

VOL. 2

NO. 81

PRELIMINARY
UNEDITED
TRANSCRIPT

HOUSE OF ASSEMBLY
FOR THE PERIOD:
3:00 P.M. - 6:00 P.M.
MONDAY, DECEMBER 19, 1933.

The House met at 3:00

Mr. Speaker in the Chair

MR. SPEAKER (Russell): Order, please!

STATEMENTS BY MINISTERS

MR. HICKEY: Mr. Speaker.

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

SOME HON. MEMBERS: Hear, hear!

MR. HICKEY: Mr. Speaker, I sent a Telex to the hon. Romeo LeBlanc explaining our position on the Lakeside Home expansion. I indicated that what he had done was unacceptable to the Province, that the extension to the Gander home could only proceed after the other 160 units higher than Gander on the priority list had received a commitment for the allocation of interest subsidy funding in accordance with my letter to CMHC on December 6, 1982. I also sent a second Telex to Mr. LeBlanc indicating my willingness and desire to meet with him in St. John's or Ottawa in order to resolve this matter. A copy of all my Telexes and Mr. LeBlanc's reply is being tabled today for the information of my colleagues.

It will be noted that Mr. LeBlanc did not indicate any interest in such a meeting. Instead, he simply referred me to meet with federal CMHC officials in the Province. I find this incredible, Mr. Speaker, and, even worse, it indicates the level of interest Mr. LeBlanc really has in this matter.

Mr. Speaker, Mr. LeBlanc is either totally uninformed on this matter or has chosen to ignore the facts. We had been dealing with Canada Mortgage all along but there was no money. It was the politicians at the federal

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MR. HICKEY: level who suddenly found some money. Therefore, that is the only level where this matter can be resolved.

Mr. Speaker, as previously stated, I am prepared to meet with the federal minister any time, any place, in an effort to resolve this issue.

MR. HICKEY: It must be noted that it was Mr. LeBlanc who established the level of communication when he made his announcement in Gander.

MR. SPEAKER (Russell): The hon. member for Torngat Mountains.

MR. WARREN: Mr. Speaker, another one of those famous political battles between Ottawa and the Province! The minister now knows he is on the wrong end and he is just trying to polish up some ways and means of saying that the money is not available. Now, Mr. Speaker, it was Mr. Fraser Lush -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. WARREN: - a member of the Conservative Executive in Gander, who said there was no priority list, And there was no priority list until this was announced for Gander, Now the minister is depriving the residents of Gander -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. HICKEY: On a point of order, Mr. Speaker.

MR. SPEAKER: The hon. Minister of Social Services, on a point of order.

MR. HICKEY: As much as I would like to allow the hon. gentleman to go on, Mr. Speaker, I cannot let him deceive the House and, through the House, the public. He has no authority to say that there was no priority list. Mr. Lush is not Minister of Social Services. Mr. Lush has a vested interest in Gander. Mr. Speaker, the fact of the matter is that his own colleague identified the four year plan, as announced by me in August of 1982, as a priority list, and I have a document which shows that he recognized that as a priority list. So he better check with his colleagues before he digs a hole for himself.

MR. NEARY: Mr. Speaker, to that point of order.

MR. SPEAKER (Russell): The hon. Leader of the Opposition to that point of order.

MR. NEARY: I believe Your Honour will rule that is not a point of order. It is merely a difference of opinion between two hon. gentleman, and a very childish one at that. The hon. gentleman is being very childish. The administration are embarrassed over this matter, Mr. Speaker, and I would submit that all he is trying to do is to use up the time of my hon. colleague and there is no point of order.

MR. SPEAKER: Order, please! To that point of order, it would appear that there is a difference of opinion between two hon. members. Having gone through all of that, it took the hon. minister about two minutes to read his statement and we have used up half of that time in points of order and a few words by the hon. member for Torngat Mountains (Mr. Warren), so his time is expired.

MR. SPEAKER: Are there any other Ministerial Statements?

MR. YOUNG: Yes, Mr. Speaker.

MR. SPEAKER (Russell): The hon. Minister of Public Works and Services.

SOME HON. MEMBERS: Hear, hear.

MR. YOUNG: Mr. Speaker, I am indeed pleased to avail of this opportunity to provide this hon. House with up-to-date information on the capital accounts construction programme of the department. Mr. Speaker, may I first make the point that the present heavy construction activities being carried out by the department are the results of a deliberate policy decision by this government to meet two equally essential and related needs. I refer, of course, to the need to stimulate the economy of our Province by creating jobs in the private sector, and I also refer to the provision of badly needed facilities in health, education and administrative sectors to meet the ever-growing needs of our people.

Mr. Speaker, I think you will appreciate that facilities such as new hospitals, a new ultra-modern Institute of Fisheries and Marine Technology and a major extension to the Confederation Building will not only improve health and educational services but, in the case of the Fisheries College, will put this Province in the forefront and at the leading edge in fisheries and marine technology.

May I also say that these major projects are of considerable benefit to the construction industry in this Province, which badly needed a boost. I am also happy to say that these projects resulted in the creation of 800 jobs in the private sector in the current fiscal year. Mr. Speaker, these are not spin-off jobs, they are direct jobs which are an integral part of the projects themselves. In short, Mr. Speaker, these projects are of tremendous benefit, both directly and indirectly, to the provincial economy as a whole.

MR. YOUNG:

Mr. Speaker, with regard to specifics: We are well along with, and indeed ahead of schedule, on the extension to the Confederation Building Complex. Work on the Fisheries College is accelerating; contracts have been awarded, and more, large tender calls are imminent. A new hospital has just recently been completed at Port aux Basques and hospitals are under construction at Clarenville, Bonavista and Burin. A new Constabulary building is under construction at Labrador City, and an adult correctional centre is nearing completion at Happy Valley in the district of Naskaupi.

Mr. Speaker, while these are some of the larger projects that my department is managing, there are other projects as well, and I am attaching a list of our current capital works projects which have been tendered thus far in this fiscal year. I think you will find these very interesting and informative.

MR. YOUNG: In conclusion, Mr. Speaker, may I say with considerable pride that my department is honoured and proud to be the instrument of government to carry out this extremely important and valuable contribution to our economy and to the social needs of our Province.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Russell): The hon. the Leader of the Opposition.

MR. NEARY: Mr. Speaker, I have here in my hand a Ministerial Statement that was delivered to my colleague, the member for Eagle River (Mr. Hiscock), between a week and ten days ago, and it is only now that the hon. -

MR. YOUNG: (Inaudible).

MR. NEARY: - delivered and I just took it out of his drawer there now -

MR. SPEAKER: Order, please!

MR. NEARY: - delivered a week or ten days ago by the hon. gentleman, Mr. Speaker, who obviously could not get psyched up a week or ten days ago to make this statement.

MR. BAIRD: Clean out his drawers again.

MR. NEARY: Mr. Speaker, we have something new now in the House today -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. NEARY: - a Ministerial Statement delivered, and I presume it was delivered to the press too as well as to my colleague but obviously it did not get any mileage and now the hon. gentleman is trying to prop himself up because they are smarting -

MR. YOUNG: On a point of order, Mr. Speaker.

MR. SPEAKER (Russell): Order, please!

The hon. Minister of Public Works and Services on a point of order.

MR. YOUNG: Mr. Speaker, I did deliver that copy of the Ministerial Statement to the hon. member and something happened that day and I did not deliver it, and the hon. member has not been in the House since. So I was waiting for the hon. member to come back and he has not been back since last week.

MR. NEARY: Mr. Speaker, that is not a point of order. My colleague has been in the House since. Even if he was not in the House, Mr. Speaker, does it take ten days for the hon. gentleman to get himself psyched up enough to make this silly, foolish statement that he just made to try to leave the impression that they are doing something, when, in actual fact, what the people of this Province are demanding are plans as to how the administration intend to deal with the economy and the horrible financial mess that this administration has gotten the Province into?

MR. SPEAKER: To that point of order, I have to rule that the hon. Minister of Public Works and Services did not rise on a valid point of order.

ORAL QUESTIONS:

MR. SPEAKER (Russell): The hon. the Leader of the
Opposition.

MR. NEARY: Mr. Speaker, I would like to direct
a question to the Acting Minister of Justice, since I notice the
minister has not been in his seat for a week or ten days now,
Could the hon. Acting Minister of Justice inform the House
if the police have succeeded yet in recovering eleven hand
guns that were stolen from the Plymouth Building about a week
or ten days ago? Could

MR. NEARY: the hon. gentleman tell the House if they have had any success in recovering these guns?

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

MR. MARSHALL: Mr. Speaker, the matter is still under investigation and up to Friday they had not recovered the guns.

MR. NEARY: Mr. Speaker.

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

MR. NEARY: Mr. Speaker, a supplementary to the hon. gentleman. Would the hon. gentleman inform the House as to what kind of guns they were that were stolen?

SOME HON. MEMBERS: Hand guns.

MR. NEARY: Well, I am asking the minister to tell the House if they were all hand guns, because I understand there were a variety of guns in this particular building. Would the hon. gentleman confirm that they were all hand guns and not rifles, Mr. Speaker?

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

MR. MARSHALL: Mr. Speaker, my understanding is that they were all hand guns.

MR. NEARY: Mr. Speaker.

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

MR. NEARY: A supplementary, Mr. Speaker. Would the hon. gentleman inform the House where these guns came from? How did the government come into possession of these guns in the first place? Were they seized by the courts as a result of infractions

MR.NEARY: of the wildlife regulations in this Province? Or, Mr.Speaker, were they getting ready to send them to the IRA over in Ireland? Would the hon. gentleman tell the House where these guns originated from in the first place?

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

MR.MARSHALL: Mr. Speaker, on a serious matter like that I can verify for the hon. gentleman that they did not come from the IRA. The situation with respect to them,where they first came from,I would like to be take notice of that and I will respond to the hon gentleman later on today when I get the exact information as to where the guns came from.

MR.NEARY: Mr.Speaker.

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

MR.NEARY: Mr. Speaker, a supplementary. Would the hon. gentleman tell us precisely where these guns, these firearms were stored and who had possession of the office in which they were stored?

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

MR.MARSHALL: They were stored in a building under under governmental control down on Plymouth Road.

MR.NEARY: Mr. Speaker.

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

MR.NEARY: Mr. Speaker, I asked the hon. gentleman to tell the House who had the space rented? Was it the Justice Department , was it the Department of

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MR. NEARY: Public Works? Under whose jurisdiction, whose charge were these firearms placed? Who was in charge?

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

MR. MARSHALL: Mr. Speaker, I want to be accurate in my responses. Under which particular department it was is something I was not privy to and I will check that as well and give the answer to the hon. gentleman.

MR. NEARY: A supplementary question, Mr. Speaker.

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

MR. NEARY: Would the hon. gentleman confirm for the House that these rifles were placed in an office -

MR. WALSH: Hand guns.

MR. NEARY: No, rifles, and firearms.

I will come to the question about why they took the hand guns.

Would the hon. gentleman confirm that the space was rented by the Lottery Licencing Committee under the Department of Justice? Would the hon. gentleman tell us if that is so, that these firearms were housed in an office that was rented by the Lottery Licencing Board?

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

MR. MARSHALL: Mr. Speaker, as I told the hon. gentleman, I will look into that and I will have an answer for him before the sitting rises this afternoon.

MR. NEARY: Okay, that is fine, Mr. Speaker. A supplementary, then.

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

MR. NEARY: Would the hon. gentleman tell the House what security measures were implemented to protect these firearms? Were they just locked in an office

MR. NEARY: down in the Plymouth Building?
Was there any security? Was there anybody looking after these firearms? Mr. Speaker, would the hon. gentleman give the House that information?

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

MR. MARSHALL: Yes, Mr. Speaker, I will certainly give the House that information, but I want to be quite accurate in what I say in response to a question of that nature, and I am sure the hon. gentleman would appreciate that. I will get him that information.

MR. NEARY: Mr. Speaker.

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

MR. NEARY: Yes, Mr. Speaker, I would appreciate that. This is a very serious matter. We have eleven hand guns in the hands of somebody on the loose.

MR. WALSH: Firearms.

MR. NEARY: No, eleven hand guns.

Let me ask the hon. gentleman this question as a supplementary.

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

MR. NEARY: Is it correct that there were a large number of firearms in this particular office but that the culprits only took the hand guns and left the other firearms behind?

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

MR. MARSHALL: Mr. Speaker, I said I will get the details and I will advise the hon. gentleman and the House this afternoon as once again I emphasize the fact before giving answers of this nature, I want to be accurate in the information that is conveyed.

MR. NEARY: Mr. Speaker.

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

MR. NEARY: That is fine, Mr. Speaker, as long as we get all the information, the answers to the questions that I am asking the hon. gentleman.

Would the hon. gentleman find out, if he cannot answer me directly now, if the firearms that were left behind by the culprits have now been moved to a safer place? Because I understand that the office was broken into twice in a ten day period. From December 7 up to December 17, a ten day period, the office was broken into twice. And I want to find out from the hon. gentleman after the first time what security measures were taken by the law enforcement officers and if the eleven hand guns were stolen the first time the office was broken into or did they come back and have a second go to get eleven hand guns that they stole?

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

MR. MARSHALL: I will take notice of that, Mr. Speaker.

MR. NEARY: Mr. Speaker.

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

MR. NEARY: Mr. Speaker, also I hope the hon. gentleman has made note of the question that I asked about the

MR. NEARY: security for the building and the office where these firearms were stored.

Now, Mr. Speaker, I would like to also ask the hon. gentleman if the members of the Newfoundland Constabulary and the RCMP have been notified. I presume this is just a routine matter of notifying the law enforcement officers that these eleven hand guns are stolen. I understand the culprits put them in a mail bag and walked off with them. Have they been notified, have they been given the serial numbers and so forth and is there a province-wide search going on for these hand guns?

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

MR. MARSHALL: Mr. Speaker, that I can reply to directly: Of course we are aware of the fact that this theft took place, and I do not want to give precise details without as I say, being completely accurate in what I am saying. We were aware immediately as soon as the hand guns were taken, and I can say that the matter is under intense investigation now by the police authorities.

MR. MARSHALL: My last information, which was on Friday, was that the investigation was continuing. I will get an up-to-date report on it as soon as I get an opportunity after the House is over to check with the Deputy Minister of Justice and the Associate Deputy.

MR. NEARY: Well, a final supplementary, on this matter, Mr. Speaker.

MR. SPEAKER (Russell): The hon. Leader of the Opposition.

MR. NEARY: It seems it is a very serious matter indeed. But what is more serious and frightening is the fact that these firearms were left in an office, the door was locked and that somebody was able to open the door with a crowbar. Would the hon. gentleman tell the House why this happened? Why were there so many firearms put in a building where there was very little or no security? Why did this happen in the first place? Did not the Justice Department or the law enforcement people or the courts, or whoever was responsible for these firearms, why not take the necessary security to see that these firearms were protected and that they would not get into the wrong hands?

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

MR. MARSHALL: Now, Mr. Speaker, you know, very often the hon. gentleman's questions become reported from time to time as statements of fact, 'Mr. Neary asked this,' and, you know, consequently it is taken as a statement of fact. And I would certainly not say the details of the question the hon. gentleman is asking - his interpretation of it is his interpretation. - I am not saying that all of the questions that he has asked lacked some substance about some of the things he mentioned. But I think in some of the cases the hon. gentleman may, you know, be possibly overstating the situation. I do not know. All I can say to the hon. gentleman is if he wants to continue the line of questioning, that is his own prerogative. But I will look into the situation. We knew there

MR. MARSHALL: had been a theft of hand guns, it is being investiaged by the police. It occurred in the building on Plymouth Road. Yes, it is subject now to intense investigation. As to the other situation, from whence the place was rented; you know, what security arrangements had been in effect, and the other questions that the hon. gentleman mentioned, I certainly undertake to the House that I shall secure the information and I will give it to the House as soon as I receive it.

MR. NEARY: A final supplementary then, Mr. Speaker.

MR. SPEAKER (Russell): Supplementary, the hon. Leader of the Opposition.

MR. NEARY: Mr. Speaker, the hon. gentleman will recall that I did not make a statement of fact, I said, 'as I understand it', and the hon. gentleman can confirm or deny. This is Question Period, and when I put questions to the hon. gentleman they are not in the form of statements they are in the form of questions. But I would like to ask the hon. gentleman if he will make a full and comprehensive report on this matter before this day is over, stressing the security aspect of it. Because I am at a loss to understand, Mr. Speaker, why so many firearms could be locked in a office with little or no security. I would like for the hon. gentleman to address himself to that question when he brings the information into the House. And I hope the hon. gentleman will be able to do it before this day is over.

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

MR. MARSHALL: Mr. Speaker, certainly I will make as full and comprehensive a statement as I possibly can. I know the Leader of the Opposition (Mr. Neary) would not wish me to give out details that might be privy of the Department of Justice through the police investigation that could impede the investigation. But certainly with respect and to the extent that we can give full information without impeding that investigation of it, we most certainly shall.

MR. WARREN: Supplementary, Mr. Speaker.

MR. SPEAKER: Supplementary, the hon. member for Torngat Mountains.

MR. WARREN: Mr. Speaker, I have a question for the Minister of Health. I understand that the Progressive Conservative Party in Ottawa has verbally, at least, showed support to the new bill that was brought in by the Minister

MR. WARREN: of Health and Welfare about abolishing hospital user fees. Could the Minister of Health (Mr. House) advise the House if the government he is part of does agree with the new bill that was brought in in the House of Commons?

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

MR. HOUSE: Mr. Speaker, the new act is tabled in the House of Commons. It has been supported, but I think he understates what has been supported. The bill has been supported, I guess, in its totality, it is not just the user fee aspect of it. And I have not given the official response of government but the government's stance of course, at this point in time, is that there are two or three aspects of it that we disagree with. First of all,

MR. HOUSE: the aspect that the Province's flexibility is taken away is one, and we take objection to a level of government that brings in a statute to tell us how to govern the Province when that particular government has something like a \$30 billion deficit last year. It is very easy, Mr. Speaker, for anybody to get up and support the kind of statements in that particular act if they have not got the responsibility of delivering a health care programme. For the hon. members' benefit, I will just state that the act, if it is accepted as stated by the minister, Monique Begin, we have got until next year to look at it, that is next April, and we will be just doing that. I might point out that we are going to be meeting now with our federal counterparts sometime in the middle of January to see what action can be taken.

MR. WARREN: Mr. Speaker.

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

MR. WARREN: Mr. Speaker, a supplementary to the minister. Could the minister advise the House roughly how much money has been collected in this Province during the past twelve months in hospital user fees?

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

MR. HOUSE: Mr. Speaker, there is a number of kinds of user fees. The one I think the objection is to is the five dollars per day. There is another kind of user fee where it is for semi-private rooms and that sort of thing, and these are usually covered by insurances. So we are looking at approximately \$1 million coming in from the user fee of five dollars per day. I want to point out to the House of Assembly that this is five dollars per day for a maximum of fifteen days in any one illness, and we have exemptions for old people who are on long-term

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MR. HOUSE: welfare, or anybody on welfare for that matter, and senior citizens and anybody else who has a struggle can demonstrate it is difficult. One of the things I have said often, too, is that it is not an onus on people when they can live more cheaply in hospital - just five dollars a day - than they can at home.

MR. WARREN:

Mr. Speaker.

MR.SPEAKER (Russell): The hon. member for
Torngat Mountains.

MR.WARREN: Mr. Speaker, for the
minister to make such a statement, they could live more
cheaply in hospital than they can at home, surely to
goodness the minister is not saying that people go in
hospital to live cheaper? Mr. Speaker, my final
supplementary to the minister is would the minister
consider, particularly if the new Health Act is
passed in the House of Commons- well, then probably the
minister would have no choice- but would the minister
consider, before he is placed in the corner by the federal
government, would he consider dropping the hospital user
fees in this Province?

MR.SPEAKER: The hon. Minister of
Health.

MR.HOUSE: Mr. Speaker, whatever comes
to pass will come to pass when the legislation is promulgated,
when it is brought in, when the regulatory aspects are given.
For instance, it does not say in the Act what fees will be
allowed, all that is going to be done by regulation, and
we have to wait and see what is going to happen there
in that respect. One of the things that I have been
saying, Mr. Speaker, is that I am afraid that by impeding
any province's ability to raise funds,
it could be to the detriment of health care in Canada.
Now I have said a number of times we have an ambulance
programme that makes hospitals more accessible to people.
That is an aspect of Medicare that I think is very
important, getting people to hospital, yet that is not
covered under Medicare. I have an amendment
to an act here right now which is going to cost \$1 million
a year for making optometry an insurable service. It is
not mandatory, the federal government does not

MR.HOUSE: help pay for it, but we think it is important, So, Mr. Speaker, if we have to cut down on the kind of little user fees we got, it could impede our delivery of health care programmes-

SOME HON.MEMBERS: Shame, shame!

MR.HOUSE: -some that are very important to the hon. member's district, when people can fly from Nain to the major hospitals in the Province without cost. And that is the Province doing that, Mr. Speaker. So we will not be taking any action about cutting out any user fee at this point in time. We will be looking at what transpires in the next three to four months and we will make our decision once we have discussed it with the federal people and we have taken every step we can to see what can be done with our counterparts in the rest of Canada.

MR.NEARY: Mr.Speaker.

MR.SPEAKER (Russell): The hon. Leader of the Opposition.

MR. NEARY: Mr. Speaker, I would like to direct a question to the Minister of Transportation (Mr. Dawe). Would the hon. gentleman agree to table in this House any agreements , correspondence, or letters, all the details in connection with the Green Bay ferry fiasco? Would the hon. gentleman table all the pertinent items in this hon. House?

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

MR. DAWE: Mr. Speaker, the Leader of the Opposition continues to ask the same questions, and I will continue to give the same answers. Reference in the Auditor General's report was answered by my department in the departmental responses. Any further action that will be taken on that particular matter will be taken up by Public Accounts Committee, at which time all the necessary documents and information can be made available.

MR. NEARY: Mr. Speaker.

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

MR. NEARY: Do I understand the hon. gentleman correctly that he is refusing to give this information to the House? Mr. Speaker, the House supersedes everything else. The House is the highest court in -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. NEARY: This House is the highest court in the land, and the Public Accounts Committee is only a committee of this House. Now is the hon. gentleman refusing to table all of the documentation that I asked for in connection with this Green Bay fiasco in this House?

MR. SPEAKER: The hon. Minister of Transportation.

MR. DAWE: Mr. Speaker, as it relates to the Public Accounts Committee, it is very much a part of this House of Assembly and the information and the report from the Public Accounts Committee is always tabled in this House. I am indeed

MR. DAWE: not refusing to table the information, but I indicated to the hon. member before that there is a process in place whereby that information can be made available and that will be done in due course, I am sure.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: Mr. Speaker.

MR. SPEAKER (Russell): The hon. Leader of the Opposition.

MR. NEARY: Mr. Speaker, I have to disagree with the hon. gentleman. I know I cannot debate the matter, but the fact of the matter is that the process in place is this House. Now let me ask the hon. gentleman, Mr. Speaker; the other day, I believe it was on Friday, the Premier scooted outside of this House and released a bit of information that apparently is backfiring on him, he thought it was going to set the world on fire. Now, Mr. Speaker, we are prepared to have a Royal Commission of Inquiry into that matter that the Premier -

AN HON. MEMBER: You are, but we are not.

MR. NEARY: No, I know you are not.

MR. SPEAKER (Russell): Order, please!

MR. NEARY: Mr. Speaker, we are prepared to have that matter included in any Royal Commission of Inquiry that the administration may set up, if the hon. gentleman has the courage to ask for a Commission of Inquiry and send for documents and witnesses in connection with this matter.

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

MR. DAWE: Mr. Speaker, I am not sure there was a question there but I would like to point out that on a number of occasions last week the hon. member opposite refused to ask the Premier a question. As a matter of fact, Mr. Speaker, all day on Friday he refused to ask a question at all as it related to the ferry operations. It seems to me that the member again is carrying on his practice of asking questions when the Premier is not here again today. So I suppose when the Premier gets back he will drop the ferry situation again. It seems to me, Mr. Speaker, that the hon. member is afraid to ask questions when the Premier is here.

MR. NEARY: Mr. Speaker.

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

MR. NEARY: Mr. Speaker, I was not afraid to ask for a Royal Commission of Inquiry one time in this House, and the hon. administration there opposite have had inquiries on everything, including a television set.

MR. NEARY: Why not have an inquiry into the \$1.6 million of taxpayer money that was squandered and wasted? And it is not my fault the Premier is not in his seat. If he has nothing to hide and he does not fear anything, let him set up this Commission of Inquiry to examine this matter. Mr. Speaker, why not have a Commission of Inquiry? Why is the hon. gentleman refusing to have a Commission of Inquiry into this matter?

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

MR. DAWE: Mr. Speaker, it is very simple. In my opinion, being the minister responsible for the department, having looked at all the documentation that has gone on in this matter, I see no evidence of any wrongdoing, Mr. Speaker, as it relates to this whole issue. If I do not see any evidence of wrongdoing, I do not see any need for any kind of an inquiry past the one that is already being done by the Auditor General and will be done by the Public Accounts Committee.

MR. NEARY: Mr. Speaker.

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

MR. NEARY: Let me say to the hon. gentleman that nobody is accusing the administration of any wrongdoing or anybody else of any wrongdoing. What we are saying to the hon. gentleman is that the Auditor General said that this \$1.6 million that was paid out could have been avoided.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. NEARY: Now, Mr. Speaker, my understanding is, and I want the hon. gentleman to tell me this: Was there money paid out for operating subsidies and for operating expenses and for the annual refit of the Green Bay Transport II

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MR. NEARY: while the ferry was idle
during that two and one-half years?

MR. WARREN: Yes or no.

MR. NEARY: The hon. gentleman has to say
yes or no, Mr. Speaker. the hon. gentleman

MR. NEARY:

can go to the red book all he wants. What I am asking the hon. gentleman to tell the House was there any operating expenses paid out, was there any operating subsidies paid to the ferry owner and were there any monies paid out for refits during the time, two and a half years, when this ferry was idle?

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

MR. DAWE: Mr. Speaker, I think I will be the judge of whether I answer yes or no to any of the hon. member's questions. As it relates to this particular question that he has asked again for about the fifth or sixth time, I will answer it in the same manner. If the hon. gentleman will look at page 42b - another indication, Mr. Speaker, of something that was fully explained although the hon. the member refused to accept the explanation of why the pages were so numbered - the answer is there, Mr. Speaker. Anything further than that, I am sure will be brought out in any subsequent information thought necessary by the Public Accounts Committee.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: Mr. Speaker.

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

MR. NEARY: Mr. Speaker, let me direct a question to the hon. the Minister of Finance (Dr. Collins) who, under the Financial Administration Act in this Province, is responsible for seeing that money expended by the public treasury is paid out legitimately, not paid out improperly, and there is no squander or waste. Would the hon.

MR. NEARY: gentleman tell the House, because of the matter that has drawn so much attention by the Auditor General in the Auditor General's report, what action the hon. the Minister of Finance (Dr. Collins) has taken to recover all of this money or part of the money that was paid to the owner of that ferry, Mr. Speaker, to quote the Auditor General, 'A situation that should not have happened

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

DR. COLLINS: Mr. Speaker, these expenditures were effected through the Department of Transportation. When a department is processing expenditures, the Comptroller General of the Province has to satisfy himself that the expenditures are within the mandate of the department and there are funds allocated by this House for that purpose and there are funds present in the account for that purpose. My understanding is that all of these matters were satisfactory to the Comptroller General so there is no requirement on me to set up any particular investigation into the matter. Now granted the Auditor General raises some questions on the issue and this House put in place a mechanism whereby such questions could be processed. That mechanism is to report to this House what the Auditor General feels he has some concerns about,

DR. COLLINS: this House then transfers those concerns to a special committee set up by this House, the Public Accounts Committee; the Public Accounts Committee is given the instructions and the mandate to carry out a thorough investigation into all aspects of the Auditor General's concerns and then to report back to this House. And with all that mechanism in place, I certainly do not feel that the Department of Finance, at this point in time certainly, has any role to play in carrying out another investigation.

MR. SPEAKER (Russell): The hon. the Leader of the Opposition.

MR. NEARY: Mr. Speaker, obviously hon. gentlemen there opposite do not understand how the system works. This House supersedes everything else. This is the highest court in this land. And the hon. gentleman now is abdicating his responsibility and shirking his responsibility and throwing it off on the Public Accounts Committee, Mr. Speaker. The taxpayers, I tell you, of this Province, have a lot to be concerned about with that kind of arrogance and attitude on the part of the administration.

Now would the hon. gentleman tell the House if the Comptroller of the Public Treasury was aware that Treasury Board had advised the Lieutenant-Governor in Council not to go ahead with this proposal, that the previous Minister of Transportation had advised not to go ahead with this proposal, and that the Justice Department had advised the Lieutenant-Governor in Council to go to arbitration? Was the Comptroller of the Treasury aware of these facts at the time the \$1.6 million was paid out to Mr. Wilbur Weir?

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

DR. COLLINS: Mr. Speaker, the hon. member is making certain statements drawn from his interpretation of the facts. I am not going to comment on it at this stage. I think that he undoubtedly will have the opportunity, and I am sure he will take it up, to put the same interpretation to the Public Accounts Committee when it sits, and I think that that is the proper mechanism in place at the present time.

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

MR. WARREN: Mr. Speaker, I have a question for the Minister of Education (Ms. Verge), I understand during the past school year there have been some 100 or more teachers brought into Newfoundland from other parts of Canada and other parts of the world, Could the minister advise what was the necessity of bringing extra teachers into the Province. Are they some specialized teachers that we need in this Province?

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

MS. VERGE: Mr. Speaker, the collective agreement between the employers of teachers, namely, school boards and the provincial government, with the NTA as the representative of individual teachers, contains a local preference clause saying that preference has to be given to residents of Newfoundland and Labrador in hiring teachers to staff this Province's schools. Now, as I assume all hon. members remember, there was an increase in the number of teaching positions across this Province from the last school year to the present year of about 500 - the total number of teaching jobs increased from 8,000 to 8,500 - and that put a strain on the resource of qualified teachers. There has been a shortage of qualified specialists in certain fields and these include physics, chemistry, some types of special education for students with particular handicaps or special problems, industrial arts, home economics, art and music. And without being able to cite specific statistics, although I can get accurate data with a couple of hours notice, I can give my general impression that school boards have only had to recruit people from outside this Province for some of these specialities for which we are short native resident specialists. And also I understand that school boards which have in their districts small, isolated communities, and these would include communities in the hon. member's district of Torngat Mountains, have had difficulty recruiting Newfoundland and Labrador residents and have had to look beyond the boundaries of our own Province.

MR. SPEAKER:

Order, please!

Time for Question Period has expired.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER (Russell): The hon. Minister of Public Works and Services.

MR. YOUNG: Mr. Speaker, in accordance with Section 21 of the Pippy Park Commission Act, I have the pleasure of tabling the annual report for 1982-83.

PRESENTING PETITIONS

MR. SPEAKER: The hon. member for Eagle River.

MR. HISCOCK: Mr. Speaker, on behalf of the residents of the community of Pinsent Arm in the district of Eagle River, Pinsent Arm, like Norman Bay in the district of Eagle River, have the distinction of being the only two places in the Province that do not have electricity provided them by Newfoundland and Labrador Hydro. Under the regulations of Newfoundland and Labrador Hydro you need to have fifteen hook-ups. Now they have changed this, and instead of just having fifteen hook-ups, they say you have to have fifteen residential hook-ups. There are over fifteen hook-ups in the community but not necessarily residential - there are about twelve. They have a school which, I may say, is a disgrace to this Province; two teachers teaching in one classroom,

MR. HISCOCK: from Kindergarten to Grade X.

We also have in that community no water or sewerage, no postal delivery. The prayer of the petition is quite simple: "We petition the Government of Newfoundland and Labrador to have Newfoundland and Labrador Hydro install diesel power into the community of Pinsent Arm", and it is signed by the residents of that community.

Mr. Speaker, there is also a fish plant in that community which looks after the processing of salmon and cod from all over the region, and it provides employment for up to about thirty people. Here they want the basic things for society and they cannot get it. There is a letter of support from the Public Health nurse in that area and she points out that under The School Act of 1970, Section A, subsection (d) page 14, "Subject to this act Regulations of every school board shall (d) provide safe drinking water, adequate sanitary facilities, and proper lighting, heat, ventilation and cleaning for the schools under their control". Without electricity it is very difficult if not impossible to meet these standards.

She also says that in the community of Norman Bay and Pinsent Arm an extensive hygiene programme has been compiled and will be started when the travelling conditions permit regular visits. The addition of a generator could run a jet pump and electrical washing machines which would not only improve conditions in the schools but also in the homes and enable us to get at the root of this problem. Proper lighting in school would eliminate another problem, and that is visual strain. Oil lamps are of little benefit on dark days and at night, and of little help when working close to lamps.

Mr. Speaker, you would never think by the way this government gets up and talks about all of its programmes that they have ongoing, building a

MR. HISCOCK: new extension to Confederation Building, building an Arts and Culture Center in Labrador City, when they need further employment. They provide a rent-free apartment for our Premier, and here we have children and people in our districts, citizens of Newfoundland and Labrador, who do not have even the basic necessities. I think it is a crime. I think it is a gross oversight on the part of this government. I cannot understand in all honesty in this season of Christmas that is now coming, when we talk about equality and we talk about sharing and the greatest gift is giving, how this government knows one thing and one thing only, and that is taking from the taxpayers of this Province and giving back very little in return. And, as I said, the community of Pinsent Arm is self-sufficient. There is no one there on welfare. They provide employment for people from other communities who come into that area. They are twelve miles from Charlottetown, so they could have a power line extended overland from Charlottetown to Pinsent Arm and when the people in Charlottetown move out to

MR. HISCOCK:

Square Islands and other areas, the generating of electricity is already taking place in the plant in Charlottetown and could help equalize their plant there, with which they have a problem in the Summer. But no, Mr. Speaker, this government will get up now and talk about the Upper Churchill contract and say, 'If we had that straightened out, then the people in Norman Bay and Pinsent Arm would get their generator.

Mr. Speaker, we do not want to go back into the past but one thing about the communities of Pinsent Arm and Norman Bay is that they are in the past, they are back in the Dark Ages. And for people to have to do a full day's washing on a scrubbing board in this day and age, and not to have refrigeration to keep their fish and meat for the Winter - they have to rely heavily on a salted food diet. I think it is about time that the government of this Province live up to its responsibility and instruct Newfoundland and Labrador Hydro to install - the people of Pinsent Arm and Norman Bay say one thing only - there were about twelve generators on the Northern Peninsula and those communities and Castors River and North were combined into the provincial power grid - that they will even put up with a second-hand generator, and yet Newfoundland and Labrador Hydro and the provincial government even refused this.

The people have been more than patient, more than tolerant, but as I said, Mr. Speaker, their patience is running out and they are becoming extremely cynical about government and its motives in not continuing with the upgrading of services in that area.

I ask that this petition be placed with ministers responsible. Thank you.

MR. NEARY: Are you sure you are talking about Newfoundland?

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MR. HISCOCK:

Yes, unfortunately.

MR. WARREN:

Mr. Speaker.

MR. SPEAKER (Russell):

The hon. the member for

Torngat Mountains.

MR. WARREN:

Mr. Speaker, I rise to support the petition so ably put forward by my colleague, the member for Eagle River (Mr. Hiscock).

Knowing the Labrador Coast, Mr. Speaker, as I do, I believe it is just another indication of this government's attitude towards the people of Labrador.

I am sure, Mr. Speaker, if a fellow were to go out towards Gull Island, a recreational Summer resort for a lot of St. John's Townies, he would notice that there are hydro poles, that the Newfoundland Hydro Commission is ready to install hydro facilities for a bunch of St. John's Townies who want to have Summer cabins out on the Hodgewater Line. I would think, Mr. Speaker, they should first make sure that full-time residents are given the opportunity of having hydroelectricity, especially when we are aware that there are eight or ten small hydro generators lying idle in some buildings throughout the Province, that are not being used. And surely, the minister responsible for Energy in this Province (Mr. Dawe), if he cannot win the battle for the offshore with Ottawa or the battle over the Upper Churchill, the least he can do is win the battle for the people of Norman Bay and Pinsent Arm. It would not

MR. WARREN: be a very big battle for the minister to fight. There would be approximately fifty people in the two communities, all told. The minister is probably going to put out a search warrant looking for the guns that were stolen, so why does he not put a search warrant out and look for four or five, or even one of those four or five or ten generators that are lying idle throughout the Province, and give the people in Pinsent Arm and the people in Norman Bay the opportunity of having electricity in their homes. Christmas is just around the corner and surely goodness - we all know it is going to be too late for this Christmas, so the people in Pinsent Arm and Norman Bay will have to continue as they have been for the past number of years. Surely goodness the minister should take every consideration in responding to those two petitions. The hon. member presented a petition, I think it was about a week or so ago on behalf of Norman Bay, and it was basically the same petition as this one from Pinsent Arm. All we are asking for are two generators. I am sure the cost would not be nearly as exorbitant as the waste that has been going on in this government over the past number of years. I support the prayer of the petition, Mr. Speaker.

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

MR. MARSHALL: Mr. Speaker, the answer to this petition is the same as the answer to the other one: I can certainly support this petition. We would like to see the people of Pinsent Arm get electricity and they will get electricity as soon as possible. But unfortunately what it all comes down to is a matter of dollars and cents. I am not going to regurgitate what

MR. MARSHALL: I said with respect to the other petitions except to say that we will do our utmost with respect to bringing these services there as soon as possible, But it comes down to dollars and cents. The only thing that I will observe is the hon. member for Torngat Mountains (Mr. Warren) who indicates when he said they may lose the battle for the offshore, and they may lose the battle for the hydro, but they can find the money so surely they can look after the people in Pinsent Arm. That is what the whole problem is all about. You cannot just manufacture money, and when we get our rights, and we get the rights to our resources, we will be able to provide these needs and other needs much more fully and much better.

AN HON. MEMBER: Hear, hear!

MR. SPEAKER (Russell): Are there any other petitions?

ORDERS OF THE DAY

MR. SPEAKER: The debate last day was adjourned by the hon. Leader of the Opposition.

MR. NEARY: Mr. Speaker, what we have in front of us now is a bill, Bill No. 62, "An Act Respecting Certain Powers Of Appointment". I hesitate to have to do this again, Sir, to remind the House that here we are six or seven days before Christmas Day debating a bill that will put more authority in the hands of hon. gentlemen there opposite who could not ever run a bull's-eye shop, Mr. Speaker. Now, if we were debating five or six or seven days before Christmas Day a bill to try to remedy and correct the terrible state of the Newfoundland economy, or to deal with the incredible mess that the Minister of Finance (Dr. Collins) has gotten the Province in, or if we were dealing with measures and plans or policies

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MR. NEARY: to create jobs for
Newfoundlanders who are unemployed, especially young
Newfoundlanders, then we would not mind staying here
until Christmas Day. But what we are being forced to
debate, Mr. Speaker, is a silly bill that will remove the
authority

MR. NEARY:

from the Cabinet on the eight floor of Confederation Building and delegate more responsibility and more authority to ministers. Now, Mr. Speaker, the situation at the present time is that these ministers cannot cope or handle what they already have, let alone give them more authority. The other day I went up and down the benches there and showed the House beyond any doubt, Mr. Speaker, the incompetent ministers that we have across the way in the administration, but what is even more serious than that is the type of situation we saw develop today with the Minister of Finance (Dr. Collins) and the Minister of Transportation (Mr. Dawe) when they thumbed their noses at this House, they just shrugged their shoulders and said 'We do not have to provide any information any more to this House because we have a Committee of the House that will deal with it.'

MR. CARTER:

That is rubbish.

MR. NEARY:

It is not rubbish. That is what the Minister of Finance and the Minister of Transportation told the House today.

So, Mr. Speaker, what we have seen in the last two or three years in this Province, we have seen a continuous erosion of the authority and the powers of this House and the powers of the Cabinet. The authority has now been put out into the board rooms of various government buildings scattered throughout the city. Mr. Speaker, we have seen the same thing happen with the authority of the Cabinet. They are chipping away at the power of the House and the power of the Cabinet, they are gradually breaking down the system; ultimately they will destroy the system completely and then we will have a real, true dictatorship in this Province. We are getting closer

MR. NEARY: to that. With every bill they bring into the House, Mr. Speaker, we are getting closer to a real dictatorship in this Province. At least when appointments are being made by the Cabinet people have a fighting chance that somebody around that table, one out of the eighteen, or a couple out of the eighteen may have sense enough and their conscience may not allow them to go along with the blatant political appointments that we have seen in this Province in the last couple or three years. But the way they are going to do it now, under this bill, Mr. Speaker, they are going to, first of all, speed up the process for making political appointments and they are going to delegate the authority, in a good many cases, to the minister. They are going to give the minister a free hand to make his own appointments. Now, Mr. Speaker, as I said the other day, can you imagine this House giving the authority to the likes of the Minister of Public Works (Mr. Young) to let contracts, enter into agreements and make appointments?

The Minister of Public Works sent over a Ministerial Statement ten days ago to my colleague, the member for Eagle River (Mr. Hiscock), and then put it in his drawer and forgot about it for a week to ten days. He did not have the courage to get up

MR. NEARY: and make the statement. He could not get himself psyched up enough to make the statement.

MR. CARTER: When you were there, 'Joey' did it all. Look at the job he made of it.

MR. NEARY: Mr. Speaker, I can only ask the hon. gentleman again -

MR. CALLAN: MHAs announcing new Canada Works projects.

MR. NEARY: The member for Carbonear (Mr. Peach) out today announcing a Liberal make-work programme. The Minister of Fisheries (Mr. Morgan) was at it the other day.

SOME HON. MEMBERS: Oh, oh!

MR. CALLAN: And the member for Port de Grave (Mr. Collins) was at it.

MR. NEARY: They must have B shift on today. The member for Port de Grave is in his seat today for a change. They have the shift system going over there now.

MR. CARTER: You have the shift system.

MR. NEARY: This is B shift today we have here with us, Mr. Speaker. When they said "Admit strangers" today, the member for Port de Grave walked in the House.

MR. WARREN: And the member for St. Barbe (Mr. Osmond).

MR. NEARY: If the weather was fine we would not have the member for St. John's North (Mr. Carter) here, Mr. Speaker. He would be up in the savoury patch. Then you look across the way, the Minister of Social Services (Mr. Hickey) now will be able to make appointments under this act, just to single out two ministers over there.

The hon. gentleman who has done the hatchet job on the expansion to the senior citizens home in Gnader, he has been given a deadline of Wednesday to take the federal government up on their offer to expand that home for over \$1 million or they are going to lose it.

MR. CALLAN: And get money for the other three as well.

MR. NEARY: Mr. Speaker, that is the kind of individual, the kind of minister that, if this House approves this bill, we will be putting authority to make appointments in the hands of a couple of ministers of the calibre that I just mentioned - ignorant incompetents.

MR. CARTER: They should not have any power at all.

MR. NEARY: No, they should be stripped of their power. The hon. gentleman got flung out of the Cabinet in the Moores' years for insulting one of the denominations in this Province, Mr. Speaker.

MR. CARTER: That is a lie. That is a lie.

MR. NEARY: Your Honour heard that statement. I ask that Your Honour direct the hon. gentleman to withdraw his statement. He made it twice.

MR. SPEAKER (Aylward): Order, please! I will check Hansard. I did not hear the statement that any hon. member made. I will check Hansard and see what was in it, if there are unparliamentary remarks, they will be asked to be withdrawn.

MR. NEARY: Well, could we have a recess for a few minutes while Your Honour researches Hansard? It is a very serious matter in this House, Mr. Speaker, to be called a liar.

MR. SPEAKER: Order, please! Order, please! I realize that it is a very serious offence. I will check Hansard and if that is the case the ruling will be made to withdraw it.

The hon. the Leader of the Opposition,
continue.

MR. NEARY: So, Mr. Speaker, we are very concerned about this bill for a couple of reasons. We are concerned about it because this is not the type of legislation that one would expect this House to be debating five or six days before Christmas Day. It is an indication of the government's priority. We do not feel that this is a number one priority in this Province at the present time, that there are other matters that affect the everyday lives of Newfoundlanders and Labradorians that rate a higher priority than delegating more power and more authority to ministers.

Mr. Speaker, we have the highest taxes in the whole nation. We have record unemployment. The economy is in a mess. Chaos in the fishing industry. Only the other day, I believe it was the day before yesterday, the people of Burgeo demonstrated, 600 people turned out in a march trying to find out when their fish plant is going to open. Down in Trepassey they are concerned, they want a meeting with the Premier to try to determine if their plant is going to open or if it is just going to be a seasonal operation.

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

MR. SPEAKER (Aylward): A point of order, the hon. the President of the Council.

MR. NEARY: I know, he is going to tell me now, Mr. Speaker, that I am irrelevant.

MR. MARSHALL: The hon. gentleman is irrelevant, Mr. Speaker. What is more important to it is that what the hon. gentleman is saying is irrelevant to this bill, which is relating merely to the delegation of authority to ministers to make certain, what amounts to really, routine appointments, such as notaries public, commissioners of oaths,

MR. MARSHALL: very important both, but members of the Cancer Treatment and Research Foundation, and the Children's Hospital.

MR. SPEAKER (Aylward): To that point of order, I do rule that there is a point of order and I will remind the hon. the Leader of the Opposition (Mr. Neary) of our rule of relevancy.

The hon. the Leader of the Opposition.

MR. NEARY: Mr. Speaker, we would be very happy to support this bill if the administration there opposite would put a clause in this bill stating categorically that any appointments that are made by ministers will be made on an impartial basis, along non-partisan political lines, with consultation with the members in the districts that the appointments are being made. Now, if the hon. gentleman would amend this legislation to say that no politics will be involved in these appointments, Mr. Speaker, he would get our support. But this piece of legislation is wide open for ministers to misuse their authority and to abuse their authority, Mr. Speaker. We have seen more political appointments in recent years than in our whole history.

MR. WARREN: For example, the Egg Marketing Board.

MR. NEARY: All you have to do is look at the Egg Marketing Board, look at the Produce Marketing Board, look at the official handshaker, a former member of this House, a defeated Tory candidate, and you could go on and on, Mr. Speaker. When it comes to political appointments, as I said so often before, this crowd wrote the book. They can even outdo the Duplessis years in the Province of Quebec, and that is saying something.

MR. NEARY: Wacky Bennett would look like a child, a baby compared to this hon. crowd. Now they want to speed up the process. Well, Mr. Speaker, we say no way. We do not care if it is five or six days before Christmas Day, we have a point to make and we are going to make it. They can invoke the shift system over there if they like; we have our shift system on today, too, Mr. Speaker. The fact of the matter is, that if we have something to say about legislation we are going to say it. Mr. Speaker, we would like to see this bill amended to include a clause that any appointments that are made will be made on an impartial basis, they will not be made along partisan political lines, that any citizen of this Province could be appointed to any one of these boards mentioned in this bill.

DR. COLLINS: No one with any political affiliation?

MR. WARREN: No, he did not say that.

MR. NEARY: No. That you would not have to be affiliated with the Tory party, you would not have to be carrying your Tory membership card around in your wallet, Mr. Speaker. That you would not have to show the Tory blue, you would not have to be a part of the blue machine in this Province to get yourself appointed to a board or a commission. Mr. Speaker, that is what we would like to see in this bill, if the hon. gentleman is prepared to amend it.

MR. CARTER: What if dirty are appointed?

MR. NEARY: Why not? Why would the hon. gentleman not put that into the bill?

MR. CARTER: What, dirty Liberals?

MR. WARREN: Yes, if necessary.

MR. NEARY: A political consideration is

MR. NEARY: not one of the qualifications necessary, that you do not have to belong to the Tory party in order to get appointed to one of these commissions, that they be left open for any citizen of this Province, what is wrong with that, Mr. Speaker? Tories, Liberals, NDP, Rhinoceros party - and if we did have a rhinoceros party in this Province, I am sure that is what the hon. gentleman would belong to. Mr. Speaker, I think that is a fair request. Now, why would the hon. gentlemen not get up now, Mr. Speaker, if they are such an administration of integrity and honesty, and they sit over there day in and day out with straight faces and tell us they are,

MR. NEARY: even though we are the only Province in Canada who has an official handshaker, and we have a protocol officer. What else do we have? And we have, Mr. Speaker, a gentleman - I wrote his title down here the other day for the Minister of Education (Ms. Verge), I must have left it down in my office - a supervisor in the Department of Education, the chief Tory Party organizer. A couple of weeks ago a supervisor of the Department of Education -

DR. COLLINS: He is not the chief Tory Party organizer.

MR. NEARY: He is the chief Tory Party organizer he was sent to Terra Nova.

SOME HON. MEMBERS: Oh, oh.

MR. NEARY: The chief Tory Party organizer who is a supervisor in the Department of Education.

MR. YOUNG: He did a wonderful job. He won every polling booth but two, Mr. Speaker.

MR. NEARY: Mr. Speaker, the hon. gentleman does not understand what it is we are talking about here, he does not understand it. You know, that is the kind of minister they want to give more authority to and more power to, Mr. Speaker. Just imagine! Is it not frightening when you listen to what comes from the hon. gentleman's lips? When you look at the hon. gentleman's behaviour and his attitude, Mr. Speaker, would it not frighten you? Is it not frightening? Mr. Speaker, it is frightening, indeed, just to look across at the hon. gentleman, the freeloader. Look at him. Just look at him! They are going to give that hon. gentleman now authority to make appointments, to enter into agreements and to sign contracts, Mr. Speaker. Is that not frightening, Mr. Speaker? That is why we are so concerned about this bill, Mr. Speaker, and that is why we are recommending to the administration, rather than ram this bill through the House now, at the last minute, why do they not agree, Mr. Speaker, to a simple amendment and put in this bill that all of these

MR. NEARY: appointments will not be made along partisan political lines? Why would the hon. gentlemen not agree to that?

MR. HOUSE: What a measure to put in a bill.

MR. NEARY: Why not? I mean, if you are an administration of honesty and integrity, why would you not put it in? Or are you just trying to fool the people, dupe the people of this Province, that your pious words are just from the lips out?

SOME HON. MEMBERS: Oh, oh.

MR. NEARY: Mr. Speaker, I am enjoying the debate going back and forth across the floor here. I could write a very simple amendment if the administration there opposite would accept it, Mr. Speaker, but I am not going to waste my time writing out an amendment and then just have it thrown back at us.

MR. HOUSE: Write out the amendment now. Write out the amendment.

MR. NEARY: Yes, sure, I still have to talk while I am writing, so it is very difficult, and then listen to the hon. gentleman. I would have to do three things at once.

Mr. Speaker, let me see if I can just give it orally. I would like to move the following amendment to this bill, Mr. Speaker, seconded by the member for Torngat Mountains (Mr. Warren): 'Whereas any appointments made under the authority of Bill No. 62 will be made along non-partisan political lines, that you will not have to be a member of a specific political party in this Province to qualify to be appointed to one of these boards or commissions; and be it further amended, Mr. Speaker, that there be prior consultation with the members of various districts where the appointments

MR. NEARY: are being made. Now, Mr. Speaker, these amendments are clear enough, simple enough, even, for the Minister of Health (Mr. House) to understand. I know you can lead a horse to water but you cannot make him drink, Mr. Speaker, but even the Minister of Health should understand these amendments.

MR. HOUSE: The Minister of Health understands you are not government and you never will be.

MR. NEARY: Mr. Speaker, we are members of the House of Assembly and we have rights and privileges.

MR. NEARY:

and we have certain things we can do under the rules of this House. I just moved two amendments to this bill, Mr. Speaker, and I would like for Your Honour to rule whether or not my amendments are in order before I proceed to support my amendments.

MR. SPEAKER (Aylward): Order, please!

With the permission of the House, I will adjourn for one minute to check the ruling on the amendments put forth by the hon. the Leader of the Opposition.

RECESS

MR. SPEAKER: To the point which the hon. the Leader of the Opposition made in moving an amendment to Bill No. 62, I refer him to Standing Order 60, which reads: "Every public Bill shall be read twice in the House before committal or amendment." I would suggest to the hon. the Leader of the Opposition that if he wishes to amend this act, it would be more appropriately done in Committee of the Whole.

MR. NEARY: Mr. Speaker.

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

MR. NEARY: Thank you, Mr. Speaker.

I will put the administration there opposite on notice then, that when we go into Committee of the Whole we will be moving -

AN HON. MEMBER: You will see results then.

MR. NEARY: Yes, I know what the result will be - forty-five against seven. Mr. Speaker, can you imagine two hockey teams out on the ice, forty-five on one team and seven on the other team?

MR. HOUSE: We have a great team. Not only that, there are seven of them opposite and their leader is totally incompetent because he does not even know that he does not govern, it is the government that governs.

MR. YOUNG: And another thing (inaudible).

MR. NEARY: Mr. Speaker, what the hon. gentleman does not know is that it is not the government that makes laws, it is this House that makes laws. That is what the hon. gentleman does not understand. We are in the process of making a law.

MR. HOUSE: Where is your House Leader (Mr. Hodder) who was supposed to be here on Monday?

MR. NEARY: No, we are on the shift system the same as the administration.

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

MR. NEARY: So, Mr. Speaker, there is no point in belabouring the matter any further. When we get the opportunity in Committee of the Whole, we will be making an amendment to this bill to try to eliminate the politics that the administration will play in making these appointments. We will try to eliminate that the best way we can. I know they can outvote us; we are outnumbered, I realize that, Mr. Speaker, but somebody there opposite may get sense enough to realize what is happening here, that authority and power are being delegated to a crowd of ignorant incompetents like the Minister of Health (Mr. House), and the Minister of Public Works and Services (Mr. Young), and the Minister of Social Services (Mr. Hickey).

MR. WARREN: And the Minister of Transportation (Mr. Dave).

MR. NEARY: No, one thing about the hon. gentleman is he is not an ignorant incompetent. Now, he may not understand the system and he may be arrogant and he may be childish and silly but I do not think he is an ignorant incompetent, Mr. Speaker. The only thing the hon. gentleman does that is wrong is that he refuses

MR. NEARY:

the hon. gentleman refuses to give information to this House, and the hon. gentleman will regret the day, he will regret the day that he adopted that attitude, Mr. Speaker.

MR. DAWE:

Tell him about the Overpass in Glovertown.

MR. NEARY:

No, I could tell the hon. gentleman a few things about his department, but I will not today because we are on a bill delegating authority to ministers and I would be out of order and the Government House Leader (Mr. Marshall) would be the first to spring to his feet.

So, Mr. Speaker, we are not going to belabour this matter any longer unless my colleague for Eagle River (Mr. Hiscock) who says, no, he does not have anything to add to what has already been said. But we are very concerned about the way that this administration is downgrading the House of Assembly and the Cabinet, taking the authority away from the House and away from the Cabinet.

MR. CARTER:

Does the hon. gentleman watch Channel 13?

MR. NEARY:

I watch The Muppett Show and I see it every day here in this House.

AN HON.MEMBER:

(Inaudible) appointment you have to be a P.C.

MR. NEARY:

You have to be a P.C. that is the trouble. If you are not a Tory, if you are not a blue blood in this Province you do not have a chance

MR. BAIRD:

If you are not a Tory you are a duke.

MR. CARTER:

You do have a chance if you are strong.

MR. NEARY:

- to get yourself appointed to anything, or even get a job in the public service. Even if you

MR. NEARY: are a gardener down around Government House you have to be a red roaring Tory from Harbour Grace district, or you cannot get a job in the greenhouse.

MR. BAIRD: You should be able to get a job in the greenhouse, you are green enough.

MR. NEARY: Mr. Speaker, the hon. members over there are interrupting again and breaking the rules of the House right, left, and centre.

Anyway, Mr. Speaker, we are not going to belabour this bill any longer. We are just going to put the government under notice that we will move an amendment at the appropriate time and we hope that the Government House Leader (Mr. Marshall) will in all conscience vote for our amendment, to remove the politics from these appointments. That is all we are asking. And if the hon. gentleman will do that, then we will vote for the bill. But if the hon. gentleman does not do it, then we have no choice, Mr. Speaker, but to vote against this bill.

MR. SPEAKER (Aylward): If the hon. President of the Council speaks now he will close the debate.

The hon. President of the Council.

MR. MARSHALL: Mr. Speaker, I have nothing of any great length to say. I mean, what the hon. gentleman has been talking about for the past half hour and what he talked about on Friday, and other members on the opposite side, you know, just does not warrant reply. I just want to emphasize once again that this is a bill with respect to certain powers of appointment, to enable ministers to make appointments which are in their nature routine, such as an appointment of a notary public, such as the appointment of a Commissioner of Oaths, etc., so that the Cabinet's time can be occupied with matters of more substance than just minor appointments, although they are more important, but minor in a sense of minor appointments of certain officials to carry out certain official functions. So that is all it is. There

MR. MARSHALL: is nothing sinister behind it. The hon. gentlemen know there is nothing sinister behind it. They keep talking about the type of legislation that is brought in, and there is nothing that has been brought before this legislative portion of the sitting of the House that is of any importance, yet they managed to debate it for half an hour, three-quarters of an hour, two hours and three hours.

But anyway, Mr. Speaker, that is the purpose of the bill, and the sum total of the remarks of all of the Opposition with respect to it does not warrant any further reply than that. I move second reading.

SOME HON. MEMBERS: Hear, hear!

On motion, a bill, "An Act Respecting Certain Powers Of Appointment", read a second time, ordered referred to a Committee of the Whole House on tomorrow.

MR. MARSHALL: Mr. Speaker, with leave of the House I would like to make a response to certain questions that were raised by the Leader of the Opposition (Mr. Neary) during Question Period this afternoon.

MR. SPEAKER: Does the hon. President of the Council have leave?

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: Agreed.

MR. MARSHALL: Mr. Speaker, on December 7, 1983, rented accommodation occupied by the Licencing Division of The Department of Justice was forcibly entered into and a quantity of weapons stolen. These weapons consisted of eight hand guns, one starting pistol, one pellet gun, and one sawed-off riffle. All of the weapons were forfeited to the Crown by court order. As well

MR. MARSHALL: a small amount of cash was also stolen. The guns were held in a storage room prepared by the Department of Public Works as a security storage area. A solid-core, triple-lock door was smashed in order to gain entry to the storage area. As a result of the break-in, an alternative location was obtained then to store the remaining weapons. Weapons seized or forfeited to the Crown are destroyed on a regular basis so that the numbers held are limited. There was a subsequent break-in on December 17th, after the weapons had been removed, when a small amount of petty cash was stolen but no weapons were stored in that location then and none, of course, obviously were stolen. A police investigation is continuing into both break-ins, and none of the weapons have been recovered as of today's date, as of this afternoon. I think that answers in substance the questions posed by the hon. gentleman. He wanted to know whether there were only hand guns. The statement responds to that; there was a starting pistol, a pellet gun and a sawed-off shot gun included with the eight hand guns. The security there was the solid-core, triple-lock door that had been provided there. There were, in fact, two break-ins, but after the first break-in, of course, any remaining weapons that had been there had been removed.

MR. NEARY: You mean they waited until the second time before they removed them?

MR. MARSHALL: No, they were removed after the first break-in. So there were no guns there when it was broken in on the week-end. The matter is under investigation so I think, Mr. Speaker, that comprehensively responds to the hon. gentleman's question.

Motion, second reading of
a bill, "An Act To Amend The Retail Sales Tax Act, 1978."
(Bill No. 87)

MR. SPEAKER (Aylward):

Finance.

The hon. the Minister of

DR. COLLINS:

Mr. Speaker, for some time, for several years, as a matter of fact, the Retail Sales Tax Act has been under review. Circumstances change and so on, and the Act needed updating and that has been a matter of ongoing review as I mentioned. Hon. members also understand that since the PAC in its present form, the Public Accounts Committee, was put in place, they have also paid a considerable amount of attention to the Retail Sales Tax Act and violations thereto. In the last year or so the recession itself has accentuated the problems that have arisen in regard to the Retail Sales Tax Act and the revenues the Province gets from retail sales. So for all those reasons we have brought in amendments to this hon. House. Hon. members will recall that about a year ago we brought in a substantial number of amendments which strengthened the Act. They included closing certain loopholes in regard to licenses being available to individuals who had already lost them once, or to their agents. Also, it was made an offence to use a license that had been cancelled, and there was also an increase in fines. Those were, perhaps, some of the larger things that were done at that time. Now, this, Mr. Speaker, is, shall we say, the second edition of those amendments. Some of them have been mentioned a number of times in this hon. House, and by various members of the House in public, and by members of the Public Accounts Committee. I will just run through them briefly. The clause was

DR. COLLINS: refers to an amendment making it clear that promotional material, such as catalogues and so on, is exempt from retail sales tax. This was required because the question had arisen because of a court decision in New Brunswick some time ago. Now the court decision related to the retail sales tax in New Brunswick, and this first clause just clarifies that there is no doubt that such promotional material in this Province is exempt.

Associated with that is clause (5), which points out that if a nominal fee, a very small fee is exacted for such promotional material, that does not interfere with the exemption under the act.

Clause (2) clarifies the responsibility of a contractor to pay retail sales tax. At the present time, a contractor if he is dealing in tangible personal property, he might be required to collect tax under one type of contract and he might not be required to collect tax under another type of contract. In other words, he might be considered to be a consumer in one instance and not a consumer in the other instance, and this clause just clarifies that and indicates that in all such contracts, no matter what exact form the contract is in, the contractor is considered the consumer. This obviously means that he will build into his price to the householder, or whoever he is doing the work for, he will build into his contract price the cost of the retail sales tax, but he himself is responsible for rendering that tax to the Province.

The third clause allows a minister to make an estimate of the tax owing on stocks that are going to be disposed of in a bulk sale. In other words, if a business is being transferred holus-bolus to a new owner, up to this time an audit had to be done and a certificate given before it could be concluded and that often took a considerable period of time, and it often interfered with the sale; it was a hardship on both

DR. COLLINS: the person who was selling the business and the new owner. In this particular instance the minister is empowered to make an estimate without going through the full-fledged formal audit and a certificate can be raised then if that estimate is satisfied by either the seller or the new owner. In other words, that estimate constitutes the tax owing, and a certificate can be given to allow the sale to go ahead.

Number four is just a housekeeping thing. At one point there was an error in the act in regard to whether it was 11 per cent or 12 per cent, it was just in one part of the act and this is now corrected. I think it was in section 19 of the act. That is corrected to indicate the proper percentage, which is 12 per cent.

Clauses 6 and 9 are related and they just remove some superfluous words from the act, again a housekeeping thing. Clause 7 will give the inspectors the authority to seek a search warrant in order to obtain or to look at certain financial records that are deemed necessary in doing an audit in regard to retail sales tax owing by a company or an individual. It is permission to look for a search warrant and that will now allow those necessary documents to be inspected, but those documents are not to be copied. That is put in there to avoid the interference with legitimate, corporate, or private privacy and confidentiality.

Clause 8 clarifies, and that is the word, it just clarifies that the Crown ranks ahead of a landlord in the matter of retail sales tax owing. I might point out in this regard, Mr. Speaker, that where a business is being conducted from rented premises, under our regulations we require the vendor to be bonded.

DR. COLLINS: We do not require this often, or not for long periods of time anyway, if the business is being conducted out of owned premises, because then there are fixed assets there that are available in case of arrears on retail sales tax. But where the business is operated out of rented premises, we require bonding and this particular clause indicates that the Crown does rank ahead of the landlord in situations like that, if there is rent owing as well as retail sales tax owing.

Clause 10 is again not a very consequential one. It puts the period for appeals against a penalty at thirty days and it just lines it up with the period of thirty days as is allowed for appeals against audit assessments. So it just makes one part of the act consistent with another part.

Clause 11 will permit the use in court of computer printouts if these are certified as being correct by the Comptroller General. Nowadays, as I am sure hon. members know, computer printouts are becoming more and more the form in which businesses keep their accounts. This will, for the first time, authorize the courts to accept computer printouts as evidence in court proceedings but, as I say, subject to their certification as being correct, by the Comptroller General.

Clause 12 is not a very consequential one either. It substitutes the word 'person' for 'seller'. An amendment that was brought in last Fall inadvertently referred to in one place a seller and, therefore, narrowed down the effect of that amendment. This will indicate that any person in that particular circumstance, whether he is a seller or not as defined in the act, if he owes retail sales tax or his registration is subject to cancellation, it may be cancelled under the act.

DR. COLLINS: Clause 13: This will provide that officers, directors and agents of a limited liability company may be liable for the payment of tax owing in special circumstances. Now, the circumstances will be that firstly, the company has to be convicted of being in arrears under the act, in other words, have committed an offense under the act. Secondly, the director, agent, or officer will have to have knowledge of that offense and will have partaken in it, not just have knowledge and not just, shall we say, incidently be a director of a company, but he will have had to have participated in the offense and have been convicted of such participation by the courts. And in those circumstances, if the tax remains unpaid, such an officer or director or whatever can become liable under the act. I think hon. members probably know that there have been some concerns raised about that by the Board of Trade and by the Institute of Chartered Accountants.

DR. COLLINS:

We met with them, we discussed their concerns with them, they were more wording concerns than anything else, and in Committee we will be bringing in an amendment that will allay their concerns. They do not interfere - essentially what the amendment was to do, and I just laid out what the amendment is to do, it will be worded and have certain provisos in there which meet the legitimate concerns raised by the groups I mentioned.

Clause 14 will give the power to the minister to apply for an injunction ordering a person to cease using a cancelled registration certificate, which is now a practice that is not unknown in this Province. We could cancel the licence, we could create it as an offense, as we did last Fall, but still we did not have ability to close up the shop of a person who persisted. This will now give us the right to apply to a court for an injunction in those circumstances.

Mr. Speaker, I think those are sufficient words of explanation at this time, and if questions do arise I will answer them to the best of my ability. But I would move at this point the second reading of the bill.

MR. NEARY:

Mr. Speaker.

MR. SPEAKER (McNicholas): Order, please!

Before recognizing the hon. the Leader of the Opposition, I would like to rule on this point of order raised by the hon. Minister of Finance (Dr. Collins) on Friday. On checking with Hansard I see it was 'ignorant incompetent' and our own Standing Order No. 52 refers to the use of offensive language. I certainly do not think that these words were particularly elegant, shall we say, but there is no reference in Beauchesne to these particular terms as being out of order and in the

MR. SPEAKER (MCNichols): circumstances I must rule that it was not unparliamentary.

MR. NEARY: That was a good ruling, Mr. Speaker, and especially if the words are true.

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

MR. NEARY: Thank you, Mr. Speaker.

Before I speak on this bill I would like to welcome a former colleague of mine who is sitting in the Speaker's gallery, the former member for the district of St. Georges. I am glad to see that he still has the interest in the affairs of state and in the peoples' House to come and to hear what we are debating. I want to say to the hon. gentleman that the faces may change but the issues are still the same. I believe when the hon. gentleman was here we were talking about the sales taxes. That was a big problem when the hon. gentleman was here. We pointed out to the administration the sloppy way that they were handling the collection of the sales tax. The former member from St. George's will remember me saying at that time that this money, this retail sales tax, is money that is collected from the consumer in trust by the person that collects it. It is not his or her money, that money does not belong to that company, that money is entrusted to a company or a business or an individual on behalf of the taxpayer and they have no right, Mr. Speaker, at all to that money.

MR. BUTT: We know that.

MR. NEARY: Mr. Speaker, the hon. gentleman says, 'We know that.' Well, maybe the hon. gentleman should be Minister of Finance, because the Minister of Finance (Dr. Collins)

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MR. NEARY: does not know it, because he has allowed \$14 million to accumulate in taxes in arrears, retail sales taxes in arrears.

DR. COLLINS: Who owes most of that?

MR. NEARY: Who owes most of it, Mr. Speaker? I would say most of it is owed by people who have manipulated the system.

MR. NEARY: companies that have gone into bankruptcy, Mr. Speaker.

MR. SIMMS: Who is the largest single one?

MR. NEARY: The largest single one, the retail sales tax I do not know who it is.

Mr. Speaker, the fact of the matter is that this money is held in trust by those who collect it, and they have no right to monkey around with that money. The money that is taken from the consumer who purchases goods and supplies and services, should be put into a fund and then sent to the Minister of Finance (Dr. Collins), Mr. Speaker. And to do anything else with that money, in my opinion, is theft, it is stealing. I am sure that every member of this House could give example after example of cases that are known to them where the Retail Sales Tax Act has been gotten around by slippery individuals who will put one company into receivership or into bankruptcy and then form another company and do the same thing, owe large amounts of money they collected from the general public in retail sales tax and then put that company into bankruptcy and then go on to another company, and then, Mr. Speaker, be rewarded for getting around the Retail Sales Tax Act, be rewarded then by being appointed Parliamentary or special assistants to ministers. That is their reward.

MR. CARTER: What you are saying is not correct.

MR. NEARY: What I am saying is correct. There is one gentleman down in Labrador who has done it at least three, if not four times, to our knowledge.

MR. PEACH: Now, do not go getting personal.

MR. NEARY: Mr. Speaker, there is nothing personal about the taxpayer dollars. If the Premier (Mr. Peckford) takes an apartment rent free compliments of the taxpayers, that is not personal. That is taxpayer money.

MR. YOUNG: Tell us about the beer parlour you had a partnership in.

MR. NEARY: Mr. Speaker, thank God that is something I have never been involved in. I have not been involved in any business since I became a member of this House, and I have no intention, and no honourable gentleman there opposite can say otherwise.

Mr. Speaker, one gentleman that we know of in Labrador, I believe has gone through that process three or four times; not in Southern Labrador, I might say. And I am glad to see so many of my dear friends here from Southern Labrador today, the Straits. Mr. Speaker, I welcome them to the gallery. I trust they will enjoy the House. I am not sure if they will enjoy the debate that is currently going on. And, Mr. Speaker, there are others here on the Island of Newfoundland, many, many, many other examples. I personally do not believe that a member should be allowed to sit in this House if he is indebted to the Department of Finance. If he stole retail sales tax he should not be allowed to sit in this House. I think that should be one of the stipulations of the act. I am not referring to anybody in particular, but I feel so strongly about these matters that I believe that anybody who has stolen the retail sales tax and used it for his own personal advantage, Mr. Speaker, should not be allowed to sit in this House.

MR. WARREN: Well, you cannot sit on a town council if you owe taxes.

MR. NEARY: You cannot sit on a town council if you owe taxes to the municipality. You are not allowed to run for office unless you can produce your certificate to the town.

MR. DAWE: That is a red herring.

MR. NEARY: What is a red herring?

MR. DAWE: How about people with criminal records?

MR. NEARY: I beg your pardon?

MR. DAWE: How about people with criminal records?

MR. CARTER: Mr. Speaker, on a point of order.

MR. SPEAKER (DR. MCNICHOLAS): A point of order, the hon. member for St. John's North.

MR. CARTER: This is rubbish that we are listening to at the present time. The Leader of the Opposition (Mr. Neary) is suggesting by innuendo, very sly innuendo, that there may be members in this hon. House who owe the government money, and that just is not true. It is not true at this time, I do not suppose it was ever true. It is certainly not true now. It is absolute rubbish. It is pernicious rubbish and the hon. gentleman should be taken out and flogged.

MR. SPEAKER: To that point of order I must rule that there is no point of order.

MR. NEARY: Thank you, Mr. Speaker. How does the hon. gentleman know that that is not true? Mr. Speaker, let me say this to the hon.

MR. NEARY:

gentleman, that I feel so strongly about this matter of the retail sales tax, money entrusted to people and companies and businesses on behalf of the taxpayers and then stolen, because that is what it is, it is theft, Mr. Speaker, no question about that, and used for personal gain by those who collected it - The hon. gentleman talks about flogging. I feel so strongly about these matters that anybody in that category should not be allowed to take his seat in this hon. House.

MR. CARTER: There is nobody in that category.

MR. NEARY: Mr. Speaker, I do not know for sure, the hon. gentleman does not know for sure, but I would say - the hon. gentleman may be right, maybe there is nobody currently inside the rail in that category.

MR. DINN: How do you know that?

MR. NEARY: I do not know.

MR. WARREN: Well, the member for St. John's North (Mr. Carter) says he knows.

MR. NEARY: Mr. Speaker, sometimes it is not for the want of a tongue that a horse does not talk. And, you know, Mr. Speaker, to add insult to injury, the Minister of Finance (Dr. Collins) and the administration there opposite will not give the Auditor General access to the records. That is a nice how-do-you-do. The Auditor General, a servant of this House, is not allowed access to the records by the administration there opposite. That has to be a first in Canadian history, Mr. Speaker, when the Auditor General, who is responsible for auditing the records of this administration, cannot get access to the records of the retail sales tax in the Department of Finance. Page 44 of the Auditor General's report - no, not page 44, excuse me, but anyway, it does not make

MR. NEARY: any difference, it is in here.

MR. CARTER: Mr. Speaker, how long does he have to knock something in order to support it?

MR. NEARY: I will have as long as I want. It is none of the hon. gentleman's business.

Anyway, Mr. Speaker, it is in there.

Mr. Speaker, the Auditor General is complaining; one of the big points that he is making in his annual report is that he does not have access to records of the retail sales tax unless authorized by the minister. And up to now, the minister has refused to allow the Auditor General to audit the accounts. I make no wonder, Mr. Speaker, from the horror stories that we hear about those who owe retail sales tax and the manipulating that has gone on, Mr. Speaker, a blind eye turned on a good many occasions because of the political involvement of individuals.

MR. CARTER: That is not true.

MR. NEARY: That is true.

Now, Mr. Speaker, the Auditor General had an independent legal opinion done on this matter. He asked for an independent legal opinion, and the independent legal opinion said that the Auditor General should have unrestricted access to these files, that the Auditor General should be able to examine these files and accounts.

MR. NEARY: Mr. Speaker, a pretty, pretty serious matter indeed, a very serious matter.

Mr. Speaker, let me ask a question, Why would the Minister of Finance (Dr. Collins) and why would the administration there opposite refuse to allow the Auditor General to look at these records and to examine these funds? Why would they not allow them to do that, Mr. Speaker? Can anybody over there give me a justifiable reason?

MR. WARREN: They do not want to uncover what is going on.

MR. NEARY: Can the member for St. John's North (Mr. Carter) justify that kind of arbitrary decision on the part of the administration that he supports?

MR. CARTER: Sit down. I will get up then.

MR. NEARY: The hon. gentleman will have his chance to get up. But can the hon. gentleman tell me now, across the House, why the administration will not allow the Auditor General access to these records? Is there any reason why they would not? Mr. Speaker, I would submit that it might be a source of embarrassment for the administration, and that is why they will not let the Auditor General have access to these records.

Many a scandal is buried in these files, Mr. Speaker. Mr. Speaker, we hope that in the not too distant future, although that is not one of the amendments we are considering here, but it should be one of the amendments, that if the Auditor General wants access to these files perhaps we should amend the act quickly to give the Auditor General access to the files. He is the only man we can depend on to see that the records are kept straight. He is the watchdog of the public treasury. Did anybody ever think in their wildest imagination

MR. NEARY: that we would have such a dictatorial administration in this Province that they would not let the Auditor General look at the files of those who are in arrears on the retail sales tax? Why, Mr. Speaker, I think the names should be published, not only should the Auditor General have access.

Look here is what the Auditor General said on page 40, 'During the year, I requested and received an independent legal opinion which concluded that, "The Financial Administration Act, 1973, gives the Auditor General the right to unrestricted examination of files and accounts whether they be on paper or electronically stored".'

"In an opinion, dated 1 November 1982, a solicitor of the Department of Justice stated that, 'he (the Auditor General) is not entitled to any access (to returns) due to subsections (1) and (2) of section 28 of The Retail Sales Tax Act.'" And an independent legal opinion said that he was.

The Auditor General says, "I am presently pursuing this matter with officials of the Department of Finance. However, as Auditor General, I must strongly insist that I have unrestricted access to the Retail Sales Tax files if I am to carry out

MR. NEARY:

my function under Section 61 of The Financial Administration Act, 1973." Now that is something that the hon. member for St. John's North (Mr. Carter) should be proud of, that he is supporting an administration that is withholding records and books from the Auditor General.

Mr. Speaker, we saw in the last couple of days in this House where a minister refused to table information in this House in connection with the Green Bay ferry fiasco, refused point blank to table information in this House. And that minister has no right to do that, Mr. Speaker, no right to do it. The only reason they can get away with it is because they are as close now to a dictatorship as you can get. No wonder they are expanding the Newfoundland Constabulary all over the Province. They are going to have their own little army now .

MR. WARREN:

Why was the hon. member for St. John's North so upset, I wonder?

MR. NEARY:

That is a good question. Why was the member for St. John's North so upset when I was talking about people who have found ways and means to skirt around the retail sales tax, to manipulate the laws of this Province?

MR. CARTER:

I will not be long telling you why.

MR. NEARY:

Well, the hon. gentleman should tell us why, and should tell us why he is supporting an administration that will not let the Auditor General examine the records, Mr. Speaker, I would say that hidden in the vaults in this building are some pretty horror stories in connection with the retail sales tax. And the hon. gentlemen there opposite can go back two regimes if they want to, or they can go back to the ark for that matter, but it will not cover up for their own incompetence and

MR. NEARY:

The member for St. John's North.

And we got along very well and we did our job. I do not think we ever had an unkind word, as far as the business of the Committee was concerned. As a matter of fact, the hon. gentleman was probably more vocal and more out-spoken and more out to get the Moores Administration than the Liberals were on the Committee.

MR. NEARY: The hon. gentleman could not stand the Moores years and no doubt, I suppose, he thought it was a good opportunity to get revenge for getting flicked out off the Cabinet; the first time in Newfoundland's history the Minister of Education dropped, flung out, royal order of the boot, out the door. But apart from that, Mr. Speaker, the hon. gentleman was very conscientious and as a result of our work - I believe the member for Harbour Main-Bell Island (Mr. Doyle) was on that committee, but I did not find the hon. gentleman as co-operative, because the hon. gentleman felt that his job was to protect the Premier and the administration.

MR. WARREN: He was looking for a Cabinet post.

MR. NEARY: That is right. At the time, I believe, he was parliamentary secretary and he was trying to worm his way into the Cabinet and he was amply rewarded, no doubt, for his loyalty and dedication, on the committee, to the Premier. And every time we brought up a controversial matter the hon. gentleman did not want us to debate it, no, no, that is too controversial, leave that alone, we cannot do this.

MR. WARREN: We have them on the Public Accounts Committee now.

MR. NEARY: There were two or three of them on there. But not the member for St. John's North (Mr. Carter), I have to give him credit. He had the courage of his convictions and when we wanted to go full speed ahead on something -

MR. WARREN: (inaudible)

MR. NEARY: And you know, Mr. Speaker, sometimes in this House we have a very awesome task in

MR. NEARY: trying to protect the taxpayers' dollars, in trying to protect the public treasury. Sometimes it can be a very awesome task indeed. Personalities enter into it. There is a possibility of fraud and scandal and influence peddling. You always have to watch out for that. And these are harsh words, Mr. Speaker, but, nevertheless, when you are trying to safeguard the public treasury you have to look at all these things, just the same as in that matter of the Green Bay ferry fiasco. That is why we need a Commission of Enquiry to look at everything regarding that, to find out if there was any influence peddling, any fraud, any money paid out that should not have been paid out, any collusion. Mr. Speaker, that is why we need an independent enquiry. The Auditor General has told us that \$1.6 million was paid out that should not have been paid out. Mr. Speaker, what protection does the taxpayer have unless the administration agrees to a public enquiry under the Public Enquiries Act? And the museum down at the Murray Premises, that was lying idle down there for three or four years, the taxpayers paying rent on it, doled out to one of the Premier's buddies, his provincial campaign co-ordinator, given his thirty pieces of silver.

MR. HISCOCK: Right again. Right again.

MR. NEARY: So, Mr. Speaker, we are happy to see that at long last the administration have taken measures and brought amendments to the retail sales tax into this House to try to tighten up the law, tighten up the rules and regulations. But, Mr. Speaker, all the rules and all the laws in this world will do no good unless the administration there opposite are prepared

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MR. NEARY: to enforce these rules and regulations and therein lies the problem. They have been to slack and to lackadaisical with people as far as the retail sales tax is concerned, Mr. Speaker. They have let too many people get away with cheating on the retail sales tax, with robbery. I call it robbing. What else can you call it?

MR. NEARY: If you collect money on behalf of the taxpayers and you use that money, you collect it in trust and you use it for your own personal gain and your own personal advantage, what can you call it other than theft or robbery? Mr. Speaker, so we are happy to see these amendments being brought in today to try to tighten up the act. I was going to give the members of the House another example in the Auditor General's Report, Mr. Speaker, regarding taxes and how slack the administration have been in collecting \$500,000 from a firm in Happy Valley-Goose Bay, page 32 of the Auditor General's Report, where the Auditor General says, 'The department did not include the amount of \$500,000 in its accounts receivable for the 1978-79 fiscal year or any year thereafter'. That could put a lot of power down in Pinsent Arm and keep a lot of hospital beds open. 'Contrary to the terms of the agreement, the Province did not receive its share (50 per cent) of a sale amounting to \$180,000 by the company. The company experienced financial difficulties and ceased operations in late 1980. Its inventory of wood was claimed by the bank as it had been pledged as security for the company's line of credit. In my opinion', says the Auditor General, 'the Department of Development failed to safeguard the Province's interests by entering into an agreement of sale that did not provide the department with any security in the event of default by the company'. How often does that happen, Mr. Speaker? We are talking about another \$500,000 down the drain; the wood now is down on the dock down in Happy Valley-Goose Bay, \$500,000 of it, that the Province, the taxpayers will be out because they allowed the bank to seize the wood, to take possession of the wood and the Province ended up the losers. You remember earlier this afternoon we were delegating more authority to ministers, can you imagine giving them more

MR. NEARY: authority and down in Labrador, a company that they financed, they allowed the Bank of Nova Scotia to come in and take the wood. And the wood is still down there, \$500,000 of taxpayers' money rotting - not rotting but we will never get it, because the Bank of Nova Scotia are the only ones who stand to gain in that transaction, Mr. Speaker. It is shameful, absolutely shameful! And they sit over there day in and day out with straight faces, pound on their desks like trained seals, like donkeys, wagging their tails, and when we raise these matters, Mr. Speaker, they just laugh and sneer and joke.

MR. SPEAKER (Russell): If I could just interrupt the hon. member for a minute, I would like to take this opportunity to welcome to the galleries today a delegation from Southern Labrador who are here to meet with officials in the federal Department of Transportation: Mrs. Shirley Letto from the Labrador South Chamber of Commerce, Mr. Wilfred Letto from the Labrador South Chamber of Commerce, Mr. Emile Cabot, President of the Labrador South Development Association and Mrs. Patricia Pike, the town manager from the community of Red Bay.

SOME HON. MEMBERS: Hear, hear.

MR. SPEAKER (RUSSELL): The hon. Leader
of the Opposition.

MR. NEARY: So, Mr. Speaker,
we are going to support this
bill, no question about that. We are not concerned
about the feelings of the Board of Trade on this particular
matter. We feel that individual members of companies,
officers and directors and agents of companies should
be responsible for payments of taxes if they are owing.
We see nothing wrong with that, Mr. Speaker. Look, I
hate to have to keep repeating myself, but an awful
lot of members of this House do not seem to understand -
what they do not understand is this, that the retail
sales tax does not belong to these individuals or
companies or agencies, it is collected from the consumers
and put in trust for the people, the taxpayers of this
Province. And nobody but nobody had dare touch it, have
any right to use that money or touch it, it goes straight
to the Minister of Finance (Dr. Collins). Mr. Speaker,
it is beyond me, I cannot comprehend how \$14 million a
year ago went uncollected by the administration. And
in the Auditor General's report we were told that a lot
of the money could not be collected, had to be written
off because of bankruptcy, companies going into receivership,
companies going bankrupt and then forming a new company,
that one going bankrupt then forming a new one, that
one goes bankrupt and on and on it goes, Mr. Speaker, like
a merry-go-round.

So, it is only right
and proper, in my opinion, that the officers and directors
and agents of these companies should be liable for the taxes
owing. I am sure that we could all, if we wanted to, point
out to the House examples of where individuals have walked

MR. NEARY: away from companies scot-free, tax has been written off, and they set up another enterprise or build a big mansion somewhere or other, and they are allowed to walk away scot-free, Mr. Speaker. I mean, you know, it is hard to believe, is it not? It is hard to credit that it could happen, but it is happening, Mr. Speaker, and it is happening every day. You know, if you are a taxpayer in a municipality and you want to run for a town council, you have to go to the town hall, pay your taxes, as the hon. member for Carbonear (Mr. Peach) is aware, you pay your taxes and then you are given a certificate that your taxes are paid and then you can run for elected office. But, Mr. Speaker, do you realize that you can run for elected office, to become a member of the House of Assembly -

MR. CARTER: You can be convicted of armed robbery and run for the House of Assembly, Joey Smallwood saw to that.

MR. NEARY: Mr. Speaker, we make a law barring people from running for town councillors and mayors in municipalities, but we allow members to come into this House -

MR. DIMM: How many more times are you going to say that?

MR. NEARY: I am going to say it pretty often, until it registers with hon. gentlemen there opposite - Mr. Speaker, allow members to sit in this House who have found ways to who have manipulated the retail sales tax.

MR. CARTER: Like Roger Simmons, only his is a federal case.

MR. NEARY: Now, Mr. Speaker, how low and dirty and rotten can you get? The hon. gentleman should remember a few years ago his

MR. NEARY: Government House Leader
(Mr. Marshall), when he insulted a member's mother, paid
the price.

MR. SPEAKER (RUSSELL): Order, please!

I must remind hon.

members that when a member is speaking he does have the
right to be heard in silence. And the hon. Leader of
the Opposition (Mr. Neary) appears to be straying somewhat
from the principle of this bill.

MR. NEARY: Mr. Speaker, so what
I was saying there, you can sit in this House even
though you have manipulated the retail sales tax laws
of this Province. And I think that is something that we
should all think about. We should all think about it.

So, we have no qualms

Mr. Speaker, about officers and directors and agents
of companies being liable for the payment. I noticed
the hon. gentleman, when he introduced second reading of
the bill, appeared as if he were walking on eggshells,
more or less apologizing and going on to spell it out
that somebody would have to be - first of all he said
that there company would have to be convicted in court.
Why? Then he went on to make the point that the agent
or officer would have to have knowledge that the offence
was committed or he would have to participate in the
offence. Well, if you own a company would you not be
participating in the offence, Mr. Speaker?

AN HON. MEMBER: If he did not know he
has got nothing to do with it.

MR. NEARY: If you were an agent or
an officer of the company would you not have knowledge?
If you did not remit your sales tax every month to the
Minister of Finance (Dr. Collins), would you not be a party

MR. NEARY: to it? Why is the hon. gentleman apologizing for that? There is no need of an apology for that. Whack him into court. Why hesitate? Why is the hon. gentleman hesitating? What is he afraid of? I know, I heard what the Board of Trade said about this matter. I heard their concerns. I do not happen to share their concerns in this particular instance because they should know, Mr. Speaker, the spokesman for the Board of Trade above everybody else should know that that is not their money. When you go in to buy a suit of clothes you pay your 12 per cent sales tax and the individual or the business that collects it has no right to use that money for anything else except to send a cheque to the Minister of Finance (Dr. Collins) to make it a part of the consolidated revenue of this Province.

MR. CALLAN: One shift for snowcleaning now. snow clearing now.

MR. NEARY: That is right, one shift for snow clearing.

Now, Mr. Speaker, talking about the sales tax generally, generally, of course, I want to reiterate what I have said so often inside and outside of this hon. House, that the increases in the sales tax in the last couple of years in this Province have been counter-productive. Instead of the minister increasing it to 12 per cent he should reduce it back to 8 per cent, probably, put it back to 8 per cent.

I remember one day there a couple of weeks ago I was over at the Avalon Mall, Mr. Speaker, and the -

MR. CARTER:

You go out in public,
do you?

MR. NEARY:

I saw the hon. gentleman
on a leash that night I believe. The businessmen in the
Avalon Mall, Mr. Speaker, decided to have a sale and
the sale that they had - they put up signs all over
the place and they advertised it in the paper, "Sale !
Retail Sales Tax Does Not Apply For This Particular Night.
No Retail Sales Tax Collected".

MR. NEARY: Now, granted they had to pay the retail sales tax to the administration, to the Minister of Finance (Dr. Collins). So this was the gimmick they used. Any purchases made on that night, no retail sales tax. And the place was blocked to the doors. You could not get through the throngs of people over at the Avalon Mall. The volume of business that was done that night was probably the highest for the whole year.

Mr. Speaker, why would the administration then not learn a lesson from what happened that night over at the Avalon Mall? Why would they not learn a lesson, take a leaf out of the book of the business people down there, Mr. Speaker? It must be obvious to them by now they are not going to get the revenue they budgeted for. They are not going to get the revenue by increasing the retail sales tax to 12 per cent? Why do they not cut it back for a period, say of three months? Try it out, cut it back to 8 per cent for three months and let us see what happens. I would suggest, Mr. Speaker, that you would see consumer purchasing in this Province take off like you have never seen it happen before: Motor cars, television sets, washing machines, essential household items, furniture, the government would make it up in volume, would they not? Mr. Speaker, they are not getting it now. The hon. gentleman must have read a teacup when he brought in his estimates for the retail sales tax, or a gypsy read his palm or rubbed his forehead and said, 'You are going to collect this much money in retail sales tax and you are only about \$60 million or \$70 million out'.

MR. WARREN: He went down to the Regatta last year to the fortune teller.

MR. NEARY: Fortune-tellers are gone now. We do not have any fortune-tellers in Newfoundland anymore, do we?

MR. WARREN: Oh, he might have met up with one somewhere.

MR. NEARY: Mr. Speaker, I would state our policy on this side of the House again, that the obvious thing to do, the logical thing to do, the most common-sense thing to do if the government wants to get more revenue and increase consumer purchasing in this Province, get people to spend more money, is to cut back the sales tax. It is as plain as the nose on the hon. gentleman's face. They are just too stubborn to do it, too contrary and too stubborn and probably too stunned to do it, too arrogant. They have made a gigantic blunder, they have themselves boxed into a corner they cannot get out of. They are too ashamed to admit their mistakes. Putting the sales tax up, the highest sales tax in Canada here in Newfoundland, 12 per cent.

MR. CALLAN: They have to save something for the next election. They will bring it down to about 7 or 8 per cent for the next election.

MR. NEARY: Well, maybe before the next election they will say, 'Well, we will cut it back a couple of percentage points, we will cut it back from 12 to 10 per cent.', to try to save their political scalps, Mr. Speaker.

Mr. Speaker, the arguments! The economists tell us to do it, the experts tell us to do it, the Minister of Finance (Dr. Collins) says, 'No, I am not going to do it'.

MR. NEARY: He will not even try it. Why does he not try it? Do it for a trial period. You are not going to lose face over it. It is the obvious thing to do, Mr. Speaker. And we would strongly recommend to the administration that they roll back the sales tax. Not only would they give the people of this Province a break, put more money in their pockets to give them more purchasing power, but with the volume of business, the turnover that would take place, the administration would get more than the money they need, Mr. Speaker. And that is the way to do it. Obviously the way they have done it is not the right way. It has been counter-productive. They priced themselves out of business as far as cigarettes, booze and the retail sales tax is concerned. What a Christmas present it would have been for Newfoundlanders if this administration had come in the first of December and said, 'Look, for the whole month of December we are going to cut the retail sales tax back to 7 or 8 per cent.' What a gift that would have been for Newfoundlanders! What a Christmas present!

MR. YOUNG: It would be better if they had sewed up your mouth.

MR. NEARY: Mr. Speaker, the freeloader is at it again.

That is the route we should go, Mr. Speaker. And the Minister of Finance (Dr. Collins) cannot justify the increase in the sales tax to 12 per cent in this Province. He cannot justify it no matter how hard he tries. He can bluff all he wants, but the facts are there in front of him. The retail sales tax is down considerably in this Province, down considerably, Mr. Speaker, and there is no way that the administration are

MR. NEARY: going to recoup their losses to make up the \$68 million deficit they have in current account. And I would forecast now, I will say it now to the administration there opposite, that when they bring the budget down in 1984 we will have a further deficit in current account. For the third year in a row, the third year running, there will be a deficit in current account. In other words, the administration will not be collecting enough money to pay their bills. They will have to go out and borrow to pay their bills. They will have to borrow money to pay interest on the money they already borrowed. That, Mr. Speaker, is bankruptcy. Three years in a row, a deficit in current account in the next budget spells, Mr. Speaker, disaster for this Province. If we were not a province of Canada today we would be bankrupt.

AN HON. MEMBER: Maybe we can head it off.

MR. NEARY: Now, Mr. Speaker, that is a pretty nice statement for the hon. gentleman to make. So the minister is not going to get the retail sales tax that he estimated he would get this year. So why does not the hon. gentleman try our suggestion as an experiment? Cut back the retail sales tax for a while, give the consumers a break, put more purchasing power in their hands and see if the administration can make it up through volume of business rather than the negative way they are going at it now and stopping people from purchasing.

MR. NEARY: Mr. Speaker, people are holding back, there is no question about that. It galls and their stomach rolls over when a consumer goes it to buy something for his sixteen year old daughter or son and he has got to pay a 12 per cent sales tax on it, his stomach rolls over in disgust. I know mine does and I am no different than anybody else in this Province.

Now, Mr. Speaker, we have a unique situation altogether down in Western Labrador, and in Southern Labrador too because you are right on the border there of the Province of Quebec. So in Southern Labrador and in Western Labrador you have a unique situation where the people in Labrador West are going in droves across the Quebec border to make their purchases. Again the Minister of Finance (Dr. Collins) and the administration are too stubborn are too arrogant to even consider reducing the sales tax in these areas. Quebec was not the last province in the world to do it, I can guarantee you.

MR. WARREN: Or even reduce the tax on gasoline.

MR. NEARY: Reduce the tax on gasoline or reduce the sales tax, Mr. Speaker. It is so obvious. Labradorians on the Newfoundland side are going in droves across to Quebec Province to buy all kinds of goods and all kinds of services cheaper than they can in their own province because of the retail sales tax, the 12 per cent retail sales tax.

MR. WARREN: More power to them.

MR. NEARY: Mr. Speaker, my colleague says, 'More power to them'. That is what I would say too. If they wave a fond goodbye to the Minister of Finance as they drive across the border to Quebec to get cheaper goods

MR. NEARY: and services, I would say the more power to them. There is not a thing the minister can do about it, just sit there like a gawk.

AN HON. MEMBER: Is that a bird?

MR. NEARY: I do not know if it is a bird or not. But he cannot do anything about it.

MR. BAIRD: There is no question you were vaccinated with a gramophone needle, all right. The same thing over and over and over.

MR. NEARY: Is the hon. gentleman in the Christmas spirit already? I thought all we were allowed to have in this House, Mr. Speaker, was water. So, Mr. Speaker, this is a very serious problem indeed. People are not going to stop. The hon. gentleman can come out and show his indignation all he wants, he can heap scorn on the residents of Labrador West and Labrador South all he wants, he can show his contempt for these people and his indignation for these people, but he is not going to stop them. They are going to go and buy wherever they can get their goods the cheapest.

MRS. NEWHOOK: Why should they not?

MR. NEARY: That is right, why should they not? So what the hon. gentleman should do is to reduce the retail sales tax, accede to the wishes of the Chamber of Commerce and others in Northern and Southern Labrador, reduce the sales tax to correspond with the sales tax in the Province of Quebec, and then the people would not go over there. These people do not want to take their business to the Province of Quebec but they are being forced to. They are trying to stretch their dollars.

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MR. HISCOCK:

business.

They are going out of

MR. NEARY:

Pardon?

MR. HISCOCK:

They are going out of business.

MR. NEARY:

Who is going out of business?

MR. HISCOCK:

Businesses in Labrador .

MR. NEARY:

Oh, businesses in Labrador

West are going out of business right, left and center.

The minister is being

penny wise and pound foolish.

MR. NEARY: What is the tax in the Province of Quebec? What is it? Does anybody know? How much? Is it 8 per cent?

MR. WARREN: Yes.

MR. NEARY: Eight per cent in the Province of Quebec. What the hon. gentleman is doing now is he is losing 12 per cent of the tax. If he reduced it down to 8 per cent to correspond with the tax in the Province of Quebec, at least he would get 8 per cent. He would be sure of getting that.

MR. WARREN: Well, even if he would do it for Labrador where they are running back and forth, that would maybe bring it up.

MR. NEARY: Pardon?

MR. WARREN: Even if he would do it for the Labrador section it would bring it up.

MR. NEARY: Well, I know, that is what I am arguing, even if he did it for where they are going back and forth across the border. And you can do it in Blanc Sablon and you can do it in Fermont in Labrador West, Mr. Speaker.

The hon. gentleman cannot continue to turn a blind eye to that problem. You cannot blame it on the Smallwood administration, can you? You cannot blame it on the Moores administration. You cannot go back to the Squires days or back to Coaker. It is this administration here and now, current, the administration we are looking at across the way.

MR. WARREN: I would say they would blame it on John Cabot for discovering Newfoundland.

MR. NEARY: Yes, if they thought they could get away with it. They made themselves a laughing stock the other day: To get the heat off themselves, they went back two regimes ago to try to blame their own incompetence on the Smallwood administration. Can you imagine, Mr. Speaker? What they will not stoop to! It is a wonder they did not go back to Noah's Ark.

Mr. Speaker, we are going to support Bill 87. We make no apologies for making the agents or officers or individuals or directors of a company liable for a sales tax that they collect and then use for their own personal gain or their own personal advantage. We make no apologies for that. We are not like the minister. And I do hope that the minister, when he concludes second reading, concludes the debate, will address himself to some of the points that I raised, especially the points about Labrador and reducing the sales tax in this Province generally. These are very important matters, Mr. Speaker, not to be shrugged off or brushed aside, deflected by the minister.

MR. WARREN: Do they have hospital user fees in Quebec?

MR. NEARY: I am not sure if they have hospital user fees in Quebec or not.

AN HON. MEMBER: No.

MR. NEARY: No, they do not.

MR. WARREN: No?

MR. NEARY: No, they do not.

So, Mr. Speaker, if the hon. gentleman wants to get some more dollars to help him balance the budget, the thing for him to do is to be realistic and constructive, not be negative. The policies

MR. NEARY: of the administration are counter-productive. The beer sales are down, the liquor sales are down, the tobacco sales are down, consumers' purchasing is down simply because of the policies of this administration. I would say, open her up and let her go for the first three months of 1984, lift the lid off and let her drift, see if we cannot increase consumer spending in this Province. The lid now has been kept on long enough. People have suffered enough. There has been enough of a negative policy.

I am surprised the hon. member for Menihek (Mr. Walsh) has not gotten up in this House -

MR. WARREN: He has spoken once in four years.

MR. NEARY: Well, I mean, I cannot fault the hon. gentleman for that. But certainly when you have an issue of the magnitude that they have in Labrador West you would expect the hon. gentleman to be in there fighting tooth and nail to try to get the problem resolved.

MR. WALSH: Who says he is not?

MR. NEARY: Well, the hon. gentleman has not said so publicly.

MR. WALSH: What I do publicly and what I do on my own in my own business and my constituents'.

MR. NEARY: I see. Well, the hon. gentleman likes to keep it to himself.

MR. WARREN: He is not doing too good, I tell you that.

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MR. NEARY:

The rest of the
amendments, Mr. Speaker, some of them are inconsequential,
some of them are minor,

MR. NEARY: some of them are major. Certainly I think the most significant one is number 13. The most significant amendment is number 13. Mr. Speaker, that has to do with who is liable for the tax once it is collected and then used for other purposes. That is the most significant amendment in this bill, and that we are going to support and we are going to support the bill. We do hope that as a result of passing this legislation that never again will individuals or companies or businesses in this Province monkey around with the retail sales tax and get away with it. That is the part that concerns us, the fact that they can do it and get away with it. Mr. Speaker, we think it is time to tighten up the regulations. And I am glad that I was Chairman of the Public Accounts Committee that made these recommendations. My colleague, the member for the Strait of Belle Isle (Mr. Roberts), if hon. gentlemen will remember when he tabled the last Public Accounts Committee report incorporated in that report was the report of the previous Public Accounts Committee of which I was Chairman and the member for St. John's North (Mr. Carter) was vice-Chairman.

These amendments are long overdue, Mr. Speaker, and we are going to support them. And we hope that they will go a long way in seeing to it that the retail sales tax is not misused and abused in future.

MR. SPEAKER (AYLWARD): The hon. the member for St. John's North.

MR. CARTER: In spite of the vicious personal attack that was launched against me by the Leader of the Opposition (Mr. Neary), I do wish to get up to seriously

MR. CARTER: debate a few of the points that have been raised in this debate so far. It is certainly true that he was the Chairman of the Public Accounts Committee while I was vice-Chairman and that we were able to work fairly effectively together. This was, of course, before the ghost of Senator McCarthy infused itself into his body and made him a person very much like Senator McCarthy. I think that he claims that he loves this House. What he loves is being able to terrorize unnamed people by all kinds of innuendos and suggestions of wrongdoing that he is quite unwilling to document.

Now, to get to the serious point about the retail sales tax, the hon. member, the Leader of the Opposition (Mr. Neary) knows full well that because of the accounting system used - again this is my understanding of it - that the debts that are owed to the government on behalf of retail sales tax can never be written off. In other words, part of that \$14 million that was referred to might go back as far as 1949. There is no provision for writing off uncollectible sales tax. That is the first thing.

The second thing is that sales tax becomes

MR. CARTER: payable the moment that an article is sold. Now, for instance, supposing there is a company that is selling snowmobiles; people do not always pay cash for a large item so it might be charged, there might be only a small downpayment, but all of the sales tax becomes payable immediately. Now if the people do not ever pay for these machines, if the poor man who is running this business goes bankrupt because the people do not honour their commitments and do not pay for the machines, as was one of the cases that we dealt with, then how on earth can you say that the man who ran the business is anything more than morally responsible for the sales tax? There is no way that he can get his hands on it, there is no way that he can pay it, and I think any reasonable person would conclude that this debt is uncollectable and legitimately uncollectable, or if it is collectable it is collectable from the people who originally purchased the stock and not from this man who ran the business of selling it. So that is another point to be considered.

I would point out, too, looking at the budget, the total retail sales tax collected last year was \$286 million, of the order of \$300 million. It was not much less than that the previous year and it was of that order for the last several years. So we are talking about probably something in excess of \$1 billion, \$1.5 billion of sales tax collected and \$14 million, \$15 million, perhaps as high now as \$20 million not collected. The member for the Straits of Belle Isle (Mr. Roberts) will be able to give us a more accurate figure when he gets up to speak, as I understand he intends to in this debate. So if you do a quick bit of arithmetic what is \$20 million out of \$1.5 billion. It is a very small percentage. I think it is less than 1 per cent. So I think that this -

MR. WARREN:

That would keep a lot of hospitals open.

MR. CARTER:

Yes. But remember, Mr.

Speaker, that we have established that some of this money is legitimately uncollectable, cannot be collected, cannot ever be collected yet must always be carried in the totals of the Department of Finance. It makes grand ammunition for an Opposition to get up and say, 'Oh, the government is owed \$14, \$15, \$16 million on retail sales tax'. But that money, that \$14 or \$15 million should be broken down into what can be collected, what could have been collected and what never could have been collected. I think this point should be made, and unfortunately, as I understand it, there is no accounting provision for that. So, you know, you should not lump apples together with oranges and call them all apples or call them all oranges. I think we should in a fair debate, even though the government may be liable for some criticism in this regard, still we should be prepared to criticize fairly, and I think this point should be made.

Now, as for access to information, when I was on the Public Accounts Committee the Auditor General had no problem getting the information that he required from the Department of Finance. And I would have to leave that to the present Chairman of the Public Accounts Committee and to the Minister of Finance (Dr. Collins) to sort out, and I am sure that they would be able, in the subsequent debate that will follow, to sort out any misunderstandings that may occur.

So, I just wanted to make those couple of points, Mr. Speaker. And I think it is very, very unfair the way the Leader of the Opposition (Mr. Neary) has tried to smear, by all kinds of innuendo, possible wrongdoings in this House either by members present or members past.

MR. SPEAKER (AYLWARD): The hon. the member for Eagle River.

MR. HISCOCK: Mr. Speaker, I will be very brief on this matter. I am very pleased that the Leader of the Opposition ended up bringing it into his speech, that was with regard to speeches I made and questions I have brought up in this House before to the Minister of Finance (Dr. Collins) concerning of course, the parts of Labrador bordering on Quebec, and as a result businesses losing business, having to lay off people and also finding out that some of the businesses ended up going bankrupt as a result. We find that we have a 12 per cent sales tax in Newfoundland and Labrador and 8 per cent in Quebec. In gasoline, as the member for the Strait of Belle Isle (Mr. Roberts) pointed out, there is quite a difference. Here in this Province we have an index tax of 28 per cent. Every time the federal government puts up its tax, every time the private companies put up their tax, ours automatically goes up by 28 per cent or whatever

MR. HISCOCK: that increase is. So I brought this matter up before and the Minister of Finance (Dr. Collins) got up, very smart-alecky, and said, 'Oh, the member for Eagle River has discovered the border problem'. The border problem is a concern and I hope that he will address this when he gets up. I am quite pleased that the Chamber of Commerce is here from Labrador South today because what happens is we talk in this House sometimes hours on end and the end result is, of course, it does not always get picked up by the press, and, if it does, it does not necessarily always get back to the area that it concerns. But this is a matter that we have been pressing on this side, and I am glad to hear that the member for Menihek (Mr. Walsh) is also concerned about it. Whether he is working privately behind the scenes to convince the Minister of Finance to do something about the sales tax, it is a concern to the Labrador West Chamber of Commerce.

In this part we find there is about \$14 million to \$20 million not collected, and the member for St. John's North (Mr. Carter) was quite correct in saying it is extremely difficult to collect some of this, and what about the businessman who gives credit and then people do not pay it and then the companies themselves have to go out of business, so why should they be liable? But I think the intent of the bill, if I am correct, by the Minister of Finance is to put the onus upon businessperson that if they collect sales tax then they have to remit it. It was also suggested that they should open separate bank accounts. But, of course, it was pointed out by taxation people that it would be too much trouble. And that comes back to another question that I brought into this House before, that I think that our taxes are coming now to such a state of

MR. HISCOCK: diminishing returns, we are not getting the taxes that we truly deserve in this Province. One of the results is that if we pay the businessmen 2 or 3 per cent of the overhead of the sales tax for collecting it, and their secretarial work and their transportation back and forth to the banks and all the other paper work, if we ended up paying the business people of this Province, Mr. Speaker, a 2 or 3 per cent rebate on the sales tax they collected, I would say that that would be the incentive for the people who collect.

It is quite true, as the member for St. John's North (Mr. Carter) said, that you would always have people who would not pay the taxes, and legitimately, because of personal bankruptcies. You would also have private companies, again legitimately, through bad creditors, for example, going out of business. But the point is and the point still remains that when I get up and, as I did today, present a petition on behalf of the residents of Pinsent Arm asking for power, the President of the Council (Mr. Marshall), the deputy Premier stated that the reason why they could not have power in Norman Bay and Pinsent Arm was because the Province did not have the money. But here we are with between \$14 and \$20 million outstanding, and some of it goes back quite a long time but it is still outstanding. This money itself could end up looking after some of these details. Obviously the deputy Premier realizes it is a major problem and hence the need for the legislation. The Board of Trade here in St. John's, and I am sure the Chambers of Commerce all around the Province, once they find out that you are liable personally, not your company but you personally as a member of the Board of Directors

MR. HISCOCK: of that company are now personally liable for the sales tax, then I am sure they are going to have more representation to the government.

But I think that the bill is starting from a point of view and a premise which is basically dishonest. It is going on the point of view that the business people of this Province are dishonest and that they are not paying the sales tax and therefore we are going to make you liable for the sales tax that you collect. Instead, Mr. Speaker, it should be going from the positive point of view that, as the member for St. John's North (Mr. Carter) said, something like over \$1 Billion a year is collected by honest, God-fearing business people in this Province. We are not giving them any credit for the amount of money that they are collecting. And I am saying, and the Minister of Finance (Dr. Collins) would agree because it is done in other provinces, that an incentive has to be given to these people for the time and the energy that they consume collecting and remitting the tax. If we have a rebate, I would say that this

MR. HISCOCK: \$14 to \$20 million would be cut down and we would not be colouring the characters of the business community and saying that the business community is not living up their responsibility, that they are taking money that rightfully belongs to the treasury of this Province and the taxpayers and taking it and spending it on their own personal business.

So I think that the premise of the bill brought in is negative and I think it needs to be corrected. My other point is with regard to diminishing returns on taxes. We find out now that consumer goods are not being bought. People going outside the Province will buy clothing outside when they are travelling. The tobacco tax is not bringing in what we expected, nor is the liquor tax. The gasoline tax, as I said, is indexed. And, of course, then the price of beer, we find out that the Newfoundland and Labrador Liquor Commission is pointing out that again those taxes are diminishing.

Another point that I brought up in this House before is our tourist industry. About 3,000 tour buses come to Nova Scotia each year, but the Province of Newfoundland and Labrador only gets about 10 per cent of that number. And one of the main reasons we only get 10 per cent is because when they look at the Gulf and look at coming here, what do they see? The high price of gasoline, and, once they get here, a tax on food and then a hotel tax. So they do not come here and we do not get any taxes. I said to the Minister of Finance (Dr. Collins) the other day that if we looked at that possibility of doing away with the tax on food and the hotel tax, then we may be able to entice more new dollars, not old dollars that are circulating around, but new dollars into our Province. As I said, Mr. Speaker, we are coming to the point

MR. HISCOCK: of diminishing returns. We are not getting the taxes because we are penny wise and pound foolish. As I said, I think it is regrettable in our Province that we are not a little bit more innovative in our approach to taxes. We end up basing our taxes on the point of view that we are paying taxes from the point of view of providing services. Then when we want these services, obviously these are badly needed and people do not mind paying them.

But as I said, Mr. Speaker, how do you deal with the fact that when you live in L'Anse-au-Clair or Labrador West you have the opportunity to buy things cheaper across the border? So you go and get cheaper gasoline, you do your banking, you go to the airport, you go to the ferry there, so it is just as well to fill up with gasoline while you are there; then it is just as well to buy some groceries while you are there, and it is just as well to buy some clothing. So, what is that doing to the job factor on the Labrador coast and also in Western Labrador? It is taking jobs away from our Province. We hear all the time of job preference that is put out by this Province.

So, Mr. Speaker, I hope that the Minister of Finance (Dr. Collins) when he looks at the idea of amending the retail sales tax that he will look at the unique problem concerning the Province of Newfoundland and Labrador bordering on Quebec and address that, because there are unique problems, as we have mentioned before, including the one of birth certificates, which is hopefully going to be straightened out to the satisfaction of all concerned by the Minister of Justice (Mr. Ottenheimer) and the Minister of Health (Mr. House). We cannot continue to ignore this problem.

December 19, 1983

Tape No. 4158

IB - 3

MR. HISCOCK:

When CN cancelled its service
out of Corner Brook to Souther Labrador, Corner Brook lost
a lot of business

MR. HISCOCK: Now a lot of food and grocery stores and other businesses along the Labrador coast are ordering directly from Quebec. They have the goods shipped by boat into Blan Sablon. As I said, I hope that the member for the West Coast will convince the Minister of Finance (Dr. Collins) and the President of the Council (Mr. Marshall) of the need to look at this unique part of the problem and end up reducing the sales tax. If he does not reduce the sales tax to the 8 per cent level of Quebec, at least he could have it within one percentage point. Obviously the ideal would be to have it equal but, as I said, if the minister looks at it I would hope that the minister's officials and himself will probably end up having dialogue.

The Labrador South Chamber wrote the Premier two months ago about this problem and they are still awaiting a reply. It is a matter that they have brought up before and it is a matter that I have continually and will continue to bring up. Because, as I said, Mr. Speaker, we are losing jobs and our businesses in that area are suffering. Some of them have had to close down and ended up going into bankruptcy. I do not know if some of these businesses that went bankrupt in Southern Labrador and in Western Labrador owe sales tax. If they do, the end result is that this government itself is almost driving them into bankruptcy by unfair competition. The people in Labrador itself do not want any unfair advantage; all they want

MR. HISCOCK: are the basics, the same as everybody else, to be able to compete fairly in the markets. When given that opportunity they have shown in the past, and will show again in the future, that they are quite capable of meeting this competition. But when you talk about the high cost of diesel electricity, put on that the high cost of taxation, and put on that the high cost of transportation into the area, it is a wonder, Mr. Speaker, there are any businesses in that area at all.

So, Mr. Speaker, in concluding, I would ask that the Minister of Finance (Dr. Collins) to look at this matter that concerns us. I am very pleased that the Chamber of Commerce and the development associations in the area know that the government is not only aware of the problem by letters coming in, but also that it is being brought to their attention in debate, and this is not the first time nor the last time that it will be brought up. Thank you, Mr. Speaker.

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

MR. ROBERTS: Mr. Speaker, other than noting that I concur with the remarks of my friend from the Eagle River district (Mr. Hiscock), whose district now includes an area that I had the pleasure of representing for a period of years between 1975 and 1979, I wonder if the gentlemen opposite will agree to let me move it six o'clock so that my remarks on this bill will be if not coherent at least contiguous? I obviously have a deep interest in it. It is a matter that has attracted a lot of attention at the PAC hearings and over which there has been some controversy in the newspapers about my knowledge, or lack thereof, in the last couple of years. So if all hands are agreed, Sir, I would move the adjournment of the debate, and I assume we will carry on with it tomorrow afternoon at three or three-thirty, whenever we get on to it. Thank you.

MR. SPEAKER (RUSSELL): Let it be noted that the hon. member for the Strait of Belle Isle (Mr. Roberts) has adjourned the debate.

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.