

SOME HON. MEMBERS:

Oh, oh!

MR. TOBIN:

The biggest political scam that was ever introduced in this House, Mr. Chairman, because they are in excess of 100 vacant and temporary positions in this Province of which the fifty will not touch. There should be 150 jobs in this Budget. Let it be clear, Mr. Chairman, there will not be a new position created. I can tell the Minister of Development that if you check with the Department of Social Services -

AN HON. MEMBER:

How many new ones did you create?

MR. TOBIN:

One hundred new positions in one year. There are in this Province more vacancies and more temporary positions in the social work field than the fifty the Minister is talking about. I ask the Minister

if he would lay his seat on the line if there is not more temporary positions and more vacancies than fifty? Will you resign if I am wrong? There are, Mr. Chairman, more than fifty temporary and vacant positions in this Province for social workers. I can tell the Minister as well, and the Minister of Development might know this, that at a child welfare conference a few months ago there was a message sent to this Department concerning social workers. The Minister knows exactly what I am talking about.

AN HON. MEMBER:
Tell it.

MR. TOBIN:
Indeed I will tell it. They were totally disgusted with what was going on in your Department and you had better put social workers in place in order for them to accept any further responsibility. The only reason why he did not try to keep their mouths closed, as he did with the group who were having the conference the other day, was because he did not know about it until the message was delivered to his Department. How can a Government come in here and say that they have created fifty new social work positions when they have more vacancies than fifty?

AN HON. MEMBER:
(Inaudible).

MR. TOBIN:
I can tell you something else, Mr. Chairman, it is too bad that the Minister of Social Services did not have the support of the Minister of Development around the Cabinet table when he was trying to increase the numbers, because you, Sir, were one of the people who were not prepared to get

involved in supporting the Department of Social Services in any big way. That is painfully obvious. It is painfully obvious that the Minister of Social Services did not have the support at a Cabinet Meeting when he came away with basically no increase and a cut in the child welfare allowance.

AN HON. MEMBER:
(Inaudible).

MR. TOBIN:
Oh now we are getting to the blackmail, Mr. Chairman.

AN HON. MEMBER:
Blackmail.

MR. TOBIN:
Do you want it for the shipyard or do you want it for that? We were promised fairness and balance in the Budget. We expect that to be delivered but not on the backs of the social workers of this Province, Mr. Chairman, who are worked to death. It is impossible for them to do any more. There is no way they can do more. And to say that there are fifty more social workers with over one hundred vacancies and temporary positions in this Province is wrong, Mr. Chairman.

AN HON. MEMBER:
How many did you fill?

MR. TOBIN:
Mr. Chairman, another fellow who knows a lot about social work. Another great social conscience individual, Mr. Chairman. The Board Rooms of the big national companies, that is where he spent his time, Mr. Chairman, not worrying about the social workers of this Province. In the Board Rooms of the multinationals, Mr. Chairman, who have no great

recognition of contributions to social well being. The Board Rooms of the big companies, that is where he came from.

AN HON. MEMBER:

How many did you fill last year?

MR. TOBIN:

Over 100.

AN HON. MEMBER:

Over 100 in your last year?

MR. TOBIN:

Yes, and the problem is - I will be honest - that the social workers are not staying in the Department of Social Services. I realize that. I am sure the Minister realizes that. Mr. Chairman, if social workers can get the opportunity to go out and get involved in the institutions or something like that, Mr. Chairman, they will do it. But in this case here the morale in the Department of Social Services is not where it should be. The social workers are overworked, Mr. Chairman, and the Minister of Social Services (Mr. Efford) obviously did not have any support from the Cabinet when he presented his case. That is obvious, Mr. Chairman, that the Minister did not have the support. I know the Minister went in there and fought for more. Do you tell me that the Minister of Social Services did not go to Cabinet and try to get more positions than the vacancies and the temporary positions are there? Sure he did, Mr. Chairman. And he did not get it. Why did he not get it? Because, Mr. Chairman, there is a conservative conscience in that Government. There is a conservative conscience in that Government that is not overly interested in supporting social programs. I know the Minister

went in there looking for it and I know the Minister of Social Services would like to be announcing 200 jobs today not fifty. I know that.

AN HON. MEMBER:

(Inaudible).

MR. TOBIN:

No I did not. I do not mind admitting. You know I did not, but we got 100. We got 100 positions in a year, but we did not get all we wanted.

AN HON. MEMBER:

What year was that, 1900?

MR. TOBIN:

Mr. Chairman, I am not sure if it was that year or not. I was not alive. But I am sure the Minister would know if it was 1900 because he is the only fellow - or the Member for Windsor - Buchans (Mr. Flight) - either one of them would remember back that far.

AN HON. MEMBER:

(Inaudible).

MR. TOBIN:

Go back to your District my son. Go back to your District. I can tell you anyone can get elected once and you had your cookie. Anyone can get elected once, Mr. Chairman, but you had your day in this Assembly.

Now, Mr. Chairman, there is another landslide speaking over there in the back, the Member for St. John's South (Mr. Murphy).

Let us look at this Interim Supply Bill, Mr. Chairman, because I have to go in a minute. We have \$67 million for Social Services, \$4 million for Newfoundland and Labrador Housing, \$58 million for Provincial and Municipal Affairs.

Is that for public hearings on amalgamation? Is that what that is for? Right now they have divided families, they have divided communities, they have pinned one against another on amalgamation. Is that what they still want to do with the \$58 million?

MR. CHAIRMAN:

The hon. Member's time has elapsed.

The hon. the Minister of Social Services.

MR. EFFORD:

Thank you, Mr. Chairman. Talk about dribble. You talk about that - sit down in your seat, Mr. Speaker, and listen to dribble. Everything the former Minister said about the morale in the Department of Social Services about the lack of child abuse workers, about the lack of social workers, and about the attitude of the people towards the Department of Social Services, everything he said was true. To the letter of the t, every word he quoted when he stood to his feet was absolutely true. Just think about it, every word he said. When they met in Gander at the conference of child abuse workers before Christmas they met at the Gander Convention Center and they discussed the situation with child abuse in and around the Province of Newfoundland and Labrador. And the child abuse workers emotionally were drained. Their morale was down, they were fed up, they knew they could not go on any longer within the Department of Social Services. They could not provide the services that the children and the families needed in any decent level of care whatsoever anywhere within the Province. In St. John's alone last year there was an extra 400

cases for March month up until December reported on child abuse alone.

Now this former Minister stands and tells us all this and blames it on us. I inherited that mess. I inherited the low morale within the Department of Social Services. I inherited 7,265 cases of child protection. I inherited the morale of the social workers all around the Province, at an all time low. I inherited the message that they sent from Gander and said to me as Minister, 'Minister if you cannot provide any social workers or any child abuse workers in the Province this year we are all going to resign.' In fact I told them very, very clearly that if we did not provide workers I would resign. And I would walk, take a placard and go on the street with them because the morale of the people was gone and it was a result of the former Minister, the former Government who never paid any attention to the Department of Social Services.

AN HON. MEMBER:

That is not true.

MR. EFFORD:

The perception of the whole community towards the Department of Social Services was at an all time low because the former Ministers took absolutely no interest in the Department whatsoever. Now the fact that we have fifty extra workers, and he can play around with numbers and he can play around with figures all he likes, there are some vacancies in the Department of Social Services and there are temporary positions that have to be classified and changed into permanent positions. It has nothing to do with the fact that there will be fifty extra child

abuse workers hired on in the Department of Social Services this year. Play around with the figures all you like, but fifty extra workers will be hired on this year. The vacancies and the temporary positions is another factor. What I am saying and I will say it so the Member for St. John's East Extern (Mr. Parsons) can understand it, I will say it slower, there will be fifty child abuse workers hired on in the Department of Social Services to work in the child abuse units in St. John's and areas all around the Province. Now that is simple, understandable language. If you do not understand it, then that is your problem.

MR. PARSONS:
(Inaudible).

MR. EFFORD:
We are talking about the fifty. That is positive.

MS VERGE:
Is that on top of so many vacancies?

MR. EFFORD:
I am telling you clearly there will be fifty positions, fifty people hired on. Now if you want to go in and get involved in the vacancies and get involved in the temporary positions and the permanent positions there will be fifty. Now that is positive. Number one, first of all, you are going to provide a service for the children. When you have thousands and thousands, we are talking in excess of 7,000 reported cases, and increasing daily, not weekly, but increasing daily, climbing now closer to 7,500. The 50 that we put into place is still not going to bring the caseloads down to a manageable level where it is decent and where they can really

give the service they should be giving. But it is the first of a two-year program. There will be more workers coming in in the future according as the budgetary process of Government allows. Now that will increase the morale and now those people working within the Department of Social Services can see the positive reaction. They know there is something positive happening. They know the administration of the day realizes the importance of the Department of Social Services, not like the former administration, second class, second attitude, always at the bottom of the list. That was the attitude, and if it was not the attitude why did we end up with a case load unmanageable by the social workers around the Province? If the people working within the Department had any respect, or the people in administration in Government had any respect for the Department of Social Services, those positions would never be allowed to reach the situation, or the morale would never be allowed to reach the situation that it was allowed to reach. It was the attitude, and the attitude of the community at large. But that is changing because what is happening now is we are getting some positive feedback and the people all around the Province realize that the Government of the day, under the direction of myself and all the people, we work together as a unit in the Department of Social Services. We do not work separately. People on the floor are not now afraid to speak out and say we need this. They are not afraid they will get fired, tramped on, or told to go sit down like they were by the former people there. That is what happened within the Department of Social Services. People tell me

that every day. They could never go up to a Minister and say, Good Morning, or say, we need an extra social worker, or we need you to go to Public Works because we need new accommodations. They were afraid to speak, but it is not like that now in the Department. The morale is changing, and the morale is changing because the attitude of everybody in Government has changed towards the Department. That is what is most important. The morale is not only low in the Department of Social Services, it is low all through the Administration because people had no respect. You can play around with figures and you can play around with what happened but the former Minister knows very well that the morale that was in the Department when I took over was morale I inherited. In less than a year we have changed the morale of that Department around to where people are now starting to have some pride in themselves. People are starting to feel good about themselves. People are starting to have some respect for themselves. When a car drives up to a school door they are not looked at as the old welfare officer anymore, they are looked at with some respect because the message is getting out as to the responsibility the Department of Social Services and the worker has in delivering essential service to the community. Attitude has changed in the community at large and that is what has to take place in the whole system. It is not that we caused it, and I want to say that in conclusion. The fact is we inherited it, but we are doing something about it. Go back to last Thursday, it was a People's Budget.

Thank you, Mr. Chairman.

MR. CHAIRMAN:

The hon. the member for Burin - Placentia.

MR. TOBIN:

Mr. Chairman, I was just getting into some other information here. I see the Minister of Education, Mr. Chairman, with his ears cocked up over there. The other day Mr. Chairman, when the Minister of Finance was reading the Budget and he announced all the capital works in schools for this year, and said I am pleased to announce that we will be spending \$60 million on schools, and every body over there pounded their desks, Mr. Chairman. But I bet you the Member for Placentia, and the Member for St. John's South, and Harbour Grace and these places did not realize that last year the Government spent \$65 million on school construction. So what they did, led by the President of the Treasury Board, Mr. Chairman, was cut the school budget by \$5 million.

Now, Mr. Chairman, there are other issues that we have to get into over the next few days. We have to get into the insanity of this Government to cut the fishery budget by \$2 million. We have to get into that, Mr. Chairman.

Mr. Chairman, I do not expect the Member for Gander (Mr. Baker) to know anything about the fishery. But I do expect the Minister of Fisheries, the Member for Port de Grave, and the Member for Burgeo, Mr. Chairman, and these areas to make sure that the fishery budget is up and not cut down. I do expect that. I do not expect the Member for Mount Scio - Bell Island, Mr. Chairman, to know anything about the fishery. The Member for Mount Scio - Bell Island is too active as the Party

Whip, Mr. Chairman, reporting the activities of his caucus to his Premier, trying to get into Cabinet, to know what is going on in the fisheries.

MR. WALSH:

Say something substantial.

MR. TOBIN:

What is that? Say something substantial?

Mr. Chairman, the Member for Mount Scio - Bell Island should be watching something substantial rather than his colleagues, and running to the Premier with what happens. That is what should be going on, Mr. Chairman.

I can tell the Member for Mount Scio - Bell Island that you will never get into the Cabinet by doing that, Mr. Chairman. He will never sit around the Cabinet table.

AN HON. MEMBER:

Make your fifteen minutes count.

MR. TOBIN:

The Minister of Development, Mr. Chairman, has a great habit of whispering. He should put on his half glasses and let us all have a look at him.

AN HON. MEMBER:

Tell us how you got in Cabinet Mr. Tobin.

MR. TOBIN:

I earned my way in there. I spent five years in the backbenches, it was time to get in there was it not.

Mr. Chairman, I would rather not be in Cabinet than be a Minister with nothing to do. With Doug House being the Minister of my Department, I would rather not be in Cabinet, Mr. Chairman. I would

rather be home. I would not even stay in the House. I would go home. I would go home, Mr. Chairman, rather than have Doug House run my Department.

The Member for Mount Scio - Bell Island should realize that he will never get in the Cabinet as long as he keeps doing that. He should give it up, Mr. Chairman. The next thing you will hear him up throwing accolades all over the place about a good Budget.

Mr. Chairman, there is no mistake about the great Budget this is, a \$93 million tax grab, what a budget. Not enough social workers, Mr. Chairman, to fill vacancies that are present in the Department, but there is a good budget there for the Economic Recovery Team.

MR. CHAIRMAN:

Order, please!

It is now five o'clock. The hon. Member's time has elapsed.

MR. TOBIN:

Mr. Chairman, I am sure you do not want to stay after five o'clock, so I will adjourn the debate.

MR. CHAIRMAN:

The hon. the Member for Burin - Placentia West adjourns the debate.

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

MR. SPEAKER:

The hon. the Member for Trinity - Bay de Verde.

MR. L. SNOW:

Mr. Speaker, the Committee of Supply have considered the matters to them referred, have made

progress and ask leave to sit again.

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

MR. SPEAKER:

The hon. the Government House Leader.

MR. BAKER:

Mr. Speaker, tomorrow is Private Member's Day. I remind Members that the resolution is the resolution put forward by the Member for Bellevue (Mr. Barrett) dealing with womens issues.

Mr. Speaker, I move the House at its rising do adjourn until 2:00 p.m. tomorrow and that this House do now adjourn.

On motion, the House at its rising adjourned until tomorrow, Wednesday, at 2:00 p.m.