

VOL. 1

NO. ~~50~~ 49

PRELIMINARY
UNEDITED
TRANSCRIPT

HOUSE OF ASSEMBLY

FOR THE PERIOD:

3:00 P.M. - 6:00 P.M.

MONDAY, NOVEMBER 29, 1982

The House met at 3:00 P.M.

Mr. Speaker in the Chair

MR. SPEAKER (Russell): Order, please!

STATEMENTS BY MINISTERS

MR. SPEAKER: The hon. Minister of Health.

MR. HOUSE: Mr. Speaker, in responding to a question on November 26th from the member for the Strait of Belle Isle (Mr. Roberts), I indicated to the House that the approved hospital budgets for 1982-83 fiscal year were based upon the actual expenditures of hospitals for 1981-82. I have since reviewed this matter in some detail and wish to clarify some of the information. A portion of the 1982-83 budgets for hospitals was based upon actual expenses of 1981-82. That portion of the budget was for such items as drugs, medical supplies, surgical supplies, food, fuel, etc. The other portion of the budget is that dealing with salaries and employee benefits. That figure was not based upon the actual cost for last year, as I may have indicated in response to the member for the Strait of Belle Isle. Rather, it was based upon an assessment of the approved staff complements for the hospitals in accordance with the appropriate collective agreements for 1982-83.

After both these reviews - that is the top one on actual and the collective agreements - a reduction of less than one per cent was applied to requested hospital budgets to bring these in line with the amount of funds available. The overall increase to hospital budgets still amounted to 15.5 per cent over and above their actual expenses of 1981-82. Some may have received a little more and some a little less.

MR.HOUSE:

And I want to make the point that the department did not simply add 15.5 per cent to the actual hospital expenditures and neither did it vary by 1 per cent either way.

Mr Speaker, I would like to say a few words about the budgetary situation at St. Clare's in response to a number of news reports recently regarding the particular hospital. The following points are relevant: In early June of this year, my department advised St. Clare's and other hospitals of their approved budgets for the 1982-83 fiscal year. In late August, the department became aware that St. Clare's might have to undertake specific actions in terms of reduction of services in order to operate within its approved budget. In September, St. Clare's advised my department that they would need an additional \$550,000 to carry on operations at the current level at that time. Other hospitals

MR. HOUSE: also indicated they may have problems operating within their approved budgets. The requests of these hospitals and others were considered but, in view of the financial position of the Province, government decided that it could not increase the budgets beyond the 15.5 per cent of last year's expenditures. All hospitals, including St. Clare's, were written on September 9, 1982 and advised that government was not in a position to provide any additional funds to hospitals beyond the amount approved in their budgets. That was three times at least we had told them that the budget was final.

Mr. Speaker, I met with St. Clare's last week and we, with representatives from St. Clare's, have agreed to undertake a complete review of staffing services and programmes for the budget year 1983 - 1984.

MR. ROBERTS: Mr. Speaker.

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

MR. ROBERTS: Mr. Speaker, let me first of all acknowledge that the minister, in answering questions which I posed to him on Friday, did indicate that he would wish to check some of the answers he was giving and I am grateful to him, and I know the House is, for his action in doing so and now making this clarification statement today, the first opportunity, in the parliamentary sense, that he has had.

Having said that, Mr. Speaker, I will, within the rules, very briefly comment upon the two points which he made, and I would say to the minister that there are quite a number of questions for which he

MR. E. ROBERTS: as to what they needed to enable them to do their job. The minister and his staff made an assessment of the approved staff compliments. I simply say that the government have not given the hospitals enough money to enable them to continue to operate with the approved staff compliments that they had last year, and the minister would have to agree with that. And that leads to the situation, Mr. Speaker, whereby the hospitals have had their staffs cut, and these cuts are not temporary, they are permanent unless and until the 1983-84 expenditures are approved at a much higher level. Secondly, I have already adverted to the St. Clare's situation. I do want to say that the situation at St. Clare's has not been fully answered by the minister. There are, based on what I know, very real questions: Number one, about the services which St. Clare's will be able to offer. I gather there are very serious issues as the quality of the services, the board itself took the unusual step on Saturday, I believe it was Saturday's papers had paid advertisements as to what was going on at St. Clare's, a most unusual step; and secondly, I would say, Mr. Speaker, and I will develop this in Question Period as the minister will be with us today, that there are very real issues as to the way in which St. Clare's has been treated. There appears to be evidence now that St. Clare's has not been treated equitably and fairly within the needs and within the means available.

I will leave it at that, Sir, until Question Period, but I would say to the minister that I would hope this Question Period he will have fully informed himself and be able to answer questions fully and completely in the House. I realize he cannot have all of these things, I would not expect him to have all of these things on the tip

MR. E. ROBERTS: of his tongue at all times, Mr. Speaker, but surely a matter this important and this timely, now that he has already had the opportunity to correct one set of answers, he will be able to answer us fully this afternoon.

ORAL QUESTIONS

MR. ROBERTS: Mr. Speaker.

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

MR. ROBERTS: Mr. Speaker, not surprisingly I have some questions for the Minister of Health (Mr. W. House) on particularly the situation at St. Clare's. I want to first of all ask him if the terms 'uncontrollable' or 'non-predictable costs' are currently being used by his officials to describe the costs incurred by hospitals in operating their services relating particularly to that portion, to use his words in his just-made Ministerial Statement, 'such items as drugs, medical supplies' and so on. These are services from outside, non-staff services and they are called 'non-predictable' or 'uncontrollable'. Assuming those are the terms that are used, and I do not pretend to be up on all of the jargon, I wonder if the minister could tell us whether the process described by him in his statement was applied to St. Clare's this year, whether they were in fact granted an increase equivalent to 15 per cent on the amount which they spent in 'non-predictable' or 'uncontrollable' costs last year?

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

MR. HOUSE: Mr. Speaker, he -

MR. ROBERTS: Now, be careful, Wallace.

MR. HOUSE: - is asking a specific question about non-controllable items such as drugs and medical supplies and so on.

The fact of the matter is the assessment of that particular item was based upon actual expenses, as mentioned, for 1981-1982. And they go into a very detailed process of assessing each hospital's budget. I did mention, of course, in the House of Assembly last day, Friday, that we made these assessments based on actual cost, and then I corrected it and said I would like to come back to make a further statement, if I was not correct, and I said the other thing was with the collective agreement and I have done that today.

St. Clare's was treated exactly the same as every other hospital in the Province in their uncontrollable or their controllable parts of their budget. It is as simple as that, And when it worked out, of course, we got about, as I said, roughly within 1 per cent of about 15.5 per cent increase over the actual last year's budget. That is about what it worked out to, But there were assessments made, detailed assessments, the same for St. Clare's as for the General or Gander or anybody else, and then took into consideration the other employee benefits.

The other thing that we want to bear in mind is that it was based too not only on last year's budget, but we will have to bear in mind that hospitals also overspent last year, and we did finally make it up in the final analysis. But there was no hospital that saved a lot of money last year.

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

MR. ROBERTS: Thank you, Sir.

Mr. Speaker, I thank the minister. What he said is that, speaking of St. Clare's, speaking

MR. ROBERTS: of the non-predictable or the uncontrollable portion of its expenditures, its non-staff expenditures, and that is all I was asking about at this stage, that they were treated the same as every other hospital in the Province in the sense that the same criteria were applied.

Now I would ask the minister if he can assure the House and the Board of St. Clare's and the people of this Province that they were given this year in their budget in respect of these non-controllable items an amount equivalent to that which they would be entitled to get in dollars by the application of the same criteria to their non-controllable expenses as were applied to others throughout the Province?

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

MR. HOUSE: Yes, Mr. Speaker, That is the information I have, and I cannot see any reason why they would be treated any differently. There is no standard for St. Clare's and another standard for the Grace and another for the General. They are treated on the basis of the programme that they present, and it

MR. HOUSE: is assessed with the same team from the department. And, of course, I have no reason to believe that they are treated any differently.

MR. ROBERTS: Supplementary, Mr. Speaker.

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

MR. ROBERTS: Mr. Speaker, we on this side, like the minister, cannot see any reason why any hospital would have been treated differently than any other hospital. The minister has told us 'as far as he is aware,' I think he used those words, May I ask him if he would inform himself and let the House know tomorrow whether there has been any mistake, an arithmetical or other mistake, make in the calculation of the grants to St. Clare's - and I am speaking of the non-predictable, the uncontrollable, the non-staff end - would he assure the House that he will check that? If he checks and tells us there has been no error, that the amount that they are told they are to receive in their budgets is the same as would be the case if it were computed according to the same criteria applied to other budgets in the Province, then I will let that be if he will give us that assurance and we will see what happens tomorrow.

MR. SPEAKER: The hon. Minister of Health.

MR. HOUSE: Mr. Speaker, I think there is some kind of an allegation attached to that particular question and I sort of resent it. The fact is that we have gone through this. We have also indicated to St. Clare's in the meeting we had with them on Friday that we would do a total assessment of the situation with them and have that done by January, in accordance with, of course, next year's budget also. But the point of the matter is I have reasonably gone into this with the staff and I am reasonably

MR. HOUSE: assured that the fact is that there is no difference in the kind of criteria that was used. And if there is anybody who has anything that they can lay on the table to say otherwise, I would like for them to do it. But, you know, the point is we did all hospitals the same, there is no difference in one or the other. Now you have to have, I suppose, variations in various programmes, because if one hospital does not have the same kind of a programme as another you are going to get some differentiations. The fact of the matter is you have three or four hospitals in this Province that are close to the same size, they do not have the same programmes but St. Clare's does have the largest budget in that particular category of hospitals. So, Mr. Speaker, I am not able to answer the question. If I knew there was a discrepancy and if I could identify the discrepancy, obviously I would have dealt with it, but the point about it is there is no discrepancy in dealing with that hospital over and above others.

MR. ROBERTS: Supplementary, Mr. Speaker.

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

MR. ROBERTS: Thank you, Mr. Speaker.

The minister is wrong to think that I am imputing or implying anything.

AN HON. MEMBER: That would not be like you at all.

MR. HOUSE: You are leaving the impression.

MR. ROBERTS: We will let his words speak for themselves. He has given us his assurances and we will accept his word and see what develops.

Now let me ask one other question arising out of his recent answer. He has again used the word "assessment", and the minister again is skating around, he says -

SOME HON. MEMBERS: No. No.

MR. ROBERTS: - he says he is assessing the budget of St. Clare's. His statement to the House, his prepared statement said, "for the budget year 1983-84." I want the minister to confirm, so there is no doubt, as to whether this assessment is confined only to the 1983-84 year or is there any suggestion that St. Clare's may have made available to it some of the funds which, in the board's view, it will need to enable it to continue to operate at desired levels during the current year? In other words, does the assessment affect the 1982-83 budget as approved by St. Clare's or is the assessment confined only to 1983-84?

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

MR. HOUSE: Mr. Speaker, in the process of dealing with hospitals - there are a number of them, I do not know the exact number of boards - every hospital is reasonably assured that they are getting the worse deal out of all the hospitals. A lot of criteria is based on something that we do through the Hospital Association and then individually with the various hospitals.

I met with St. Clare's, as I said I believe it was sometime the middle of last week, and they feel that we should go back and look at their situation again. I think we have looked at it. But we did

MR. HOUSE: agree with them that we would certainly take a reassessment of the situation - and I think we reasonably well know whereof we speak right now - we would do that and basically we are doing that in accordance, I guess, with the preparation for next year's budget. But if we assess it and we see some need for further funds, we will just take to look at it. But to this date in time we are looking at it for the next year's budget, looking at their actual expenditures and programmes, and we are telling them that they have to live within the 15 or so per cent that they have gotten this year over and above their actual expenditure of last year.

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

MR. TULK: Mr. Speaker, in the absence of just about all the people who sit in the front benches over there, the Premier and the Minister of Fisheries (Mr. Morgan), I have a question for the President of the Council (Mr. Marshall), the Acting Premier.

MR. STAGG: Where were you last week?

MR. TULK: At a fisheries conference, that is why we learn something. Right? That is more than I can say for the hon. member for Stephenville.

Mr. Speaker, my question concerns the tragic, unfortunate, and perhaps even criminal thing that is happening in the Town of Burin, and I speak, of course, of the closure of the processing plant there. Now Fisheries Products has been quoted as saying that they analyzed the situation

MR.TULK: regards their company they looked at all the alternatives that were available to them. My question for the minister then is, in the search that Fishery Products put on, did they consult the government as to their analysis of the situation and their intentions in the closure of that fish plant and, if so, when?

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

MR.MARSHALL: Mr. Speaker, I think as everybody knows, I think it is a matter of common knowledge, Fishery Products Limited's involvement in the Province in the fishing industry has been a matter of discussion between Fishery Products, the provincial government, the federal government, the Canadian Development Corporation, which is one of the major shareholders in Fishery Products, and at the present time these discussions are still ongoing with respect to them. We have not been given any specific indication of the visit that was made by an official to Fishery Products in Burin and the intent of his making the statement when the statement was actually made. I can tell the hon. member that the matter of Fishery Products, as indeed the entire fishing industry in this Province, has been a matter of some very high level discussions between the federal and the provincial governments, CDC, Fishery Products and other concerns. I am sure as the hon. member will realize the government of this Province was very, very concerned with the state of the fishery and as a result of which we were motivated to appoint the Royal Commission on the Fisheries, under the chairmanship of Mr. Paddock, whose report has been received. At the same time, after that report was rendered the federal government appointed the Kirby Task Force which, it is my understanding, is in its final

MR. MARSHALL: processes and its report will be released by the federal government, I would assume or so we have been told, within a matter of weeks. So this whole area of the fisheries in the Province certainly has been a matter of concern to the provincial government, a matter of discussions. Fishery Products general situation in the Province has been a part of that and will continue to be in the next few weeks ahead.

MR. TULK: Mr. Speaker.

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

MR. TULK: Mr. Speaker, I have to point out to the Acting Premier again that processing - you can talk about the Kirby Task Force all you like - but processing is his responsibility. That has to be pointed out to him again.

MR. MARSHALL: Could I please hear that again?

MR. TULK: Processing is your responsibility in this Province so do not try to cover up by using the Kirby Task Force. But let me ask him very specifically, because he did not answer, my question to him was, when did he become aware that Fishery Products intended to close Burin plant? Not when did he learn that Fishery Products was in trouble, we tried to warn him of that in the last session of the House and were laughed at. But when did he learn that the Burin plant was going to be closed by Fishery Products?

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

MR. MARSHALL: Mr. Speaker, it is not my desire - the hon. gentleman injected this matter of control with respect to the fisheries into the question - it is a fact that the federal government controls the harvesting and the marketing of fish and it is a fact that the provincial government controls the processing of fish. This is one of the major concerns that this government has had and it has voiced it from time to time. So there is no attempt on this government's part to indicate that it does not have responsibility with respect to fish processing but, of course, you cannot process fish, Mr. Speaker, unless you can catch the fish in the first place and harvest them, and there is no point in processing them unless the markets are there. So it is all, Mr. Speaker, in one complete parcel. I do not chose

MR. MARSHALL: to get into this, you know, it is not my intention, as the hon. gentleman seems to impute it, to indicate that one is trying to pass the blame. I can give a guarantee, an undertaking to the hon. member there opposite, that this government is fully aware of its responsibilities, it is fully aware of the position of all companies, of the fragile economy of this world in the present international and national recessionary economy, and whether we have responsibility constitutionally or whether we do not have responsibility, we will not shrink, Mr. Speaker, from trying to do everything, as we have in our past, within our power, to see that the economy of this Province is as buoyant as it possibly can be. So we did not inject that and I want to make that quite clear.

With respect to his question, When did we become aware? We have become aware that Fishery Products has had certain difficulties for some period of time and it is a subject of discussion, as I say, with the entities involved. When did we become aware that Fishery Products was going to make an announcement of this? I say rather disappointedly, Mr. Speaker, that we became aware of this, at least the government ministers here became aware of this, when the announcement was made on the radio, To my knowledge there has been no pre-knowledge given by Fishery Products as to their specific announcement. But that is not to say - and I would not want this to be distorted - that the government has been unaware, because it certainly has been aware of the fact that Fishery Products has been having problems in various locations in the Province, and we are acting, and acting in the best interests of the people of Newfoundland, and will continue to do so to see what we can do to get over

November 29, 1982

Tape 2817

EC - 3

MR. MARSHALL:

the problems involved.

SOME HON. MEMBERS:

Hear, hear!

MR. TULK:

Mr. Speaker.

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

MR. TULK: Mr. Speaker, a supplementary. I am amazed, to say the least, that the Acting Premier, the man supposedly behind the power in this Province, has now admitted that he did not know the Burin situation was going to occur until it was announced, I suppose, in the newspapers or on the radio. But now, Mr. Speaker, let me ask him another question.

Now, that he knows that Burin is going to close, let me ask him another very simple question: What is the position of the government on that closure?

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

MR. MARSHALL: Mr. Speaker, I will answer that question, but I would thank the hon. member, if the answer that I am going to give him, he does not twist the answer as he did the previous answer that was given. I mean, this matter, I would think, transcends political considerations. I can only get up and indicate what the government has been doing. The government has been very concerned with that particular announcement, it has been very concerned with Fishery Products, it has been working very closely with the member for the district, the hon. the member for Burin - Placentia West (Mr. Tobin), who in turn has been working very dilligently over the past three or four days, particularly with the mayor of Burin, and, insofar as the member possibly can, is fully apprised of the situation. And we will, in consultation with the member, take whatever action can possibly be taken in the circumstances with respect to Burin.

We are fully aware, Mr. Speaker, of the tradition of the fishery on the Burin Peninsula,

MR. MARSHALL: and particularly to the community of Burin. And this government is going to do everything it possibly can to see that this tradition is not only continued but is fostered. We will not shirk from that at all.

So that is the situation. But the matter now, the entire matter of Fishery Products is a matter that is the subject, shall I say, of high level discussions between the federal and the provincial governments, involving the Canadian Development Corporation, the Bank of Nova Scotia, and the Monroe family, who have a substantial interest in Fishery Products itself.

So do not try to twist it, and do not try to put weasle words in my mouth, because you are not getting away with it. Mr. Speaker, the fact of the matter is we are aware of problems with respect to Fishery Products and the problems they allege they were having in various places, including Burin. But as to the specific announcement and the specific action of Fishery Products, and this is a matter of concern to the government I can certainly assure the House, we, as far as I am aware, and I have checked before the House opened, were not given any indication as to the announcement made by Fishery Products, specifically, before it was made. Announcements of this nature, if there were to be any announcements, and we were going to strive to see that there were not, were to have come only after the result of the in-depth consultations that are presently occurring between the governments concerned.

So if the hon. gentleman wants to try to make political fodder out of a matter like this he can go ahead and do it. But I think he will do it at his peril, because it will be matched up against the decency and the decent views of most of the people in this Province.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER (RUSSELL):

The hon. member for Fogo.

SOME HON. MEMBERS:

Hear, hear!

MR. TULK:

Nobody has to put weasel words in the mouth of the minister, that is for sure. Nobody has to teach him to be nasty.

Mr. Speaker, it is reported that Burin is supposedly - phrases are being used about Burin as being the shining light of Fishery Products. It was its first plant in Newfoundland. It is the flagship of Fishery Products, it has good productivity, it makes good economical sense to keep it open. Now, Mr. Speaker, I would like to ask the minister if, in his talks with the Minister of Fisheries (Mr. Morgan), if he can find him, are those statements true? And were those statements shown to be true in Fishery Products' analysis of what is happening in Burin?

MR. SPEAKER:

The hon. President of the Council.

MR. MARSHALL:

Mr. Speaker, I cannot talk about the shining light of Fishery Products, but I can say that one of the shining lights of the Province of Newfoundland insofar as performance in the fishery has been the community and the town of Burin -

SOME HON. MEMBERS:

Hear, hear!

MR. MARSHALL:

- and I have every confidence that will continue in the future.

SOME HON. MEMBERS:

Hear, hear!

MR. MARSHALL:

Now, Mr. Speaker, insofar as Burin being the shining light of Fishery Products, the only thing I can say, as I say, with respect to Fishery Products is that its activities are the subject of concern and subject of high level concern in the Province itself.

MR. MARSHALL: Now we want to see the fishery obviously continuing in Burin. I see that the hon. gentleman there opposite, you know, refers to the continuation of Fishery Products, but we want the fishery to continue in Burin and we are taking a positive view of it, not a negative view like was taken by the Leader of the Opposition (Mr. Neary) whose recent recommendation as to the cure of the fishery was to allow all the companies to go bankrupt.

SOME HON. MEMBERS: Hear, hear!

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

MR. TULK: Mr. Speaker, one other thing that has been indicated in the news media is that the operation that is now going on in Burin will probably end up going on to Marystown. And it is also indicated that Fishery Products is going to have to do some expansion at Marystown to do the job now being done in Burin. So let me ask the minister if he knows anything at all about what is happening in Burin? Can he tell us if the expansion that is taking place in Marystown is going to cost Fishery Products more than what it would cost them to do the renovations and repairs that needs to be done at some \$10 million? Would he tell us if indeed he knows that?

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

MR. MARSHALL: As I have already indicated, the matter of the operations of Fishery Products in this Province, which includes Marystown, is a matter presently of discussion and investigation. I cannot give the situation whether the extension at Marystown is for that purpose or whether there are statements with respect to all of a sudden it is going to cost \$10 million to repair the fish plant at Burin is factual. But I can say this, Mr. Speaker, that this government will do everything it possibly can to foster the fishery in this Province, particularly on the Burin Peninsula, and will do everything it possible can to see that the fishery

MR. MARSHALL: continues on the same way it has in the past both in Burin and in Marystown itself.

MR. TULK: Supplementary, Mr. Speaker.

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

MR. TULK: Another question, Mr. Speaker, on the South Coast fishery, and it has to do with a rumor that is flying around, I think that my friend there from Grand Bank (Mr. Matthews) and myself heard last week and that is this: That there is a rumor around this Province that the Lake Group of companies are perhaps going to close down the fish plant in Grand Bank and consolidate their efforts in Fortune. I would ask the minister, in view of the fact that he knew nothing about Burin, if he knows anything about whether indeed the fish plant at Grand Bank will also be closed after the provincial government, by the way, putting in \$5 million last year and I believe the federal people putting in \$13 million -

MR. NEARY: I do not think they tell him anything.

MR. TULK: - or does he know anything about what is happening with the deep sea fishery? I would like to ask him has he heard anything or does he know of any situation developing in Grand Bank whereby it is possible that the Grand Bank plant may close and that effort be consolidated in Fortune as well?

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

MR. MARSHALL: Does the hon. member want an answer to some serious questions affecting the people of this Province, as I say, in this very fragile economy which has to operate within the parameters of an international recession and a national recession or is he just playing little politics? I mean, 'Does the hon. member know or does the minister know?' And, 'The minister did not know that.'

MR. MARSHALL: Specifically with respect to the question, Mr. Speaker, I do not think it is responsible in this House for a member to get up and ask a question like that, which is based merely on rumor, which would be calculated to cause uncertainty with respect to another community in this Province. I can say that I have no knowledge of any such plan, and I can also point out to the hon. member, as he already pointed out, the very fact that this Province put \$5 million into the Lake Group last year is indicative of the type of support that we are prepared to give the fishery in general in this Province, and specifically to Grand Bank, because it was put in, Mr. Speaker, to Grand Bank particularly because of the fact that we wanted Grand Bank to continue together with Fortune. And I would also point out to the hon. gentleman there opposite, Mr. Speaker, that when it was put in - and so much for their statements that only money is being rolled in to conservative districts - at that particular time it was put in, Mr. Speaker, the district was represented by a Liberal. Since then they have seen that this government cares for all Newfoundland, no matter what representation they might have, contrary to what happened in the past and they reciprocated on April 6th and returned the present hon. member for Grand Bank to the government side.

SOME HON. MEMBERS: Hear, hear.

MR. TULK: Final supplementary, Mr. Speaker.

MR. SPEAKER (Russell): Final supplementary, the hon. member for Fogo.

MR. TULK: Mr. Speaker, the minister has indicated to us that he knew nothing about what was happening with Fishery Products in Burin,

MR. B. TULK: he has indicated to us that he still does not know what has happened to Fishery Products in Burin -

SOME HON. MEMBERS: Oh, oh!

MR. L. SIMMS: That is not true.

MR. SPEAKER (Russell): Order, please! Order, please!

MR. TULK: - he has indicated to us that he does not know whether there is anything happening in Grand Bank or not. Now would he stand in this House and just very simply tell us if he will try to get the information for us on that, and would he also go on to tell us of the thirteen major fish plants that are on the South coast and around the South coast of this Province concerned with the deep sea fishery, would he tell us what the options are for those fish plants? How many are presently closed, how many are going to close, and indeed what their future is generally on the South coast in regards to fish? Would he stand up and tell us that?

MR. WM. MARSHALL: Mr. Speaker.

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

MR. MARSHALL: Mr. Speaker, there again, 'He knows nothing about Grand Bank and he knows nothing about that sad situation in Burin, so one would have thought that he would not even have directed the question to me because he would have no possibility of getting an answer.

MR. TULK: Well, you have got to direct it to somebody, everybody else is gone. How about some sense there.

MR. MARSHALL: Now, Mr. Speaker, what I can say to the hon. gentleman is this: If the hon. gentleman - I do not want to inject this into the debate but he forces me to do it - if the hon. gentleman would urge his federal counterparts in Ottawa to see that the Kirby Task Force report

MR. WM. MARSHALL: was tabled, was given out to the public so we could get on with the implementation of alleviating the problems which affect the fishery, so we can get on with addressing the recommendations of the our own Royal Commission, Mr. Speaker, so that we can get down and we can see exactly what procedures have to be taken in the past to protect the fishery in this Province, this government would be very grateful indeed. But the fact of the matter, Mr. Speaker, is that we understand that that report is coming out in the not too distant future and we are looking forward to it eagerly because we insist that it result, if nothing else, that it result in the strenghtening of what we consider to be the lifeblood of the economy of this Province, which is the fishery of the Province of Newfoundland and Labrador.

MR. B. TULK: Mr. Speaker,

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

MR. TULK: Mr. Speaker, let me assure the hon. gentleman that we too will try to get the Kirby Task Force report out as soon as possible.

MR. S. NEARY: They have been neglecting the fishery, that is the trouble.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. TULK: Let me put this point to him and let me put it to him in view of the fact, as he has already admitted, processing in this Province is his responsibility. Well, suppose the Kirby Task Force does not say that we are going to keep thirteen fish plants open on the South coast, that there has to be a consolidation or that indeed we are not even going to touch it and the government on that side is left holding the bag, do they have any plans for that? What will be their reaction to that kind of recommendation

MR. B. TULK: by the Kirby Task Force? In other, Mr. Speaker, do they have any plan to keep those plants open on the South coast at all?

SOME HON. MEMBERS: Oh, oh!

MR. WM. MARSHALL: Mr. Speaker.

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

MR. MARSHALL: Mr. Speaker, now imagine that. I have admitted that processing is the responsibility of the provincial government. Mr. Speaker, I not only admit that but I admit that processing is the responsibility of the Nova Scotian government and New Brunswick and British Columbia as well, Mr. Speaker. It

MR. MARSHALL: is a provincial responsibility and, yes, Mr. Speaker, that is an admission.

Now with respect to his question, which is a hypothetical one, about the thirteen plants on the South Coasts, Mr. Speaker, we have to await the deliberations of that report. But I can guarantee the hon. gentleman this, that this government will do everything that is possible, everything within its power, to see that all of these fish plants on the South Coast are operational and continue in operation. And I trust, Mr. Speaker, that when that report comes out that the hon. gentleman will do everything he can to see that they are operational. And we will do everything possible to urge the federal government - He says, "What about if the federal government does not accept any responsibility to do anything for the thirteen plants?" I would hope that he, with the government, would not accept this determination by the federal government and he would enlist both their aid and the aid of the member for Burin-St. George's, in respect of it.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Russell): The hon. Leader of the Opposition. This will be the final question for the Question Period.

MR. NEARY: Mr. Speaker, it is too bad because I could get the hon. gentleman fired up another little bit.

In view of the fact that the European Economic Council Ministers have said that on Friday they will not go for the ban on seal products in Europe, does not the hon. member think that he should immediately send out an SOS, find out what city in Europe the Premier and the Minister of Fisheries (Mr. Morgan) are in, and get him back in this Province and try and deal with the crisis in the forest industry and in the fishing industry in this Province?

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

MR. MARSHALL: This forms the text of a telegram that the hon. gentleman sent to the Premier this morning. And the Premier, as is normal -

MR. ROBERTS: And it came back, addressee unknown.

MR. MARSHALL: - responded to the Leader of the Opposition (Mr. Neary) very clearly, and I can just quote the telegram in answer, "This is to acknowledge your telegram of November 29th. It is not at all clear what the Council of Ministers for the EEC will do on Friday of this week. It is critical that Canada, and Newfoundland in particular, forcibly put forward its position on the seal fishery off our coast to all member states. The matter of the overall fishery is being handled by both governments at the highest level, including the problems of Fishery Products Limited. The matter of Corner Brook is being dealt with at the highest level both by my ministers in Newfoundland and by myself in meetings I have held in London. Therefore I can only conclude that given everything is being done that can be done, your telegram to me is motivated to try and serve your own political ends."

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: Now, Mr. Speaker, having responded to that, as far as the SOS goes, I can tell the hon. gentleman that both myself and other ministers of this government are in daily contact with the Premier. I will be in contact with him myself before the evening is out.

And secondly, Mr. Speaker, with respect to the business that the hon. gentleman is trying to make about the Premier and the Minister of

November 29, 1982

Tape 2822

NM - 3

MR. MARSHALL: Fisheries (Mr. Morgan) attending
to protect the seal fishery in Newfoundland, I should
point out to him that these meetings were arranged

MR. MARSHALL:

through the Department of External Affairs, they have been arranged with various European governments. If the Premier did not keep the engagements that were made, I cannot conceive of anything that would be more harmful to the seal fishery in this Province, if the Premier, having had it arranged, did not turn up to the meetings themselves.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: I would also point out that he is in the company of the Hon. Mr. De Bane. And the Leader of the Opposition (Mr. Neary) does not think, also in his telegram, that he should be over there as well. But, Mr. Speaker, we are glad that this is an indication of co-operation between the federal and the provincial governments. We are glad and proud that the Premier and the Minister of Fisheries (Mr. Morgan) are over there trying to prevent this very serious ban on the seal fishery. And it is not, as the hon. gentleman has attempted to represent, absolutely certain that the Council of ministers of the EEC will not come to an agreement on the ban, Mr. Speaker. We hope it is likely and if it is likely I can say that it will be because of the efforts made by the Premier and the Minister of Fisheries -

SOME HON. MEMBERS: Oh, oh!

MR. MARSHALL: - and the federal government and this will redound to the benefit of the people of Newfoundland and perhaps therefore to the disappointment of the Opposition.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Russell): Order, please!
The time for Question Period

MR. SPEAKER (Russell): has expired.

NOTICES OF MOTION

MR. SPEAKER: The hon. Minister of Justice.

MR. OTTENHEIMER: I give notice that I will on tomorrow ask leave to introduce a bill entitled, "An Act To Amend The Criminal Injuries Compensation Act."

ORDERS OF THE DAY

MR. MARSHALL: Motion 2 Bill No. 68

On motion, that the House resolve itself into Committee of the Whole to consider certain resolutions relating to the guaranteeing of certain loans under the Local Authority Guarantee Act, 1957, Mr. Speaker left the Chair.

COMMITTEE OF THE WHOLE

MR. CHAIRMAN (AYLWARD): Order, please!

RESOLUTION

"That it is expedient to bring in a measure further to amend The Local Authority Guarantee Act, 1957, to provide for the guarantee of the repayment of loans made to, and the advance of loans to certain Local Authorities."

On motion, resolution carried.

A bill, "An Act To Amend The Local Authority Guarantee Act, 1957." (Bill No. 68).

Motion, that the Committee report having passed the bill without amendment, carried.

MR. MARSHALL:

Motion 3, Bill No. 72.

RESOLUTION

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

MR. CHAIRMAN (Aylward): Shall the resolution carry?

DR. COLLINS: Mr. Chairman.

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

DR. COLLINS: Mr. Chairman, in the statement made on the 18th of the month, it was indicated that the tobacco tax would be increased by fifteen cents on a package of twenty cigarettes effective immediately and a proportionate amount on cigars and tobacco.

Mr. Chairman, this resolution calls for the introduction of a bill to give effect to that announcement and it states it in clear terms, I think. I believe that is all I need to say on it. The intention is that this bill will give effect to those tax increases as of one minute after midnight on the 19th of this month.

I move the resolution.

MR. NEARY: Mr. Chairman.

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

MR. NEARY: Mr. Chairman, this is a money bill, of course, which enables members on either side of the House to make wide-ranging remarks about these increases in taxes that have been announced by the hon. gentleman. We have not seen any sign of the bill to increase the retail sales tax yet.

DR. COLLINS: Do you not have Bill No. 73?

MR. NEARY: I am just looking for it here but I do not see it.

MR. CHAIRMAN: Bill No. 73 has been distributed.

MR. HODDER: Some have been distributed today.

MR. NEARY: They were just distributed today. Well, maybe it would be more appropriate for me to save some of the remarks that I am going to make for that particular bill.

Nevertheless, having said that, I think we do have to take into consideration that when you do increase the tax on tobacco products, on cigarettes and on beer and on liquor, that you are increasing a tax on the ordinary people.

MR. NEARY: Now, there are people who will argue that it might be better if people did not smoke at all. I think that is one of the arguments that I have heard, that you can put all the taxes you want on tobacco products, cigarettes and tobacco, and liquor and beer and so forth, and that it will not affect the ordinary people. Well, I do not accept that, Mr. Chairman. Because we always heard the argument in this House, especially by Mr. Ank Murphy when he was here, that beer was the poor man's champagne, it was one of the few pleasures that people had left, to enjoy a bottle of beer. So I think the point I am making is that although it may seem indefensible to argue against an increase in the tobacco tax, or tax on liquor or beer, that it is not going to hurt the ordinary person, I think that if we think that we are wrong, that it is going to hurt the ordinary person, it is going to hurt the poor old fellow who likes his little chew of tobacco, and it is going to impose a hardship on people who like a smoke.

Now, I do not think it is going to be as drastic as the exemption of the clothing from retail sales tax - excuse me, the other way around, to include it in the retail sales tax. I do not think it is going to be as harmful as the one cent that was put on the retail sales tax, but it does create a bit of an inconvenience and a bit of a hardship, Mr. Chairman. Any kind of a tax that is put on ordinary people is bound to create a bit of a hardship.

Mr. Chairman, as this is a money bill, we are asking for an increase in taxes, it might be a good time to remind the House and to remind the people of this Province -

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: If we could have a little silence, Mr. Chairman. I can hardly hear myself with the ructions

MR. NEARY: that is going on outside the government common room. Either ask the government members to step inside their common room or close the door to the House of Assembly.

Mr. Chairman, it might be a good time to remind people of the public debt of this Province. The public debt is horrendous. We have a public debt in this Province of over \$3 billion, \$3,200,000,000.

MR. NEARY: or \$3.2 billion at the end of this fiscal year. And I would think before we see a new budget brought down in this House that we are going to see that increase drastically. I cannot see any way the government can balance its books between now and the time the next budget comes down. I would say that there will be a deficit in current account. It would seem to me that the moves that the government have made will have a reverse effect, that they will backfire on the government, that the government will not get the revenue that it anticipates between now and the end of the fiscal year. Anybody who has done any shopping in the last week or so will notice that the stores are practically empty in the shopping malls.

SOME HON. MEMBERS: What!

MR. NEARY: The stores are empty, Mr. Chairman. And I would think that as soon as the Christmas rush is over, Mr. Chairman, people have to do a certain amount of buying this time of year but as soon as the Christmas shopping is over, as soon as the government has collected its pound of flesh off Santa Claus and off the Christmas shopping that there will be a tremendous drop off in buying. There will be a tremendous slump after Christmas. And I think the whole thing will backfire on the Minister of Finance (Dr. Collins) and on the government. And, Mr. Chairman, I asked the minister the other day to tell the House what will happen if this thing does backfire, if there is a reverse affect and the government does not get the revenue that it anticipates between now and the end of the fiscal year, what the consequences will be in this Province. And I think the minister just shrugged and said, 'Well, sobeit, we will just have to go on borrowing, we will have to borrow the money'. Mr. Chairman, I do not know if the hon. gentleman realized what he was saying or not but if we go into the new fiscal year, if we end up this fiscal year with a deficit and we have

MR. NEARY: to go into a new fiscal year with a deficit in current account, I do not think I have to tell hon. members of this House the consequences of that kind of a situation. That means, Mr. Chairman, we would be bankrupt. Mr. Chairman, we would be bankrupt if that is the situation. And now this may be a good opportunity while we are debating this money bill for the hon. Minister of Finance (Dr. Collins) to try to straighten us out on a few matters.

MR. NEARY: It would seem, and the experts are predicting this, even big Tories, strong Tories all over the Province are saying you did the wrong thing, it is going to backfire. I heard one of the biggest P.Cs in Labrador West on the CBC last week saying that the commercial heating fuel tax is going to cause unemployment.

MR. COLLINS: Was that Mel Woodward?

MR. NEARY: No, Mr. Woodward is not in Labrador West.

MR. WARREN: And he is not a Tory.

MR. NEARY: -- and he is not a Tory. I said one of the biggest Tories in Labrador West predicted that the heating fuel tax will backfire, that it will cause layoffs -

MR. STAGG: Relevancy, Mr. Chairman?

MR. NEARY: Yes! We are on a money bill, Mr. Chairman - it will cause layoffs and it will cause businesses to go bankrupt, it will force small business to close up or go bankrupt. And I think that gentleman who made that statement, that councillor in Labrador City, is right, especially in areas like Labrador where you have long, severe Winters, long, hard, cold Winters in Labrador, and the heating fuel the most expensive in the Province. And right at the moment small businesses in Labrador West are struggling, they are just hanging on by their fingernails, It is so bad down there that two branches of the Bank of Montreal, the Government House Leader's (Mr. Marshall) the bank that the hon. gentleman represents, are closing branches in Labrador City and in Wabush. We have not heard any comments from the government side, especially from the Government House Leader. I was tempted today and Friday to ask him a few questions; the only thing is he might get up and accuse me of being personal and doing it for political gain, The Premier of this Province does not do anything for political gain, Mr. Speaker, especially with regard to the offshore.

November 29, 1982

Tape 2827

PK - 2

MR. NEARY:

I was tempted to ask the hon. gentleman about the two branches of the Bank of Montreal closing down.

MR. NEARY: The hon. gentleman no doubt would dance a jig and get nasty and show himself for what he is, the ultimate in this Province in nastiness, and in this House. But we want straight answers, Mr. Chairman. We do not want nastiness. We do not want nastiness. We do not want rudeness. We do not want lectures. We do not want to be ridiculed. The people do not want to switch on their TV and see the King of Nastiness in Newfoundland. They do not want to see that. They want answers. They want to find out what the government is doing about these things. And so here we have two banks closing down, the Bank of Montreal, in Western Labrador, and not a comment from the government side of the House yet. You would expect the Government House Leader (Mr. Marshall), who represents the Bank of Montreal, to say, "This is the time that I can show the people of this Province that I am not in a conflict of interest situation, and I am going to give it to that bank even though my law firm is getting their retainer. I am going to give it to them for closing down two branches in Labrador West." But no, Mr. Chairman, no. We did not hear any of that. He just sits there like the four-eyed beetle, with a silly grin on his face, and all he does is just be nasty about things. I wish the hon. gentleman would be pleasant for a change instead of being nasty. Surely the hon. gentleman must have the odd good day. He cannot be nasty every day.

Mr. Chairman, so it would be interesting to hear what the Government House Leader has to say about these two banks closing down in Labrador West, closing down as a result of a drastic slump in the economy in Labrador West, and small business just hanging on and just barely able to cope with the situation in Labrador West. I would like to hear

MR. S. NEARY: the hon. the Government House Leader (Mr. Wm. Marshall) get up and lambaste and give it to the Bank of Montreal for closing down by pulling the carpet out from under the people in Labrador City and Wabush, but no, Mr. Chairman, we will not hear that. I guarantee you that we will not hear that from the other side of the House. And perhaps the hon. gentleman can tell us whether he was advised by the Bank of Montreal, his client, before they decided to close down two branches in Labrador West. But what I am saying, the point I am making, Mr. Chairman, is this: That more small business and big business is going to be forced to close not only in Labrador West but throughout this whole Province because of regressive taxes like the one that was put on heating fuel, the commercial heating fuel tax that was introduced by this administration. Mr. Chairman, hon. gentleman can poke all the fun they want and they can laugh and sneer all they want, the people of this Province are getting kind of tired of that way of governing the Province and they want to see something positive for a change. They want to hear something constructive from the administration. They want to hear a bit of good news. They want to hear what the government is doing about the problems of the fishery and the problems of the forest industries in this Province.

MR. J. DINN: No one is more guilty of conflict of interest than you are.

MR. B. TULK: Take a flick at him and keep him quiet.

MR. NEARY: No, if anybody knows about conflict of interest apart from the Government House Leader (Mr. Wm. Marshall) it is the hon. gentleman, the last

MR. S. NEARY: time he was here.

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

MR. NEARY: I will carry on afterwards.

MR. F. STAGG: Mr. Chairman.

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

MR. STAGG: Mr. Chairman, what we just saw here in the attempted debate by the Leader of the Opposition (Mr. S. Neary) was an exercise in irrelevance. He has nothing to say about this bill but he realizes or he thinks he realizes that he must get up and make some token efforts at Opposition occasionally. Mr. Chairman, the totality of his comments were irrelevant and he probably could have been brought to order on them.

Now, we are talking about a bill that relates to tobacco tax and I would like to make some general commentary with regard to tobacco and smoking and so on. As one of those who used to smoke at one time, I am probably more Catholic than the Pope on the subject and so on and all of these things that you can attribute to people who are reformed, whatever. But I gave up smoking eleven years ago and I have not looked back since and I know that I am much better off for it.

I look back in my own area, the Bay St. George area, or the Stephenville area, to the days of the ten cent a pack cigarettes on the American base. Even though it was illegal to take them out for civilian consumption, a surprising number of them came out into our area and an awfull lot of people are today regretting the fact that they took advantage of what seemed to be an irresistible offer,

MR. STAGG: cigarettes in these fine packages - ten cents a pack. I recall, Mr. Chairman, coming back here to university in 1962, after Christmas, 1962, and bringing back with me - I think it was about eight cartons of Lucky Strikes. I used to smoke Lucky Strikes in those days and I guarantee you you had to be a real he-man to smoke Lucky Strikes.

SOME HON. MEMBERS: Oh, oh!

MR. STAGG: I discovered at the bowling alleys of Memorial University several other he-men. One the most notable spongers in those days is the present member for Mount Scio (Mr. Barry) who - as a matter of fact, since I got the cigarettes for very little, he decided that we owned them and consequently my seven cartons of cigarettes only lasted about three weeks. And I guess, really, that is one of the problems that occurs when you get something for very little, consumption picks up conspicuously. I know consumption of my cigarettes picked up conspicuously and I would say the member for Mount Scio owes me, if I still smoked, about four cartons of cigarettes.

The same thing goes for anything that is available in copious amounts for low cost. You know, the day of the \$1.50 forty ounce for instance, the forty ounce you could get off the American bases through various means, most of them illegal, these days fortunately are behind us, when you no longer get forty ounces for \$1.50 or whatever. But that has gone through the system and there are a lot of alcoholics in Newfoundland today who are a result of the availability of cheap booze back in the days of the American base.

MR. BUTT: You are making a good point.

MR. STAGG: So one of the ways of regulating this kind of activity is to make it more expensive. And certainly if anyone is going to be an alcoholic in Newfoundland today, you sure have to have a considerable bank account or a relatively

MR. STAGG: high income to accommodate a habit of that kind. And really that is something we should not be proud of, because alcoholism and lung disease - cancer and attendant respiratory problems that result in smoking - if you are a smoker and a drinker and you are overweight in addition to that, well, really, you know, you have a big problem. I see somebody just walked behind the Speaker's Chair there blowing smoke at me.

So I just want to deal with some of the commentary that knowledgeable people have had about cigarette smoking, and it is relevant, Mr. Chairman, in that we are raising the tax and I think that that will result, marginally, in less consumption of cigarettes and that will mean that the Minister of Health (Mr. House) will not have as many people in the hospitals and so on and we will be able to spend money on things that are far more relevant and more useful.

MR. STAGG: I lived in a home with a man who smoked for fifty-five years. My father smoked very considerably, and he died the year before last, largely as a result of having been an inveterate smoker. He admitted it right up to the end. He did not have lung cancer, but he had respiratory illnesses and the usual problems of the arteries constricting, and the blood flow to the extremities becomes a problem, and so on. So my father died largely as a result of his being a heavy smoker. And for the last seven or eight years of his life he suffered immeasurably because of that. I used to bring it up to him, I would say, 'Father, you should quit smoking'. He would say, 'Fred, boy', or son as he used to call me, he said, 'It is not the cigarettes I am smoking now that is the problem, it is the cigarettes I smoked fifty years ago. Give me another cigarette'. He freely acknowledged that smoking was a considerable problem. A man robust and vigorous and healthy and strong right up until he was about fifty-five years of age, and then there was a rapid and constant deterioration in his health, I would say, as a result of the age factor, but even more importantly as a result of smoking.

So anybody out there who thinks that smoking does not have a dilatorious effect on your health is living in a fool's paradise. There are always the exceptions, of course, the grandfather who at ninety-five years old still has his smoke and that sort of thing, there are certain people whose chemical makeup is resistant to nicotine and so on, but the vast majority of people who smoke heavily will find that their physical abilities go into rapid decline at a relatively early age.

One of the main dangers and the rapid rise in the incidents of lung cancer among females is something that needs to be taken into consideration. There are articles being written on it now. I will quote now from an editorial,

MR. STAGG: I am not sure which newspaper it was in, but I believe it was in one of the health magazines. It says, "A survey of 563,000 women by the American Cancer Society reveals that women who smoke more than a pack a day have a death rate from heart disease and lung cancer twice that of non-smokers. And heavy women smokers also have a higher mortality rate from emphysema, cirrhosis of the liver, cancer of the mouth, larynx, esophagus and pancreas. Now these are all of the classic diseases that the Minister of Health (Mr. House) and all of these hospitals and so on have to deal with as a result of people's gratuitously killing themselves.

So we are now in the position - can we go into prohibition? Obviously prohibition is the sort of thing that really just does not work. They had prohibition

MR. STAGG: in the United States in the 1930s, and, to some extent, in parts of Canada, and that just did not work, it just gave rise to the criminal element.

So this tax is a further regulation of a habit that has its roots in antiquity. The smokers go back a long time. So it is socially unacceptable for us to prohibit it, but this kind of regulation is healthy, Mr. Chairman, and I am all for it. The rise in tax, itself, I think is very small, 15 cents I believe on a package of 20 cigarettes, so it is a mere drop in the bucket. But it does give us the opportunity in this House of Assembly to bring up some of these points which I think are relevant. I see the Chairman getting a little bit fidgety there so I guess my time has expired. I may have another go at it, Mr. Chairman, but to all my colleagues who have been out there in the corridors blowing smoke at me and turning up their noses, well, I think that I will be running the mile, or whatever physical activity is necessary at age 60, when hon. gentlemen will be either in their wheelchairs or six feet under.

Thank you, Mr. Chairman.

MR. CHAIRMAN (Aylward): The hon. member for Port au Port.

MR. HODDER: I just wanted to ask a few questions of the minister, or pose my remarks as a few questions, but to preface my remarks I would like to associate myself with the member who spoke last. Regarding cigarettes I have always been one, even though I smoke, who would like, because I have such a weak will, would like the government to ban them totally. But I might say that

MR. HODDER: I was listening to the hon. member speaking and I do remember one time, Mr. Chairman, when I shared an apartment with the hon. gentleman, that he fell asleep with a cigarette in his hand and somewhere around one in the morning I pulled him from the chesterfield and somewhere around -

MR. NEARY: You saved his life?

MR. HODDER: - somewhere around two in the morning -

MR. NEARY: You actually saved his life?

MR. HODDER: - somewhere about two o'clock in the morning the firemen walked into the bedroom with their axes and their helmets. I have always heard, it is a Chinese proverb, that once you save a person's life you are responsible for him forever after. However, Mr. Chairman, I do not know if I can follow the tenet of that proverb or not.

MR. DAWE: The hon. member tells a story about that apartment too.

MR. HODDER: It was back in the sixties, before politics, Mr. Chairman.

No, the question I have about the tobacco tax itself is that travelling across Canada, and even in New York City, and in the Northwest Territories, cigarettes are more expensive in Newfoundland than they are in any of those areas. I do not think there is a province in Canada now that I know of that has cigarettes that are more expensive.

The question I had for the minister concerns the smuggling of cigarettes across provincial borders, because I understand

MR. HODDER:

that Halifax, which would be the closest province, and where, perhaps, we do an awful lot of trade both by sea and air, and there are an awful lot of visitors, if someone wanted to bring in illegal cigarettes, it would be the place where they would most likely go.

MR. HODDER: I understand that a package of cigarettes in Nova Scotia is somewhere about, at present prices, eighty-five cents a pack cheaper and this would make it very, very profitable for - and you can buy them at discounts as well, so that if you take the highest price charged in Newfoundland for a package of cigarettes and the lowest price for which you could buy them in Nova Scotia, it would make it very, very worthwhile for people to make an illegal profit. I have heard stories. I understand that there is a trade between Fermont, Quebec, and Labrador City in cigarettes. I do know that if you travel to a convention or if you are on the Mainland at any time now, smokers are likely to purchase an extra carton or two of cigarettes to bring back with them in their suitcases. My question is at what point does the tax on cigarettes start to negate itself? At what point is it no longer profitable to raise the taxes on cigarettes? I would ask the minister as well, if he is listening, or when he returns, whether there have been any studies done by the Province to determine these matters, or whether the Province has any idea as to the amount of, say, people who personally travel to the Mainland? There are a lot of people who fly around these days and travel to conventions and conferences on the Mainland, and that is not only confined to the business community, but people travel to look for work and all that sort of thing. So every part of society is travelling these days. At what point does the one or two cartons of cigarettes which are brought back in a suitcase start to cut into the taxes which the government imposes? I do not know if the minister was listening outside, I was asking him some questions regarding

MR.HODDER: the tobacco tax and I will just summarize them for him. At what point, when cigarettes are eighty-five to ninety cents a pack, depending on the province you are in, at what point do we start to lose revenue by increasing taxes? Because there is both a personal trade and - you know, one hears all the time that cigarettes are coming illegally into the Province, and I would ask the minister what he is doing to stop this? Does he have any idea what the extent of this might be, and whether, indeed, an increased tax is really bringing revenues to the Province?

MR.CHAIRMAN (Aylward): Shall the resolution carry?

DR.COLLINS: Mr. Speaker.

MR.CHAIRMAN: The hon. Minister of Finance.

DR.COLLINS: A few points, very briefly.

The hon. Leader of the Opposition (Mr. Neary), I think, raised a question that by increasing taxes - he was not, I think, referring specifically to the tobacco tax, but he spoke in regard to the bill, that we were going to have what he called a reverse effect. In other words, I presume he meant by that that we would have less revenues. I do not think

DR. COLLINS: anyone expects if you increase taxes that your revenues will decrease. There may be some topping off after a certain point in time in the amount of sales, depending on the level of tax, but I think you would have to go very, very far before you would actually have lesser revenues because of a tax increase. And if that is what the hon. the Leader of the Opposition (Mr. Neary) meant, I can reassure him in all possible terms, we have never seen any effect like that in any of the tax increases that have been brought into effect in this Province for the last ten years. There has never been a decrease in revenues because of a tax increase.

The hon. the member for Port au Port (Mr. Hodder), I think, brought up a point which was related to that in regard to tobacco tax use, and he wondered if there was not going to be, not a reverse effect, but some decline in the amount that one might have gotten if you had based it just on the percentage. In other words, if you have a certain amount of tax, say at 11 per cent, if you increased it to 12 per cent, would you get a whole 1 per cent more or would it be somewhat less than that?

Well, with regard to tobacco I do not think there has been any evidence of that. The tobacco sales have held up quite remarkably, as a matter of fact. There has not been any evidence, although, as the hon. the member for Stephenville (Mr. Stagg) said, perhaps that might be a desired effect, if there was some lesser use of tobacco products. Because of the level of taxation, that might be desirable from a health point of view. But all I can state is that there has been no evidence whatever of that, the tobacco sales seem to have held up quite remarkably well.

DR. COLLINS: The hon. the member for Port au Port (Mr. Hodder) also approached the question of smuggling. There is the temptation where there is a marked disparity in the cost of a product from one Province to another, there is always that risk of smuggling, and I have absolutely no doubt that smuggling is going on and has gone on and likely will continue to go on. The problem is trying to get a handle on how much. Because by the very nature of the activity there is not any hard information around.

We suspect that there is an increase in smuggling and we are bringing in extra measures to try to handle that. It would not be in the best interest of anyone to lay out the exact measures we are putting into effect, because that would probably help the criminal rather than the law enforcement agencies. But I can assure the hon. member that we are aware of the problem, or the potential problem, we are bringing into effect specific measures to try to combat it.

Another point that was raised there was the question of small business bankruptcies. I think hon. members are aware that in all jurisdictions in Canada, and, indeed, throughout the Western world, there has been an increase in the number of bankruptcies. But I do not feel that they are specifically related to levels of taxation. You know, the graphs just do not seem to show that, the graphs seem to show that they are more related to the level of economic activity around the place. Interestingly enough,

DR. COLLINS:

we had some meetings only last Friday with the Chamber of Commerce for Corner Brook and those individuals, where you would expect they would be facing particular difficulty, those individuals said that business is very good out there, and this is in the small business sector, business is very good out there. I mean, no one likes taxation and certainly no one likes increased taxation but with regard to the effects of that taxation - this is the question that was raised - particular individuals said that their business has been quite good and they could not see any effects at this time.

Now, another point, I think, that is worth bearing in mind is that it was suggested that if we drop retail sales tax sharply, our economic difficulties would ameliorate very sharply. You know, that just does not hold up. I think we have to remember that the retail part of our economy, look at our gross provincial product - retail sales activity comprises only about 12 per cent of it and, of course, much of buying and selling at the retail level is non-discretionary with regard to essential items, or certainly desirable items, so that there will be a good part of that 12 per cent of our economy related to retail sales hold up no matter what happens. So if we brought in some measures to help out that part of our economy it would be only a very small sector. Our economy is much more related to things like the fisheries and mining and forest products and so on and so forth that are not really directly related to retail sales tax levels and not available for us to bring in some stimulatory measures for. They are related more to sales in the United States and sales on the international market and so on.

DR. COLLINS: Mr. Chairman, the hon. the Leader of the Opposition (Mr. Neary) brought up the point about the Bank of Montreal and its branches in Labrador West. We are aware of their desires there. We have had meetings with them and I do not think that the whole question is settled yet. This is not a decision that we can directly have any influence on, because the Bank of Montreal, of course, is a private concern and we can only bring forward to them our wishes and our desires. We have had discussions with them, and I think that they are cognizant of our concerns and they have not to this date, I do not think, copper fastened their decision, at least we hope so, and we likely will be having further conversations with them in the near future.

I move this resolution.

MR. HISCOCK:

Mr. Chairman.

MR. CHAIRMAN (Aylward):

Eagle River.

The hon. the member for

MR. HISCOCK:

Mr. Chairman, I just want to speak on this rather briefly. With regard to the raising of taxes and the cutbacks in some of the services, one of the things

MR. HISCOCK: I was rather surprised in that there is going to be cut back in the St. John's School for Boys. There are a staff of twenty-nine people who will have to be absorbed into the present Public Service - and there are sixteen boys in this home. Of course, the St. John's School for Boys is a home that most people would associate with juvenile delinquents. You could use other names, but basically they have been problem children in school, problem children at home and the courts have made them wards of the Province and the Province is trying to, with an intense help, and that is the reason why there are so many staff members there, get them, I suppose, into rehabilitative programmes or whatever, into the norm of society again so that they can go back into their homes and their schools, etc. And I find it rather upsetting that in the hard economic times we have the first things you see cut are the social programmes. Here we are closing down the St. John's School for Boys, here we are building five different prisons around the Province and yet we continue with Mount Scio House. And we will only save \$100,000 with regard to the St. John's School for Boys, by phasing that out. The minister has not yet said what is going to happen to that staff of twenty-nine because the boys will be moved probably to Pleasantville or to Whitbourne, there is enough staff there to accommodate, in those two other homes, the ten or twenty extra boys. They will not have to hire extra staff, because the staff is already there.

So this 12 per cent tax that is going on, the retail sales tax, is not going to help there. And I would like to know from the Minister of Public Works (Mr. Young) are we going to sell the home? If we are, what is the value of the home, the St. John's School for Boys? And the other thing is what is the present value of

MR. HISCOCK: Mount Scio House? And how can the Premier of this Province actually say that he is a compassionate man when he is living in a house that is provided by the people, the only Premier in Canada, and here he is putting the boys out on the street. And not only that, but with the economic times there is going to be an increase in crime and in vandalism. They had a conference, of all places, in Nain on vandalism. It is on the rise and, yet, instead of trying to help our younger people, instead of coming up with more recreational facilities, instead of coming up with ways of helping them, what are we suggesting? We are getting suggestions that you have curfews in the city, we are getting suggestions to close the homes down. I, for one, Mr. Chairman, think that our younger people who have had problems, whether they are family problems, whether they are financial problems or lack of discipline in the home, or other reasons for them finding themselves in these homes, we,

MR. E. HISCOCK: as a society, should be helping them. But here we are putting them together in larger units where they are not able to get the special attention that they need. I hope that the Minister of Public Works (Mr. H. Young) will be able to say to this House that Mount Scio house is evaluated and that it is going to be put up for sale and the money that we are going to save from that sale will keep the St. John's School for Boys open.

We are in rough economic times and with regard to the other part, the youth - and I would just like to continue on with that - it is with regard to Grade XII. I spoke out against Grade XII, not that I am really against it as such, I do think that we should have something like in Quebec, as I have said, more of a CEGET system, where you have trade schools and first year university used for Grade XII and have the senior age groups of sixteen, seventeen and eighteen in that mature environment instead of having them in the schools from kindergarten to Grade XII. But they decided to go on with regard to Grade XII and, Mr. Chairman, we are going to find out, with the deepening recession in this Province and with the cutbacks in the St. John's School for Boys, closing down some of the clinics and also cutbacks in hospital care, we are going to find out that we are not going to be able to build those classrooms that are needed for next year and that the government should realize now that they made a mistake with regard to Grade XII and not phase-in Grade XII next year. If they are going to continue phasing in Grade XII next year, then they have to put in massive amounts of money to buy the equipment that is needed; the labs, the industrial arts and other things, otherwise, Mr. Chairman,

MR. E. HISCOCK: are going to have an inferior quality of education, and what the Premier should do - and I hope we will have a word from the Minister of Public Works (Mr. H. Young) on this, that he will announce the freeze on building the new Confederation Building Complex and use that money to build classroom space that is needed for Grade XII, or use that money to open up the fish plant in Burin. I am not against the idea of construction jobs, but they are temporary jobs and what we need, Mr. Chairman, now are permanent jobs in

MR. HISCOCK: the resource sector and we are not getting them. So, Mr. Chairman, if this government took the bull by the horns the government would have all freezes; freezes on government spending with regard to capital and not build the hospitals and the other things that are needed at this time, but put a freeze on them for a couple of years and put the money, Mr. Chairman, into the resource sector and also put it into building extra classrooms which are needed, not building Arts and Culture Centres or \$400,000 for Sir Humphrey Gilbert, Mr. Chairman, or other things.

Of course the people in Clarenville will be upset by having to wait another year, but the people in Burin - I will tell you that if the people down on the Burin Peninsula have a decision to make, a delay in that hospital or the opening up of the plant in Burin, I know what the people on the Burin Peninsula are going to say. And the people down in Clarenville, if it comes to construction jobs, what they are going to do?

MR. TOBIN: What is the answer to that one?

MR. HISCOCK: The answer to it is where we are very, very badly off economically, put a freeze on that, take the money that we would normally spend and put it into the resource sector. If we do not put it into the resource sector, then put it into Grade XII. Because this government has created this problem with Grade XII and I hope they will have the ability to realize not only next year but this year that they are making a mistake, and they will either postpone the implementation of Grade XII or give the school boards the money that they actually need, Mr. Chairman.

MR. TOBIN: (Inaudible) money to school boards.

MR. HISCOCK: Yes, if you are going to continue with Grade XII, because all of the Grade XI students are going to be kept in the schools next year.

MR. HISCOCK: You have made the decision.

SOME HON. MEMBERS: Oh, oh!

MR. HISCOCK: Mr. Chairman, with regard to these taxes, if the taxes are even going up to 15 per cent or 20 per cent, retail sales tax, Mr. Chairman, if that money was collected and put into the resource sector to produce jobs nobody would mind paying twelve cents on clothing or on footwear or other things, or the three dollar meal being done away with. Nobody would mind. But when this money is taken, Mr. Chairman, and is put into elements of just capital and paying our bills, that is what the people in this Province are against.

And as I said, Mr. Chairman, this government has made the decision to raise taxes, but they have to take the bull by the horn and level with our people and say, Look, sure you want this and sure you want that, but we are going to put a hold on it and we are going to take this money. Look at the unemployment of our youth of this Province.

MR. HISCOCK: What is this government doing for the youth of this Province? Nothing! Not one iota, zero, and we have the highest unemployment among our youth and university students. Are they cutting back on the university fees so that they can go to university? Or trade school? Are they raising the amount of money going to the students? No.

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

MR. HISCOCK: So, Mr. Chairman, we have to do more for our youth. What we have to do is take our money and put it in the resource sector and provide jobs.

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

MR. NEARY: Before you pass this, Mr. Chairman, I wonder if the Minister of Finance (Dr. Collins) can clarify a matter for us in connection with bringing these money bills into the House and making them retroactive. I am wonder if this is legal. I mean, are people forced to pay taxes before there is a bill put through this House?

DR. COLLINS: It has always been done.

MR. NEARY: I know it has always been done, and I think I know what the answer is going to be from the minister, that the Lieutenant-Governor in Council can change the tax and then bring a bill into the House and have it made retroactive. But I have often wondered what would happen if it was challenged on constitutional grounds, or if somebody took the matter to court and said, We are paying the tax illegally. Because the tax really does not become legal, Mr. Chairman, until there is a bill passed in this House. I do not like the idea myself of the Lieutenant-Governor in Council making tax changes and then bringing a bill into the House and asking the House to rubber stamp it to make it retroactive from midnight, say,

MR. NEARY: two Thursdays ago. That is what the minister does every year. He did it again the Thursday before last. What would happen if somebody challenged it on constitutional grounds, or somebody said, We are not going to pay the tax because it is not the law of the land? What would happen? Has it ever been challenged? And what would happen if it was? Could the minister enlighten the House on it? Because all these bills are retroactive, and all the ministry is doing is asking us to rubber stamp the approval.

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

DR. COLLINS: Mr. Chairman, the hon. the member for Eagle, I think - was it?

MR. MARSHALL: Yes.

DR. COLLINS: The hon. member for Eagle River (Mr. Hiscock) suggests that if any revenues collected, if they do not go into the resource sector, it is a waste of revenues, it is not doing a service to the people of this Province. Well, of course, that is a ridiculous argument. The government services are given to the people of this Province without any direct payment at the time they receive them, by and large. But, obviously, you know, services do have to be paid for, they have to be financed and they are financed out of revenues. Our health services are financed out of revenues. Now, that is not in the resource sector, but I do not think anyone would say that it is

DR. COLLINS:

not a necessary service. Our educational services are not paid for directly at the time a student receives them, but they obviously had to be financed and financed through our taxation system and again, you know, that is an absolutely necessary service. So to say that the revenues collected should go into the resource sector just does not hold up. It sounds good but it just does not mean anything.

The hon. Leader of the Opposition (Mr. Neary) asked what would happen if someone refused to pay, in regard to an increased tax as brought in before the bill is actually passed by this House, and he suggests it is illegal. Well, it really is not illegal. I think the hon. Leader of the Opposition knows that it is not illegal. There is provision, I believe, I will have to just check with where the section is, but there is the provision under our statutes whereby these taxes can be brought in and are later ratified. But they are in effect, and they are legally in effect right from the time that they are decided upon and announced in this House of Assembly. And, of course, if that was not so there would be chaos. Because sometimes the tax bill itself might take weeks to go through and, you know, I do not know what would happen if everyone knew that taxes were going to go up but they did not know when or how long in the future, or what date and so on and so forth. There would be absolute chaos. So when the taxes are introduced they do come into effect immediately, and it is an absolute necessity for it to happen that way.

MR. CHAIRMAN (Aylward):

Shall the resolution carry?

MR. CHAIRMAN (Aylward): The hon. Leader of the Opposition.

MR. NEARY: Mr. Chairman, I do not want to delay the debate any further on this bill, on the tobacco tax. This is not the most significant, most important tax bill that is coming before the House. We are not going to vote against this bill, although as I said earlier, it does create somewhat of a hardship. I hope no member of the House is under any illusion that this bill, by increasing the price of a bottle of beer, for instance - how many ordinary people in this Province like to have a bottle of beer on a Friday night after work or a Saturday night? And there is no denying that, Mr. Chairman. Maybe the hon. gentlemen would like to see prohibition brought back. I am not one of these people. I do not drink beer myself. And I do not drink hard liquor myself.

AN HON. MEMBER: Wine - a glass of wine.

MR. NEARY: Of course I like a glass of wine. Of course I do. But, Mr. Chairman, there are an awful lot of people in this Province who like a bottle of beer and so it does impose a little bit of an inconvenience and hardship on these people.

We used to get a lecture from this side of the House continuously; for ten years I remember - no, not for ten years, for nine years in this House we got a lecture, when the Tories were over here, we got a lecture from one of the more vocal of the Tory benches at that time, he used to keep referring to beer as the poor man's champagne. What was the price of a bottle of beer at that time? Thirty-five cents I think it was.

MR. NEARY:

I believe it was around thirty-five cents. Every year religiously we would get that lecture. Now what has happened to the poor man's champagne?

When you look at the performance of this government, the state of the economy, the high unemployment we have in this Province, an ordinary person now cannot go out and drown his sorrows in a bottle of beer because it is too expensive.

So, Mr. Chairman, we are not going to vote against this bill, there are other tax increases, tax measures that we are going to vote against. Mr. Chairman, there is probably nothing further that I can say about this bill except let it go to a vote. As I have said, we are not going to vote against it. We are not going to vote for it. We could not care less what the government does with it, but there are bills -

MR. TOBIN: On the fence again.

MR. NEARY: Pardon me?

MR. TOBIN: You are on the fence.

MR. NEARY: No we are not on the fence.

If the government wants to take away the only little bit of pleasure that a lot of people got left in this world, a bottle of beer on a Friday or Saturday night, they are the ones who will have to answer for it. Cigarettes, I could not care less one way or another. I gave up smoking cigarettes, myself, about fourteen years ago. I still puff on the odd cigar, I chew on the end of it, I enjoy it.

MR. TOBIN: Do you chew tobacco?

MR. NEARY: No, I do not chew tobacco, I tried it onetime and it made me sick. But my father used to chew.

MR. TOBIN: Now, you know what you do to everybody else.

MR. NEARY: My poor old father used to chew tobacco all of the time.

AN HON. MEMBER: (Inaudible).

MR. NEARY: Pardon?

MR. NEARY: Unless my colleague wants to have a few words, well put the bill, I guess.

MR. CHAIRMAN (Aylward): The hon. member for Torngat Mountains.

MR. WARREN: Mr. Chairman, I just want to say a few brief words, especially when you are talking about a bottle of beer and alcohol. I think the Minister of Finance (Dr. Collins) when he brought down his Ministerial Statement, A Mid-year Economical And Fiscal Review, I believe, he sort of played the Devil's advocate, he came in and all of a sudden he decided to increase the price of a bottle of beer and increase the price of a shot of whiskey, and at the same time, which does appear to be a bit hypocritical, he marks off \$110,000 from the Alcohol and Drug Dependency Commission.

Now, here we are, it was only just a year and a half ago that the Minister of Social Services (Mr. Hickey) came into this hon. House and announced the appointment of Eve Beck as the chairperson or the director of this Alcohol and Drug Dependency Commission and said that this government was going to go all out to try to tackle the problem of alcohol in this Province.

MR. WARREN: In fact, I think Miss Beck was doing a fairly good job in the position she is in up until the Minister of Finance (Dr. Collins) let the hatchet go upon her.

MR. NEARY: But now they have knocked the props out from under her.

MR. WARREN: So after what she has been doing -

MR. TOBIN: (Inaudible).

MR. NEARY: You are only trying to contradict what I said.

MR. TOBIN: You said increases would be a deterrent to people going there.

MR. NEARY: I said?

MR. WARREN: What does this have to do with what I am saying?

MR. NEARY: I said it brings a hardship on the ordinary person from having his bottle of beer on a weekend.

MR. TOBIN: That is not what you said.

MR. NEARY: I said it brings an inconvenience and a hardship. I did not say it was a deterrent.

MR. WARREN: My concern, Mr. Speaker, -

MR. NEARY: It means that much more money -

MR. WARREN: Mr. Chairman, would you mind asking them to be quiet?

MR. CHAIRMAN (Aylward): Order, please!

MR. NEARY: Instead of talking why do you not listen for a change?

MR. WARREN: The hon. member for Burin (Mr. Tobin), I understand from the comments that he is making to the hon. Leader of the Opposition (Mr. Neary), believes that the Minister of Social Services (Mr. Hickey) should come in tomorrow and disband the Alcohol and Drug Dependency Commission. This is what the member was just saying. It was only just about a year and a half ago that the minister came in and made a big Ministerial Statement saying, 'Look, we have to tackle this alcohol problem in this hon. House.'

MR. RIDEOUT: (Inaudible) answer he gave.

MR. NEARY: Do you want me to tell you?

MR. CHAIRMAN (Aylward): Order, please!

MR. NEARY: You would not want to hear what he said about the hon. member.

MR. RIDEOUT: I know what he said.

MR. WARREN: He spoke about him kissing the picture or something like that, I think.

Anyway, Mr. Chairman, the Minister of Finance (Dr. Collins) comes in and all of a sudden expects to get \$6 million from the sale of tobacco and alcoholic beverages in this Province. And at the same time you would expect the Minister of Finance to say, seeing that we are going to raise \$6 million in this instance the least we will try to do is give the Alcohol and Drug Commission some more money to fight the battles. So it is really amazing how a government - you know, it is better altogether to ban them, just completely close down all the liquor stores, close every one of them down, the wine stores and everything, close them all down.

MR. TOBIN: Do you drink wine?

MR. WARREN: Once in a while.

November 29, 1982

Tape No. 2842

ah-3

MR. WARREN:

Close the whole thing down
and then we will do without our \$6 million in taxes
off the people's back and at the same time then we could
tell Miss Eve Beck and her group that we do not need them
any longer and we

MR. G. WARREN: can save the \$200,000 that we are giving to that commission, say, ' We do not need her no longer because we have no alcohol in the Province and therefore there are not going to be any alcoholics in the Province.' Mr. Chairman, let me just tell you a little story, maybe the minister is aware of it or maybe he is not.

DR. J. COLLINS: Is it a prohibition story?

MR. WARREN: No, no. It is close to it.

In Frobisher Bay, in the Northwest Territories, there about eight years ago, there was a serious problem with the sale and the consumption of alcohol. A real serious problem. So what the people did was sign a plebiscite, they got their elected member to take it to the Territorial government and say, 'We want the liquor store in Frobisher Bay, in the Northwest Territories, closed down.' The Territorial government sat down in their council meetings, they came up with a resolution and now there is no liquor stores open in the Frobisher Bay, in Northwest Territories. It is closed down because it was the people's decision, the people's choice and now the only way you can get your liquor in Frobisher Bay is in the hotel there. But there is none for sale. And do you know what happened since then? Since then, Mr. Chairman, it is surprising that the crime rate has diminished in Frobisher Bay 33 per cent because of the lack of availability of wines and spirits. Now the same thing could apply in this Province, because we must remember - and I think that I can attest to this problem, that it is a serious problem, in particular in communities in my district and not only that, I would venture to say, in communities in other people's districts there are problems of alcohol abuse and what happens is it causes

MR. G. WARREN: hardship on the families concerned. And it is not only in my district but in other places in this Province they are seriously concerned. So what the minister is doing, the minister and his government which he is part of, is causing this infliction, this terrible disease to fall upon the people of this Province. So, Mr. Chairman, like I said, I do not care whether we get the increase in the tobacco tax or the alcohol tax, it does not make any difference to me, but the least that the minister could have done was not embarrass Eve Beck, the Commissioner for the Alcohol and Drug Commission because she is a women, along with her twelve directors, who were out to tackle the alcohol problem in this Province. And what happens? As soon as they get started the Minister of Finance (Dr. Collins) comes in and uses the hatchet and cuts the legs right out from under them and now they have to go with a little less budget and the minister can just sit back with his big smiles and say, 'Well, well, well, we will reap the monies in, we will reap the dollars in now and at the same time we will not give Miss Beck the opportunity to kill us.' Because

MR. WARREN: this is what happened. Miss Beck was making such good progress in the fight against alcohol and its attributes that the minister said, We have to do something. And what did he do? Instead of helping out this group, this commission he decided to cut the budget.

MR. NEARY: Right on!

MR. WARREN: Now, that was one way. Well, he said, we will cut the budget. So this is what this government has done. This government has encouraged the use of alcohol in this Province by, number one, cutting, all of a sudden, almost in half the budget of the commission that was appointed several months ago. So any families that have problems in this Province with alcohol can blame it on one group of people in this Province, and that is the government. Because they are the ones who are encouraging people to drink alcohol.

On motion, resolution carried.

Motion, that the Committee report having passed the bill (Bill No. 72) with amendment, carried.

MR. MARSHALL: Motion 4, Bill No. 73.

RESOLUTION

"That it is expedient to bring in a measure respecting The Retail Sales Tax Act, 1978."

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

DR. COLLINS: Mr. Chairman, again this comes out of the statement that was made a few days ago. Very briefly its two provisions are to increase the rate of retail sales tax, as it generally applied, from 11 per cent to 12 per cent, and it also brings in a new measure, a measure, I think, which is going to be of considerable benefit to the economic welfare of the Province ultimately, and, hopefully, in the not too distant future, that is there is a drop in the retail sales tax on building supplies

DR. COLLINS: from the 11 per cent level down to the 8 per cent level. So there is now a spread of 4 per cent between the retail sales tax on building supplies and that generally applied.

Of course, the building supplies are used not only to build new homes but they are used, of course, for renovation and repairs. And Newfoundlanders, I think, probably more than any other citizens of any other province, are involved personally in the repair and renovation of their own homes; it is a sort of an avocation for some people, it is almost a hobby for some people. And all you have to do is go in on a Saturday morning to any of the outfits which sell home supplies, home repair supplies and goods for the renovation of homes and you can see it is almost like a family event; there is the father there with children and often his wife and so on. So this is going to be of benefit not only to the economy of the Province but it is also going to be of benefit to the individual who likes to do his own repairs. And, of course, those things are done during weather that is inclement as well as in the Summer months when most homes are built.

DR. COLLINS: So this tax change should have some beneficial effects in very short order.

I move the resolution that has to be moved to bring in this bill, Mr. Chairman.

MR. CHAIRMAN (McNicholas): The hon. Leader of the Opposition.

MR. NEARY: Mr. Chairman, if I had a dirty mind and I do not have, I would think, after listening to the hon. gentleman, that the building suppliers were very closely identified with the Premier of this Province and with this administration. And the building contractors have tremendous influence, have more influence over the Premier than the ordinary person in this Province who elected that administration. And I do not have to spell it out, hon. gentlemen know what I am talking about.

AN HON. MEMBER: Spell it out.

MR. NEARY: Yes, a building supplier has more influence over the Premier than 99.9 per cent of ordinary Newfoundlanders who voted for this administration because, Mr. Chairman, if the people that I am referring to, if they did not want a one cent increase in the sales tax, if they did not want to put a tax on all food bought at restaurants and take-outs under three dollars, if they did not want that tax, these influential people, these people who influence the Premier, this great white hope, the salvation of Newfoundland bowing again to pressure, if they did not want the clothing tax, the retail sales tax put on clothing and they have told the Premier they did not want it at their little secret meeting they have, then, Mr. Chairman, there would be no clothing tax, there would be no tax on food and there would be no one cent increase in sales tax. But no, Mr. Chairman, they did not object to that. These influence peddlers did not want that, they wanted something to boost their own little business. So I would suspect the real reason why the retail sales tax was reduced on building material

November 29, 1982

Tape No. 2845

SD - 2

MR. NEARY: was to boost sales for some of
the people whom the Premier has been cavorting with.

DR. COLLINS: Name names.

MR. NEARY: The hon. gentleman knows who I am talking about. I would suspect that is the real motivation behind the reduction in the sales tax on building materials. Now if I had a dirty mind that is what I would think, Mr. Chairman. If I were one of these people who suspects ulterior motives in what the government is doing in this regard, if I suspected an ulterior motive on the part of the Premier -

AN HON. MEMBER: But you are not like that.

MR. NEARY: No, I am not like that.

SOME HON. MEMBERS: No!

MR. NEARY: If I were, I would say that this move would be more inclined to help the people who sell and supply building materials. Because, Mr. Chairman, everybody knows, with the slump in the economy at this time, that people cannot even afford to buy building materials. So it is meant to promote sales for the suppliers of building materials and the people who build and construct houses.

Mr. Chairman, I will not pursue that matter any further because I am of clean mind.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: I would not want to think for one moment, Mr. Chairman, that these two hon. gentlemen who parade in and out of the private dining room downstairs, a building supplier and a building contractor, had any influence at all over the government reducing the sales tax on building materials. That would be the last thing, Mr. Chairman, that would enter my mind, Your Honour knows that. I am a pretty fair-minded fellow and that would be the last, last thing to enter my mind. The only thing that I can hope, Mr. Chairman, is that some people may benefit by it, some people may benefit by the selfishness

MR. NEARY: of the people who influenced this in the first place.

Mr. Chairman, we are going to vote against this bill. We are going to vote against this bill because it creates a tremendous hardship on people right at a time of year when they can least afford it. We are going to vote against this bill because we think it is cruel and callous. We are going to vote against it, Mr. Chairman, because we think it was unnecessary. We are going to vote against it because we think this particular tax boost is going to backfire, that the government are going to kill the goose that laid the golden egg. And we are going to vote against this regressive tax, Mr. Chairman, because it hits the ordinary person harder than anybody else, people on fixed incomes, people on low income and

MR. NEARY:

middle income. It hits the ordinary person right in the place where it hurts most, Mr. Chairman, at this particular time, in his pocketbook. It hits them at a time they can least afford to pay any increase in sales tax. And then to add insult to injury, then the government puts adult clothing under the sales tax. That is the unkindest cut of all. You go from 0 per cent, up to 12 per cent.

MR. TOBIN:

Were you ever part of tax controlling?

MR. NEARY:

If I was the hon. gentleman, Mr. Chairman, I would be seen in this House and not heard. After what has happened in Burin, and after what the people think of the hon. gentleman down there, and what the people are asking about the former member down there, if I was the hon. member I would be seen and not heard. And if he has anything to say I think he should be saying it to the Premier and to the Minister of Fisheries.

MR. TOBIN:

I doubt very much if the people of the Burin Peninsula talked to you like that.

MR. NEARY:

Mr. Chairman, if the hon. gentleman would like to have it documented, the phone calls that I have had in the last twenty-four hours from his district, if he would like for me to document it and table some of the letters in this House I would be glad to do it. I would gladly do it.

MR. TOBIN:

Okay. Table them.
Table them.

MR. NEARY:

And what the people think of the member as compared to the other member they had down there, the Liberal member.

SOME HON. MEMBERS:

Oh, oh!

MR. TOBIN: Do not write them yourself though.

MR. NEARY: Mr. Chairman, I do not operate that way. But I would like, if Your Honour does not mind, I cannot help but repeat what I thought so often in this House, the hon. gentleman does not realize yet that he is into the House of Assembly and not in one of these other places that he frequents all the time.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: And there are rules. Under the rules of this House, Mr. Chairman -

MR. HODDER: I think he just came out of one, did he not?

MR. NEARY: Mr. Chairman, under the rules of this House you have to keep quite while a member is speaking, and if you do say anything you have to say it from your seat. Now, how often do I have to tell the hon. gentleman that? Is the hon. gentleman too pig-headed and too dense to let that sink in? If the hon. gentleman had any courage, had the courage of his convictions, he would vote against this bill to increase the sales tax. If the hon. gentleman had any courage he would stand in his place in this House and say, "The people of my district cannot afford to pay this extra one cent on the sales tax. And they cannot afford to allow the clothing to go from 0 per cent up to 12 per cent overnight.

AN HON. MEMBER: And you never heard of taxing clothing?

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Mr. Chairman, this tax is cruel, it is regressive, it is going to hit the ordinary person harder than anybody else. And I would -

MR. TOBIN: Did you say (inaudible) was a good tax but you would be afraid to vote for it politically?

MR. NEARY: I beg your pardon?

MR. TOBIN: Did you say that?

MR. NEARY: Mr. Chairman, this is a very poor tax.

MR. NEARY: Mr. Chairman, I tell you again, I have to ask the protection of the Chair.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Mr. Chairman, I am not going to put up with these interruptions as if we were in a beer garden somewhere. And so I have again to ask for the protection of the Chair.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Hon. gentlemen may laugh and sneer at this increase in taxes, the high unemployment, the closing of fish plants, Botwaters' problems, they can laugh at them, joke about it and they can be as nasty as they want about it, Mr. Chairman, but these problems are not going to go away. And it would be far better for members, instead of interrupting speakers on this side of the House, if they started to govern, if they took their responsibilities as they should take them and try to do something about coping with these problems. That is what they should be doing, Mr. Chairman. Instead of being in this House day in and day out with silly grins on their faces, not taking their jobs seriously and being nasty and rude and when they get caught covering up and suppressing information that people should have and deciding when people - they decided - when people should be told the truth. Mr. Chairman, instead of doing that sort of thing in this House they should be out trying to encourage the Premier to govern this Province, to get home, to get back in his seat in this House and not be anxious to close the House down. That is what members should be doing.

MR. TOBIN: The member for Fogo is back.

MR. NEARY: Mr. Chairman, I am not going to give the hon. gentleman from Burin - Placentia West (Mr. Tobin) a lecture on how he should carry out his duties and responsibilities. The hon. gentleman knows that he has been lax, the hon. gentleman

MR. NEARY: knows that the administration knew about the closing of the Burin fish plant. The hon. gentleman knew about the closing of the Burin fish plant.

MR. WARREN: He knew last Tuesday.

MR. NEARY: Yes, more than that, he knew it longer than that too, that the administration knew about the closing of the fish plant in Burin. They withheld the information from the people in Burin.

MR. WARREN: He would not tell them.

MR. NEARY: That is right, of course, it is right.

MR. TOBIN: Are you saying that the acting Premier gave false information today?

MR. NEARY: Well, maybe the acting Premier did not know. But there are people in the administration who knew. But anyway, Mr. Chairman, getting back to this tax bill, just when the retail stores -

MR. TULK: By the way, there do not believe you down there.

MR. NEARY: Well, do not tell them that, do not give away any secrets.

MR. TOBIN: (Inaudible) tell the story (inaudible).

MR. TULK: That is all right.

MR. NEARY: Do not give away any secrets now, I mean, we will deal with the hon. gentleman in due course.

MR. TULK: Let him learn the hard way.

MR. NEARY: Let him find out that people are now saying, 'Where is Don Hollett when we need him?' That is what the

MR. NEARY: people down in Burin are asking now, 'Where is Don Hollett when we need him?'

MR. TOBIN: He is where I put him - out.

MR. NEARY: He is where the hon. gentleman will be the next time round, one term, a one-shot deal.

MR. TULK: 'How could we vote for that,' they will say.

MR. NEARY: That is right.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Mr. Chairman, there are only seven or eight of us here. It is hard for us to take on forty-four. We have an uphill battle as it is. Five or six or seven or eight of us, Mr. Chairman, cannot shout down forty-four and I am not going to try. So I have to appeal to the Chair again for protection.

MR. CHAIRMAN (Dr. McNicholas): Order, please!

The hon. member has the right to be heard in silence if he asks for it.

MR. NEARY: Mr. Chairman, the question that I put to the Minister of Finance (Dr. Collins), Has the government finally crippled the goose that lays the golden egg? Just at a time when the retail stores were hoping for a boost in consumer spending during the Christmas season, the government slapped another 1 per cent on the retail sales tax and they went from zero up to 12 per cent on clothing for adults and they are taxing food in restaurants less than \$3, and that goes from zero to 12 per cent.

Now, Mr. Chairman, the experts have predicted that these taxes will backfire.

MR. TULK: An Easter eggs tax.

MR. NEARY: Well, we may have an Easter tax yet. We may have an Easter egg tax yet.

MR. NEARY: The budget will probably be brought down in March or April. Apart from having the hot dog tax a month before Christmas, we may have the Easter egg tax.

MR. TULK: I dare say it will be 13 per cent.

MR. NEARY: No, it will probably be a little more than that.

But, Mr. Chairman, the hon. gentleman misinterpreted what I said earlier. He said that revenue never goes down as a result of increase in taxes. Well, I did not say it did. What I said was this, and the hon. gentleman should open his ears, that the government may not get the revenue they expect to get, what they anticipate getting under these new increases in taxes. That is different from saying that tax revenue is going to decrease. What I am saying is that the minister has forecast that the government would get enough from these increases in taxes to make up a deficit of \$60 million.

MR. CHAIRMAN (McNicholas): Order, please!

The hon. member's time has elapsed.

MR. NEARY: Well, maybe one of my colleagues will give me a break so that I can have a few more words.

SOME HON. MEMBERS: Carried! Carried!

MR. CHAIRMAN (McNicholas): Shall the resolution carry?

RESOLUTION

"That it is expedient to bring in a measure
respecting "The Retail Sales Tax Act, 1978."

On motion resolution, carried.

A bill, "An Act To Amend The Retail Sales Act,
1978."

Motion, that the Committee
report having passed the bill without amendment,
carried.

MR. MARSHALL: Motion 5, Bill No. 74.

RESOLUTION

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

MR. CHAIRMAN: The hon. Minister of Finance.

DR. COLLINS: Mr. Chairman, this is a further
resolution to deal with a tax change and this one relates to
The Insurance Premium Tax Act where the level of taxation
has been in the past the same as retail sales tax level and
again it is kept level by increasing the rate from 11 per cent
up to 12 per cent.

Mr. Chairman, I just might say
that this should not be confused with the insurance companies
tax, which is a separate matter. This deals with the insurance
premium. So I move this resolution, Mr. Chairman.

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

MR. NEARY: Mr. Chairman, I am going to
vote against this bill the same as we voted against the
increase in the retail sales tax. This is another increase
that will hit the consumer right in the place where it hurts
most, in his pocketbook. And we think at this particular
point in time, Mr. Chairman, that what government should be
doing instead of increasing taxes is cutting expenditure.

MR. NEARY: Mr. Chairman, we argue that there is enough unnecessary expenditure and enough extravagance and waste in the estimates to cut expenditure before the government starts increasing the retail sales tax and heating fuel tax and insurance tax.

Mr. Chairman, the kind of expenditure that we are talking about is the kind of expenditure I mentioned on a number of occasions. It is necessary, for instance, for the government, right at a time when we were headed for a deficit, to increase the parliamentary secretaries, to give them offices, and give them secretaries? Was that necessary?

MR. S. NEARY: Is it necessary to go down in front of Colonial Building and start to remove the fountain and trees right at a time when we are in a period of restraint and when we have a large deficit? Is it necessary for the Premier's chief advisor to have a partition knocked down in the Premier's office and to call in an interior decorator to decorate his office to the tune of \$20,000 in times of restraint, Mr. Chairman, and to have an interior decorator to come in and decorate the private dining room in Confederation Building right at a time that we are headed for a deficit? Is it necessary to spend \$250,000 observing the anniversary of Sir Humphrey Gilbert right at a time when we have a \$61 million deficit and we are in times of restraint and we are asking people to cutback and tighten their belts, Mr. Chairman? Mr. Chairman, is it necessary to operate Mount Scio house with one occupant, twenty seven rooms, in these times of restraint and belt tightening? Is that necessary, Mr. Chairman? Is it necessary for the government to spend \$250,000 on replacing the cars in the car pool so that ministers can use government cars instead of their own cars-and deputy ministers-and in some cases give the government cars to their wives? Is that necessary, Mr. Chairman? And, you know, Mr. Chairman, you can take a sharp pencil and go through the estimates and you could find anywhere, I would say, between \$20 million and \$30 million that could be eliminated from expenditure, Mr. Chairman. And, you know, here we have, just another example, this place up on the eleventh floor, How much did that cost to renovate and what purpose is it serving? Right at a time when the government knew we were headed into a \$60 million deficit, they carried out these extensive renovations up here on the eleventh floor to make themselves a little room that looks like something from outer

MR. S. NEARY: space so they could hold their news conferences and squirt out their poison.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: And, Mr. Chairman, they will not allow the Opposition to use it, they will not allow the Leader of the Opposition (Mr. S. Neary) to use it.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Mr. Chairman, I happen to be a servant of this House.

MR. NEARY: The hon. gentlemen may not like it but I am just as much a servant of this House as the Premier is a servant of the House.

MR. TULK: Moreso, because you are here in the daytime.

MR. NEARY: But we are not allowed to use it, Mr. Chairman. And, Mr. Chairman, how come now this government is paying for trips to the Bahamas for ministers and their wives to parliamentary conferences? That is something new now, Mr. Chairman. Since when did we start that?

MR. SIMMS: Not true.

MR. NEARY: It is new. Mr. Chairman, I have not heard of it before where we started paying for wives to go along on these trips. I took my wife on one of these trips once and I paid for it myself.

MR. SIMMS: It was as a result of a request from one of your colleagues that it was changed.

MR. NEARY: Oh, I see. Now it is going to be blamed on one of my colleagues. A ten day trip to the Bahamas for a minister and his spouse paid for by the taxpayers. If we were in good times and we had everything we needed in this Province I would say well and good. But here we are with a \$60 million deficit, times of restraint and cut back and asking ordinary people to tighten their belts.

MR. CARTER: What about Panama? When are you going down to Panama again?

MR. NEARY: Anytime that I make any trips, Mr. Chairman, they are not at the expense of the taxpayers, I can guarantee hon. gentlemen that.

Mr. Chairman, how come we are still buying furniture and drapes and renovating

MR. NEARY: ministers' offices and deputy ministers' offices and putting in new windows right in a period of restraint and cut backs and we are asking ordinary people to tighten their belts? And why is the so-called chief advisor to the Premier in this Province, why did he put himself in the category of a deputy minister? He says he is the same as a deputy minister. Why were all these people in the Premier's office reclassified and given the status of assistant deputy ministers and deputy ministers so they could get their big salary increases before the restraint programme was announced, when the government knew that we were in a period of restraint and that we were headed for a \$60 million deficit in current accounts?

You know, I could go on and on, Mr. Chairman, I could go on ad infinitum.

MR. CARTER:

By leave! By leave!

Go on, hang yourself.

MR. NEARY:

I could tell the House how they could save several millions of dollars

MR. NEARY: by cutting out unnecessary expenditure, by cutting out extravagance and waste. The examples I just gave are merely symbolic, Mr. Chairman. If people are going to believe the government, and if the government is going to have any credibility, we should start at the top and work down instead of start at the bottom and work up. Why are there seven or eight secretaries down on the 8th Floor? And, Mr. Chairman, as I say, I could go on and on and talk about cuts in expenditure. Before they started to increase taxes that is what the government should have done. The government should have eliminated the extravagance and waste in the estimates and there is about \$20 million or \$30 million worth of it in there. What about the \$14 million that the minister has been unable to collect in retail sales taxes?

MR. CARTER: That is pure dirt.

MR. NEARY: That is pure dirt? The hon. gentleman served on a Public Accounts Committee and the hon. gentleman knows the background. And the hon. gentleman, I presume, has read the report, the draft report. The hon. gentleman has read that, I presume. And the hon. gentleman was there when testimony was taken and witnesses appeared before the Public Accounts Committee to indicate that the Minister of Finance (Dr. Collins) and the government were negligent in collecting retail sales taxes in this Province. Mr. Chairman, the present Public Accounts Committee is struggling with that problem. Two previous Public Accounts Committees struggled with it and the present Public Accounts Committee is struggling with it.

And, Mr. Chairman, what about that office space that is rented down in the Murray

MR. NEARY: Premises? - rented in 1979 for a military museum and the taxpayers have been paying the rent on it ever since and it is still not occupied. Why does not the government give that the axe instead of putting a cent on the retail sales tax? Why do they not cut that, which is costing \$200,000 or \$300,000 a year, out of the budget? Mr. Chairman, the point I am making is if you put all these things I mentioned together you are not talking about \$200,000 or \$300,000 to run Mount Scio House and another \$200,000 or \$300,000 for this vacant rented space down in the Murray Premises, you are talking about several millions of dollars. I mention these items because they are more glaring than the others.

MR. TOBIN: Why do you not say something nice for a change?

THE HON. MEMBER. (Inaudible) new hospitals.

MR. NEARY: Mr. Chairman, I do not know if the hon. gentleman is aware of it, but he is supporting an administration that would rather build jails than build hospitals. They have built more jails in this Province in the last couple of years than were built since Confederation. They are closing down hospital beds and building jails.

MR. NEARY: And for the longest time we had the one out in Stephenville, the Ladies' Correctional Institution; I think there were fourteen on the staff and four occupants in the institution - fourteen on staff.

Mr. Chairman, I am afraid that government did not take a very hard look at cutting expenditures or looking for other sources of taxes. Over the weekend a gentleman who writes for The Daily News poked fun at my suggestion that we tax CFLCo, that we impose a tax as we have every right to do under the Constitution of this country, to put a tax on energy crossing provincial borders. And it has not been proven to us yet on this side of the House that that cannot be done. It has not been proven to us yet, Mr. Chairman, we have heard a lot of talk about under the contract that you cannot tax and I have the contracts and I have had lawyers look at them.

AN HON. MEMBER: And what did they say?

MR. NEARY: And they say yes, you can tax. They say you can tax under the new provision of the Constitution. But you would expect to get that kind of reaction from people who write these columns in The Daily News. You would swear they were representing Quebec Hydro in this Province. You would swear, listening to these people talk, that they were spies for Quebec Hydro.

SOME HON. MEMBERS: Oh, oh.

MR. NEARY: Mr. Chairman, no wonder this gentleman would poke fun at my suggestion that we tax CFLCo. The tax would have to be passed on to Quebec Hydro and what else would you expect the columnist to say. Mr. Chairman, you would swear the gentleman who wrote that column was a spy, was on the payroll of Quebec Hydro, you would swear that.

AN HON. MEMBER: Who are you talking about?

MR. NEARY: I am talking about the former Premier's brother-in-law.

SOME HON. MEMBERS: Oh, oh.

MR. NEARY:

Oh, my, the hon. gentleman says. Let us see what he says about this administration. Let us see what Mr. Nutbeem says about this administration. Listen to this. He says he was the chief organizational, political and policy advisor for us which changed a three man Opposition into a thirty-three of a thirty-eight seat government.

MR. NEARY: Imagine! That columnist did that all by himself. He was the one, he said, he was the chief organizational, political and policy advisor.

MR. HOUSE: And you believed him of course.

MR. NEARY: Well, he says that himself.

MR. CHAIRMAN (Aylward): Order, please!

MR. NEARY: He signed this document. He said it himself.

MR. CHAIRMAN: Order, please!

The hon. member's time has elapsed.

The hon. member for Torngat Mountains.

MR. WARREN: Mr. Chairman, I would be only too glad to take my seat if the hon. member for Burin-Placentia West (Mr. Tobin), the member for Carbonear (Mr. Peach), the member for Bonavista North (Mr. Cross), the member for Grand Bank (Mr. Matthews), the member for St. Mary's-The Capes (Mr. Hearn) would only get up and try to defend this government for bringing this tax on the poor people of this Province. I would be only too glad to sit down and speak afterwards.

MR. HEARN: Mr. Chairman.

SOME HON. MEMBERS: Hear, hear!

MR. CHAIRMAN: The hon. member for St. Mary's-The Capes.

MR. HEARN: Thank you, Mr. Chairman, and thank you, my hon. colleague for Torngat Mountains. I do not think it is a matter of having to defend the tax put on by the government. I am sure there is nobody on this side any happier, in fact we are not as happy as a lot of people on the other side about the tax being brought in.

SOME HON. MEMBERS: Hear, hear!

MR. HEARN: Being a conscientious group we realize the burden it places on the people but we also realize the debt that we are in. And, of course, it gives them something to grab upon and that is why they are so delighted that we brought in the tax.

However, a couple of things have been brought out that have not been clarified that I feel should, because the whole picture has been terribly distorted. We hear expressions such as you should start cutting expenditure first. Well, anybody who read the financial statement presented by the Minister of Finance (Dr. Collins) realized that before any items were taxed, X number of items were cut back. We cut expenditure, I would not say everywhere we could because there are lots of places where we can cut expenditure. I am sure with assistance from various members here and various members from the other side, good solid suggestions will be taken into account and we can save this government and, of course, our federal government a lot of money. I will not get into the waste on the federal side at all as it is not what we are concerned with today. The main statement however that concerns me is the point that this tax, this twelve per cent tax, this one per cent increase, hits the ordinary person more than anybody else. I dispute

MR. HEARN: that, Mr. Chairman, because when we look at people on low incomes or fixed incomes, we are looking at old age pensioners, for instance, people on social assistance, we are looking at a monthly income per person of less than \$500. So we are looking at \$4,000 to \$5,000, \$6,000 annually. Now where does most of this money go in relation to expenditure? It goes, first of all, on food; no taxes. Secondly, where children are involved on children's clothing, no taxes. Where did the increase tax place? On goods that are taxable, hardware, furniture, etc. How many television sets, cars, réfrigerators, etc. do people on fixed incomes buy? Very, very few. Consequently, little or no effect. Adult clothing, anybody who is getting \$5,000 or \$6,000 a year or less does not spend much money on adult clothing. Consequently, the effect once again, minimal. The people who are buying the cars, the people who are buying the clothing, the people who are buying the furniture are people who are middle income or relatively well off. Consequently, these are the people who can afford to spend the money, the same people who the hon. gentleman says, "Why not raise up the income tax?", the same effect because it is the people who can afford to pay this tax that has now been introduced, these are the people who are being hit. The person on low or fixed income is affected very, very little.

When it comes to the restaurant tax, the meal tax, once again who buys meals at restaurants? The people on low and fixed incomes? Hardly. The people who are working, the working class. Consequently they are contributing. Now, what is the average person saying about it? Are they saying, 'Oh, this P.C. Government, a terrible bunch, putting tax on us'? No, Mr. Chairman.

MR. HEARN:

They are saying that this is our Province, this is our debt and we are glad to do what we can and this is what we are doing. Where do we hear the complaints? You hear the complaints from across the way because that is, the old saying, the nature of the beast, and you hear it from the open line programmes. And who phones into open line programmes besides the hon. gentlemen and their supporters? You have a number of people who are out there on fixed incomes receiving in most cases allowances from this very government who in order to pay their allowance had to raise the taxes. Now I think it is time things were put in perspective. So this might help do it. Thank you.

SOME HON. MEMBERS:

Hear, hear!

MR. S. NEARY:

Mr. Chairman.

MR. CHAIRMAN (Aylward):

The hon. the Leader of the Opposition.

MR. NEARY:

Somebody should Xerox these few remarks and send them down to the hon. gentleman's constituents. In all my experience in public life I have never heard anything like that before in my life. I never heard anything like it before.

SOME HON. MEMBERS:

Oh, oh!

MR. NEARY:

Mr. Chairman, could I have silence, please?

MR. CHAIRMAN:

Order, please!

MR. G. TOBIN:

What you just did to one of your members, you should have silence!

MR. CHAIRMAN:

Order, please!

MR. NEARY:

Somebody should Xerox it and distribute it to the hon. gentleman's constituents.

The hon. gentleman stood up and said that he agrees, 'sock it to the ordinary person,' that is what he said.

MR. TOBIN:

He did not say anything of the kind.

MR. NEARY:

He said, 'Sock it to them. Give it to them. The poor people they' -

MR. TOBIN:

Do not you worry about the ordinary gentleman. He is safer in St. Mary's - The Capes than you are in LaPoile.

MR. NEARY:

Yes. He is about as safe next time around as you are -

MR. TOBIN:

That is pretty safe.

MR. NEARY:

- and I would not want to put next year's salary on that.

Mr. Chairman, that was a terrible terrible statement, and I do not know if the hon. gentleman

MR. S. NEARY: is expressing views that are typical of the backbenchers.

MR. HEARN: The truth hurts.

MR. NEARY: The truth hurts.

If the hon. gentleman could only look at the expression of shock on his colleagues' faces while he was us telling the House - the surprise and shock and the sickly and the pale look on their faces - as the hon. gentleman got up and told the House 'to sock it to his constituents, sock it to the ordinary people, pay no attention to the open line programmes, that is all Liberals and welfare recipients.' That is what the hon. gentleman said, 'Pay no attention to them.'

MR. TOBIN: That is not what he said. He did not say that. He said, 'The open line programmes.'

MR. NEARY: Mr. Chairman, I know what the hon. gentleman said.

MR. TOBIN: No, you do not.

MR. NEARY: In typical Tory fashion, just like a true Tory.

AN HON. MEMBER: Good man, good man!

MR. NEARY: It is only a true Tory could make a statement like that. It is too bad, Mr. Chairman, we did not have the television cameras in the House to hear the hon. gentleman saying, 'Sock it to my constituents, they do not mind.' The hon. gentleman said, 'They do not mind -

MR. L. HEARN: A point of order, Mr. Chairman.

MR. CHAIRMAN: A point of order, the hon. the member for St. Mary's - The Capes.

MR. HEARN: Mr. Chairman, the hon. the Leader of the Opposition (Mr. S. Neary) is imputing motives.

MR. L. HEARN: He is putting words on the record that I did not say and I ask him to withdraw.

SOME HON. MEMBERS: Hear, hear!

MR. S. NEARY: To the point of order, Mr. Chairman.

MR. CHAIRMAN (Aylward): To that point of order, the hon. the Leader of the Opposition.

MR. NEARY: Mr. Chairman, all of sudden now, apart from becoming a tax expert, the hon. gentleman is now is becoming an expert on the rules of this House.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: I am not imputing any motives, Mr. Chairman, I am merely summarizing what the hon. gentleman said but Your Honour knows that is just a matter of a difference of opinion.

MR. CHAIRMAN: To that point of order, I rule that there is a difference of opinion between two hon. members.

The hon. the Leader of the Opposition.

MR. NEARY: Now, Mr. Chairman, to continue my summarization of what the hon. gentleman said, the hon. gentleman got up and told this House in his own inimitable way that he has of saying things,

MR. NEARY: to sock it to his constituents and sock it to the poor people of this Province. Pay no attention to the Open Lines, the only ones that talks on the Open Lines are Liberals and welfare recipients, that is all. That is what he implied. That is what the hon. gentleman inferred.

MR. TOBIN: He did not say that.

MR. CALLAN: Yes he did.

MR. WARREN: Old age pensioners.

MR. NEARY: Old age pensioners and people on unemployment insurance and fixed incomes the hon. gentleman said. Unemployment insurance, Canada Pension, Veteran's Allowances, Old Age Pension, welfare, forget all of them, sock it to them. Oh, they got nothing better to do only sit around and listen to the Open Line programme.

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

MR. CHAIRMAN (Aylward): A point of order, the hon. member for St. Mary's-The Capes.

MR. HEARN: Once again the hon. gentleman is incorrect. I said those people on fixed incomes are the ones who are not being hit.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Mr. Chairman.

MR. CHAIRMAN: To that point of order?

MR. NEARY: There is no point of order.

MR. CHAIRMAN: I rule there is no point of order. The hon. member wished to clarify a statement which was attributed to him.

The hon. Leader of the Opposition.

MR. NEARY: So, Mr. Chairman, I do not know if the hon. gentleman is aware of it or not, when hon. members on that side of the House stand to speak they stand in support of

MR. NEARY: the government or they are speaking as ministers on behalf of the government. So the hon. gentleman, I presume, was just explaining in his little bit of -

MR. TOBIN: We do not need you to tell us what to do.

SOME HON. MEMBERS: Oh, oh!

MR. WARREN: Boy, you need somebody.

MR. NEARY: - scolding, the scolding that he just gave. You know, what the hon. gentleman said, Mr. Chairman? The only ones who are objecting to these increases in taxes are members on this side of the House and people who call in to Open Line programmes.

MR. WARREN: Yes.

MR. NEARY: These are the only ones that are objecting, that is what the hon. gentleman said. And he nods yes, that is what he said.

You know, Mr. Chairman, if there is one thing in this Province that is almost unanimous -

MR. CALLAN: Tories and Liberals alike.

MR. NEARY: - it is the people's objections to these regressive taxes. That is, I would say, 99.999 per cent of the people.

MR. TULK: Unanimous.

MR. NEARY: It is almost unanimous against these taxes.

MR. TOBIN: It was almost unanimous to get rid of the Liberals.

MR. NEARY: Now let us hear what the hon. member for Burin-Placentia West (Mr. Tobin) got to say. Is he also going to make a Tory speech? The hon. gentleman is going to get up and tell us that his constituents now do not mind, as the hon. member for St. Mary's-The Capes (Mr. Hearn) just told us, that his constituents do not mind contributing towards the debt, the public debt. They do not mind contributing

MR. NEARY: What a way to betray your constituents. What a way to knife your constituents. Even the hon. member for Baie Verte (Mr. Rideout) would not get up and make that kind of a statement. He might make silly statements about crossing the House.

MR. RIDEOUT: You cannot say much about that statement.

MR. NEARY: We could say a lot about it but the hon. gentleman crossed the House, if he recalls, on ownership. But even the hon. gentleman would not be so silly! Mr. Chairman, the only thing that I can say about the member for St. Mary's-The Capes (Mr. Hearn) is that in his simplicity I do not think he realized what he was saying.

AN HON. MEMBER: Why did you not let your member for Torngat Mountains (Mr. Warren) speak?

MR. NEARY: Oh, the hon. member will have his say, the hon. gentleman need not worry. If the hon. gentleman could run that side of the House as well as we can run this side of the House, Mr. Chairman, the hon. gentleman then might be able to make suggestions. I will gladly take my seat if the hon. gentleman wants to get up and make a speech like we just heard so we could get him on the record and Xerox it. Mr. Chairman, we are against these increases in taxes. And I challenge now anybody on the government side, since I am sure they have heard from their constituents by now, they have heard the violent reaction from their constituents, they have heard the strong protests. Are their constituents just merely voices crying in the wilderness? Did they send a crowd of dummies into this House? It is unanimous, except the member for St. Mary's-The Capes, they only one I heard so far speaking in favour of the taxes. Everybody else in the Province is against an increase in sales tax and in the clothing tax and in the insurance tax and in

November 29, 1982

Tape 2860

EC - 1

MR. NEARY:

The heating fuel tax.

SOME HON. MEMBERS:

Oh, oh!

MR. CHAIRMAN (Aylward):

Order, please!

MR. NEARY:

I challenge them now, one after the other, to get up and make a speech like the member for St. Mary's - The Capes (Mr. Hearn) just made.

MR. WARREN:

A good speech. A good speech.

MR. NEARY:

Let us see if they back him up or let us see if they are cowardly. I bet you, Mr. Chairman, when I take my seat there will not be one individual on the government side get up and repeat what the hon. the member for St. Mary's - The Capes just said. He says, Forget your constituents, forget the people of this Province, forget the working class people, forget the ordinary Newfoundlander - sock it to them! They do not mind these increases in taxes.

MR. MARSHALL:

Oh, my!

MR. NEARY:

That is what the hon. gentleman said. The hon. House Leader should have been here to hear what the hon. gentleman said. We are going to Xerox what the hon. gentleman said and not only are we going to send it out to St. Mary's - The Capes, but we are going to send it all over the Province.

SOME HON. MEMBERS:

Oh, oh!

MR. NEARY:

We will send it, Mr. Chairman, by members when they go home on weekends and when they are driving around this Province they will drop off a few copies here and a few copies there and we will say, 'Here is the government's position. Here is what they think of you. Sock it to you. Give it to them.'

MR. TULK:

Nail them!

MR. NEARY:

Nail them! That is typical of the attitude of this government.

MR. WARREN:

At least one member had the courage to come out and say it.

MR. NEARY: Well, I congratulate the hon. gentleman for having the courage to get up and say what he said. I do not know if it is politically expedient for him to say it, but at least he had the courage to get up and say it.

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

Shall the resolution carry?

MR. WARREN: Mr. Chairman.

MR. CHAIRMAN: The hon. the member for Torngat Mountains.

MR. WARREN: Well, Mr. Chairman, I cannot believe my eyes! Just imagine! I sat down and gave the hon. the member for St. Mary's - The Capes (Mr. Hearn) the opportunity to make a speech supporting the government and its tax increase and with all due respect to the member, he got up and gave his analogy of where this government stood on tax increases. The analogy was that okay, we increase the taxes but it is not going to hurt the people on social assistance. In fact, it was only just this morning about 9:30 -

MR. HODDER: Quarter to ten.

MR. WARREN: - Quarter to ten -

SOME HON. MEMBERS: Hear, hear!

MR. WARREN: - two pensioners came into my house and in fact, it was not my parents, and they are living on an income of something like \$8,600 a year between the two of them. And, you know, it is surprising, I do not know where the member for St. Mary's - The Capes got his facts, but the first thing they said was that, you know, we are not making that much money, and every Christmas we try to buy gifts for all the family and things like that

MR. WARREN:

and we try to buy clothing.

You know, what are most of those old people doing for Christmas?

They are not giving out toys, maybe on that side there will be a lot of toys given out but they are giving out clothing and probably not too expensive clothing. And here it is now all of a sudden they are obliged, if they are going to buy a pullover or a sweater or a shirt or something like that, they are obliged now to pay 12 per cent tax on it. And, you know, the member for St. Mary's - The Capes (Mr. Hearn) said 'Look, it does not bother these people, it does not bother people on social assistance'. You know, it is surprising, Mr. Chairman, that the hon. Minister of Finance (Dr. Collins) never got up on a point of order and told the member for St. Mary's - The Capes to sit down and not to go making a fool of them. But the member for St. Mary's - The Capes stood up on principle, and I would venture to say, Mr. Chairman, that the hon. member sees the light at the end of the tunnel. And I am sure he must be really concerned and he had to say something to get the pressure off and he said, 'Look, it is not the ordinary or the below-the-poverty-line people that it is going to hurt'. It is going to hurt those people more than it is the well-to-do people.

Let me just try to explain to the hon. member and to other backbenchers who are afraid to say anything, that the well-to-do people have the money and they can buy what they want to buy. But those people have not got the money. I think the hon. member should understand that those people only have so much money, and they have to have boots to wear, they have to have pants to wear, they have to have a coat to wear, they have to have these things. But for some reason the idea is there, look, if they have not got the money they have not got to buy it. How are they going to get it if they do not buy it? What they have to

MR. WARREN: do is, instead of like what the hon. member said, 'There is no tax on food', in order to get a pair of boots they are going to have to cut down on their food. And then, Mr. Chairman, the hon. member for Burin - Placentia West (Mr. Tobin) was there shouting out continuously while the hon. the Leader of the Opposition (Mr. Neary) was talking and he said, "I have all my facts here. I will get up when I get a chance." Then the hon. the Leader of the Opposition sat down to give him a chance to get up and he would not get up and he ran away. And furthermore, I even waited about eleven seconds for anyone on that side to get up and defend their government's tax increases and no one got up to even defend them. At least I can say one thing, that the member for St. Mary's - The Capes (Mr. Hearn) has no back doors at all, when he has something on his mind he is going to say it. And I will tell the hon. member for St. Mary's - The Capes that before the next election comes along

MR. WARREN: everybody in St. Mary's -
The Capes will know what he said.

DR. COLLINS: Apart from that, did you
like his speech?

MR. WARREN: Apart from that, I say,
other than what the member said about the average, the
ordinary Newfoundlander, other than that I would say the
member gave as good a speech for that side as could come
from anyone else. However, you know -

MR. SIMMS: So what have you got to say?
We want to hear the hon. member.

MR. WARREN: Mr. Chairman, it is amazing that
a former Speaker of this House, since he left the Chair
and sat down with the other forty-three members over there,
has changed, he has made about a ninety degree turn around.
In the Chair he was every bit a gentleman, but for some
reason now since he became a minister he became right nasty.
I do not know why the hon. minister is so excited. By the
way, I am so pleased now I can see the hon. member for Burin-
Placentia West (Mr. Tobin) back in his seat. I am sure that
after what the member for Burin-Placentia West said today
when he was shouting across the House like a little school
kid, that I am sure he is going to get up now and defend this
government's tax increases.

MR. TULK: Oh yes.

MR. WARREN: Because after all, the Burin
fish plant is closing down.

MR. TULK: Does he know that yet?

MR. WARREN: Yes, he knew since last Tuesday.

MR. TULK: Oh, did he?

MR. WARREN: Oh, yes, he knew that since last
Tuesday. But apparently what happened - now the story is
told; I do not know if it is true or not - the story is
told that he knew since last Tuesday but he was afraid.

MR. WARREN: that someone on this side might ask a question to the government there on Wednesday and therefore, if that was the case, the people on the Burin Peninsula would know it before the weekend when Gus Etchegary was going to announce it. So, you know, it was already planned that it was going to be announced by Gus Etchegary on the weekend, but the hon. member knew it since last Tuesday.

So, Mr. Chairman -

MR. NEARY: What the member was afraid of was that the people might panic. And that is the pat answer you get from the Government House Leader (Mr. Marshall), it might cause panic.

MR. WARREN: We will not let the people panic until they are told about it. So, Mr. Chairman, someone said that this 12 per cent, I think the hon. member - I do not know if I can quote him exactly or not - but he said, 'This 12 per cent is not going to hurt too many people'.

MR. WARREN: One of the department stores last week in St. John's on a sale of adult clothing and footwear took in almost \$77,000 in retail sales tax. One department store in this city since this government brought in this tax took in some \$77,000 in retail sales tax on adult clothing and footwear. So you can see, Mr. Chairman, that is just one department store in this town. Now, who do you think bought all this clothing? Was it the well-to-do people paid the \$77,000 in RST in that store? I will tell you who it was, Mr. Chairman. One of the gentlemen working in that store told me it was from family allowance cheques and some social assistance cheques. Now, Mr. Chairman, family allowance cheques can come from well-to-do people but they can also come -

MR. TOBIN: We all get family allowance.

MR. CHAIRMAN (Aylward): Order, please!

MR. WARREN: Mr. Chairman, let us keep one thing in mind, the well-to-do people in this Province -

MR. TOBIN: Like yourself.

MR. WARREN: Like myself and like yourself too - we do not go into the department stores and cash our family allowance cheques -

MR. TOBIN: Well, I have a wife who does it.

MR. WARREN: You do not do it with yours or your wife either. Our family allowance cheques, like the well-to-do people, the higher bracket people, do not go into the department stores and have to cash their family allowance cheques in order to buy clothing. They take their family allowance cheques and probably invest them for their children because they can afford it, they are well-to-do. But the average person in this Province cannot do that, cannot invest the family allowance for an education for their children, they cannot do that.

MR. WARREN: But these are the kinds of people who have to go out and pay the 12 per cent on footwear and clothing.

MR. TULK: How much did they buy, you say?

MR. WARREN: Seventy-seven thousand dollars.

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

The hon. Leader of the Opposition.

MR. NEARY: Mr. Chairman, I commend my hon. colleague from Torngat Mountains (Mr. Warren) for participating in this debate and stating his position, where he stands on these increases in taxes. I challenge hon. gentlemen - forget the ministers, because they had to make the decision to increase the taxes, I am talking mainly about backbenchers.

MR. TULK: They must have agreed with it or else they would resign.

MR. NEARY: Well, they had to support the government. Mr. Chairman, they have to toe the Party line, I presume. That is what the hon. member for St. Mary's-The Capes (Mr. Hearn) was trying to do when he told us that the ordinary people do not buy refrigerators or television sets or they do not buy light bulbs or house fixtures or toilet paper. They do not have to pay the taxes, the hon. gentleman told us.

MR. TOBIN: You saw all of that into it.

MR. NEARY: Yes, that is what he said, 'They do not have to buy those sorts of things.'

MR. NEARY: 'They do not have to buy things for their houses, all they buy is food'. That is what the hon. gentleman told us.

MR. TULK: Yes. He said, 'Keep them naked but get them fed'.

MR. NEARY: That is right, keep them down. The hon. gentleman said they do not buy televisions, they do not buy flatirons, they do not buy stoves, they do not buy heating fuel, they do not pay electricity bills, they do not pay any taxes. That is what the hon. gentleman was telling us. All they do is buy food. I presume if the hon. gentleman had his way he would even take that away from them if he could. That is the Tory philosophy for you. That is the Tory ideology, philosophy. Mr. Chairman, that will be Xeroxed and that will be circulated wide in this Province, I can guarantee you. The hon. gentleman's own words will be put out. We will Xerox them and send them out.

Mr. Chairman, the fact of the matter is, in case the hon. gentleman is not aware, that everybody in Newfoundland, everybody in Canada, everybody in North America, everybody in the Western Hemisphere, everybody in the Western World will tell you that a sales tax is a regressive tax and hits the ordinary person. Everybody will tell you that except the hon. gentleman. Everybody now is out of step except the hon. gentleman and his administration.

Mr. Chairman, the fact of the matter is that this is a regressive tax. It is likely to backfire on the government, Mr. Chairman.

MR. TOBIN: Sculley Mines and your buddy John Doyle.

MR. NEARY: We found out all about that, by the way. There was a former Minister of Public Works who

MR. NEARY: got his hands burned, by the way, bringing up that kind of dirt in this House. A former Minister of Public Works had to resign over that particular situation, Mr. Chairman.

MR. TOBIN: And you should have resigned over the Mifflin Report.

MR. NEARY: Mr. Chairman, if the hon. gentleman wants to read some reports he should look at the A.B. Walsh association with this government and the public works scandal. The hon. gentleman should take a look at some of them.

MR. TOBIN: Carburetors, building materials, plungers.

MR. NEARY: Yes, kickbacks from telephone companies and so forth and so on.

MR. DINN: Oh, yes!

MR. SIMMS: He will not say it outside the House will he?

MR. NEARY: Say it outside the House.

MR. DINN: How much did John C. Doyle pay for his leases in Western Labrador?

MR. WALSH: Seven hundred and forty-five dollars.

MR. DINN: And how much does he get a year?

MR. WALSH: A dollar a ton now.

MR. NEARY: Oh my, how wonderful, eh!

MR. DINN: How did that happen?

MR. NEARY: It happened -

MR. WALSH: More than likely it is too embarrassing to talk about.

MR. NEARY: I see. I heard the hon. gentleman on the radio the other day saying, 'There is no point in Mr. Rompkey coming down to meet with the people from Labrador West, that nothing would be accomplished

MR. NEARY: by the meeting.' Then he was attacked by his own people in Labrador West.

MR. WALSH: Like who?

MR. NEARY: Like Len Leyte. Len Leyte came out and said that he is impartial, he does not take sides. Mr. Laite says he does not take sides, he was not coming down on the side of either gentleman, but he thought it was very unfair for the member for the district to make premature statements, to prejudge what was going to happen at this meeting.

However, I was glad to hear earlier today the Minister of Finance (Dr. Collins) say that the Government House Leader's (Mr. Marshall) client, the Bank of Montreal, may keep the banks open in Labrador West. That may happen. I was glad to hear that.

AN HON. MEMBER: Remember it too.

MR. NEARY: Well, Mr. Chairman, they certainly have people of influence in their caucus. It would be to the hon. gentleman's advantage, to the Government House Leader's advantage, I presume, to keep them open. After all, he has to look after the interests of his client. What else would you expect. They have people of influence in that caucus, in that ministry, in that government, especially in the caucus. And all the hon. gentleman had to do was go and ask the legal counsel for the Bank of Montreal, that is all he had to do.

Mr. Chairman, so the fact of the matter is that these taxes are cruel and callous in every way, shape and form. Government could have cut expenditures drastically. For instance, the member who doles out the rural development loans to party supporters, and the Minister of Development (Mr. Windsor), who doles out loans and grants via the Newfoundland and Labrador Development Loan Corporation to party supporters, like a sealing captain who has got all kinds of loans and none of them ever paid back,

MR. NEARY: if they had cut that kind of extravagance and waste and that kind of expenditure, Mr. Chairman, they might have established some credibility. They might have shown the people that they were sincere. They might have shown the people of this Province that they meant business, that they were prepared to start at the top and work down, that they were prepared to call in the assessors and have Mount Scio house assessed and put up for sale, Mr. Chairman, that would have been a very symbolic gesture of the sincerity of this administration. Call in the assessors and have Mount Scio house assessed and then put a For Sale sign on it. That would have been, Mr. Chairman, a signal from the administration that they meant business.

MR. MARSHALL: Let us rise the Committee.

MR. NEARY: Well, I move the adjournment of the debate, Mr. Chairman.

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

MR. SPEAKER (RUSSELL):

Order, please!

The hon. member for Kilbride.

MR. AYLWARD:

Mr. Speaker, the Committee

of the Whole has considered the matters to them referred and have directed me to report that it has passed certain resolutions and recommends that Bill 68, 72 and 73 be introduced to give effect to the same, and they have also directed me to report progress on another resolution and ask leave to sit again.

On motion, report received and adopted.

On motion, resolutions to Bills Nos. 68, 72 and 73 read a first and second time.

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

A bill, "An Act To Amend The Local Authority Guarantee Act, 1957." (Bill No. 68)

A bill, "An Act To Amend The Tobacco Tax Act, 1978 (No. 2)." (Bill No. 72)

A bill, "An Act To Amend The Retail Sales Act, 1978." (Bill No. 73)

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

MR. SPEAKER (RUSSELL):

The hon. President of the

Council.

MR. MARSHALL:

Mr. Speaker, I move the House at its rising do adjourn until tomorrow, Tuesday at 3:00 p.m. and that this House do now adjourn.

On motion, the House at its rising adjourned until tomorrow, Tuesday at 3:00 p.m.