



**PROVINCE OF NEWFOUNDLAND**

**THIRTY-SEVENTH GENERAL ASSEMBLY  
OF  
NEWFOUNDLAND**

---

---

Volume 1

1st. Session

Number 11

---

---

**VERBATIM REPORT**

FRIDAY, DECEMBER 5, 1975

**SPEAKER; THE HONOURABLE GERALD RYAN OTTENHEIMER**

The House met at 3:00 p.m.

Mr. Speaker in the Chair.

STATEMENTS BY MINISTERS:

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

HON. B. PECKFORD: Mr. Speaker, in recent months there has been much public comment concerning the present housing shortage in the St. John's area. As a result of this public concern and also because of recent meetings on the subject held in Ottawa, I instructed officials of Newfoundland and Labrador Housing Corporation to investigate what exactly was the present apartment vacancy rate in St. John's. This investigation based on information from Central Mortgage and Housing Corporation and other checks made by Newfoundland and Labrador Housing Corporation indicates a vacancy rate in apartment structures of six units and over to be 3.7 per cent in October as compared with a rate of 0.5 per cent in April. Other pertinent facts include that in structure size of six units to nine units the vacancy rate was 10.5 per cent; in apartment structures that had ten to nineteen units, the vacancy rate was 3.6; twenty to twenty-nine, 2.2 per cent; thirty to forty-nine, 6.2 per cent; fifty to ninety-nine, 1.3 per cent which gives you the 3.7 percentage vacancy rate.

Distribution according to areas in new and old construction, old being apartments constructed prior to April, 1974, new constructed during the period April, 1974 to March, 1975 and in St. John's, in the east end of St. John's, the old apartments, you had a vacancy rate of 4 per cent, and there are very little new apartments down there, so that part of it is blank, giving you a vacancy rate in the east end of St. John's of 4 per cent. In the west end of St. John's, in the old apartment structures the vacancy rate is 3 per cent; new, 4.9 per cent, giving you around 3.2 average percentage. In the metropolitan area, that is the area outside of the city limits of St. John's but still in the overall metropolitan area, in the old

MR. PECKFORD: apartment structures you have a vacancy rate of 3.7 per cent and the new 4.9 per cent.

Compared with other metropolitan areas, Mr. Sneaker, it can easily be seen that the present vacancy rate as determined by the Newfoundland and Labrador Housing Corporation that we are above just about anywhere else which is contrary really to the public attitude or opinion on the vacancy rate in this city at this present time. Calgary, for example, in April had a apartment vacancy rate of 2 per cent, it is down to .4 per cent. Halifax was 2.4 per cent in April. It is now 1.8 per cent.

MR. PECKERD:

St. John, New Brunswick, 0.4 per cent is now 0.6 per cent. That is April and October, and so on down. Toronto, 1.1 per cent is now 1.8 per cent; Vancouver, 0.2 per cent and 0.1 per cent and so on so you get around an average for all the metropolitan areas in Canada of around 1.2 per cent vacancy rate in apartments.

Many may question, Mr. Speaker, the validity of these statistics including myself due to various discussions I have had from time to time over the last few weeks with people in the St. John's area. Consequently, officials of the Newfoundland and Labrador Housing Corporation are continuing to obtain additional information to ensure that accurate information on this important topic is available. Although these statistics may not be completely correct or as precise as we would like them to be, it seems clear nevertheless that an improvement in the apartment vacancy rate in the St. John's area has occurred in recent months. I shall continue to pursue this matter and inform this hon. House of any additional information when it becomes available. I have a couple of copies here, Mr. Speaker, that the page could take for members on the opposite side.

Mr. Speaker, if I can just continue for one second before I sit down if I have leave, something that perhaps should be part of this debate is that this morning, and just up until about a half an hour ago in making a few phone calls and so on, it seems apparent that the vacancy rate is high, to 3.7 per cent, high for the present housing situation we find ourselves in primarily because in St. John's we have zeroed in that there is a fairly high vacancy rate in bachelor apartments and also new apartments that have a fairly high rent due to a whole bunch of factors. So this might indicate a higher vacancy rate than really I should reflect in this statement. In other words, families in this city in my opinion still find it very difficult to get good, suitable apartment accommodation.

It is okay for the middle or higher, upper middle classes

MR. PECKFORD:

who have the money to pay for the very expensive apartments, and also when you talk about a high vacancy rate in the bachelor apartments. So what reflects this high vacancy rate is the vacancy rate in bachelor apartments plus a vacancy rate in high cost apartments. If you eliminate that from the rate, it would seem to me that your vacancy rate would be down fairly substantially from the 3.7 per cent. But in any case there seems to be at least some improvement although that is open to question as I indicated in my statement and we will be trying to monitor the situation over the next few months to see if any action needs to be taken on that important issue.

MR. SMALLWOOD: Before the hon. minister sits down would he tell us what he means by vacancy rate. Does this mean empty apartments?

MR. PECKFORD: Yes, Mr. Speaker.

MR. SPEAKER: Any further statements by ministers?

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES:

MR. SPEAKER: The hon. Minister of Finance.

MR. DOODY: Mr. Speaker, in accordance with section 26 of the Newfoundland Municipal Financing Corporation Act, the Minister of Finance is required to table the Auditor General's report on the affairs of the corporation not later than fifteen days after the commencement of the session. I have two copies of that particular statement to table at this time, Sir, are there are further copies available if hon. members need them.

I am also required to table at the earliest possible opportunity the report on the Newfoundland Liquor Corporation. The reports themselves are at the printers and will be available for distribution within the next couple of days. However, rather than risk the ire of the hon. House I am now tabling the report as it went to the printers and the more polished article will be available for distribution shortly.

NOTICES OF MOTION:

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

HON. J. MORGAN (Minister of Transportation and Communications): Mr. Speaker,

I give notice that I will on tomorrow introduce the following bill, "An Act Further To Amend The Highway Traffic Act." (No. 12)

MR. SPEAKER: The hon. Minister of Justice.

HON. T. A. HICKMAN (Minister of Justice): On behalf of the hon.

Minister of Industrial Relations and Manpower, who is not in the House today, I give notice that I will on tomorrow ask leave to introduce the -

MR. ROBERTS: The minister is sitting right there!

MR. HICKMAN: I am sorry.

Anyway, I give notice that I will on tomorrow ask leave to introduce a bill, a bill, "An Act To Amend The Minimum Wage Act." (No. 11).

MR. SPEAKER: The hon. Minister of Social Services.

HON. C. BRETT (Minister of Social Services): Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a bill, "An Act Respecting Family Allowances." (No. 10)

ANSWERS TO QUESTIONS FOR WHICH NOTICE HAS BEEN GIVEN:

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

Question No. 426 - Hon. Mr. Smallwood (Twillingate):

If he can give an estimate, even a "ball-park estimate", of the miles of provincial roads remaining to be paved, and an estimate of the cost of doing so?

MR. MORGAN: The answer, Mr. Speaker, is there are 2,700 miles of roads in this Province, exclusive of the tote road across Labrador, left to be paved and a ball-park figure of the cost would be \$600 million.

MR. SPEAKER: The hon. Minister of Fisheries.

Question No. 326 - Hon. Mr. Smallwood (Twillingate):

Please issue a statement showing for each of the financial years 1965-75 the total catch in Newfoundland of haddock, rose fish, flat fish and cod, separately shown.

HON. W. CARTER (Minister of Fisheries):

|      | <u>HADDOCK</u> | <u>ROSE FISH</u><br>( '000 lbs. ) | <u>PLATFISH</u> | <u>COD</u> |
|------|----------------|-----------------------------------|-----------------|------------|
| 1965 | 6,146          | 66,752                            | 98,546          | 345,204    |
| 1966 | 3,821          | 76,375                            | 113,339         | 344,540    |
| 1967 | 3,563          | 78,015                            | 128,188         | 320,164    |
| 1968 | 2,382          | 76,443                            | 135,953         | 370,915    |
| 1969 | 4,490          | 70,388                            | 171,944         | 329,746    |
| 1970 | 3,803          | 91,716                            | 204,739         | 281,441    |
| 1971 | 2,954          | 59,923                            | 190,140         | 256,715    |
| 1972 | 1,506          | 61,515                            | 177,974         | 213,191    |
| 1973 | 1,183          | 110,309                           | 201,544         | 178,078    |
| 1974 | 746            | 54,570                            | 155,127         | 153,036    |
| 1975 | N.A.           | N.A.                              | N.A.            | N.A.       |

## Question No. 327 - Hon. Mr. Smallwood (Twillingate):

Supply a progress report on the Pacific salmon experiment on the West side of Placentia Bay.

MR. W. CARTER: The Pacific salmon experiment was a federal programme for which there are no records in provincial files.

## Question No. 328 - Hon. Mr. Smallwood (Twillingate):

Supply a table of salt cod fish produced each financial year beginning with 1965.

MR. W. CARTER: Production of salt codfish, 1965-1975.

| <u>Year</u>     | <u>Equivalent Light Dry (lbs).</u> |
|-----------------|------------------------------------|
| 1965            | 39,655,100                         |
| 1966            | 39,172,800                         |
| 1967            | 48,399,900                         |
| 1968            | 39,693,100                         |
| 1969            | 30,497,000                         |
| 1970            | 23,055,300                         |
| 1971            | 16,281,800                         |
| 1972            | 11,304,500                         |
| 1973            | 9,013,100                          |
| 1974            | 10,644,900                         |
| 1975 (estimate) | 15,000,000                         |

QUESTION 329

HONOURABLE MR. SMALLWOOD (Twillingate)-To ask the Honourable Minister of Fisheries to lay upon the Table of the House the following information:

Supply a statement of the numbers and value of the seal harvest in each of the financial years commencing 1965-(6).

ANSWERSEAL HARVEST & VALUE 1965-1975<sup>I</sup>

|      | <u>NUMBER</u> | <u>VALUE</u> |
|------|---------------|--------------|
|      |               | \$           |
| 1965 | 79,954        | 903,000      |
| 1966 | 51,515        | 549,000      |
| 1967 | 41,887        | 366,000      |
| 1968 | 39,749        | 168,000      |
| 1969 | 118,072       | 818,000      |
| 1970 | 93,286        | 763,000      |
| 1971 | 73,406        | 598,000      |
| 1972 | 41,743        | 434,000      |
| 1973 | 44,957        | 461,000      |
| 1974 | 48,784        | 685,000      |
| 1975 | N.A.          | N.A.         |

I Refers to landing of seal skins and value of same.  
N.A. Not available at present.

Question # 330.

Honourable Mr. Smallwood (Twillingate) - to ask the Honourable Minister of Fisheries to lay upon the Table of the House the following information:

"Supply the figures of lobster production in each of the financial years 1970 - 75 broken down into volumes and values of live and canned."

ANSWERLobster Production, 1970 - 75.

|      | <u>Fresh in Shell</u>            |                              | <u>Canned</u>                    |                              |
|------|----------------------------------|------------------------------|----------------------------------|------------------------------|
|      | <u>Volume</u><br><u>000 lbs.</u> | <u>Value</u><br><u>\$000</u> | <u>Volume</u><br><u>000 lbs.</u> | <u>Value</u><br><u>\$000</u> |
| 1970 | 2,745                            | 3,108                        | 2                                | 11                           |
| 71   | 2,922                            | 3,679                        | (1)                              | (1)                          |
| 72   | 2,314                            | 3,314                        | (1)                              | (1)                          |
| 73   | 2,731                            | 4,500                        | (1)                              | (1)                          |
| 74   | 2,915                            | 5,100                        | (1)                              | (1)                          |
| 75   | N.A.                             | N.A.                         | N.A.                             | N.A.                         |

(1) Confidential because less than 3 firms producing.

N.A. Not available at this time.



Question #331.

Honourable Mr. Smallwood (Twillingate) - to ask the Honourable Minister of Fisheries to lay upon the Table of the House the following information:

"What was the production of crab, canned and frozen, separated, in each of the financial years 1970 - 75?"

ANSWERCrab Production 1970 - 75.

|                 | 1970   | 1971    | 1972    | 1973    | 1974      | 1975 |
|-----------------|--------|---------|---------|---------|-----------|------|
|                 | (lbs.) |         |         |         |           |      |
| Canned          | (1)    | (1)     | (1)     | 286,524 | 197,631   | N.A. |
| Frozen meat     | (1)    | 386,154 | 285,078 | 547,518 | 1,064,322 | N.A. |
| Fresh in shell  | -      | -       | 18,330  | 72,365  | 403,800   | N.A. |
| Frozen in shell | -      | 130,235 | 71,529  | 147,003 | 204,078   | N.A. |

(1) Confidential because less than 3 firms producing.

N.A. Not available at this time.

QUESTION #332

HONOURABLE MR. SMALLWOOD (Twillingate)-To ask the Honourable Minister of Fisheries to lay upon the Table of the House the following information:

What was the annual production of fresh, frozen, canned and salted salmon, broken down for each of the financial years, 1970-74, by classification.

|        | <u>1970</u> | <u>1971</u> | <u>1972</u> | <u>1973</u> | <u>1974</u> | <u>1975</u> |
|--------|-------------|-------------|-------------|-------------|-------------|-------------|
|        | ('000 lbs.) |             |             |             |             |             |
| Fresh  | 1,588       | 1,269       | 1,603       | 2,516       | 2,067       | N.A.        |
| Frozen | 824         | 972         | 802         | 1,312       | 1,250       | N.A.        |
| Canned | 44          | 17          | (1)         | (1)         | 14          | N.A.        |
| Salted | -           | -           | -           | -           | -           | N.A.        |

(1) Confidential because less than three firms producing.

N.A. Not available at this time.

No. 333 HONOURABLE MR. SMALLWOOD (Twillingate) - To ask the Honourable Minister of Fisheries to lay upon the Table of the House the following information:

What are the total numbers of persons employed annually in all frozen fish plants, together with the total amount of wages paid in each year, in each of the financial years 1970-75?

No. 334 HONOURABLE MR. SMALLWOOD (Twillingate) - To ask the Honourable Minister of Fisheries to lay upon the Table of the House the following information:

What are the total numbers of persons employed annually in all salt fish plants, together with the total amount of wages paid in each year, in each of the financial years 1970-75?

ANSWER

Statistics separating frozen fish plant workers and salt fish plant workers not available. Figures for Employment and Wages in the Fish Products Industry.

| <u>Year</u> | <u>Reporting Establishments</u> | <u>Number Employees</u> | <u>Salaries and Wages</u> |
|-------------|---------------------------------|-------------------------|---------------------------|
| 1970        | 52                              | 5,458                   | \$ 18,095                 |
| 1971        | 53                              | 5,566                   | 19,721                    |
| 1972        | 53                              | 5,227                   | 20,168                    |
| 1973        | 53                              | 5,961                   | 28,048                    |
| 1974        | N.A.                            | 5,521 <sup>1</sup>      | N.A.                      |
| 1975        | N.A.                            | N.A.                    | N.A.                      |

<sup>1</sup> Estimate

N.A. Not Available at present.

No. 335 HONOURABLE MR. SMALLWOOD (Twillingate) - To ask the Honourable Minister of Fisheries to lay upon the Table of the House the following information:

What are the numbers of persons employed on draggers and the wages paid to them in the aggregate in each of the financial years 1970-75?

ANSWER

| <u>Year</u> | <u>No. of Trawler<br/>Fishermen</u> | <u>No. of Dragger<br/>Fishermen</u> | <u>Aggregate<br/>Wages</u> |
|-------------|-------------------------------------|-------------------------------------|----------------------------|
| 1970        | 1,075                               | 29                                  | N.A.                       |
| 1971        | N.A.                                | N.A.                                | N.A.                       |
| 1972        | 1,351                               | 25                                  | N.A.                       |
| 1973        | 1,576                               | 30                                  | N.A.                       |
| 1974        | 1,138 <sup>1</sup>                  | 45 <sup>1</sup>                     | N.A.                       |
| 1975        | 1,190 <sup>1</sup>                  | 60 <sup>1</sup>                     | N.A.                       |

<sup>1</sup> Estimated

N.A. Not Available

336. HONOURABLE MR. SMALLWOOD (Twillingate) - To ask the Honourable Minister of Fisheries to Lay upon the Table of the House the following information:

Supply a statement showing the total amount of money in loans to fishermen in each of the financial years 1970 - 1975.

ANSWER:

| <u>FINANCIAL YEAR</u> | <u>TOTAL AMT. OF MONEY IN<br/>LOANS MADE TO FISHERMEN</u> |
|-----------------------|---|
| 1970/71               | \$ 554,291.   |
| 1971/72               | 1,001,533.  |
| 1972/73               | 1,659,727.  |
| 1973/74               | 2,774,121.  |
| 1974/75               | 3,207,501.  |

No. 339 HONOURABLE MR. SMALLWOOD (Twillingate) - To ask the Honourable Minister of Fisheries to lay upon the Table of the House the following information.

State the proportion of the productive capacity of the aggregate of frozen fish plants actually used in each of the financial years 1970-1975.

ANSWER

1970 N.A.  
1971 N.A.  
1972 N.A.  
1973 N.A.  
1974 N.A.  
1975 N.A.

N.A. Not available.

No. 340 HONOURABLE MR. SMALLWOOD (Twillingate) - To ask the Honourable Minister of Fisheries to lay upon the Table of the House the following information:

supply a statement showing where each Marine Service Station exists in the Province, when each of them was opened, the capital cost of each, the annual maintenance cost of each, the numbers of boats serviced in each of them in each of the financial years 1970-75; and if the Government of Canada gave any financial assistance in building the said stations and if so what?

ANSWER

| <u>Location</u>  | <u>When Opened</u>   | <u>Cost</u> |
|------------------|----------------------|-------------|
| Burrell          | January 1975         | \$ 975,000  |
| Wesleyville      | Spring 1975          | 1,115,000   |
| Harbour Grace    | November 1975        | 1,400,000   |
| Bonavista        | Spring 1975          | 1,035,000   |
| Old Fortigon     | Spring 1975          | 1,175,000   |
| Lafare           | November 1975        | 700,000     |
| Little Field     | November 1975        | 880,000     |
| Isle au Nord     | Not in operation yet | 1,300,000   |
| Southern Harbour | November 1975        | 1,265,000   |
| Englen           | November 1975        | 740,000     |

As none of these Service Centres have been in operation for a year we have no factual figures on the yearly maintenance cost nor the number of boats that will be serviced each year. The Government of Canada provided 90% of the cost for each facility.

No. 341 HONOURABLE MR. SMALLWOOD (Twillingate) - To ask the Honourable Minister of Fisheries to lay upon the Table of the House the following information:

What is the present status of the Fishermen's Fund.

ANSWER The Fisheries Assistance Fund has been repealed by the Fisheries Assistance Fund (Disposition and Repeal) Act 1966-67.

343. HONOURABLE MR. SMALLWOOD (Twillingate) - To ask the Honourable Minister of Fisheries to lay upon the Table of the House the following information:

What is the number and tonnage of new draggers and new longliners brought into use in each of the financial years 1970 - 1975.

ANSWER:

NEW LONGLINERS BROUGHT INTO USE

| <u>Financial Year</u> | <u>Number</u> | <u>Gross Tonnage</u> |
|-----------------------|---------------|----------------------|
| 1970/71               | 14            | 304                  |
| 1971/72               | 45            | 1243                 |
| 1972/73               | 73            | 1941                 |
| 1973/74               | 95            | 2596                 |
| 1974/75               | 32            | 976                  |

NEW DRAGGERS BROUGHT INTO USE

| <u>Financial Year</u> | <u>Number</u> | <u>Gross Tonnage</u> |
|-----------------------|---------------|----------------------|
| 1970/71               | -             | -                    |
| 1971/72               | 1             | 292                  |
| 1972/73               | 5             | 3747                 |
| 1973/74               | 5             | 3451                 |
| 1974/75               | 4             | 2618                 |

No. 346 HONOURABLE MR. SMALLWOOD (Twillingate)- To ask the Honourable Minister of Fisheries to lay upon the Table of the House the following information:

What are the figures showing the production of herring meal and herring oil in each of the financial years 1970-75?

ANSWER

Herring Meal and Oil Production

| <u>Year</u> | <u>Herring Meal(Tons)</u> | <u>Herring Oil (Gals)</u> |
|-------------|---------------------------|---------------------------|
| 1970        | 28,337                    | 2,506,584                 |
| 1971        | 19,955                    | 2,034,758                 |
| 1972        | 6,983                     | 542,523                   |
| 1973        | 3,579                     | 547,530                   |
| 1974        | 1,332                     | 124,836                   |
| 1975        | N.A.                      | N.A.                      |

N.A. Not Available

No. 347 HONOURABLE MR. SMALLWOOD (Twillingate) - To ask the Honourable Minister of Fisheries to lay upon the Table of the House the following information:

What were the figures showing the production of herring in each of the financial years 1970-75?

ANSWER

Herring Production

|      |                |
|------|----------------|
| 1970 | 29,040,000 lbs |
| 1971 | 48,081,600 lbs |
| 1972 | 42,400,000 lbs |
| 1973 | 38,426,000 lbs |
| 1974 | 39,530,000 lbs |
| 1975 | N.A.           |

N.A. Not Available

No. 349 HONOURABLE MR. SMALLWOOD (Twillingate) To ask the Honourable Minister of Fisheries to lay upon the Table of the House the following information:

What payments were made to fishermen on lost and damaged fishing gear in each of the financial years 1970-75, and the sources of such money?

ANSWER

|         |             |
|---------|-------------|
| 1970-71 | Nil         |
| 1971-72 | Nil         |
| 1972-73 | \$34,000    |
| 1973-74 | \$1,201,000 |
| 1974-75 | \$6,276,000 |
| 1975-76 | \$1,500,000 |

The Federal Government participated by contributing on the disaster formula as follows:

|                         |     |
|-------------------------|-----|
| First \$1.00 per capita | Nil |
| Next \$2.00 " "         | 50% |
| " \$2.00 " "            | 75% |
| Over \$5.00 " "         | 90% |

The Federal Government contributed on all programs except for approximately \$225,000 which was paid 100% by the Province for gear lost in Placentia Bay and Trinity Bay in 1975.

No. 350 HONOURABLE MR. SMALLWOOD (Twillingate) - To ask the Honourable Minister of Fisheries to lay upon the Table of the House the following information:

What plans have the Government decided to put into effect for the enlarging and improving of the fish establishment at Musgrave Harbour?

ANSWER

The Department has included in its estimates for 1976 an item for the construction of a fish handling facility at Musgrave Harbour.



352. HONOURABLE MR. SMALLWOOD (Twillingate) - To ask the Honourable Minister of Fisheries to lay upon the Table of the House the following information:

What are the names of the printer, the cost, the number of copies printed, of the "Handbook for Fishermen"?

ANSWER:

NAME OF PRINTER: Creative Printers & Publications Ltd., St. John's.

COST OF PUBLICATION: (a) Cost of Binders (1974) - \$11,100.00  
(Dicks & Co.)  
(b) Cost of Printing (1975) - \$ 9,475.00  
(Creative Printers)  
TOTAL COST - \$20,575.00

NUMBER OF COPIES PRINTED: 15,000

APPROXIMATE COST OF EACH BOOK: \$1.37

ORAL QUESTIONS:

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

MR. ROBERTS: Mr. Speaker, I suspect that there are going to be a number of questions addressed to the Minister of Transportation and Communications. Let me begin by asking first of all whether any directive has been issued by the minister or by any of his officials with his knowledge limiting the overtime which may be incurred by the snow clearing crews around the Province? Now there will be a number of questions, as I said, Mr. Speaker, but we probably should do them in supplementary form because I am sure a number of hon. gentlemen wish to get in on it in view of the incredible performance of the highways officials the last twenty-four hours.

MR. SPEAKER: Order, please!

The hon. Minister of Transportation and Communications.

MR. MORGAN: Mr. Speaker, the answer to the question is no, there was no directive given. The only indication given with regards to restraint on overtime was my original statement made a month ago that there would be restraint with regards to overtime between the hours of 12 o'clock midnight and 5:00 a.m. And with regard to the operations of the department at this time, we are presently working only on a one shift system. Our two shift system comes into effect the end of this week, in fact, midnight, Sunday, which is December 8. And during the period between now and the two shift system commencement, we will be using overtime as required.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: I would like to ask the minister a supplementary question, Sir. Would the minister indicate to the House if any official in his department or if the minister himself issued a directive that the foremen of the minister's department were not to send out the equipment without instructions from the superintendent, and the superintendent is not always available to give the approval to send the equipment out?

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

MR. MORGAN: No, Mr. Speaker, there is no such directive. The operations of the department are divided into four regional areas, with four regional offices and each office has a regional director and that director is responsible for the overall operations of that certain region.

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

MR. ROBERTS: Mr. Speaker, whether it is a question or a supplementary, I leave to be guided by Your Honour but it is the same minister and on essentially the same subject. Has any directive been issued by the minister or by any of his officials with his knowledge to the effect that the sand and salt spreading crews are to spread their sand and their salt much less freely and generously this year than they have in the past with the results that the roads, Sir, are but a skim of ice instead of the pavement surfaces being bare for traffic?

MR. SPEAKER: The hon. Minister of Highways and Communications.

MR. MORGAN: No, Mr. Speaker.

MR. ROBERTS: A supplementary then, Mr. Speaker. Would the minister undertake to get - I realize he cannot have it now - get to undertake the amount of sand, Sir, spread upon the area served by the Birch Hills Depot between midnight last night and 9 o'clock this morning and compare it to any given snowstorm last Winter, Sir, he will find that it is about one-tenth as much.

AN HON. MEMBER: Hear, hear!

MR. MORGAN: It is out of order, He is making a statement.

MR. ROBERTS: No, no, I was merely making suggestion.

MR. SPEAKER: The hon. Member for Conception Bay South.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order!

MR. J. NOLAN: Mr. Speaker, would the hon. Minister of Transportation be good enough to tell us if there is a snowstorm tonight would it not be cleared until Sunday night when the two shift system comes into operation?

MR. MORGAN: Mr. Speaker, the hon. gentleman either is deaf or he cannot understand the answer to the earlier question.

MR. NOLAN: Come on! Come on!

SOME HON. MEMBERS: Oh, oh!

MR. MORGAN: Mr. Speaker, I stated quite emphatically that if the weather conditions dictate we are going to be using overtime -

MR. NOLAN: Like last night?

MR. SPEAKER: Order, please!

MR. MORGAN: - from now until the time we commence our two shift system as required.

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: Pounding on the desk, Mr. Speaker, will not substitute for effective performance.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Order, please!

MR. ROBERTS: Would the minister indicate what steps he has taken to ensure that the Thorburn Road, which is a road that serves a certain

number of people coming into town will never again if it is within his power not to have any sand on it as of 9 o'clock in the morning when people come into St. John's when a sleet storm begins at 8 o'clock the night before.

AN HON. MEMBER: Oh, oh!

MR. ROBERTS: I live on the Thorburn Road, I got a whole series of -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order!

MR. MORGAN: Mr. Speaker, in answer to that question I will give my assurance that after the commencement of the two shift system, when we will have a shift that commences at 12 midnight until 9 A.M. and also a shift that commences at 12 noon until 9 P.M. not only the Thorburn Road but all the major roads in this Province will be adequately serviced in this Province.

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: A supplementary, Mr. Speaker. Would the minister undertake to tell us what arrangements he can give us, he can give us his assurance about Sunday night when his fabled two shifts system begins, what happens between now, Sir, and Sunday night?

MR. SPEAKER: Order, please!

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please! I am required to point out that the last question, and indeed some of the questions, and in at least one answer there was more than an element of debate, there was in fact a debate and that is not permitted at this time. That is permitted after we get into Orders of the Day.

The hon. Member from LaPoile.

MR. S. NEARY: Mr. Speaker, a supplementary question for the minister. Would the minister undertake to get the following information for me, if it is possible to get it; the number of complaints that were made this morning to each depot, each region and to the minister's office complaining about slippery roads and hazardous driving conditions? Could the minister undertake to get the number of complaints that were

made this morning as a result of the government's negligence early this morning?

MR. SPEAKER: Order! Order, please!

SOME HON. MEMBERS: Oh, oh!

MR. WELLS: Information of that sort is not a matter of urgent public importance, Mr. Speaker, I would submit. The fact of whether the roads are sanded or not is of public importance, but the number of complaints which are received at a depot is not a matter that should be brought before this House under that heading.

MR. SPEAKER: Order, please! I think the point made by the hon. House Leader is indeed a valid one, and it would be a question more for the Order Paper than for Oral Questions.

The hon. Member for Conception Bay South.

MR. J. NOLAN: A question for the hon. Minister of Transportation, Mr. Speaker. Does he or his department plan any specific changes in their policy this year regarding Topsail Hill in Conception Bay South such as he indicated in a broadcast this morning?

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

MR. MORGAN: The policy change, Sir, as I mentioned earlier, Mr. Sneaker, is with regards to the hours worked by the staff operating the Winter maintenance programme. Last year the shift commenced at 5 A.M. in the morning, this year the shift will commence at 12 midnight.

MR. NEARY: Mr. Speaker, what about Commonwealth Avenue in Mount Pearl is the minister going to -

MR. MORGAN: The same thing applies.

MR. NEARY: The same thing applies.

MR. SPEAKER: The hon. Member for Twillingate.

MR. SMALLWOOD: Mr. Speaker, in the absence of the hon. Premier from the Chamber the other day I directed a question to the Leader of the House, and that question directed to him in behalf of the Premier as I said was really meant for the Minister of Mines and Energy. May I now address the question to the minister? Could he give the House a reasonable estimate of how much per kilowatt hour of electricity delivered to Newfoundland, delivered to the Island of Newfoundland from

Mr. Smallwood:

the Upper Churchill via an intertie transmission line to the Lower Churchill and from there to the Southern Shore of Labrador across through the tunnel and down the West Coast of Newfoundland. What would be the cost of the physical delivery per kilowatt hour on the basis (a) of recovering the recoverable amount of power which I think is something between 400,000 and 450,000 horsepower and each additional horsepower up to say 1 million horsepower. What would be the delivery cost, if I have made myself clear? I doubt that the hon. minister can give me that offhand, and if he wishes to take my question as notice that is all right with me. But as we are going to be debating this matter shortly, I assume, it is on the Order Paper, this is really essential information.

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

MR. J. CROSBIE: Mr. Speaker, there is no way to answer that question the way it is asked in any event because whatever the cost will be is going to depend on a large number of factors, the answers to which are unknown at the moment. I do not think I can answer the hon. gentleman's question anyway. All one could give is an approximation and it would not be accurate. But this matter will be debated. There is a resolution on the Order Paper and we will have to try and give some estimate then. But it cannot be answered as it is asked now and it cannot be answered with any accuracy until the matters as outlined in my statement are clear. Until we have the answers to these other questions we cannot know for sure what the rate will be. But I will try to answer it when I introduce the resolution.

MR. SPEAKER: The hon. member for Twillingate.

HON. J.R. SMALLWOOD: Mr. Speaker, I thank the hon. minister for his answer and I fully appreciate the difficulty to which he alludes. But if the total cost of the transmission line, both transmission lines - three - and also the tunnel, if the total cost of that is, say, \$800 million or is \$900 million or is \$1,000 million or \$1,100 million or \$1,200 million at these various possible rates and the amount of power is 400,000 - 500,000 - 600,000 - 700,000 - 800,000 - 900,000. one million horsepower, then a table would show, would it not, the cost of per kilowatt hour of power delivered on this Island?

MR. SPEAKER: The hon. minister for Mines and Energy.

MR. CROSBIE: Mr. Speaker, I know what the hon. gentleman is driving at and I will try to get something along those lines for him when I introduce the resolution. It is hard to be precise, but I mean I know what you are driving at.

MR. SPEAKER: The hon. member for LaPoile.

MR. NFARY: Mr. Speaker, I would like to direct a question, Sir, to the Minister of Health. Would the minister tell the House what plans



his government have made to make it compulsory for druggists and pharmacists to keep records of family medication and drugs dispensed by individual firms in order to avoid multiple and duplication of drugs and medications to people who could bring in prescriptions for drugs?

MR. SPEAKER: The hon. minister of Health.

HON. H. COLLINS: I will take notice of the question, Mr. Speaker.

MR. NEARY: Mr. Speaker, I am dissatisfied with the minister's answer, Mr. Speaker, and I wish to debate it at the late show on Thursday afternoon.

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

MR. J. NOLAN: Mr. Speaker, a question in two parts, if I may, to the hon. Minister for Mines and Energy. Item (1): It has been reported that the minister was in London, I believe, on matters referring to the refinery. One: Is this true? Secondly, is he in a position to disclose any information regarding such meetings at this time?

MR. SPEAKER: The hon. minister.

MR. CROSSIE: The answer to the first part of the question is that I was in London, England in connection with the oil refinery and met with the Export Credit Guarantee Department and other parties over there including the principles involved in Provincial Refining Company, Limited. With respect to the second part of the question, I cannot make any statement on that matter now at the moment, Mr. Speaker, as these matters are still under discussion and negotiation. But as soon as we are able to make a statement we will.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I would like to direct a question to the hon. the Premier. Would the hon. the Premier inform the House if he met with the representatives of the St. John's municipal council this morning and if so would the Premier indicate to the House what was discussed at the meeting, if the council requested additional financing for the 1977 Summer Games and any other matters that may have been discussed like the parking garage or any of these matters?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: The answer, Mr. Speaker, is yes, no, no and no.

MR. NEARY: Well, Mr. Speaker, would the hon. the Premier inform the House if the appointment of Mr. Tom Doyle as a liaison officer between the government and the city council was a matter that was discussed at this morning's meeting with the council?

PREMIER MOORES: No.

MR. NEARY: Well, Mr. Speaker, could I direct a question to the Minister of Social Services and Rehabilitation, I think the minister is responsible for recreation. Would the minister tell the House the salary and duties and the period of the employment or contract with Mr. Tom Doyle in connection with the 1977 Summer Games?

MR. BRETT: Mr. Speaker, I am not responsible for recreation. I understand it comes under the Minister without Portfolio.

MR. NEARY: Mr. Speaker, I asked for the minister responsible for recreation, and perhaps the minister could -

MR. SPEAKER: Order, please!

MR. NEARY: Would the minister responsible for recreation provide the information?

AN HON. MEMBER: What is to lose?

MR. NEARY: What?

MR. SPEAKER: Order, please!

MR. NEARY: The Minister without Portfolio.

MR. SPEAKER: Order, please! Order, please! the hon. gentleman cannot debate either the answer or lack of answer or whatever the case might be.

The hon. the member for Exploits.

MR. NEARY: On a point of order.

MR. SPEAKER: Yes?

MR. NEARY: Point of order, Mr. Speaker.

MR. PECKFORD: Are you challenging the Speaker?

MR. NEARY: No, I am not challenging the Speaker -

MR. SPEAKER: Order, please!

MR. NEARY: - but I directed a question to the minister and

the minister says it is not his responsibility, but the Premier says it is his responsibility.

MR. SPEAKER: It is a difference of opinion between two hon. gentlemen, if that in fact is the case. It is not a point of order, certainly not one within the entire jurisdiction of the Chair.

MR. NEAPY: Look, the minister is going to answer the question, Sir.

MR. NOLAN: Will the real minister please stand up.

MR. SPEAKER: Order, please!

The hon. member for Exploits (Mr. Mulrooney).

MR. MULROONEY: Mr. Speaker, I may need your guidance on this question. I believe it is to be directed to the Minister for Mines and Energy. Could the Minister of Mines and Energy, in view of the fact that the recent approval to the Newfoundland Light and Power by the Public Utilities Board was an increase of 26 per cent - in that area - why many people without increasing their use of electricity have their electricity statements doubled to the tune of 100 per cent increases?

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

MR. CROSSIE: Mr. Speaker, I cannot answer that question. I do not know what facts it is based on. Number one, I am not responsible for the Public Utilities Commission does not report to me, but to the Minister of Justice. But apart from that, you know, you would have to see that person's bills and check out, you know, the exact facts before you can answer it. I could not answer it right off the cuff. But if the hon. gentleman had something specific he wanted looked into, we could have it looked into.

MR. SPEAKER: The hon. member for Conception Bay South (Mr. Nolan).

MR. NOLAN: Mr. Speaker, a question for the Minister of Health. The previous Minister of Health in this House indicated some time ago, Mr. Speaker -

MR. SPEAKER: Order, please!

I would ask the hon. gentleman to be -

AN HON. MEMBER: Be brief.

MR. SPEAKER: brief, without preamble but to get immediately into the question. At times certain information essential for the understanding of the question is obviously necessary, but I would suggest that probably that kind of preamble, at least in my opinion, may not be leading up to the information which in fact was necessary.

The hon. member for Conception Bay South (Mr. Nolan).

MR. NOLAN: Thank you, Mr. Speaker. A question for the Minister of Health, and that is regarding the intention of the government earlier to purchase all drugs for the Province as indicated by the Minister of Health at one time. What if any progress has been made on this? Is it still in fact the intention of the minister to look into this, to purchase all drugs and make them available to the citizens? Where does it stand at this moment, Sir?

MR. SPEAKER: The hon. Minister of Health.

MR. H. COLLINS: Mr. Speaker, I will take notice of the question and get an answer for the hon. member.

MR. SPEAKER: The hon. member for Exploits (Mr. Mulrooney).

MR. MULROONEY: Mr. Speaker, a question to the Minister of Justice. Could the Minister of Justice have an investigation carried out into the recent increases of 100 per cent in the electricity statements over a period of one month by the central Newfoundland Light and Power Company?

MR. HICKMAN: Mr. Speaker, obviously the hon. gentleman does not understand the functions of the Board of Commissioners of Public Utilities. The Board of Commissioners of Public Utilities, which is a totally independent, quasi-judicial body before whom the government, if it wants to protest and has on occasion appeared to protest an application by a utility company for a rate increase, who must also appear, Section 81 of the Public Utilities Act provides very clearly that upon the complaint of any municipality or any five persons that any rate increase or charge of a utility is unreasonable or unjust the board shall make an enquiry and hold a hearing. So that if the hon.

gentleman has five constituents or one municipality who feels that in that instance certain residents have been overcharged then I would strongly urge him to communicate to them the law and suggest that they make the necessary representation and complaint with the Board of Commissioners of Public Utilities whose office can be found in Prince Philip Place, Elizabeth Avenue, St. John's.

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

MR. FLIGHT: I directed this question previously to the Premier in the absence of the Minister of Mines and Energy and I would now like to direct the question to the Minister. Mr. Minister, you were quoted in the local media as stating that Buchans can last, the mining operation in Buchans can last until 1985. It was indicated that mining the present reserves, the reserves that are now being mined, plus other ore bodies around Buchans, and if we continue that type of mining, the mining will last until 1985. Was the minister misquoted and if not would he please indicate the source of his information?

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

MR. CROSBIE: Mr. Speaker, I was asked a question about what is the projected life of the Buchans Mines by the member for LaPoile. I got a typed reply to it from the officials of my department and I read that. I understand since there has been some confusion because it was apparently misquoted.

The reply, as I remember it was that there are sufficient reserves proven, you know, in the Buchans mine for it to continue to 1979. There is a possibility that it may be able to continue up to 1985, if other possibilities turn out to be achieved or to be -

MR. MURPHY: Become available.

MR. CROSBIE: - possible, become available. So there is only assure reserves there until 1979, but there are other possibilities that if they work out might bring the life to 1985. But there is certainly no assurance of that.

Now the exact wording of that reply, I think I tabled it here. I do not know what happened to it since. Does that clarify the point?

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I would like to put a question, Sir, to the Minister of Health. Will the minister tell the House if there is any particular

MR. NEARY: reason that Newfoundland is not participating in the funding of a new dental school in Halifax?

MR. SPEAKER: The hon. Minister of Health.

MR. H. COLLINS: Mr. Speaker, with regard to the proposed new School of Dentistry in Dalhousie, in Nova Scotia, there was a proposal submitted to the government some time ago and the implications of that proposal meant that on a per capita shared basis the cost to the Province would be very nearly \$3 million, to be exact I think it was around \$2.8 million, and to use the hon. member's term which he used yesterday, that is a lot of francs.

About two weeks ago I had a meeting with Dr. Stewart, who is the Vice-President of the Health Science at Dalhousie, and we discussed various ways in which Newfoundland might contribute other than by the capital grant method and Dr. Stewart is to let us have a proposal, a new proposal through the Minister of Health in Nova Scotia and incidentally I have not received that proposal as yet.

MR. SMALLWOOD: Mr. Speaker, has the minister given any active consideration to the idea that the Medical College might institute a dentistry section or a department here at Memorial and if so has the minister got any estimate of what it would cost to do so? And thirdly, is the need for dentists in the Province best met by what method, from a financial point of view.

MR. SPEAKER: The hon. Minister of Health.

MR. H. COLLINS: Mr. Speaker, we are always giving consideration to that sort of proposition but as I indicated earlier at our meeting with Dr. Stewart a couple of weeks ago, many aspects were considered and a lot of our options naturally we had to leave open. But we are trying to reach an agreement by other means with Dalhousie at the present time. What the economics of it are I really cannot answer that question but I am sure that once we receive the proposal from the Health Minister in Nova Scotia, after he receives it from Dr. Stewart, then I might be in a position to give further information to the House.

MR. SPEAKER: The hon. member for Twillingate has a supplementary, I believe.

MR. SMALLWOOD: The minister, you know, with the best of desire has not quite answered. If it would cost about \$3 millions to go in with the Dalhousie Dental School, what would it cost to have this done by Memorial? If it could be done for \$1.5 million or \$1 million a year or something of that nature, is there active consideration of that rather than building up, helping to build up Dalhousie?

MR. SPEAKER: The hon. minister.

MR. COLLINS: That is a figure which I cannot give, Mr. Speaker, what the cost might be to provide the training services which otherwise might be supplied by Dalhousie. I can certainly look into that matter.

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

MR. NOLAN: Mr. Speaker, a question to the Minister of Justice. Could the minister who is responsible I understand for the Public Utilities Commission please tell us if it is their intention in the future to have Newfoundland Hydro appear before the Public Utilities Commission, or should I refer the question to the Public Utilities Commission?

MR. SPEAKER: The hon. Minister of Justice.

HON. T. A. HICKMAN: Mr. Speaker, it is not the intention of government at this time to have Newfoundland Hydro appear before the Board of Commissioners of Public Utilities. My recollection is that the Newfoundland Hydro Act removes it from the jurisdiction and authority of the Board and consequently even if we wanted to under existing legislation they could not get that before the Board.

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

MR. NOLAN: A supplementary question: The legislation could be changed if the minister and the House so desire.

MR. SPEAKER: Order, please! Order, please! It is not a question but a statement and I did not recognize the hon. gentleman to make a



statement but to ask a question. The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I would like to put a question to the Minister of Health, Sir. Would the minister inform the House if the government have taken any action in connection with bringing in legislation into this House to forbid people to smoke in public buildings and government institutions?

MR. H. COLLINS: No.

MR. SPEAKER: The hon. member.

MR. NEARY: Mr. Speaker, would the Minister of Health then tell the House, Sir, if his government have any plans to provide free drugs for senior citizens in this Province? Do not sit there -

MR. COLLINS: I will take it as notice, Mr. Speaker.

MR. SPEAKER: The hon. member for Fogo.

CAPT. E. WINSOR: Mr. Speaker, a question for the hon. Minister for Transportation and Communications. Can the minister tell us what if any arrangements he has made to sand or salt the road on Fogo Island this Winter?

MR. SPEAKER: The hon. minister.

HON. J. MORGAN: Mr. Speaker, in answer to that question I would sincerely hope that the hon. gentleman would visit his district over the weekend -

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

MR. MORGAN: and persuade -

MR. SPEAKER: Order, please! Order, please! As it is obligatory to correct hon. members when they are asking questions when they include debate, there is a similar obligation with reference to hon. members answering questions and I restate that it is an opportunity to ask for information and to give information. There is ample opportunity for debate but this is not it. The hon. minister.

MR. MORGAN: Mr. Speaker, the situation on Fogo Island is that there is only one community where sand is available for the maintenance operations of my department and that is in the community of Tilting.

And unfortunately, the people of Tilting do not agree for us to use the sands in that community. So I sincerely hope that with the co-operation of the hon. gentleman we can arrange with the people of Tilting to obtain sand from that community.

CAPT. WINSOR: A supplementary, Mr. Speaker. Has the minister's department endeavoured to find any other source of sand because I feel there is other sources of sand there.

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

MR. MORGAN: Mr. Speaker, my engineering staff and officials have searched, combed the island of Fogo and unfortunately cannot find any sand to use on the roads on the Fogo Island. But there is sand, suitable sand available in Tilting. But to date we have been unable to make any kind of arrangement with the residents of Tilting to obtain the sand from that community for that purpose.

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

MR. F. ROWE: Mr. Speaker, while the adrenalin is still in the blood of the hon. minister, would the Minister of Transportation and Communications indicate his department's policy with respect to overtime in view of the implementation of the two shift system? In other words, if I can rephrase it, Mr. Speaker, if it is necessitated, will overtime be used as well as the two shift system when we have sever storm conditions throughout the Province during the winter?

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

MR. MORGAN: Of course, Mr. Speaker, overtime will be used as required as earlier stated.

MR. ROWE: Thank you.

MR. SPEAKER: The Hon. Member from LaPoile.

MR. NEARY: Mr. Speaker, another question for the Minister of Health. Would the minister care to tell the House, Sir, what action the government has taken on the Goose Bay Hospital problems, if any?

MR. SPEAKER: The hon. Minister of Health.

MR. H. COLLINS: Mr. Speaker, I can tell the hon. member, I think this is what he is leading up to, that I have arranged a meeting next week in company with the hon. member, with the hospital authorities and the Health Council in Goose Bay-Happy Valley.

MR. NEARY: Here in St. John's or Happy Valley?

MR. COLLINS: No, the meeting is in Goose Bay.

MR. NEARY: In Goose Bay.

MR. SPEAKER: The hon. Member from LaPoile, and this will be the last question and the last answer.

MR. NEARY: Mr. Speaker, I would like to put a question to the Minister of Manpower and Industrial Relations. Would the minister tell the House if he has received a request from the office workers at Bowaters for a conciliation officer? And if there is any change in the strike in the pulp and paper industry throughout the Province, And what the minister is doing to help in these strikes?

MR. SPEAKER: The hon. Minister of Manpower and Industrial Relations.

MR. E. MAYNARD: With relation to the question regarding the office workers, no, Mr. Speaker, I have not received a request for conciliation services. In relation to the general strike situation in the pulp and paper industry in the Province, there has been no change. We have offered whatever conciliation services that we can provide, and we will continue to offer them. I have a feeling however that the unions will not really want to negotiate any further until the Eastern Canadian situation is settled, since it is all controlled by the one union with the exception of the one mill in New Brunswick,

Mr. Maynard:

all of Eastern Canada including Ontario is on strike at this time.

MR. NEARY: Is that the K.C. Irving mill?

MR. MAYNARD: Yes, that is back at work.

ooo

MR. SPEAKER: The hon. member from Lewisporte.

MR. F. WHITE: Mr. Speaker, under Provision of Standing Order 23 I ask leave to adjourn the House to debate a matter of definite public importance, namely; the failure of the Minister of Transportation and Communications to take those steps which reason and prudence dictate should have been taken to ensure that his officials -

AN HON. MEMBER: Order!

MR. WHITE: - were ready to provide the people of Newfoundland and Labrador with adequate snow clearing and ice control operations on the highways.

MR. NEARY: Hear, hear!

SOME HON. MEMBERS: Resign, resign!

MR. SPEAKER: Before ruling on it, I would draw to the attention of the House that the hon. gentleman, although not required to by our Standing Orders, but did in fact give me prior notice some time earlier today, I say while this is not required it certainly is of assistance if one receives notice at least ten or fifteen minutes ahead of time, as I pointed out, and I thank him for it, I repeat, it is not required. It has given me the opportunity to give it the serious consideration it deserves. I have to point out that among the factors to be taken into consideration are not only the urgency of the matter but the urgency of debate, and in considering the urgency of debate and I quote verbatim from a decision in the House of Commons March 11, 1970, "The probability of the matter being brought before the House within a reasonable length of time by other means." And obviously here for my guidance I have nothing more than the Order Paper which indicates an Address in Reply, still uncalled, a Budget Debate, still in progress, and certainly these would indicate that there is the reasonable expectation of other opportunities.

Mr. Speaker:

I would point out, too, in addition to that that it would appear to me that the matter referred to by the hon. member is in the nature of an alleged grievance, in the nature of an alleged grievance with respect to action or inaction on behalf of a person, and in a decision of June 2, 1969 there is quite specific reference there, and I quote, "The provisions of the Standing Order are not intended to provide additional opportunities for the purpose of discussing grievances." So I realize the importance of the general subject matter. Again, I thank the hon. gentleman for having brought it to my attention, but I do not think, having considered those matters, that I can rule it in order.

ORDERS OF THE DAY

MR. SPEAKER: Motion 1.

On motion of the Hon. Minister of Mines and Energy, a bill, "An Act To Adopt A Mineral Emblem For The Province," (No. 2) read a first time, ordered read a second time on tomorrow.

On motion of the Hon. Minister of Finance, a bill, "An Act To Ratify, Confirm And Adopt An Agreement Entered Into Between The Government, Wabanex Energy Corporation Limited And Power Corporation Of Canada Limited With Respect To The Conduct Of A Survey Into The Feasibility Of Using The Disused Iron Ore Mines At Bell Island For Hydrocarbon Storage And, If Feasible, To Lease Land And Pertinents Therefor, and To Make Statutory Provisions Respecting Matters Connected Therewith," (No. 5) read a first time, ordered read a second time on tomorrow.

On motion of the Hon. Minister of Justice, a bill, "An Act To Provide For The Restructuring Of The Anglican Diocese Of Newfoundland," (No. 8) read a first time, ordered read a second time on tomorrow.

On motion of the Hon. Minister of Justice, "An Act Further To Amend The Summary Jurisdiction Act," (No. 9) read a first time, ordered read a second time on tomorrow.

On motion of the Hon. Minister of Municipal Affairs And Housing, "An Act To Empower The St. John's Municipal Council To Raise A Loan For Municipal Purposes By The Issue Of Bonds," (No. 6), read a first time, ordered read a second time on tomorrow.

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

MR. CHAIRMAN: Order, please!

Resolution: That it is expedient to bring in a measure further to amend the Retail Sales Tax Act, 1972, the Act no. 56 of 1972.

MR. CHAIRMAN: The hon. Minister of Finance.

MR. DOODY: Mr. Chairman, the resolution before Committee is the resolution dealing with the increase in the sales tax on certain items of consumption in the Province. The resolution deals with the increase of the retail sales tax from the eight per cent, as now charged, to the ten per cent which is proposed and recommended to this Committee and to the House in the Fall Budget of 1975.

December 5, 1975

Tape No. 371

NM - 2

As the Committee is aware, Sir, the exemptions on this ten per cent are quite explicitly laid out, both in regulation and through the media. The

MR. DOODY:

government has made it quite clear that it is the intention to raise the tax in order to get the revenue necessary to carry on the necessary affairs of the Province, to carry on the standards of service of the Province, while at the same time limiting the difficulties on the ordinary working person of the Province. As the tax now stands, Sir, the essential items of living insofar as possible are exempt from the retail sales tax. I speak of heating supplies, and that is with the exception of electric heat which we will address ourselves to at a later date. Fuel oil, stove oil, coal and this sort of thing is now exempt from tax. All food items are now exempt from tax and the clothing items, Sir, with some minor exceptions which are not of a necessity area, are also exempt from tax.

Mr. Chairman, the object of the resolution is to amend the Retail Sales Tax Act of 1972 along the lines which I have just suggested. It is certainly not a measure that government is happy about introducing. It is a measure that government feels is absolutely necessary to introduce. The financial position of the Province has dictated the fact that it has to be done. What we have endeavoured to do, and I think have done, Sir, is to impose the necessary tax to bring in at least part of the revenue necessary to carry the business of the Province and do it in the way that is least onerous and in the least difficult way on the fixed income people, on the low income people, on the people with the lower incomes and on the middle income people. So, Your Honour, I commend this resolution to the House and I ask that it be considered and passed.

MR. SIMMONS: Mr. Chairman, I would just like to say a few words on the resolution in connection with the announced increase in retail sales tax. Mr. Chairman, I will be voting against this resolution. Mr. Chairman, it should come as no surprise at all to the minister. It is consistent, very consistent with our position that we will not be a party to what is going on here. This is no way to help the ordinary Newfoundlander to cope with inflation, to lessen his burden insofar as the cost of living is concerned, no way, Mr. Chairman.

The minister makes much in his public statements here in



MR. SIMMONS:

the House and outside about how easy they have made it for the average person. Mr. Chairman, we all know that the whole reason for this budget, its whole import and significance has to do with an attempt to bail the Province out because of the mess that this administration has got the Province into. With that in mind, Mr. Chairman, any apparent goodies, any items identified by the minister as sweeteners and plums, should be taken as exactly that, as an effort by the minister to detract away from the real issue in the budget. The budget has been brought forward, we are told, because the government needs additional money. So if we find a number of instances in the budget where the minister proposes to spend additional money, then the only reason that can be there at all is because he is attempting to offset the uproar that he could otherwise expect from a 2 per cent increase in the sales tax.

Mr. Chairman, unfortunately for people who will wind up paying this tax they do not have the time or perhaps the disposition in some respects to analyze the real implications of this 2 per cent.

MR. SIMMONS:

Unfortunately for them this bill will be through the House before the real import, the real impact will come home to them because they are being sweet talked by the minister on TV and radio and here, sweet talked into thinking or at least this is his attempt, sweet-talked into thinking that somehow it is not going to hurt them. Well, Mr. Chairman, it is going to hurt them to the tune of \$7 million this year, \$7 million. I intend to vote for it, Mr. Speaker, and I believe my colleagues in the official Opposition will be doing likewise, voting against the resolution to increase,

MR. DOODY: You say you are going to vote for it?

MR. SIMMONS: - voting for, Mr. Speaker - Ah! The minister hears rather selectively! - voting for the people of Newfoundland, voting against the resolution, voting against socking it to the people of Newfoundland one more time with another two percentage points on the retail sales tax, voting against becoming the Province in Canada with the highest retail sales tax, voting against becoming one of the only - one of the few Provinces in Canada in this year, in this tax year to increase taxes at a time when most other Provinces are either standing pat on the matter or else reducing taxes, at a time when other Provinces and other ministers of Finance are taking overt steps to help the average person, the low income earner, the middle income earner, helping these people to cope with the cost of living, to help them in their almost losing battle against inflation.

Mr. Speaker, if it were not such a serious matter I would think it some kind of joke, some kind of sick joke. The minister tries to perpetrate on us with his resolution to increase taxes at this particular time. It is not, Mr. Chairman, a very appropriate way to help the low and middle income earners. It is not at all a very appropriate way for the government to address itself to the problem at hand. We do not intend, Mr. Chairman, either in this act here today,

MR. SIMMONS:

in this resolution or elsewhere in this session to become party with the government to this maddening, irrational situation in which they find themselves, Sir, with their own - leading with their nose or whatever, or perhaps, Mr. Chairman, leading very deliberately with some other motives in mind but that is a subject we ought not to get into at this particular time.

Mr. Chairman, I hope at some point in Committee the minister will respond to some questions I raised earlier about the tax yield because I think an item that is very germane to this whole decision that we are asked to make is what, effectively what will the yield be as a result of the increase - we are told it is going to be \$7 million - but even more important what will be the overall yield this particular year, the overall yield from retail sales tax? I did indicate that we had found by combing through the figures some discrepancies in the - not so much discrepancies, but there are some very large questions as to how the minister could expect the very sizable increase in yield that he was projecting, I believe, on page six of his budget speech. The Minister of Municipal Affairs yesterday in attempting to rebut some of the things I had said, kept promising that he was going to answer these questions. But he never did, Mr. Chairman, and I listened with a degree of attention, Mr. Chairman, with a degree of attention. I did not hear any explanations. I am hoping the minister in helping those who may be undecided as to where they stand on this resolution - I am quite decided for many other reasons, quite apart from what amounts it could yield - but in the interest of giving us a full picture, as I say, helping those who may be undecided, perhaps the minister could explain this bit of a quandary that we have insofar as the projected tax yields from retail sales tax are concerned.

It remains only, Mr. Chairman, for me to reiterate on my own behalf and behalf of my colleagues on the official Opposition that we will vote against the resolution. We feel very strongly about

Mr. Simmons:

this. We oppose any increase in taxes in this particular year and for that reason we will be voting against the resolution.

MR. CHAIRMAN: The hon. member for Twillingate.

MR. SMALLWOOD: Mr. Chairman, there are two or three things about which there is no doubt and there can be no doubt: The government has got to balance its budget or

MR. SMALLWOOD: Newfoundland is in deep trouble. To do that they have two ways open to them; one is to increase revenue - and one way to increase revenue is to increase the rate of taxes or to impose new taxation - and the other way is to retrench, is to cut expenses. The way to disaster is to increase expenses and increase taxation. That means utter disaster for Newfoundland, and so we here in this small group are puzzled as to what position it is right for a member of this House to take, not being a member of the administration, not being a supporter of the administration. What position ought we to take? Newfoundlanders, members of the House representing a few thousand other Newfoundlanders, knowing that the government's budget is not balanced and that next year it is likely to be a terrible task to balance it, knowing that they have to have more revenue, knowing that they have to retrench and economize, here specifically is a tax that we are asked to approve; two percentage points increase in the sales tax raising it from 8 per cent to 10 per cent.

It would help us if the Minister of Finance could give us two figures: What additional revenue will this tax change bring in a full year - not just the remainder of the present financial year which is four or five months but in a full year, next year - how much revenue will this two percentage points increase fetch to the treasury? And secondly, how much loss in revenue or reduction in the tax burden on the population, how much reduction in the tax burden will be represented in a full year by the reduction in, or the elimination rather of this sales tax on clothing and such other things as there may be relieved of the tax?

If, for instance, Mr. Chairman, it should turn out that in a full year the additional two percentage points which, as the Leader of the Opposition I think it was pointed out, is about 25 per cent increase in the rate of taxation on the things that remain taxed, to remain taxed, if the increased burden imposed on the general population is equalled by the relief given to the general population by eliminating some articles from the tax altogether, if they about balance out then the only question remaining is the kind of people affected (a) by the relief given through

MR. SMALLWOOD:

eliminating certain things from the tax altogether and (b) how much additional tax is imposed on.

Now, if the minister could give us that information it would help us very much. We do insist, and surely every hon. member of this House, in a Province such as Newfoundland where the vast majority of the people are not rich people, people of quite modest means, we all of us, ought to insist on the great democratic principle in taxation of equality of sacrifice.

Mr. Smallwood.

They say one great principle of taxation, Mr. Chairman, is that it does not matter how much you tax a man. What matters is what is he left with after you have taxed him. The same rate of tax imposed on Mr. A may leave him quite comfortable and leave Mr. B starving, the same rate. How much has a man got left after he pays his taxes, and what equality of sacrifice are you exacting, are you imposing, are you requiring from the population in general?

I assume the government would like to get this legislation through as quickly as possible, to bring it in to effect for the remainder of the financial year, because they are balancing the budget, and require to get the revenue for the remainder of the year. But without delaying things unduly, could the minister give us - Now he is free to get up and down in committee. He can speak as frequently as he likes and so can any hon. member, I believe at this stage - could he give us some idea, and if he has not got that now, could he undertake to get it quickly from the Treasury Board or his experts in the Department of Finance? This would help us very much.

MR. F. ROWE: Would you like to reply, Mr. Chairman, to that particular line of questioning or shall I carry on? I thought you were going to rise to answer the question.

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

MR. F. ROWE: Mr. Chairman, we have to oppose this particular resolution for the reasons mentioned by my colleague from Burgeo - Bay d'Espoir. Sir, this is the imposition of a tax increase in the order of 25 per cent. There is a 25 per cent increase in the sales tax, from 8 per cent to 10 per cent, and, Sir, the rate of increase is 25 per cent. Most hon. members can understand that there is no further explanation required.

SOME HON. MEMBERS: Oh, oh!

MR. CHAIRMAN: Now, Mr. Chairman, do I have the floor or do I not.

MR. CHAIRMAN: Order, please!

MR. F. ROWE: I will rephrase for the hon. minister, Sir, that this increase in the sales tax represents a 25 per cent increase in the rate of sales tax being imposed on the people of this Province, and we are dead opposed to this particular increase for one very good reason, well for a number of good reasons, but one very good reason, and that is that the sales tax, Sir, is a regressive type of tax. It is not a fair tax in any case. We have it, most provinces have it, but it is a very unfair tax, because it is not based on a person's ability to pay. And, Mr. Chairman, the federal government is responsible for personal income tax. That is a fair tax, because it is based on a person's ability to pay. The only question of fairness, with respect to the sales tax, comes when we talk about order of magnitude, when we talk about quantity, not quality. But with respect to the sales tax, the very tax itself is unfair. But we have it, the previous administration had it, and I imagine we will always have it. But when we sock it, Sir, to the - the phrase used by my colleague - sock it to the ordinary people of this Province right across the board, 25 per cent increase in that tax, it is unfair inspite of the exemptions mentioned by the Minister of Finance.

I can go downtown, Sir, tonight, if I could afford it, and buy a \$299 bra for my wife. Now is that a luxury item or is it not?

MR. DOODY: It depends on how -

MR. F. ROWE: Well it depends on whether you feel it is necessary or not. But, Mr. Chairman, the fact of the matter is -

SOME HON. MEMBERS: Oh, oh!

MR. CHAIRMAN: Order, please!

MR. F. ROWE: I do not think I will carry on with other illustrations but the point is that you would probably have to use a ridiculous example to point out the inequities with respect to this particular tax. The exemptions are just put in there to make the thing look a little rosier,



MR. POWE:

and I do not think it is going to solve the problem at all, Mr. Speaker. The real problem here, Sir, if you look at page II of the tables in the so called mini budget, you look down the list of estimates, provincial and federal revenues. On page II, that is after the budget speech, Roman numerals II, tabled estimates provincial and federal revenues. Sir, you go down through there and you can see of course that the major source of revenue for this Province is the federal government. If it was not for the federal government, we would be bottoms up today. But when you go down, Sir, through the itemized list of provincial tax resources or sources and other sources -

MR. SPALLINO: What page?

MR. F. POWE: Page Roman numerals II first appendix, second appendix - yes, first appendix, Roman numerals II. You see, Sir, that the retail sales tax represents the greatest provincial revenue source in this Province anyway. And there is an increase here of approximately - presumably this \$126 million represents the increase. Am I correct in that?

MR. DOODY: There are two columns there.

MR. F. POWE: Yes, there are two columns there. The original estimates of \$107 million and the \$126 million represents the increase, I would take it. So, Sir, it is an increase of \$19 million. We are taking the single greatest revenue source that is slapped on the ordinary people of this Province, we are taking the greatest single revenue source and we are using that. The question, Sir, is why can the government not find another revenue source and try to increase that rather than sock it to the ordinary people of this Province?

I can look at two others that would be fairer. I think the personal income tax, although the revenue from that is projected to be \$80 million, I personally feel that an increase, a greater increase in the personal income tax is more fair or is fairer than the 25 per cent increase in the rate of sales tax because at least the personal income tax is based on a person's ability to pay it. It hits the rich a little harder than it hits the average and low income people of this Province.

MP. ROWE:

But, Sir, the real reason for the government being forced into the corner of hitting the ordinary people of this Province indiscriminately, everybody rich, poor or average, the real reason can be seen if you analyze this page no. II again. That is that when it comes to revenue to this Province from rural and industrial development we get very low figures indeed. Now hon. members opposite may say they inherited this from the previous Liberal Administration. But, Sir, this was the administration that was going to change all that. Rural and industrial development - we even had phrases like, full and total employment during election campaigns. Sir, the real reason why this administration is forced into hitting the ordinary people of this Province with a 25 per cent increase in the rate of sales tax is that they have failed completely and totally in their rural development and their industrial development programmes, if in fact they had programmes.

We have heard a lot about planning and a lot about planning and priorities committees -

MP. DOODY: Do not be nasty now.

MP. F. ROWE: No. Mr. Speaker, I would like if it is in order, Sir, since I have been asked not to be nasty by the hon. Minister of Finance, that we have had a peculiar phenomena or phenomenon entered into this House of recent days, and that is that everybody suddenly has been saying that we should not be partisan.

MR. F. ROWE: We have got to deal with these things on a higher than a partisan level. Sir, I just checked the dictionary and checked out the definition of partisan, the dictionary is back in there now, but basically a partisan is a person who utters something in a very strong way, because he believes in something very strongly. And if I am going to be nasty or partisan, I will be nasty or partisan when I am trying to make a point. Because, Sir, it was not this party, it was hon. members opposite who raised the expectations of the people during two election campaigns. There was no mention of increased taxes. As a matter of fact, Sir, it was the Liberal Party itself who was being accused of increasing, or making suggestions or stating policy that would require an increase in taxes. It was the Liberal Party, Sir, who suggested the abolition of School Tax Authorities - Well, that is another debate, and I would become irrelevant if I get into it. But the accusation was by P.C. candidates, Sir, that - how were they going to do this without raising taxes; we are not going to raise taxes, we are not going to advocate policies that would increase taxes in this Province.

So, Sir, the electorate got the strongest indication that this administration, full ahead with the Lower Churchill, no tax increases, further rural development, more industrial development, carry on with the Refinery, but what has happened, Sir? Instead of that we come into this hon. House with an emergency budget, a mini-budget, which my friend from Bay d'Espoir correctly call the real budget. Last year's budget was the mini-budget. The real budget was the budget following the election.

Come By Chance collapsing around our ears. Lower Churchill - MR. CHAIRMAN: Order, please! Order, please! I would remind the hon. member that in Committee debate must be strictly relevant. I feel that some of the points being covered now were covered in previous debates. So I feel that he should observe the requirement for relevance very strictly.

MR. F. ROWE: I thank you for your ruling, Mr. Chairman, and I realize I was walking the razor's edge so to speak, but the case that I was trying to build up, and I am not challenging your ruling by any means, was that the fact that the government has been unsuccessful in grappling with the problems of rural and industrial development, they were unsuccessful in dealing with these problems in creating jobs and employment, circulation of dollars, generation of dollars into the Treasury of the Province through royalties, corporation taxes and what have you, the failure to do this has resulted in the government having to come in with this twenty-five per cent increase in the sales tax which we find to be a very regressive tax and the point that I was making was that there is the gap, there is the big whole, that is the big reason why we have this resolution before the Committee today, because of the government's failure to plug that gap, to generate new dollars for this Province or for the Treasury. So in case I am getting off this particular point and not being strictly relevant to the bill, Sir, I will get off that particular point.

Now, Sir, I cannot agree with my hon. friend, the member for Twillingate. The feeling that I get in listening to the hon. member when he was speaking to this resolution, the feeling that I got is that he would be supporting the particular resolution because the hon. member feels very strongly now that we have to balance the budget at all cost. I am not quoting the hon. member exactly but I hope I am not misrepresenting what he had to say in just precisising or generalizing what he indeed had to say, but the feeling I got is that

Mr. F. Rowe:

he would be supporting this resolution because we have to balance the budget at all costs, and the way to do it, of course, one way to do it is to increase the sales taxes and increase the personal income tax, at least the provincial aspect of it.

Well, Sir, I do not know if I entirely agree with that. I think we can borrow within reasonable limits, the question is whether we have over-borrowed? We would like to see a small debt in the Province. But, Sir, the point is that the government collectively, the government is not achieving a balance of the budget through these tax increases. The budget - the government is predicting - what is it, \$11 million debt on current account?

AN HON. MEMBER: \$11 million deficit.

MR. F. ROWE: - deficit on current account.

AN HON. MEMBER: For the current fiscal year.

MR. F. ROWE: For the current fiscal year.

MR. SMALLWOOD: \$11.3 million.

MR. F. ROWE: Now Sir - to be exact \$11.3 million. Now if this tax increase and the other resolution dealing with the other tax increase achieved the balancing of the budget we might have something to cheer about but however reluctantly, we might have something to cheer about. But even with these tax increases, Sir, or the tax increases in this particular bill or resolution, we will not wipe out that \$11.3 million deficit on current account, neither will the other resolution to come before the Committee, that will not achieve it, if it did we might have something very small to cheer about in the introduction of this resolution.

MR. SMALLWOOD: It might. It might.

MR. F. ROWE: Might. Might.

MR. SMALLWOOD: Next year.

AN HON. MEMBER: The thing is they are going to go ahead.

MR. F. ROWE: But, Sir, the fact of the matter is, is that the government has picked in my humble opinion the easiest and

Mr. F. Rowe:

quickest and simplest way out of their troubles by - Sir, it sort of reminds me of Mohammed Ali and the punching bag. In this particular case, Sir, the government represents Mohammed Ali, and the punching bag is the people of Newfoundland collectively. because the government have elected to hit the ordinary people with the most regressive tax possible. If you take a poll tax and a property tax, a poll tax in particular, that is probably more regressive. But of all of the sources of revenue stated in this table, Sir, of provincial and federal revenues, of all the sources this is by far the simplest and easiest way out for the government to try and balance the budget but it is the hardest way in the world out for the people of this Province.

MR. MOORES: What would you do about it?

MR. F. ROWE: Oh, now here we go again, Mr. Chairman. What would we do about it? What would we do about it? Okay, Mr. Chairman, if I am permitted to answer the question, I will tell you one thing that we would not have done about it, We would not have put this Province in the financial situation it is today by prematurely taking over BRINCo, and buying out BRINCo and putting the whole Lower Churchill Development in jeopardy when we got a minimum delay of one year, a minimum delay, Mr. Chairman, of one year on the Gull Island site, and before the tunnel goes through, before the high voltage direct current transmission line goes through they are contingent upon agreements with Hydro Quebec loans and grants from the provincial government - Sir, there is no guarantee in this world that the Gull Island project will ever go ahead. The Premier asked me, what we will do about it? I am telling the Premier, Sir, what we would not do, we would not place the debt of this Province in jeopardy by possibly having to finance this project to the tune of, at the present time, \$2.3 billion. There is no guarantees about

MR. ROWE:

money from Alberta. There is no guarantee of money from the Federal Government. There is no guarantee of money, period! There is not even a guarantee of a market for the electricity.

PREMIER MOORES: The economic current is against us.

MR. ROWE: Mr. Chairman, if I am provoked by hon. members opposite and if in the estimation of the hon. Minister of Mines and Energy I am on what, twit or twig?

MR. CROSBIE: Twit, t-w-i-t.

MR. ROWE: Well, Mr. Speaker, the hon. Minister of Mines and Energy has often talked about not a jot, not a tittle and now, Mr. Speaker, we know this year and with this budget and with this tax increase what he means by not a jot and not a tittle.

MR. CROSBIE: Get on with it.

MR. CHAIRMAN: Order, please!

MR. ROWE: Now, Mr. Chairman, I realize that I might have been dragged a little bit off course but I would like to remind the Committee, Sir, that it is not the Opposition's job to run and administer this Province and we will not be sucked in by hon. members opposite, ministers or the Premier, in trying to administer this Province from the Opposition benches.

A HON. MEMBER: Hear! Hear!

MR. ROWE: It is the Opposition's job to oppose constructively and sensibly and criticize constructively and sensibly and to make suggestions where they feel necessary. But let it go on record in Committee, Sir, that it is not the Opposition's job to administer this Province. So it is a futile question or request for the hon. the Premier to ask us what we will do. I do not think the hon. the Premier was in his seat when I was in fact making probably, however indirect, suggestions as to what they should have done. I would suggest, Sir, that they should have made a greater effort with respect to action in rural development in this Province. We had a Department of Rural Development with, in my estimation, Sir, a rather weak minister, nothing personal against the hon. member, the gentleman now.

MR. DOODY: You would not say that to his face now, would you?

MR. ROWE: No, I would not say it to his face, Sir, because he weighs about four times as much as I do. But the fact of the matter is, Sir, we had a weak department with a weak minister, in my estimation, with all due respect to the person involved, and we come into this hon. House in this session, Sir, and find out that the department has been wiped out and made a part of the Department of Industrial Development. So that is the importance that this administration now places on rural development after the election. And Sir -

MR. DOODY: Are you being relevant?

MR. ROWE: I am being very relevant, Mr. Chairman, because I am making suggestions to the government that if they had been more successful in their rural development projects, and implementation of their plans, and generated new dollars for people to spend, and generated new dollars to come into the Treasury of this Province, we would not be faced with this tax hike today. And the same thing goes - is true for industrial development.

So, Sir, we are not meant, obviously, in Committee stage to make great lengthy speeches, although we can speak for forty-five minutes, the only thing, Sir, I can reiterate here in closing is that we find that balancing of budgets obviously is a most desirable thing. It is a desirable thing. These resolutions before the Committee at the present time and this resolution in particular will not achieve that, will not achieve it. And we feel very strongly, Sir, that the government has picked the easiest way out for the government, the simplest way out for the government, but the hardest way out for the people of this Province in imposing this sales tax increase with an order of magnitude of 25 per cent on the sales tax, an increase of 25 per cent on the rate of the S.S.A. And this, Sir, is cruel with respect to the people of the Province. It hurts the little man and



December 5, 1975.

Tape 379

RH - 3

MR. ROWE:

not only the little man but the average, the greatest segment of our society now is the middle income earner. It increases the cost of living for them. The exemption, Sir, I think, is just a little bit of decoration.

MR. F.B. ROWE: The regulations with respect to the exemptions are window dressing. I do not think it is really going to be effective. The business of taking the sales tax off clothing does not help the little person any more than it helps the rich person. You can still go down and buy your expensive suits and not have the tax on it. So the exemptions, Sir, are pure window dressing. What we have now, Sir, is the most regressive tax in this Province, a tax that hurts the ordinary and the middle income earner and slightly above, hits them very hard indeed and we are absolutely opposed to it. We will go on record as being opposed to it. We would have thought that this administration, after their great promises of rural and industrial development could have seen an area in this long list of sources of revenue, could have found another area to increase the provincial revenue in order to try to achieve a balancing of the budget.

But, Sir, it is criminal - that is probably an unparliamentary word - it is sad, sad indeed when we see a government coming in with an increase from 8 to 10 per cent, a 25 per cent increase, it is sad indeed to see this coming in at this present time and still estimate an \$11.3 million on current account.

So, Sir, the only thing that I can say is that we will not support this resolution. We think it is a sad move, a cruel move on the people of this Province and I am sure, Sir, that any member who looks at it from that point of view will vote against this particular resolution. Thank you, Mr. Chairman.

MR. SMALLWOOD: Mr. Chairman -

MR. CHAIRMAN: Order, please!

Before the hon. member rises perhaps the Chair could have a moment. It has been brought to my attention by the member for Baie Verte-White Bay, that eighteen students from Cape John Collegiate in LaScie with their teacher Mr. Halfyard are in attendance. We would bid you welcome and trust that your visit with us will be an instructive one.

SOME HON. MEMBERS: Hear, hear!

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

MR. SMALLWOOD: Mr. Chairman, a short while ago I asked the Minister of Finance if he could give us figures for next year, for a whole year. I wonder if he has those figures or if he is going to -

MR. DOODY: I have an estimate here.

MR. SMALLWOOD: - well it can only be an estimate, of course - before we are called on to vote? I notice that on page II (Roman two) there are two figures here for the retail sales tax, provincial tax sources - first it is gasoline tax, then retail sales tax - the amount in the estimates, the original estimates brought in here last Spring and adopted by the House, is \$107 million - \$107,600,000 - but now the revised estimates, presumably as a result of this two percentage point increase in sales tax and also as a result of eliminating some things from the sales tax altogether, the net result of all that is that \$19 million more is to be raised in the remainder or in this current financial year.

MR. DOODY: Shall I try to correct that now?

MR. SMALLWOOD: Yes, please!

MR. DOODY: With the House's permission.

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

MR. DOODY: There are two factors in there, Mr. Chairman. One of them is the fact as is shown on page 6 of the Budget Speech itself which shows a projected increase of \$11.4 million in respect to the retail sales tax that will be collected irrespective of the tax increase, and that is a direct benefit of inflation, if you will. The cost of goods went up to such an extent that the retail sales tax increased. We hope to pick up the difference in the figure that you just quoted by the 2 per cent increase which is something in that nature of seven-point-something million dollars, I think, which brings you pretty close to the \$19 million that you just mentioned.

MR. SMALLWOOD: In other words, Mr. Chairman, as I understand the minister, this increase of \$19.2 million for this year, for the whole of this current year is not accounted for only by the increase in the tax for the remainder of the year. It is accounted for mainly by more sales or higher prices and the tax collected on higher prices.

MR. DOODY: That is exactly right, Sir.

MR. SMALLWOOD:

Of the \$19,200,000 increase for the current year, how much of it is accounted for by the 2 percentage points increase for the remainder of the year?

MR. DOODY: Something over \$7 million.

MR. SMALLWOOD: \$7 million. Now then the crucial question: If the changes are to bring in \$7 million more purely because of the 2 percentage points increase then obviously when the two are balanced the increased 2 percentage points on certain things and the removal of certain things from the tax altogether results in a net increase of \$7 million.

MR. DOODY: And who is it coming from.

MR. SMALLWOOD: I did not hear the minister.

MR. DOODY: I say you are going to ask me now who is it coming from or from whence.

MR. SMALLWOOD: No. It is coming from the people in general.

MR. DOODY: No, that is a point I would like to correct also which may - Maybe you and I can hop up and down.

MR. SMALLWOOD: Well, if I sit down would the minister -

MR. DOODY: Yes because the questions you are asking are to the point and a lot of the rest is political rhetoric and -

MR. SMALLWOOD: Well, may I - every hon. member in the House has an inborn right and he has a constitutional right because he has been elected here to take what position he cares. For myself I am terribly concerned about the credit of this Province, its ability to go on the market and borrow money to build roads with and build schools and build hospitals and the rest. I am terribly concerned about the credit of the Province in the money markets of North America and the world. Therefore, I am terribly concerned about, not the desirabilities, the hon. member who just resumed his seat said, not the desirability of balancing the budget but the life and death importance of it in this Province at this time. It is life and death that we should balance the budget on current account.

Let us go a couple of years - we are going to end this year with a deficit on current account of \$11,300,000. Now, let us have another deficit next year, and I guarantee this committee that the

MR. SMALLWOOD:

year after you will not borrow a dollar in the world. All that any lender, any bank, any lending institution has to look at is the record of four years of spending and borrowing and the fourth and the fifth year current accounts deficits and they will not lend you a dollar. Now do we want to reach the point where Newfoundland's credit is exhausted? We reached it twice before. Sir Roberts Bond saved Newfoundland's neck the first time by pledging his own personal fortune. He was a rich man. He inherited his money. Now it is no use the minister pledging his private fortune because that would not give the Province too much credit. But Bond was able to raise money by pledging his own personal fortune. That was the first time.

The second time nobody could pledge anything and we could not borrow a dollar, and we went broke and we lost self government. Twice before. Now, I do not want to see a third time, not in my lifetime. I do not want to see Newfoundland going broke in the sense that she cannot borrow a dollar because she has failed to balance her budget. Somebody said that I talked like a banker. Well, I am the strangest banker, Mr. Chairman, that ever breathed, believe me. But I have a bitter recollection of a Province going bankrupt, this Province before we were a Province that is, when we were a country.

Now, if in the current year, what is left of the current year the people are going to have to pay \$7 million more, when everything has been taken into account - you have December, January, February, March, four months -

MR. DOODY: Well that should be November also.

MR. SMALLWOOD: It is in effect - what month are we in.

MR. DOODY: Part of November but not - no, no alright, you are right.

MR. SMALLWOOD: It is about four months. If in four months, what is left of this financial year, if in those four months when you take it all into account you are going to collect 2 percentage points more from the people on certain things and you are going to exempt them altogether, not going to collect anything from them on certain other things, but when that is all put together there is an increase of \$7 million in four months.

MR. SMALLWOOD: Well that is just on account of the -

MR. DOODY: It does not work that way.

MR. SMALLWOOD: Well it depends on when people do their buying.

MR. DOODY: Yes, and -

MR. SMALLWOOD: And they do a lot of buying in December month.

MR. DOODY: That is right.

MR. SMALLWOOD: That is true.

But if it is \$7 million with everything taken into account for the next four months, then it is going to be \$15 million or \$18 million for a whole year next year. Probably the Treasury Board would estimate that it would be of that order. Now I have to ask myself - I got to cast a vote on this matter, and I am responsible in my own mind and my own conscience to the way I vote in this. I want Newfoundland to balance her budget, this year and next. She is not going to balance her budget this year. She is going to end with a deficit of \$11 million. And what we are doing here this afternoon has a big effect on whether we are going to balance her budget next year. But how do you balance your budget in Newfoundland today? The House has agreed. I know, Mr. Chairman, I am too well aware that when a matter is settled, you cannot, in the same session, revive it, and this House has settled the matter that they do not want expenditure decreased, and they do not want borrowing decreased, the House has settled on that. It was all but unanimous here. So you are not going to cut expenditure, and you are not going to cut borrowing, and you are not going to balance your budget this year - in God's name! Where are we headed? Where are we headed? As a province, as a government, as a people, where are we headed?

But is this the way to balance the budget? I say, no. I will vote for increased taxes, new taxes that we are not imposing at all now, and I will vote for increasing certain taxes that we do have now. But before I can vote with a good clear conscience for increasing the sales tax so as to bring in \$7 million more for the remainder of the year, in four months, and \$15 million or \$16 million or \$17 million more

next year, before I can conscientiously vote for that, I have to see a genuine attempt on the part of the government to do genuine economizing, and I do not see it.

Now I know I am the only one, with a couple of others in the House, that want economizing and want -

MR. DOODY: Oh, no.

MR. SMALLWOOD: Oh, yes, I am. Oh, yes, I voted that way.

MR. DOODY: That is not true.

MR. SMALLWOOD: I voted to have more economizing, and more saving of borrowing - very modest, very modest wording. We regret the swelling of the debt -

MR. DOODY: The inordinate swelling.

MR. SMALLWOOD: - and we would have controlled borrowing in future. Very modest, and no! That is rejected, as everyone had a right to do. But having done it, does it not leave us in this predicament that if in addition to not cutting expenditure and not cutting borrowing, we are going to have deficits. **That is death and disaster for this Province.**

Now the Minister of Finance knows that. He cannot for obvious reasons - he is the Minister of Finance and anything he says is likely to be quoted in the financial papers and so on and could have considerable effect upon Newfoundland's status, Newfoundland's standing in the money markets of the world. But the minister cannot be Minister of Finance and cannot have the Treasury Board as his elbow, at his fingertips with all the information that they have got, and he cannot have the advice of the financial advisors, one of the big financial houses of the world, one of the big bond and investment houses of the world, he cannot have all that and not know what thin ice this Province is skating on right now. So I say, cut. If you do not want to cut to the bone, all right, okay, do not cut to the bone, but, Sir, before a year is over, the people of Newfoundland are going to remember my words. **We are in serious trouble.**

MR. CHAIRMAN: Order, please! Order, please! In budget debate one can range across the full spectrum of the financial affairs of this Province. However, in Committee we do have to be more strictly to the point on the resolution before the Committee and I would just remind the hon. member about that without in any way deminishing any relevancy he is going to establish.

MR. SMALLWOOD: Mr. Chairman, I myself have made so many, many times sitting over there, the very point that Your Honour has just made, that in Committee it is line for line and word for word. In Committee of the Whole the sky is the limit. You are adopting a principle. But here is a particular case, I remind Your Honour, where the principle itself is under discussion, the principle of this increase. Remember that the budget debate is not over. If the budget debate were over, had been completed and then this resolution were brought in, Your Honour would have to rule out every word spoken in Committee of the Whole that was not bearing instantly and immediately on the resolution itself. But this is virtually a budget debate here in Committee of the Whole because we have not yet finished the debate, you see, on the budget. However far be it from me to question Your Honour's ruling. I accept it and will abide by it, of course.

We have been debating here among ourselves. We are in complete agreement that you have got to balance this budget, you have got to save Newfoundland from going bankrupt. We are in complete agreement on that. We want to help the government do it. We do not expect to be taking over the government in the next year or two. Quite frankly I will admit that. We do not expect it. All right, but we do expect to be Newfoundlanders for the next year or two and we do expect, we do realize that it is our duty as Newfoundlanders in this particular crisis now to help the government. The member for Trinity-Bay de Verde said so rightly, so rightly, that the right to be partisan is the very



MR. SMALLWOOD:

basis of party government, party politics. That is the whole British system. But, Sir, there can come a moment in the life of a country or of a province when purely partisan party, party, party loyalty, party interest, trying to advance the interest and the welfare of a party as such, that that sinks beneath the much greater consideration of the health and welfare of a whole country or of a whole province and I hold -

MR. PECKFORD: That is political expediency -

MR. SMALLWOOD: I hold that our duty, I hold that my duty is to help the government to balance the budget, if they cannot do it this year, certainly to do it next year. But I do hold that the way to do it when you call on the people of Newfoundland to sacrifice, and you have got to do that, a government hates like poison to do it, of course it does, and frequently the opposition gloats privately over the predicament in which the government finds itself. There they are, the so and so, they have got to sock it aboard the people now. They have got to do this, they got to do that and they are sort of happy about it and the government are disgusted because they have to do it. But I think it is bigger than that now. It is far more serious than that now, far more. I despair, I despair, Mr. Chairman, at making or helping to make all hon. members realize, realize the condition that this Province is in today, I despair. I doubt if very many agree that we are in - it is touch and go. The way however is to ask for sacrifice but equality of sacrifice. I do not see this as equality of sacrifice.

MR. SMALLWOOD: I do not see it. I agree that you cannot put the income tax very much higher on corporations, if you want corporations to come into Newfoundland. I agree that the personal income tax, that the average person himself or herself has to pay the government, the Government of Canada, the Government of Newfoundland, remember there are two personal income taxes. Every individual in Newfoundland is paying income tax on his income to the Government of Canada and tax on his income to the Government of Newfoundland.

There is a statute on our books, passed by this House, taxing the people on their income. It is a provincial income tax. There is a statute on the statute books of Canada, passed by the Parliament of Canada taxing the income of every person in Newfoundland who has an income. So there are two income taxes. It is among the highest in Canada now. Our tax on the income of corporations, did the minister say it is the highest? I lost him in part.

MR. DOODY: Three provinces.

MR. SMALLWOOD: Three provinces.

MR. DOODY: Manitoba is a little bit ahead of us I think. But we are getting there.

MR. SMALLWOOD: But it is a terribly high rate of tax. Okay. Well, so you are not going to get very much there. The easy way, as the member for Trinity-Bay de Verde said, the easy way is to sock it aboard the sales tax because so many people have to spend money. If everybody in Newfoundland has to spend money and you are going to tax the things they spend it on, that is a quick and easy way to get revenue. But it is not necessarily the fairest way. It is not. And it does not bring about equality of sacrifice. There is no equality of sacrifice when I, with my income, which is now with the increase, I am getting now, my pension is getting stopped, they have stopped my pension. You cannot be a member of the House and draw a pension for when you were a member before or when you were a minister before, my pension is stopped but I am getting more than my pension now in the form of sessional indemnity. So my income now is between \$20,000 and \$30,000 a year.

MR. SMALLWOOD: That is my gross income.

MR. DOODY: Your what?

MR. SMALLWOOD: My own personal gross income.

MR. DOODY: You have other sources.

MR. SMALLWOOD: Yes, I am not living just on the pension - or not just on my House of Assembly.

MR. DOODY: I was going to ask you how you did with it.

MR. SMALLWOOD: I published it in my autobiography. I have spelled it out. It is spelled out and -

MR. DOODY: You misunderstood, Sir, I meant how you managed to get that much money as a member. I was going to ask you to give me your secret.

MR. SMALLWOOD: No, no! As a member I got \$11,000 a year as Premier, that is not quite four years ago I was getting \$11,000 a year as Premier of this Province. And I was getting \$10,000 a year as a member of the House. So that was \$21,000 a year. That was my income up to three and three quarter years ago. Now I was getting a pension, but I am not getting it now, I am getting even better, I am getting a sessional indemnity and thanks to the hon. the Premier it is a bigger indemnity than it was in my time.

AN HON. MEMBER: You are better off than when you were Premier.

MR. SMALLWOOD: I am better off now than when I was Premier, yes. No, I am not. I was getting \$11,000 a year as Premier.

MR. PECKFORD: Plus costs.

MR. SMALLWOOD: Plus \$10,000 a year. We will not make him Minister of Finance, will we?

AN HON. MEMBER: No way.

SOME HON. MEMBERS: Hear, hear!

MR. SMALLWOOD: No, No. We cannot make him minister for that.

MR. CHATMAN: Order with a smile, please.

MR. SMALLWOOD: Why should I have to pay only the same as some widow or old man or worker whose income in a year is \$7,000, \$8,000

MR. SMALLWOOD: \$9,000? Why should I pay the same rate of tax, ten per cent, as he or she pays? That is not equality of sacrifice. That poorer person with a lesser income is sacrificing more to help balance the budget than I am paying. Now if you put it on my income tax I will squeal, as everybody does, but you know, I will pay it. Maybe that is one way to get it. I do not know.

But, Sir, do not put on this tax. Instead \$7 million for the remainder of this year, save \$7 million on your spending.

MR. SMALLWOOD:

Next year - oh no, the hon. member cannot say hear, hear. He does not want a reduction in spending. He does not want a reduction in borrowing. No, he does not want that. I do. I want a reduction in both and balance the budget by spending less money and borrowing less. I know I cannot go all through that debate again. We ended that debate. We took a vote on it and that is disposed of. But I, with reluctance, I do genuinely want to help the government to balance its budget. They are not going to do it this year but next year. You do not dare have an unbalanced budget next year. You would be hurting every living Newfoundlander, every soul in the Province. So you have got to balance your budget next year. But do it, I beseech you, by cutting in, cutting the fat off. There is so much fat in that budget! I did twenty-three budgets and I recognize fat when I see it, and the Premier knows I am right, what I am saying. He has got to know.

Balance the budget by saving not by - and if you are going to put on taxes, do not put it on the poorest of the poor. I am not happy about this. I am not happy to vote against helping the government now. I am not happy about that. But I am afraid perhaps, if my colleagues agree with me, I am afraid that we will probably have to join with the Opposition. Not that I mind joining with the Opposition. I do not mind if I am alone in this House. I do not mind even if my colleagues vote differently from me. I will vote as I see it. I have been alone before. I have been alone.

In the National Convention they socked me and they socked me and they socked me but who won in the end?

MR. DOODY: Newfoundland.

MR. SMALLWOOD: Yes, and I with it, I with it. We both won, Newfoundland and I. So I do not mind. But I am going to vote, I think, against this tax. I think I will vote against it. I hate to do it but I think I will have to do it in conscience. I have to do it.

Now, bring in economies and I will back you, I will support you. Bring them in for the remainder of this year but even more important bring them in next year, real economies. If you cannot cut to the bone, at least cut a few tons of fat off and get that total

expenditure down to less than three-quarters of a billion, get it down around \$700 million. Now that means real economizing. But do it now and you will not have to do it three or four years from now. Do it now while you have a good majority, while you are riding high, wide and handsome. Now is the time to do it. Get her on an even keel, and I will help you to do it.

MR. CHAIRMAN: The hon. Minister of Provincial Affairs.

MR. MURPHY: Mr. Chairman, I am just going to take a very few short moments because I know we are anxious to get on with this very important piece of legislation. Now, nobody but nobody wants to stand up and say how happy they are to see taxes going on anybody. But I think it is my duty perhaps as a member of this House for a good many years, having spoken in many budget debates, having heard arguments put forward by the last speaker, the hon. gentleman from Twillingate (Mr. Smallwood) as to the necessity of putting certain taxes on to provide - not only to balance the budget, that is only a phrase we use - but to make monies available so that the services that we render these people as a government, which is our responsibility, that is what we can do with these monies.

I know very well that the hon. member for Twillingate (Mr. Smallwood) recalls very, very clearly, as I do, the famous chocolate bar budget that came into this House, where they reduced the exemption from fifteen cents down to eight cents so that the chocolate bar and the bottle of pop could be taxed that they took out of school childrens' mouths.

But, I want to say things perhaps a little more serious than that at this particular time. That is, Mr. Chairman, the performance of this government in the three short years that we have been in power. I have had the privilege, the hardships,

Mr. Murphy:

the worries, the aggravations as the Minister of Social Services of this Province for some two and a-half years. My colleague, the Minister of Tourism, who is not in the House now, preceded me in that portfolio for a few short months. He took over, Mr. Chairman, if I may say a department where the people, the underprivileged people of this Province were flattened right into the ground, absolutely flattened, Sir, by repressive rates that were paid to these people who could not help themselves. In three short years, Sir, we have increased welfare rates in many instances 80 per cent. Now I do not know what that increase is on the rate as it was paid, as the hon. member I remind him, we are increasing the rate of sales tax by 25 per cent, and I say any per cent increase we put on the welfare rate represented some 1,000 per cent on the rate that were paid welfare clients. That took an awful, awful lot of money. It was not thrown away.

We upgraded every area of our social affairs in this government. What else did we do? We removed the sales tax on children's clothing that we had promised to do four years before. How many millions did that entail? How many millions? Who benefited? Who benefited most? That lady down there on Carter's Hill with eight children, that is who benefited the most, not the so-called rich man, if you like, with one or two in family, but the toiling masses that we so often heard referred to in this House. The big families benefited.

What next did we do? We took the sales tax off fuel oil, eh. That meant nothing, eh. No one benefited by that. More tyranny on the part of this great tyrannical government. Did anybody mention that - did they even dare to let a whisper drop that this government had done something for the people of this Province?

You know, Mr. Chairman, I do get a little bit irritated sitting here in this seat on times to hear today remarks passed, the member for Twillingate (Mr. Smallwood) says, cutback, cutoff the fat. Now another member today wanted the Minister of Highways to weigh the salt - how many gallons did you put on the Conception Bay Highway last

Mr. Murphy:

night? How many gallons? How many pounds? Here is the crowd want to cutback.

MR. F. ROWE: On a point of order, Mr. Speaker. As I was brought to order on the ground of relevancy, I believe the hon. minister has just gone through a review of his departmental policy and now he is getting into transportation and communications, and

MR. MURPHY: Ho, ho, ho! Come on 'Fred! Sit down!

MR. F. ROWE: It is not relevant to the particular resolution before the Committee, Sir. So I would ask that the same ruling be applied to the hon. minister as applied to hon. members on this side.

MR. W. DOODY: Mr. Chairman, to that point of order, Sir. I think we have allowed the Committee wide ranging debate on this side of the House, and we have not really interrupted anybody across the way to speak on whatever area he wish to speak, and I think we have been most tolerant. I think the same courtesy could be allowed my colleague.

AN HON. MEMBER: Hear, hear!

MR. CHAIRMAN: However the Chair has taken the position in terms of relevance and I would remind the hon. minister that he has to establish that his remarks are relevant to the motion and I would expect him to do so in the near future.

MR. MURPHY: Thank you, Mr. Chairman. But when you are speaking of expenditures and you are speaking of revenues you cannot be any more relevant than I have been. We want to put another 2 per cent on the sales tax. For what? To share it up between the seventeen or eighteen members in Cabinet.

MR. SMALLWOOD: It is going up two percentage points, not 2 per cent.

MR. MURPHY: We are putting 2 per cent on the sales tax or increased it from 8 per cent to 10 per cent, increasing the rate of tax 25 per cent.

MR. SMALLWOOD: Yes.

MR. MURPHY: Am I wrong? Are we increasing it to 25 - is it going up to 33 per cent, Mr. -



MR. DOODY: No, Sir.

MR. MURPHY: Well let us let the people of the Province know who have not the great intellectual ability of some members of this House to talk of the increases in rates. They want to know how much the sales tax is going up -

Mr. Murphy.

two per cent, from eight to ten, eight, nine, ten. Eight, nine, ten.

That is two per cent, right?

MR. SMALLWOOD: No, wrong, wrong!

SOME HON. MEMBERS: Oh, oh!

AN HON. MEMBER: Twenty-five per cent.

MR. MURPHY: Two percentage points, right?

AN HON. MEMBER: Yes.

MR. MURPHY: It increased from eight per cent to ten per cent.

MR. SMALLWOOD: Twenty-five per cent.

SOME HON. MEMBERS: Oh, oh!

MR. CHAIRMAN: Order, please!

MR. MURPHY: Twenty-five per cent on the rate but two per cent on the dollar. Am I right on that or am I wrong?

SOME HON. MEMBERS: Oh, oh!

MR. MURPHY: Am I right on that or wrong? Is it two cents or twenty-five cents? You know, let us all talk about the same thing. If we are going to debate it, let us all know what we are talking about. But, Mr. Chairman, as I said, I did not want to take too long but I think some of these things should be put before this House so that the public will know just what is happening, and what we have done. We did not come in here in the Fall of 1971 and then back again in the Spring of 1972 and start in driving on taxes. We can cut \$1 million, \$2 million, \$5 million, \$8 million, \$10 million off the budget just as easy as this. I could now make a motion - I do not know if I could do it now but in a budget I could do it. Instead of giving \$230 million for our schools and education, cut off \$30 million. Right? Here we have 28,550 public servants - I do not think we call them civil servants any more, public servants - being paid \$345 million. That is the figure, an average of \$12,000. I will bet anybody in this House that the average civil servant, since we came in, has increased his salary a minimum of fifty per cent, pretty well everyone, pretty well everyone. Where did that \$345 million go? Does someone want to tell me and tell this House that these public servants do not need the money?

Mr. Murphy.

Talk about cut off the fat. You could lop a lot of lard off that if you wanted to, but there are a lot of poor civil servants who are going to get back to the days when they were being paid less than the rate that is now considered a livable rate.

We increased the minimum wage from, I think, \$1.80 -

MR. PECKFORD: \$1.10.

MR. MURPHY: When we came in it was \$1.10, up to \$2.50 - 250 per cent increase, 225 per cent increase. What a repressive government!

Is it not terrible the way we treat -

MR. ROBERTS: What was that percentage figure again?

MR. MURPHY: We increased it 130 per cent. It is twice and one-quarter what it was.

MR. ROBERTS: You have it wrong.

MR. MURPHY: Well, we doubled it. That is \$2.20 right?

MR. ROBERTS: It cost the Province or the government nothing, good move as it was.

MR. MURPHY: It all applied right to the service. I am just talking about some of the social legislation that we did put through. And now, and I am sure that the Minister of Finance, when he gets a chance to reply, if some of us people will sit down and let him reply, will show us exactly what it means to be what everybody calls the poor man or the toiling masses, whatever you want to call them, that ordinary Joe, the common man that the member from LaPoile (Mr. Neary) represents, you know, that 99.9 per cent of the people, none of us represent any common people, they are all millionaire merchants down on Livingstone Street, Carter's Hill, Allan Square where the hon. Finance Minister comes from, all millionaires down there. No one represents them. No one represents them at all.

Mr. Chairman, I say this, we all regret having to increase any taxes, but if it is going to provide schools, hospitals, how in conscience can I vote against it. There is no trouble, as I say, to balance the budget. Cut the guts right out of her, and I do not know if that word is parliamentary, Sir, but we all talk about gut issues, and if there is ever a gut issue, and ever any duty imposed on a government,

is to find the money to provide these services. In the State of New York seven per cent sales tax as of the 20th. November, to go up two per cent, I understand, to try to balance the budget. Nine per cent in the great State of New York, taxes, the City of New York, \$2.6 billion they need; commuter's tax, .45 per cent

MR. MURPHY:

a half cent on the dollar. Anybody living outside the city of New York pays a half cent. The increase will now be 1.5 per cent, three times as much. Why? Because, as someone has said, the people of this Province are demanding services and this government have pledged themselves to provide to the best of their ability these services. Paved roads - someone complained the other day they were delayed an hour on the Trans-Canada Highway, one hour waiting because the road was slippery. God help us, what an imposition! Did they ever spend four days on the CNR like I did with a train blocked in the snow? Did they ever walk the platform of Alexander Bay Station for eighteen hours like I did waiting for a freight train to come along that was broken down? Did they ever spend four days in St. Jacques waiting to get into Grand Bank because the wind was on the wharf? You know, inconvenience! My dear fellow, what a tragedy someone had to wait one hour to drive their \$5,000 automobile from here to somewhere else!

MR. SMALLWOOD: We did not even have a Trans-Canada Highway ten years ago.

MR. MURPHY: Absolutely right. And the more we get the more demands we will have and as a government we are here. No one dragged us in by the hair of the head to become a member anywhere in this Province. We all came in here on our own volition with the help of the voters. So when someone starts in raising red herrings and rotted mackerals and all the rest, you know, let us look at facts. What is the money for? We have a great crew that were going to abolish the school tax, \$12 million going to do away with, going to bring back the mothers' allowance, \$4.5 million. There is \$16.5 million. And some famous general, whenever he was, General Revenue was going to come in here and give us all that money, some famous general, you know. It is like the story of Marshall Dyan, was it, the great Israeli, the man who won the Seven Day War for Israel -

MR. ROBERTS: Moshe Dyan.

MR. MURPHY: Moshe Dyan - and the story was that the States went and says, look, what will you take, Moshe Dyan, what generals will you take? He says, I will take General Motors, General Foods,

and three or four more. These are the generals that these people speak about. But, Mr. Chairman, if I may, I just want to be a bit practical. I have been here now for some thirteen years. We have heard many budgets come in. We have heard many reasons advanced why budgets, why we bring in budgets, why we want revenue. How else do we get the revenue only through taxes? How else? And I will say this, that I was amazed when it was demonstrated by the Minister of Finance how very little this hits the large family man in this Province, and that is the one they are most concerned with and that is the one that this government has looked at since it came to power, the ordinary person who is on a fixed income in many cases but who needs it most. And that is why, Mr. Chairman, I say that I as a member of this government urge this House to adopt this resolution because without that this Province goes nowhere but straight down. Thank you very much.

SOME HON. MEMBERS: Hear! Hear!

MR. CHAIRMAN: The hon. member for Burin Placentia.

MR. P. CANNING: Mr. Chairman, I am not going to make a long speech. I am not going up to New York. I am not going up on the South Coast at the moment. I am going to just stick to the point of the motion.

MR. MURPHY: When the gentleman is trying to speak, it is very difficult to hear him.

MR. CANNING: I can shout. I do not shout, Mr. Speaker. I mean I am hoping to get my points across by speaking slowly perhaps, quietly. Mr. Chairman, I am in a position today that I have never been in before in my life. I am in the Opposition. And, Mr. Speaker, in case I am out of order, I am just bringing it up, I am going to tell the House how I am going to vote and why I am going to vote. It is not going to take me very long. But I am in the Opposition and I think here, I believe the duty of a government is pretty heavy. But I got the feeling here that here perhaps it is a little bit heavier. How I am going to vote, Mr. Chairman, I am going to give consideration to

December 5, 1975.

Tape 388

RH - 3

my government. That sounds strange coming from the Opposition but the Government of Newfoundland is my government. I am a Newfoundlander here.

AM HON. MEMBER: Hear! Hear!

MR. CANNING: And I am going to vote as I feel best for Newfoundland.

MR. CANNING: I have been doing that for twenty-three years and I do not intend to change it.

Mr. Chairman, I do not know how many people in this House have sat down with people with large families in Newfoundland as I have had to do. But I have had to do it and I did it in my work in the last couple of years. I have gone inside closed doors with people, sat down, spent hours - two hours sometimes - showing me their budget. They wanted to do something, they wanted some protection. On more occasions than one, despite the fact that I was losing money myself, I would turn around to the family and say, "No boy, you just cannot afford it." I mean that is personal experience, that is not just looking around here now. I do not think the tax we are going to put on is going to hurt us but I was thinking about the youngsters up in the gallery.

Mr. Chairman, if it is allowed in the House, according to the rules of the House, I think I would have suggested we would ask one of the children down who are up there this evening - first I would have asked some one from a family of five whose wages are under \$8,000, I do not know if there is one there, but I am speaking particularly for people whose salaries are under \$5,000, unfortunately. I do not want to see the Province going broke. I saw it before, I can remember it. Some day in this House when I have a wider latitude than I have at the moment I will tell them about it.

Mr. Chairman, to be honest, to be sincere, to be fair to the government, the Premier and his government have the responsibility of Newfoundland at the moment and I have just as much responsibility to him as any member on the other side, just as much. You see, Mr. Chairman, I cannot conscientiously vote for it at the moment. Perhaps if I study it deeper, perhaps if I went into it deeper, in greater depth and talked to the member for Twillingate and talked to the Minister of Finance and to the Premier, perhaps they could convince me, but I do not think so. The time is not there for that. We have to get on with the work of this House.

Mr. Chairman, I honestly do not feel that I can vote for this tax at the present moment. I do not think I should vote for it. Mr. Chairman, the man who was laid off in the shipyard the other day, who has



MR. CANNING:

gone home now on Unemployment Insurance; he has had it pretty good the last four or five years. His wages went up, prices went up with them, but anyway he had it pretty good. But I will tell you one thing, they are there on \$8,000 a year with five and six children, and they are not wasting their money, I mean, I know some of them may but the majority of them are not, They are living from hand to mouth, Mr. Chairman, and I do not believe they can afford to be taxed.

Another belief that I have, Mr. Chairman, I have always had it perhaps I voted in this House sometimes wrongly, I do not know, but surely anybody, you know, I think it is common sense that you must tax people who can afford to pay it, whoever can afford it or better afford it to pay it but we should not tax the people who cannot afford it. We are definitely, every man in this House I am sure - I am not going to say intelligent because I know every man in the House is intelligent, but, Mr. Chairman, time and time again I have - I even have figures - I have gone to the grocery store and I only have to buy for three, I do not live big, I live well, thank God! I often lived worse I assure you - but anyway out of curiosity I have sat down and said, "How in the name of God can a man with ten children, a man with five children, how are they living? How are they keeping a car? - and he has the right to have a car today - you people hear that every day

MR. CANNING:

if you are mixing with people who are under \$8,000, \$7,000, \$5,000, if you mix with those, you hear it. I do. I mix with them with \$20,000. I have heard them complain. No, Mr. Speaker, there are people in Newfoundland today who cannot afford to be taxed any further. And we definitely should tax people who can afford to pay without suffering. If we tax them any more - I think they are suffering now.

I do not know, but I wish we had time to just sit down here, if we were allowed, and all get together and start to balance a budget if we had to live on \$4,000 a year or \$5,000. Mr. Chairman, we cannot do it. They cannot afford it. I think that we - I want to be constructive, but I can say I can name an awful lot of items that we could tax. There are an awful lot of areas where people could afford it. Mr. Chairman, I want to be fair. I intend to be fair here. I was fair when I was on the other side and I want to be fair here. But I really in my conscience cannot vote for this. So, Mr. Chairman, I will be opposing the bill because I just believe that the people cannot afford it, these people. I am not talking about \$10,000 I am not talking about \$12,000 a year people. I am talking about the ordinary people who unfortunately, I guess, are on that low wage. Everyone of us here may want to get him up out of it. All of us here are afraid the Province will go broke.

I think we can afford yet to get further loans without having to tax people who just cannot afford it. We are going to make them poor. We are going to make them short, I would almost say to make them hungry. I do not want to see any Newfoundlanders going hungry anymore.

SOME HON. MEMBERS: Hear! Hear!

MR. WHITE: Good speech.

MR. F. ROWE: Mr. Chairman, I just have a few brief questions that I forgot to ask in the midst of my political rhetoric earlier. The minister indicated in his opening remarks that there are certain exemptions, and he mentions specifically certain heating supplies and fuel and oil and this sort of a thing.

MR. FOREPTS: How about electric heat?

MP. F. DOWE: This is it. I was going to ask the minister what the situation is with regard to electricity for the purposes of heating homes and also gas. I do not mean gasoline but gas, propane or butane or whatever gas is used for purposes of, gas that is used in stoves and heating furnaces. Could he explain the situation with respect to these two sources of heat or energy.

The other thing that I would like to bring to the minister's attention is this whole business of this sales tax as it applies to building materials. My understanding is that there are two taxes, sales taxes on building materials, the federal tax and the provincial tax. Now I was wondering if the minister has given any consideration at all to the removal or reduction of tax on building materials because we heard a lot about that when the federal, you know, when the people were talking about it federally. But I can probably best represent what I am trying to say in the way of a question by giving an example.

The government has announced its intention to give \$600 grants to first home owners or builders, or something along these lines, beginning in the New Year. And if we take as a convenient example for use at this present time, a home where the building materials comes to \$30,000 - now that is not the average home, I realize - you got a situation where the amount of the increase in the sales tax on the building material exactly matches that of the provincial grant.

Now certainly in the case, in any case where having the increase in the sales tax on building materials is cutting into this grant, this provincial grant for the purpose of purchasing homes - I was wondering really if the minister and his administration, the administration, the government have given any consideration to a reduction or removal of the sales tax on building materials, particularly in view of the high mortgage rates and the shortage of houses and homes and this sort of thing at the present time? Now I am thinking of private homes probably a little more than apartment buildings and this sort of a thing. I think that is probably the basis of the question.

MR. CHAPMAN: The member for LaPoile (Mr. Neary).

MR. NEARY: Mr. Chairman, before the minister rises to answer the various questions that have been put to him by members on this side of the House, Sir, I would like

MR. NEARY: to ask the minister how he proposes to see to it that this \$600 grant for people buying or building houses for the first time, how he intends to see that this will not automatically mean an increase in the house. Can the minister assure the Committee, can he assure the Committee that this \$600 will be of benefit to the person who is buying or building a house for the first time, or will the price of houses automatically go up now by \$600? You know, can the minister give the people some assurance that this will not happen.

MR. CHAIRMAN: Order, please! Order, please! I think unless there is a relevance, I think that is another subject matter that came up in the budget proposals, but unless the hon. minister can relate that to the measure before us I feel that he would be out of order.

MR. NEARY: Well, Mr. Chairman, I accept Your Honour's ruling. Well then maybe I should deal specifically with the matter under debate. The minister, you know, can give us the answer when he stands. But it is all inter-related, Your Honour. But anyway, Sir, I am inclined to agree with the remarks made earlier by the member for Twillingate, but before the government, and I have said this inside and outside of the House, that before this government, Sir, brings a recommendation into this House to increase taxes, that the first thing they should do is take a look at what they can cut out of the estimates in the way of non-essential items.

The minister and I debated this on television I think last Sunday.

MR. DOODY: Do not tell everyone!

MR. NEARY: Well, the minister and I at least did debate. But, Sir, what I am recommending to the minister and to the government, and I cannot vote, Mr. Chairman, for this increase in taxes until I have and it has been proven to me by the administration, by the Minister of Finance, that they are going to cut out, cut down on non-essential items such as travelling by ministers, travelling by officials of the government, travelling by the staff and faculty of Memorial University-

AN HON. MEMBER: Not the university again!

MR. NEARY: - no, Sir, - travelling by people in the Crown corporations and other government agencies. The Minister of Finance, Sir, before he recommends this increase, at least to me, will have to convince me that he is prepared to slash travelling by all these people by at least fifty per cent, slash fifty per cent off travelling of all those who are travelling at the expense of the public treasury, either directly or indirectly.

MR. DOODY: How are you going to get to Ottawa, or even Grand Falls?

MR. MURPHY: Take the aircraft! Take it.

MR. NEARY: I am not going out in any government plane anywhere, when I go I am - Mr. Chairman, I also recommend to the minister that the government immediately incorporate into its budget, before they bring in any recommendations for increases in taxes, a provision to cut all salaries directly or indirectly paid out of the public treasury, in excess of \$25,000 a year. And that would bring a tremendous saving, Sir, to the government and to the public treasury and would not do any harm whatsoever, would not cause any inconvenience to anyone. And this would only be for a period of, say, two or three years during the period of austerity. And the minister can argue all he likes, well, this would get rid of some of our good people. Well, Sir, if they are that good they would not be with the government in the first place. They would be out working for private industry and if we are going to pay out big salaries, Sir, to attract all the good people, who is going to run the Province, run business and industry? They are all going to be working for the government. So the minister's argument, his weak defence there, Sir, is not valid in my opinion, that you can lop off ten per cent, of all salaries over \$25,000 without hurting anybody. And I am sure there would be a substantial saving.

The other day I read, Mr. Chairman, that eighty per cent of the budget at Memorial University goes in salaries and wages. Why I nearly keeled over when I saw it. I do not know if it is

Mr. Neary:

correct or not. Perhaps the minister can tell us if 80 per cent of \$35 million forked over to the University is paid out in salaries and wages. What kind of salaries are they earning over there?

AN HON. MEMBER: They are only getting the minimum wage.

MR. NEARY: No, they are getting far above the minimum wage, I will tell you that, and the poor old fellow who is going to get the benefits of the minimum wage has to wait until the 1st. of January.

MR. SMALLWOOD: Would the hon. member allow me to ask him a question?

MR. NEARY: Sure, Sir, go ahead.

MR. SMALLWOOD: Would not the salary rates at the University be set to allow the University to compete with other universities to get what we must have, the best kind of brains. For instance, if the hon. member's brother, Professor Neary, who is Canada's leading academic in history, Professor Neary is Canada's leading academic historian -

SOME HON. MEMBERS: Oh, oh!

MR. SMALLWOOD: - he might love Newfoundland because he is a Newfoundlander, but would he come for a lot less money to Memorial?

MR. NEARY: Well, Mr. Chairman, the question of course is a loaded question because the gentleman who asked it assumes, Sir, that the University are getting and are competing for the best in Canada and in North America.

AN HON. MEMBER: Well that is correct.

MR. NEARY: That is correct? They may be competing, Sir, they may be competing but I have very grave doubts of whether or not they are attracting the best, and I am sure my hon. friend would agree with that without going into any -

MR. SMALLWOOD: They would attract a lot less best if they paid less.

MR. NEARY: But, Mr. Chairman, the trouble is that we do not know what salaries they are paying. They refused to disclose their spending in detail. And I cannot answer my hon. friend's question until I see

Mr. Neary:

the facts and figures in front of me. Are they paying more than they are paying in the University of Western Ontario? Maybe my hon. and learned brother that the member for Twillingate speaks about, maybe he is dedicated and earning much less in Western University, I do not know, Sir.

AN HON. MEMBER: Do they want to take a guess?

MR. NEARY: I do not know if money could attract him to come back to Memorial University. I cannot speak for him, Sir, I can only express an opinion, whether or not he could be attracted back for money I doubt it. Maybe it is the kind of a set up they have, maybe that is the reason they cannot attract graduates of the university, people who have gone on and gotten their doctorates. Maybe, Sir, they frowned on inbreeding and they drove out, drove out some of the best people, Newfoundlanders, drove them out of this Province because they did not agree with inbreeding and brought in people from far-flung corners of the world who do not understand the psychology and cannot communicate with a lot of the students who attend that university. That could be, Sir.

But, Mr. Chairman, the point that I am making, that I am sure that if the details of the spending of Memorial University were laid out in this hon. House, Sir, that the salaries might shock you.

AN HON. MEMBER: There would be a revolution.

MR. NEARY: I beg your pardon? Yes, a revolution. The people would be out in the streets, Sir, there would be a blood bath, there would be a revolution if they ever saw how their money was being spent and they are asked to tighten their belts and make sacrifices and put up with increases in taxes.

AN HON. MEMBER: Go on with Bas Jamieson.

MR. NEARY: They might. But, Mr. Chairman, until the Minister of Finance, Sir, can convince me that he is sincere and genuine and not just say, oh we are going to do this, but to prove to me beyond any doubt - because I am a Doubting Thomas - that the minister is going to



Mr. Neary:

cut out the extravagance and the waste and the wall-to-wall carpeting and the expensive wallpaper, put the government aircraft in mothballs and cut travelling by 50 per cent, and cut out all of these big salaries, cut out consulting fees.

Mr. Chairman, I will tell you something I am working on now that the minister might take a look at, I am doing a little research, I am not prepared yet to lay any charges, but I am

Mr. Neary.

prepared to drop a hint to the minister of the kind of savings that I think he should be taking a look at before he brings in recommendations for increases in taxes. Over here, Sir, at the Health Science Complex, where Scrivener almost have a blank cheque, and I have been asking questions for the last two or three years in this hon. House about the affairs and the goings on of the management consultants over here at the Health Science Complex. And I am told recently that the project manager went off and formed his own company, and now he has hired himself back to Scrivener, to the company that he quit and worked for. The gentleman who was the project manager went out -

MR. HICKMAN: Why not name him?

MR. NEARY: No! My hon. friend knows who it is because he took a slap at me one time about something I said here in the House, and I suggested the man should be brought before the bar of the House, and I meant it, Sir. I would like to find out about the goings on, as far as consulting fees on that Health Science Complex are concerned, I am told that it would be a bigger scandal than the one in the Department of Fisheries. I cannot get the answers, but I am working on it, Mr. Chairman, and I suggest to the Minister of Finance that before he starts recommending increases in taxes to this hon. House that that is the sort of thing he take a look at. We heard the other day where the Chairman of the School Tax Authority resigned his job. He was earning \$25,000 a year, not bad pay, Sir, in Newfoundland. Down in the United States they say if you earn \$45,000 a year, that is as much as the traffic can bear in the United States. They figure then you are being overpaid - \$45,000, I saw it in the paper the other day. That should be the highest, they say, paid to any man in the United States. And here a man quits his job, in charge of the School Tax Authority, to go to work for Scrivener over at the university, because he could not resist the offer that was made him. He could not resist, he said, the offer that was made him by Scrivener. How much was the offer? My God! The man is earning \$25,000 plus fringe benefits. Now he is over there working at the Health Science Complex,

and we have this other gentleman, who was the project manager, went out and formed two or three companies, hired himself back to Scrivener, the company that he quit and worked for. And you talk about incest and inbreeding -

MR. DOODY: Who is talking about that?

MRY NEARY: That is what the University says, oh, we cannot have inbreeding, drive out our young graduates, drive them out of Newfoundland. That is the answer to my hon. friend's question that he put to me. Drive them out. But, Sir, that is the sort of thing that the minister should take a look at, and when I get more information, Sir, I guarantee you, I will be coming into this House and laying it out before the members of the House, as I think it is something that needs to be investigated. I would like to see an investigation done under the Public Enquiries Act. And the Minister of Public Works - you know, it is a serious matter. I have certain facts. I do not have all my facts yet. I am working on it.

MR. DOODY: Can you wait until you get them all and then get back to this.

MR. NEARY: No, Sir, because it will be too late then. That increase in taxes will be gone through, rammed through the House by the majority on the government side. So, Sir, there are other members I know who want to speak before six o'clock but, Sir, I am afraid that under the circumstances, that I am going to have to vote against any increases in taxes at this particular time.

MR. CHAIRMAN: The hon. member for Carbonear.

MR. R. MOORES: Mr. Chairman, I think it has been indicated by the hon. member for Twillingate (Mr. Smallwood) that it is the intention of our group here, when possible, to be constructive and not to criticize the government in any facet of its administration just for the sake of criticizing. With that view in mind, Mr. Chairman, I would like to suggest to the hon. Minister of Finance a way in which the dilemma

Mr. R. Moores.

of increased taxation, particularly the sales tax, can be overcome by at least one segment of the population, this segment of the population being the fixed incomers. By general consensus of all levels of government, fixed incomers are usually referred to as welfare recipients, old age pensioners, etc.

MR. P. MOOPES:

This, also, I might add would be in view of the presentation by the hon. member for Twillingate (Mr. Smallwood) concerning equal sacrifice. My suggestion is that the government, the hon. Minister of Finance, exempt all fixed incomers from the sales tax. This can be done by issuing under the social insurance numbers scheme an exemption card relating to that number. Admittedly the administrative costs might be relatively burdensome. But the loss of revenue in the low income or the fixed income exemption could be made up by increasing the sales tax to the above \$300 purchase people that it would apply to. I suggest, Mr. Chairman, what a feather it would be in the hat of this government who have been promoting and encouraging the idea all throughout this speech that they are the champions of the low income people. Thank you.

SOME HON. MEMBERS: Hear! Hear!

MR. CHAIRMAN: The hon. Minister of Finance.

MR. DOODY: Mr. Chairman, I thank the hon. members of the committee for their thoughts. I am quite sure that all of the comments without exception were meant in a spirit of co-operation and in a great desire to help this government and indeed this Province to resolve the very difficult financial position in which it finds itself. I have never tried to conceal the fact that we are in a difficult financial position. As a matter of fact this Fall budget, which people keep saying is an alleged mini budget - it was never alleged by me, Sir, nor by this administration to be a mini budget-but I guess it is a nice, trite phrase that was picked up somewhere along the line and has been used to a large extent for convenience sake. It was never the intention of this ministry or of this administration to present this as anything but a major presentation of the financial position of the Province at the present time.

I would like to call the attention of the Committee to the fact that all the available financial information relevant to the current position wherever it has been available has been presented to this House and to the Committee at the earliest possible opportunity.

MR. DOODY:

Points that have been raised by various members I will attempt to deal with, not necessarily in the order in which they were presented because some are repetitious and I do not mean that in a derogatory sense. I mean that various members here have the same concern and have every right to ask the same questions and raise the same considerations, and like myself and my colleagues on this side of the House have very grave doubts and reservations about the imposition of taxes. As a matter of fact there are very few people in this world, I would think, who would welcome the imposition of taxes, and there is nobody who dislikes taxes perhaps more than a politician unless it is a finance minister who is both a politician and the one who has to bear the ultimate responsibility at least in name of the imposition of the taxes.

The first question that was raised and probably the most vocal one and the one that makes the most noise and appears to be the most important is, why does government leap automatically, almost like a mad vulture, towards the sales tax? Why the retail sales tax, Mr. Chairman? This surely must be a rhetorical question because the answer is quite obvious, is quite self-explanatory because it is by far the single largest source of revenue that this Province has. There is nobody more aware of the fact than I, Sir, that this is a regressive tax. There is

MR. DOODY: nobody more aware than I, Sir, of the fact that the tax burden, perhaps, under this system, is not shared in proportion to the incomes of people. What I have said, Sir, and what I contend and what this administration contends is that in the light of the current situation we have made what I think and what I think most thinking Newfoundlanders and most sensible people in this House will agree, we have made the best of a poor proposition, having agreed that \$30 million was necessary to balance the current account deficit that we have found ourselves faced with this year and the reasons for that deficit will be debated and have been debated in the Budget Speech and I intend in my closing remarks in the Budget Speech to go into that in a great deal more detail. Having faced the fact that that deficit is upon us, we were obviously faced, as has been said, with two alternatives, we either have to cut services or we will have to raise taxes and like the good old Duke of York perhaps, Sir, we decided to do a little bit of both. Now it is true that the good old Duke of York, if I remember my history correctly, did not win that particular battle, but if I remember my history correctly, Sir, Great Britain did win that war. And when he did get back from France and got things organized, I think it was in the Netherlands that particular hill was, but anyway, as usual the United Kingdom managed to get through and I have no doubt that this government, if I may use the same analogy as my hon. friend across the House, using the best part of discretion as the Duke of York did on that particular occasion, decided to take the course of moderation and not the course of unreason as has been suggested by my hon. friend from LaPoile who advocates a ten per cent cut across the board on everything, and then work up from there. And surely, Sir, this must defy reason, to suggest that the Department of Education should take an arbitrary ten per cent cut. It is even more absurd then to suggest that the Department of Health should take an arbitrary ten per cent cut. I mean, which hospital service does he suggest that we take the ten per cent out of?

Does he feel that we should close some beds? Where? In the Janeway or in the Western Memorial or perhaps we should let some of the nursing

MR. DOODY: assistants go or cut back on the salaries of some of the staff? These are very obvious and very simplistic solutions, Your Honour, but surely nobody in this House can take them seriously.

He also says that we should immediately cut salaries of everybody in this service, in this Public Service, everybody in excess of \$25,000 should have his salary cut back to that level and held at that level and he says that this will solve the problems that we have in the Province. I think he is absolutely right, Sir, because there will be a flood of talented people leave this Province like a bunch lemmings heading for the sea. The problems will be solved without a doubt because there will be nobody of any talent left here to administer the Province, and we here who are trying to get the best people we can, competing not only with the Atlantic Provinces but with the great federal government and its huge amounts of money for salaries, for programmes. DREE opens an office in the Province of Newfoundland and we are delighted to have them here. The first thing they do is hire away people whom we have been paying \$10,000, \$12,000, \$14,000, they hire them for \$18,000, \$20,000 and \$25,000 and, woe and behold some people whom we have been depending on. And you cannot blame our people for leaving. They have got to try to get the best they can and do the best they can and in trying to compete with these other governments, with these other services and with private industry, we found it necessary to pay salaries which are perhaps in excess of what we would like to pay and certainly that nobody who is trying to run a business-like operation wants to incur more expenses than he has to. But if you are going to have an efficient administration, if you are going to have reasonable, rational programmes, if you are going to have proper government, under proper control, it has to be done by good, talented, efficient people and you are not going to get them unless you pay them and Sir, that is one of the basic problems that we have to face today, the fact that we have to pay people to administer the programmes that our people have been led to expect, that they deserve.



MR. DOODY: The question now arises, Sir, do our people deserve these services? You know that defies an answer, I guess. Of course our people deserve these services. Are the people of Newfoundland to be something less than the people of the rest of Canada? Did we join Confederation on the premise that we were going to be third or fourth or fifth class citizens. That was not what I used

MR. DOODY:

to wait outside my hon. friend's door down on Water Street on Wednesdays for The Confederate to come off the newsstand. I think his office was down near The Evening Telegram at the time. I was in high school. I used to run around with his bunch of newspapers. I almost got thrown out of the Catholic Youth Club, Sir. I was one of the three activists up there.

MR. SMALLWOOD: Is the minister telling me that in addition to being an ardent Liberal, he was also a Confederate?

MR. DOODY: Yes, Sir. Not only was I an ardent Liberal but I was an ardent Liberal for almost three weeks. That was during Mr. Crosbie's campaign in St. John's West, or the hon. member for St. John's West (Mr. Crosbie), but I was a Confederate, Sir, for quite some time. As a matter of fact, I can remember being almost dismissed from Grade XI in St. Bon's for spending more time down in the old Colonial Building and listening to yourself and Mr. Cashin and some other great patriots doing what was best for the Province at that particular time. And that, Sir, is what I contend that this particular government is trying to do at this particular time.

The Province of Newfoundland in 1949, I would contend, was no more responsible for the fiscal position that it found itself in - I would rather go back to that than go back to the pre-commission of government days - the government of that day had no more control over its fiscal position, or its monetary position than this government does today. The \$30 million that we found this year was inflicted on us mainly through causes not of our doing, not all of it, and I do not pretend that all of it was. Some of it, perhaps a fraction of it, a little of it may very well have been because of the fat that has to be cut from our budgets. This is a lesson that we learned. This is a lesson that we have to endure and this is a lesson that we have every intention of learning and going through with. If there is fat in that budget it will be cut out.

While we are cutting out the fat, Mr. Chairman, while we are going through department by department we cannot do it on the basis that my friend from LaPoile (Mr. Neary) suggests, by a 10 per cent cut. We

MR. DOODY:

cannot do it by slapping a huge income tax on those of our people who are in brackets, which can stand that kind of income tax because, Sir, the simple answer is we do not have the industrial base that gives us the payroll to tax the sort of people who can give us the amount of money. I wish we did. I only wish that we did have. And I disagree with some members on my own side of the House and members on the other side of the House who say, out with industrialization and let us have none of it. I think that that is a luxury that we cannot afford.

One of the things that we have to have in this Province - and I do not mean that I disagree about bringing in imported raw materials and trying to process them at a loss and exporting them. I do not mean that we should turn electric power into phosphorus and sell it at a loss as we are doing now. What I mean is if we can get a reasonable, rational, industrialization programme in this Province we have to leap at it and grab it because we have got to have a stable, sensible tax base on which we can base our future projections for revenue.

Now, Sir, that we do not have. We have raised the income tax as far as we can, I think, in relative proportion to the numbers of people whom we have who can afford it, and perhaps I am really speaking on the next resolution and talking about the income tax but it has been raised by others. It has been pointed out, Sir, on page IX of the budget speech what the impact is on those people of low incomes and there are many of them. I respect people across the House and on this side of the House who talk about large families with poor backgrounds who know what it is to have very little. As a matter of fact, Sir, I can speak with great authority on it.

AN HON. MEMBER: You worked.

MR. DOODY: That is right. I remember down in the 1930's down at Allan Square. The biggest honour that anybody in the neighborhood could have was that he had a steady job. I cannot ever remember my mother asking where this fellow worked or that fellow worked. The criteria of excellence in that neighborhood was, they are all right, he

MR. DOODY:

has got a steady job. Now, if he was driving a horse down at Rowings or if he was working for the city council rubbing the streets he had a steady job and he had it taped.

So, you know, with great respect to the House and everybody in it - and I congratulate those who did not have that experience, or maybe I do not, maybe I feel sorry for them. Anyway, the point is that I do have some experience and some knowledge of the sort of background that some hon. members have referred to. In putting this budget together, Sir, this was very much in my thoughts and very much in the thoughts of my colleagues.

The single person with no dependents making \$4,000 a year will pay two dollars more in income tax under this plan.

PREMIER NOOTES: That is the income tax one.

MR. DOODY: It is the income tax one I am talking about, yes, Sir. As I said I am probably talking on a different resolution but it has been raised by other people and I want to go to this chart at first. A married person with four children who is in that bracket between \$4,000 to \$8,000, will pay three dollars extra in income tax a year. It is not an exorbitant burden to pay.

Mr. Doody:

It is not an exorbitant burden to pay when you measure that against the expectations that our people have a right to, and the services that they have a right to and the promises that have been made to them, not necessarily by this party or that party, but by society as a whole, promises that have been made to them, Sir, by their expose to what goes on in this world. If you look at television and you see what goes on in Toronto or Prince Edward Island or Vancouver or wherever are our people in Holyrood or wherever to be treated any differently? And we say they should not be, but unfortunately circumstances are that for the present they cannot be. And so we have elected to do a little of both, Sir, we have elected to cutback as far as we can on major capital projects for as long as is necessary to balance the budget, and we have elected to increase several of the taxes in the least onerous way possible.

Now, Sir, the resolution under debate here is the 2 per cent increase or the 2 percentage point increase in the S.S.A., the retail sales tax is a more accurate description. And this sales tax, this 2 per cent has been done in a way to make it the least possible burden on the largest number of people. Now those of you here who have large families or know of people with large families and small incomes, and I think we all do, we are all politically people and we have all knocked doors and we have all met a number of people and we have gone into homes, and we know pretty well what the big burden of expense for the average family is. It is food, it is fuel, it is clothing and it is shelter. The retail sales tax came off food some time ago. The retail sales tax on children's clothing, as my hon. colleague pointed out a little while ago, this government has took off a year or two ago and now have found fit to take off all adult clothing with the exception of certain luxury items. On fuel we have now, a little while ago, we took the sales tax off stove and heating oil, now we have taken the sales tax off coal, we are now

Mr. Doody:

looking at some way, as I said in my opening remarks and which my hon. friend perhaps missed, looking at some way of trying to pass that same saving on in terms of electric heat. The gas one I had not thought of, but I will take notice of it and it is also important.

In the housing area, the shelter area, we increased the sales tax on 2 percentage points, from 8 per cent to 10 per cent. This will bring in to the Province in net of about \$1.8 million, in return for which on that one particular section we will be passing out almost the same amount, something in excess of that, no considerably in excess of that, about \$3 million roughly minimum, in a \$600 per person programme. Now my hon. friend from LaPoile (Mr. Neary) asked me how we intended to make sure that this simply was not added on to the cost of the home? And I refer him to the -

MR. WELLS: Would the hon. member please, Sir, excuse me for a minute.

MR. DOODY: I am sorry. Yes, Sir.

MR. WELLS: May I suggest, Mr. Chairman, that we continue on past six o'clock to complete our deliberations on this issue. Can we carry on to complete this matter? Is that agreed?

MR. ROBERTS: Mr. Chairman, I for one am willing to give leave but I would like to speak for, you know, possibly as much as half an hour, because the remarks I want are not just five or ten minutes on this motion. I have not had an opportunity to speak this afternoon.

MR. MORGAN: No, Sir. Maybe he is closing the debate.

MR. ROBERTS: No, Sir, he is not closing the debate.

MR. CHAIRMAN: No, no.

MR. ROBERTS: This is Committee, Mr. Chairman, and the hon. -

MR. CHAIRMAN: The hon. member should understand that a minister who brought in the resolution speaks he does not close the debate in Committee.

SOME HON. MEMBERS: Oh, oh!

MR. WELLS: If that being so, we shall rise the Committee, Mr. Chairman.

MR. DOODY: I will adjourn the debate.

MR. CHAIRMAN: Order, please! It is proposed that the Committee rise, report progress and ask leave to sit again.

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

MR. CHAIRMAN: Mr. Speaker, the Committee of the Whole reports having considered the matters to them referred and have made progress and ask leave to sit again.

MR. SPEAKER: The Chairman of the Committee of the Whole reports that they have considered the matters to them referred and have directed him to report progress and ask leave to sit again.

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

MR. WELLS: Mr. Speaker, I move that this House do now adjourn until Monday, December 8, at 3:00 P.M.

On motion that this House do now adjourn until tomorrow, Monday, December 8, at 3:00 P.M.

## C O N T E N T S

| December 5, 1975  | Page |
|---|------|
| <u>Statements by Ministers</u>  |      |
| By Mr. Peckford concerning the vacancy rate of apartments in St. John's.  | 893  |
| <u>Reports by Standing and Special Committees</u>   |      |
| Mr. Doody tabled the Auditor General's report on the Newfoundland Municipal Financing Corporation.  | 896  |
| Mr. Doody tabled the report of the Newfoundland Liquor Corporation.   | 896  |
| <u>Notices of Motion</u>  |      |
| By Mr. Morgan that he would on tomorrow introduce Bill No. 12.  | 897  |
| By Mr. Hickman that he would on tomorrow introduce Bill No. 11.   | 897  |
| By Mr. Brett that he would introduce Bill No. 10.   | 897  |
| <u>Answers to Questions for which Notice has been Given</u>   |      |
| Answers were tabled to questions Nos. 426, 326, 327, 328, 330, 331, 332, 333, 334, 335, 336, 339, 340, 341, 343, 346, 348, 349, 350, and 352.   | 897  |
| <u>Oral Questions</u>   |      |
| Directive limiting overtime for snow clearing crews. Mr. Roberts, Mr. Morgan.   | 909  |
| Directive forbidding foremen to send out snow clearing equipment without clearance by supervisors. Mr. Neary, Mr. Morgan.   | 909  |
| Directive reducing the amount of salt and sand spread by road crews. Mr. Roberts, Mr. Morgan.   | 910  |
| Two shift system for snow clearing crews. Mr. Nolan, Mr. Morgan.  | 911  |
| Thorburn Road. Mr. Roberts, Mr. Morgan.   | 911  |
| Topsail Hill. Mr. Nolan, Mr. Morgan.  | 913  |
| Per kilowatt hour cost of bringing electricity from the Upper Churchill to the Island section of the Province. Mr. Smallwood, Mr. Crosbie.  | 913  |
| Plans to make it compulsory for pharmacists to keep records of family medication and drugs dispensed by individual firms to avoid duplication of drug prescriptions. Mr. Neary, Mr. H. Collins. | 915  |
| *Mr. Neary gave notice that he was dissatisfied with the answer and wished to debate it on the adjournment.   | 916  |
| Mines and Energy Minister's business trip to London, England. Mr. Nolan, Mr. Crosbie.   | 916  |
| Meeting with the St. John's Municipal Council. Mr. Neary, Premier Moores.   | 916  |
| Appointment of Mr. T. Doyle as liaison officer. Mr. Neary, Premier Moores.  | 917  |
| Electricity rates. Mr. Mulrooney, Mr. Crosbie.  | 918  |



C O N T E N T S - 2

| <u>Oral Questions (continued)</u>  | Page |
|--|------|
| Government's intention to purchase all drugs for the Province. Mr. Nolan, Mr. Collins.   | 919  |
| Increases in electricity rates. Mr. Mulrooney, Mr. Hickman.  | 919  |
| Source of information on the life of the Buchans mines. Mr. Flight, Mr. Crosbie.   | 921  |
| Newfoundland non-participation in funding of the new Dental School at Dalhousie University. Mr. Neary, Mr. Collins.  | 921  |
| School of dentistry at Memorial University. Mr. Smallwood, Mr. H. Collins.   | 922  |
| Nfld. Hydro appearing before the Board of Commissioners of Public Utilities. Mr. Nolan, Mr. Hickman.   | 923  |
| Smoking in public buildings and government institutions. Mr. Neary, Mr. Collins.   | 924  |
| Fogo Island road. Capt. Winsor, Mr. Morgan.  | 924  |
| Source of salt and sand. Capt. Winsor, Mr. Morgan.   | 925  |
| Overtime policy in the Department of Transportation and Communications. Mr. Rowe, Mr. Morgan.  | 925  |
| Goose Bay Hospital. Mr. Neary, Mr. Collins.  | 926  |
| Bowaters office workers. Mr. Neary, Mr. Maynard.   | 926  |
| ooo  |      |
| Mr. White moved under Provision of Standing Order 23 that the House adjourn to debate a matter of definite public importance, namely, the failure of the Minister of Transportation and Communications to provide adequate snow clearing and ice control operations on the highways. | 927  |
| Mr. Speaker ruled the motion out of order.   | 928  |
| <u>Orders of the Day</u>   |      |
| The following Bills were read a first time, ordered read a second time on tomorrow: Nos. 2, 5, 8, 9 and 6.   | 929  |
| Committee of the whole - to consider a certain resolution relating to the imposition of a Tax on certain Retail Purchases. (No. 3).  | 929  |
| Mr. Doody  | 929  |
| Mr. Simmons  | 931  |
| Mr. Smallwood  | 935  |
| Mr. Rowe   | 938  |
| Mr. Smallwood  | 950  |
| Mr. Murphy   | 961  |
| Mr. Canning  | 969  |
| Mr. Rowe   | 973  |
| Mr. Neary  | 975  |
| Mr. R. Moores  | 982  |
| Mr. Doody  | 984  |
| The Committee rose, reported progress and asked leave to sit again.  | 994  |
| Adjournment  | 994  |