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VERBATIM REPORT
(Hansard)

Speaker: Honourable Thomas Lush

The House met at 9:00 a.m.

MR. SPEAKER (Lush):
Order, please!

On behalf of hon. Members I would like to welcome to the galleries today fifty Grade V to VII students from Our Lady of Mercy School, St. John's, accompanied by their two teachers Georgina Long and Marjorie Cooper.

SOME HON. MEMBERS:
Hear, hear!

MR. SPEAKER:
I would also like to welcome to the galleries eighteen people from the YWCA Bridges Program for immigrant women St. John's.

SOME HON. MEMBERS:
Hear, hear!

Statements by Ministers

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

MR. DECKER:
Mr. Speaker, in the 1988 Budget Speech, the Minister of Finance announced a reduction in vision coverage from one insured service per patient in a twelve month period to one insured service for patient per twenty-four month period.

The excerpt from the Budget, Mr. Speaker, I have here.

Since optometry coverage was introduced in 1981 many Newfoundlanders have availed of this service to the point where the service will now be insured once every two years instead of once per year. This frequency certainly provides for reasonable

coverage given the demand that exists for a variety of health care services.

I am pleased to advise hon. Members that Government has reviewed all aspects of this policy and effective April 1, 1990, MCP coverage for eye examinations will be reinstated to one insured service in a twelve month period for certain age groups of people.

More specifically, Mr. Speaker, persons who are eighteen years of age and younger and sixty-five years of age and over will once again be entitled to coverage for one insured vision service in twelve month period.

The purpose of this change is to recognize that vision changes occur more frequently in these age groups. For that reason the Government has made the decision to change the present coverage.

As of April 1, 1990, our young people, Mr. Speaker, and our senior citizens will once again be entitled to an annual vision examination, if necessary, rendered by optometrists or by general practitioners.

All other residents in the nineteen to sixty-four years age group will continue to be insured for one examination every twenty-four months.

Mr. Speaker, for the information of the general public, I would point out that under the terms of MCP participation, practitioners are required to provide patients with written prescriptions at the time of service, if eyeglasses are required.

Thank you, Mr. Speaker.

SOME HON. MEMBERS:
Hear, hear!

MS DUFF:
Mr. Speaker,

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

MS DUFF:
Thank you, Mr. Speaker.

I would like to thank the Minister for providing me shortly before the House opened with a copy of his Ministerial Statement. Certainly on behalf of the Members on this side of the House I would commend the Minister for his review and the changes that he has brought in the vision care policy.

This particular Budget that he refers to in 1988 which reduces the number of vision care from twelve months to twenty-four months; the matter was brought to the attention of the Minister shortly after that during the 1988 period. The Minister of the day did agree to undertake a review of the situation particularly in view of the changes that do occur in the under eighteen and over sixty-five age groups. I would point out to the Minister that it is not a full reversal of policy as he has stated but simply for those particular age groups.

Unfortunately, as the Minister is aware, the Government of the day changed so that the recommended review was not completed during that period. The review has now been completed and the changes made and I am very happy about that matter.

The policies of Government, the fiscal policies particularly, frequently undergo review and I

think that is only fiscally wise. I would anticipate for instance that the Minister of Finance will shortly be making a review of the impact of his payroll tax and that is in the normal course of Government policy. But I think the bottom line is that as health critic I am very pleased to see that the twelve-month vision care has been reinstated for the under nineteen and over sixty-five.

SOME HON. MEMBERS:
Hear, hear!

Oral Questions

MR. RIDEOUT:
Mr. Speaker,

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

MR. RIDEOUT:
Mr. Speaker, I have a question for the Minister of Finance. Would the Minister of Finance inform the House whether or not projected salary increases for Government employees whose contracts expire, many of them around the end of this month, and for teachers whose contract has already expired, have been included in the salary details of various Government Departments, or the affected Government Departments, which was tabled in this House of Assembly with his Budget a week ago, yesterday?

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

DR. KITCHEN:
Mr. Speaker, amounts are included in the Budget, but they are not specifically allocated to positions.

MR. RIDEOUT:

A supplementary, Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition, with a supplementary.

MR. RIDEOUT:

Mr. Speaker, I refer the Minister, for example, to the Field Services Division of the Department of Fisheries. That Division had twenty-five employees last year, it has twenty-five employees this year, and the salary Budget is projected to increase by \$55,988, or 8 per cent. Now there is a normal step progression and there is a normal length of service progression, which would account for about 4 per cent. The question is, would the Minister tell the House whether the Government intends to try to settle with its General Service employees for a wage increase of about 4 per cent in this round of contract talks?

MR. SPEAKER:

The hon. the Minister of Finance.

DR. KITCHEN:

Mr. Speaker, I would not like to answer that question at this time.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. RIDEOUT:

Exhibit one, Mr. Speaker! Let me ask the Minister a question re exhibit two. Let me refer the Minister to the salary for teachers in the Department of Education. That Budget is projected to increase this year by \$33 million, or 9 per cent over last year. Again, taking into account length of service and step progression, we come up with 4 per cent. Will the Minister confirm

for the House, and for the teachers of this Province, that the Government intends to try to settle with its teachers for a contract increase of approximately 5 per cent in this round of negotiations?

MR. BAKER:

Mr. Speaker.

MR. SPEAKER:

The hon. The President of Treasury Board.

MR. BAKER:

Thank you, Mr. Speaker.

It is obvious what is happening here, and I would say to the Leader of the Opposition, when he is ready to listen, that he knows full well that in salary projections, or any projections in the Budget, especially salary projections, there a number of factors that are included, that the Budget is an estimate or a guideline that is not hard and fast, and that money can be transferred from one Head to another and so on. He is trying to create the impression that when a Head is put there, this is an ironclad rule and can never be changed. I say to him that if he has done his calculations and he sees that there are increases in terms of salary votes, these increases involve a lot of things, not just the base salary. These matters are matters for negotiation, and we are not going to play his little game and get tied into making commitments here in the House of Assembly. I believe in the collective bargaining process, if he does not.

MR. SIMMS:

That is a joke, after the statement you made the other day.

MR. RIDEOUT:

A supplementary, Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. RIDEOUT:

Mr. Speaker, the President of Treasury Board started the game in this House two or three days ago when he made a very provocative statement.

MR. SIMMS:

That is right. Right on!

MR. RIDEOUT:

Mr. Speaker, I know there are various factors that come together at the end of the process that can affect the amount that you guesstimate or try to budget, but, Mr. Speaker, will the President of Treasury Board confirm this, that there is nowhere close to budget projections for the General Service, MOS, Teachers or any other group which will have to bargain with this Government over the next several months, that the salary projections for wage increases for those groups come nowhere close to 25 per cent.

MR. WINDSOR:

It is obvious.

MR. RIDEOUT:

That is obvious.

MR. SPEAKER:

The hon. the Government House Leader.

MR. BAKER:

Thank you very much, Mr. Speaker.

Mr. Speaker, I do not know where he is getting his 25 per cent.

MR. RIDEOUT:

Ask Mr. March.

MR. BAKER:

I have no concept. It is nowhere close to 50 per cent or 35 per cent or 25 per cent. Nowhere in this Budget is there a projection for salary increases of 25 per cent.

MR. RIDEOUT:

Twenty-four.

MR. BAKER:

Or twenty-four per cent.

MR. RIDEOUT:

No? What did you announce Budget Day?

MR. BAKER:

I would like to simply add that any further statements concerning the collective bargaining process along those lines would be irresponsible on my part, and it would be an interference in the process. All I can say to the Member is that we have presented a Budget to this House, which includes salary increases. We are going through a collective bargaining process which I believe in very deeply. We will go through the collective bargaining process, and whatever we arrive at through that collective bargaining process, provision will be in the Budget for that.

MR. DOYLE:

Mr. Speaker.

MR. SPEAKER:

The hon. the Member for Harbour Main.

MR. DOYLE:

Mr. Speaker, I have a question for the hon. the Minister of Employment and Labour Relations (Ms Cowan). The Minister will be aware that there presently exists in the Province a Workers' Appeal Tribunal, and the whole purpose of

that Tribunal is to be a court of last appeal when you get right down to it, and it is considered by the worker to be a court of last appeal if he has his claim turned down by the Workers' Compensation Commission.

I am not saying it is a widespread thing, but is the Minister aware that the Commission is, in some cases, challenging the decisions of the Appeal Tribunal and, in some cases, is trying to overturn the decisions of the Tribunal? After all, we consider it to be a court of last appeal for the injured workers, so why would the Commission be doing that?

MR. SPEAKER:

The hon. the Minister of Employment and Labour Relations.

MS COWAN:

The hon. Member is indeed correct, Mr. Speaker. That is happening. Some of the decisions of the Appeal Tribunal are being reviewed by the Workers' Compensation Commission. We are, at this stage, having the matter looked at to see if, indeed, that is done in other provinces, and considering whether or not we want that to continue in this Province.

MR. SPEAKER:

The hon. the Member for Harbour Main.

MR. DOYLE:

Mr. Speaker, I can tell the Minister that it is not a very widespread thing in other provinces in Canada. The Section of the Act which permits that to happen is Section 21 (7) of the Act. Since the Commission do not want the authority to overrule the Tribunal but they have the authority under Section 21 (7) of the Act, would the Minister

consider looking at the legislation with a view to removing that section of the Act, since the Commission have stated that they do not want it or need it?

MR. SPEAKER:

The hon. the Minister of Employment and Labour Relations.

MS COWAN:

Yes, certainly I am quite interested in having a look at that. I do not know whether the hon. Member for Harbour Main is quite correct when he says the Commission does not want to be doing it. I do not whether we can make that widespread statement at this stage, but, yes, indeed I am looking at it, and I am glad for the question today in the House.

MR. SPEAKER:

The hon. the Member for Harbour Main.

MR. DOYLE:

I would say to the Minister I am pretty certain the Commission does not want that authority, and they would like to see that Section of the Act removed.

With respect to the Tribunal and the whole process, again, Mr. Speaker, I know MHA's in the House have been quite busy representing workers at some of these Appeal Tribunals. I would ask the Minister if she would look at the possibility of putting in place a workers' advocate and an employers' advocate, number one, and is she looking at the possibility of making the Tribunal a full-time one?

MR. SPEAKER:

The hon. the Minister of Employment and Labour Relations.

MS COWAN:

Again, thank you for the questions.

First of all, I have not looked into the matter of making them a full-time appeal board. I think they are handling quite expeditiously the case that are coming before them this particular year. Now if we find there is a slowdown and cases are not being attended to as they should, we will look for the reasons. And if hiring a full-time board is the only way it can be resolved, of course we would only be too glad to entertain that.

Your other question was regarding a workers' advocate. That is a position that has been brought to my attention quite frequently by unions and employers since I became Minister. The matter is one I have mentioned to the Chairperson of the Board, and it is being looked at, but I cannot give you any promises as to whether it will be realized or not.

MR. SIMMS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Opposition House Leader.

MR. SIMMS:

Mr. Speaker, a couple of days ago I gave notice to the Minister of Employment and Labour Relations about a matter which I would like to raise today. Having given her an opportunity to review the situation, I would now like to ask her can she confirm whether or not she received a letter, dated January 30, from the steam plant power engineers at the Abitibi-Price Paper Mill in Grand Falls outlining some very serious concerns about the company's plan to reduce the number of engineers

at the mill's pressure plant? If she can confirm that, can she advise the House, also, as to what action she has taken to respond to their letter? Has she, for example, sent a team of qualified engineers from her Department to investigate this very serious situation, the serious allegations contained, and has she taken steps to rectify what, in their words, could be a potentially dangerous situation?

MR. SPEAKER:

The hon. the Minister of Employment and Labour Relations.

MS COWAN:

I thank the hon. the Member for Grand Falls for giving me notice that he would be bringing the question, giving me an opportunity to check my files.

We did receive a letter on February 20. The letter was dated January 20, but we received it on February 20, from the group to whom you refer. We did go out. Mr. May, the Acting Director, and Mr. Ed Eastman, the Boiler and Pressure Vessel Inspector for the Grand Falls area, went out and had a meeting with the power engineers and the management at Abitibi-Price, and the matter is now being referred to the Board of Examiners.

Now the Board of Examiners will take a look and see if there is any threat to the safety of the individuals who are working in those particular areas of the plant because of the proposed reduction in staff in that area.

MR. SPEAKER:

The hon. the Opposition House Leader.

MR. SIMMS:

Mr. Speaker, a supplementary to the Minister.

Since the Abitibi engineers outlined in their letter that they feel the proposed layoffs contemplated by the company is being done simply as a cost-cutting measure, using the shut-down of the No. 6 paper machine merely as an excuse - that is their allegation - does she agree with the workers when they say in their letter that no really significant changes have occurred in that plant since the last plant registration was done in 1984, certainly not enough to warrant such a reduction in manpower, and that the number in place now is really the number required under the law, that is the boiler and pressure law, for a safe operation?

MR. SPEAKER:

The hon. the Minister of Employment and Labour Relations.

MS COWAN:

Thank you again, Mr. Speaker.

It is not my position to make that statement. The Examining Committee of the boiler and pressure vessel and compressed gas people will have a look at that, and they will be the ones to make that particular decision, taking into account the point you just made.

MR. SIMMS:

Mr. Speaker, just a short final supplementary.

MR. SPEAKER:

The hon. the Opposition House Leader.

MR. SIMMS:

I appreciate the Minister's response with respect to the broad issue and the concerns expressed

by the engineers about the safety features and the safety factor. I was a bit concerned about the allegation, or the concern, expressed in their letter with respect to something like this transpiring, which would really be a contravention or a breach of the law. That would clearly come under the Minister's responsibility as opposed to the Board of Examiners, and I am wondering if she thinks there is any validity to that, or has she had a look at that yet?

MR. SPEAKER:

The hon. the Minister of Employment and Labour Relations.

MS COWAN:

If, indeed, there is some breaking of the law, that will be reported to me. If my inspectors feel the law has been impinged in some way, then the matter would be referred by me to Justice.

MR. MATTHEWS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Member for Grand Bank.

MR. MATTHEWS:

Thank you, Mr. Speaker.

My question is to the Minister of Fisheries.

A few months ago, when National Sea announced the closure of the St. John's Southside plant with the total concurrence of the Provincial Government, at the time the Premier left everyone in the Province with the understanding that if there was a choice to be made between St. John's and Burgeo remaining open, then Burgeo would be the choice.

The community of Burgeo is reeling

this morning from the recent NatSea announcement that that particular facility may be operated for six months this year. There is still a lot of uncertainty attached to that. Would the Minister inform the House if he has contacted National Sea Products, and what rationale has the company given for the sudden change in operational plans for the Province?

MR. SPEAKER:

The hon. the Minister of Fisheries.

MR. W. CARTER:

Mr. Speaker, the preamble to the hon. Member's question is totally false. At no time did this Government or the Premier indicate the preference for keeping the Burgeo plant open as opposed to the St. John's plant.

SOME HON. MEMBERS:

Yes. Yes you did.

MR. W. CARTER:

Absolutely not, Mr. Speaker! That preamble is false.

This morning, I was advised that NatSea will be making some changes in their management plan for this year, based on the fact that the St. John's plant will remain open until August 5th. Consequently, to get the raw material to keep that plant operating, from their initial date of, I believe March 5th, when they were going to close it, then they are going to have to take it from some other plant, and, in this case, I am afraid the plants at Burgeo and Arnold's Cove will suffer.

They are also closing their plant in Nova Scotia, granted not for the same length of time. But the plants in Burgeo and Arnold's Cove will be closed for a period to

compensate for the amount of fish that will be needed to keep the St. John's operation going.

MR. SPEAKER:

The hon. the Member for Grand Bank.

MR. MATTHEWS:

Thank you, Mr. Speaker.

The two major fish companies in this Province, NatSea and Fishery Products International, have been anything but consistent since this whole fisheries crisis has started.

SOME HON. MEMBERS:

Hear, hear!

MR. MATTHEWS:

We hear them saying one thing one week, and the next week going and doing something completely opposite.

Can the Minister inform the House if this year National Sea Products intends to buy the inshore fish that has been ordinarily bought by National Sea, some 4 million to 5 million pounds, and process it at the St. John's plant?

MR. SPEAKER:

The hon. the Minister of Fisheries.

MR. W. CARTER:

Mr. Speaker, last year the St. John's inshore fishery produced a total harvest of, I believe, around 4 million pounds. My understanding is that this year fishermen in St. John's will have an outlet for their product. I understand NatSea will be vying for that fish, and, I am told, plants in the Conception Bay area will be looking for that fish as well.

So not only will the St. John's inshore fishermen have a market for their product this year, but,

I suggest, Mr. Speaker, there will be competition by the resource-hungry plants in the area to buy fish from the inshore fishermen in the St. John's area.

MR. SPEAKER:

The hon. the Member for Grand Bank.

MR. MATTHEWS:

A final supplementary to the Minister, Mr. Speaker.

In light of the Government's \$3 million offer to National Sea Products, with this recent change in plans by NatSea with regard to all its operation in the Province, what impact will that now have on the \$3 million offer? Will Government offer the total \$3 million to NatSea, or will there be some change in that monetary offer?

MR. SPEAKER:

The hon. the Minister of Fisheries.

MR. W. CARTER:

An agreement is an agreement. I think the hon. Member is aware of the fact that the Government did, in fact, undertake to enable the two operators, FPI and NatSea, to extend the termination period of their workers. And the fact that NatSea and the union, by the way, have agreed to continue operating the plant until August 5, after which date they will start converting to a shrimp processing operation, naturally Government will honour its agreement. I think the hon. Member would be the first one to stand in his place and condemn Government if we were to try and renege on that offer. We have no intention of doing that. We will honour that agreement.

MR. HODDER:

Mr. Speaker.

MR. SPEAKER:

The hon. the Member for Port au Port.

MR. HODDER:

Mr. Speaker, another question for the Minister of Fisheries.

I should say that I hope the Minister has changed his opinion as to the viability of the Piccadilly Fish Plant. Some of his comments, I think, were unfortunate, but many people knowledgeable about the plant do not feel that way.

In view of the fact, Mr. Speaker, that various interest groups, such as the Port au Port Development Association, the Union and the Fishermen, have expressed the opinion that it would be easier to find an operator for the plant if it were equipped, and in view of the fact that the plant could be equipped for approximately \$150,000, and there is equipment around the Province, would the Minister consider placing equipment in the Piccadilly Fish Plant?

MR. SPEAKER:

The hon. the Minister of Fisheries.

MR. W. CARTER:

Mr. Speaker, again the hon. Member's preamble to the question is not correct.

I will admit that when I answered that question previously I expressed some concerns as to the availability of the resource to keep that plant operating. I think what has been happening in that plant in recent years speaks for itself; there has been a real serious problem there.

I have expressed this opinion to the Port au Port Development Group

and others, that we will do all we can within our power to try and attract a new operator for the plant, but we cannot make fish. If the fish are not there, or if the potential is not there, then there is not much we can do about it. But, certainly, we will work with the group in an effort to find a new operator for that plant.

MR. SPEAKER:

The hon. the Member for Port au Port.

MR. HODDER:

Mr. Speaker, the question I asked the Minister was would he consider equipping the plant. The plant is bare at the present time. Would the Minister answer that question?

The second question I have is, would the Minister consider advertising? I think there was an understanding between the Development Association and the Minister's Department that the Minister would advertise for an operator for the plant. Would the Minister consider equipping the plant, as it is bare at the present time and very unattractive, because the last operator took all the equipment from it, and would he consider advertising for an operator for the plant?

MR. SPEAKER:

The hon. the Minister of Fisheries.

MR. W. CARTER:

Mr. Speaker, I do not think it is going to be necessary to spend money on big, full-page ads telling Newfoundland people that the Piccadilly -

AN HON. MEMBER:

No is saying that.

MR. W. CARTER:

Well, even half-page ads or a quarter page.

- fish plant is up for takes. I think most people in the industry know exactly what plants are available.

Now, with respect to the other part of his question, for which I apologize for not dealing with in my answer, if an operator comes along and makes a reasonable proposal to the Government - I am not going to make a commitment now that we are going to spend \$200,000 or \$300,000 or whatever it might take to equip that plant, but let some operator come along and make some proposal, and we will certainly consider it.

MS DUFF:

Mr. Speaker.

MR. SPEAKER:

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

MS DUFF:

Thank you, Mr. Speaker.

I would like to direct this question to the Minister of Health. What action has the Minister taken to investigate concerns about potential health hazards in arenas throughout the Province which are caused by carbon monoxide levels generated through the use of Zamboni ice cleaning machines?

MR. SPEAKER:

The hon. the Minister of Health.

MR. DECKER:

Mr. Speaker, the hon. Member is probably referring to the media coverage of several weeks ago, I believe. I prepared for the question about 3 or 4 weeks ago, and I have been waiting for it

ever since. Public health inspectors respond to all complaints received concerning problems with air quality in ice arenas. In the absence of any complaints, the health inspection division has a policy whereby air quality in ice arenas is routinely monitored at least twice during the winter season. The standard test carried out is for the presence of Carbon monoxide, and occasionally other parameters, such as nitrogen dioxide, are also checked. Generally, however, the standard monitoring practice is centered around carbon monoxide.

The Member is probably referring to the Quebec report, which had some problems with the formula, saying that maybe even smaller amounts would be considered dangerous. We have not yet received a copy of that report; we have asked the Quebec Government to let us have one.

In the meantime, Mr. Speaker, I do not see any great need to panic. The main thing is to have ventilation. The Department, through Public Health Inspectors, responds to every complaint, and from time to time spot checks are made to make sure that everything is under control. I am pleased the hon. Member saw fit to ask that question, but I wish she would get into some of the meat of the Budget, Mr. Speaker.

MR. SPEAKER:

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

MS DUFF:

Thank you, Mr. Speaker.

I can assure the Minister that we will deal with the meat of his budget in the appropriate form, which will be the Budget Estimates

Committee and the debate on the Budget in the House. I would never make a quick hit on something as serious as the Health budget.

I would like to say to the Minister, in view of his answer, I think he said Health Inspectors carry out inspections once or twice during a winter season on a complaint basis, and in view of the fact that carbon monoxide is an odorless and tasteless gas, and a deadly gas, and I do not wish to be an alarmist in this, but there can be unacceptably high carbon monoxide levels without anybody making a complaint, because they would not know it was there, and it is particularly hazardous to athletes because of their high uptake of oxygen and to people with cardiac and respiratory problems, does the Minister consider that a spot check of once or twice during the winter season is adequate? Because I understand that Zamboni machines, if they are used in buildings which are not properly ventilated, or if these machines are not properly maintained and have carbon in their engines, can, in fact, be producing this gas.

Is the Minister now saying that he considers, in spite of the report from Quebec, which indicates that the levels indicated may not be adequate, and in spite of the fact that this gas can be in the atmosphere without anyone being aware of it, that a casual inspection once or twice a season by Health Inspectors is adequate?

MR. SPEAKER:

The hon. the Minister of Health.

MR. DECKER:

Mr. Speaker, the premise that the hon. Member is going under is that

the Department makes a couple of spot checks after there has been a complaint. That is not entirely accurate. We respond to complaints, but we also do spot checks from time to time.

Now, I suppose, ideally we would have a Public Health Inspector stationed at every arena and you could test the air for carbon monoxide every hour. Now, that would be an ideal world. But the hon. Member knows, the economy of the Province being what it is, we cannot afford to put Public Health Inspectors in every arena in the Province. But we do make spot checks on arenas as we make spot checks on restaurants, as we make spot checks on hotels, and there are certain regulations that operators must abide by. For example, the machines have to be kept in good condition, with the engine, I suppose, to be fine tuned. There are rules and regulations the operators of these arenas must abide by. They know that.

But, of course, I think all of us would love to have the finances available so that we could station people permanently in the arenas. But the world being what it is, fiscal reality being what it is, we have to be content to treat the arenas as we treat everything else. But it is a very serious matter; it is a matter the Department is concerned about. I wonder why, if it is such a serious matter, the hon. Member waited three weeks to raise it? It was three or four weeks ago that we had problems with the Trepassey rink.

MR. SPEAKER:

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

MS DUFF:

I like the Minister so much better when he keeps to the highroad.

SOME HON. MEMBERS:

Hear, hear!

MS DUFF:

I wonder if the Minister has considered requiring that each of these arenas would be equipped with a small hand-held device, which I gather is inexpensive, which would allow the stadium staff to monitor their own CO-2 levels?

AN HON. MEMBER:

A good question.

MR. SPEAKER:

The hon. the Minister of Health.

MR. DECKER:

Mr. Speaker, as the hon. Member points out, some of the stadiums do have that equipment. I understand the St. John's Stadium has that piece of equipment. We have not considered making it mandatory, but we certainly will not stop any stadium or any arena in this Province who want to have a hand-held device. I think it would be a wise thing to do.

MS DUFF:

Why not?

MR. DECKER:

Whether or not we are going to make that part of legislation, I am not sure it will be necessary. Generally speaking, Mr. Speaker, the operators of those arenas are rational, reasonable people and they, too, are concerned about the carbon monoxide level and they do carry out various inspections. As the hon. Member points out, you may not be aware of it. But to make it mandatory - I would think what she is suggesting might just

happen in the course of time anyway, as people become more aware of the problem.

MR. MATTHEWS:
Mr. Speaker.

MR. SPEAKER:
The hon. the Member for Grand Bank.

MR. MATTHEWS:
Thank you, Mr. Speaker.

My question is to the the Minister of Finance. In light of the recent downturn in the fishery of the Province, the crisis that we are experiencing in Newfoundland and Labrador, I would like to refer the Minister to page 126 of the Budget Estimates, the Department of Fisheries, and ask the Minister if he can explain the reduction in the Department of Fisheries budget, from \$33.3 million to \$31.2 million, a reduction of \$2.1 million. Would the Minister explain to the House, please, what programs of the Department of Fisheries are being affected by this reduction in the Budget?

MR. WINDSOR:
Not the Minister's salary, you can be sure.

MR. SPEAKER:
The Minister of Fisheries.

MR. W. CARTER:
Mr. Speaker, there are some reductions in the Budget this year for Fisheries. But that can be explained, in that last year there were a number of programs funded in the Budget for which funding is no longer necessary, and I can give the hon. Member some examples. For example, last year we had \$500,000 amount in the Budget for a northern cod study. That is now completed, so we do

not need it there any longer. We had a \$200,000 amount of expenditure to the trustees for the Rose Ting fish plants, for example. That is no longer necessary. We had a \$300,000 amount for the mid distance trawlers. That is no longer necessary this year, certainly not that size of an amount. Last year there were other such programs, Mr. Speaker, and that explains the reduction.

I should point out, Mr. Speaker, that, in fact, the fisheries budget this year is about \$5 million in excess of what it was last year, in reality, in that this year we are spending -

MR. MATTHEWS:
(Inaudible).

MR. W. CARTER:
No, there is a \$9 million expenditure this year the Province is making to compensate the two fish plants, FPI and NatSea, for not terminating their employees. That amount is being spent on the fishery, but it will appear in the estimates of my colleague, the Minister of Employment and Labour Relations.

MR. SPEAKER:
Question Period has expired.

Notices of Motion

MR. SIMMS:
Mr. Speaker.

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

MR. SIMMS:
Mr. Speaker, I give notice that I will on tomorrow ask leave to

introduce the following resolution:

WHEREAS the Government announced in its Budget that the Office of the Parliamentary Commissioner (Ombudsman) will be eliminated; and

WHEREAS the Ombudsman received over 900 complaints in 1989; and

WHEREAS over forty countries in the world and all provinces except PEI have an Ombudsman; and

WHEREAS no other jurisdiction has ever eliminated the Office of Ombudsman; and

WHEREAS only the Ombudsman has the necessary authority to resolve complaints made by citizens against the Government;

THEREFORE BE IT RESOLVED that this House of Assembly recognize the importance of the Office of the Ombudsman in protecting citizens against Government actions, and that this House of Assembly urge the Government to reverse its decision to eliminate the Office of Parliamentary Commissioner (Ombudsman).

SOME HON. MEMBERS:

Hear, hear!

MR. DUMARESQUE:

Mr. Speaker,

MR. SPEAKER:

The hon. the Member for Eagle River.

MR. DUMARESQUE:

Mr. Speaker, last week I tabled the Report of the Elections and Privileges Committee respecting Broadcasting, and today, Mr. Speaker, I would like to move concurrence of this Report.

MR. SIMMS:

A point of order, Mr. Speaker.

MR. SPEAKER:

The hon. The Opposition House Leader, on a point of Order.

MR. SIMMS:

I will confess at the outset that this is not really a point of order. I would like to engage in consultation with the Government House Leader, and a point of order is a good way of doing it.

AN HON. MEMBER:

Is it on (inaudible)?

MR. SIMMS:

No, I think it is a public matter, since I raised it yesterday. Now that the motion has been put forth by the Chairman of the Committee with respect to radio broadcasting and the rest of those items, would the Government House Leader consider leave, or asking leave, to deal with the matter right away? Perhaps we could agree on some time limitations, maybe a couple of speakers from each side for five minutes each, so that we could get this matter resolved and get on with the great reform we all agree is very necessary. I can tell the Government House Leader that we on this side are quite prepared to give leave to do that, if he would be interested.

MR. SPEAKER:

The hon. The Government House Leader.

MR. BAKER:

Thank you, Mr. Speaker.

In response to the non point of order, the motion made by the Member for Eagle River simply puts the topic on the Order Paper for the next day. We had already reached agreement as to what will happen today, and it has all been

settled in terms of what is going to be called today. I will call it at the earliest possible opportunity after that point.

MR. SPEAKER:

The hon. The Opposition House Leader.

MR. SIMMS:

Mr. Speaker, I know there is already an understanding of what takes place today. All we are saying is that the Finance critic is prepared to give up twenty minutes or a half hour of his time so that we could deal with this very important issue. If there is any concern on that side that we may be trying to get this enacted now, immediately, today, so that the Finance critic could get radio coverage for the next two hours, that is not our intention, I assure you.

MR. RIDEOUT:

We will be speaking on it, whenever it comes in.

MR. SIMMS:

Yes. In fact, we would be quite prepared to approve it at a specific date, if he wants to put it off until next Wednesday, or next Friday or whenever, but I think we should deal with the matter and let us get on with it. Since there is a feeling and a mood to accommodate this request, and since everybody is in strong support of the reform, there should not be much debate on it, so let us get on with it.

Answers to Questions
for which Notice has been Given

MR. SPEAKER:

The hon. the Minister of Municipal and Provincial Affairs.

MR. GULLAGE:

Mr. Speaker, I wish to respond to a question I took note of yesterday from the Member for St. John's East Extern. There has been no major program cuts from the Cultural, Historic Resources and Youth Sector of my Department. The \$700,000 to which the Member referred is the result of a number of reductions in several Subheads, the most significant of which is some 400,000 resulting from the completion of the Conservation Laboratory and repair work to the Colonial Building.

Other reductions, compared with last year's revised estimates, result from differences in salaries as a result of a number of retirements last year, and the resulting severance packages associated with these retirements, holiday pay and vacation pay. There was also a reduction in funding made available from the Federal Government, under the National Museum Subhead in Historic Resources.

As I indicated, Mr. Speaker, there were no major program cuts, simply programs that were completed last year and for which funding is not required this year, and the differences in salaries this year compared to last year as a result of retirements. Thank you, Mr. Speaker.

MR. SPEAKER:

Further Answers to Questions for which Notice has been given.

MR. GILBERT:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Works, Services and Transportation.

MR. GILBERT:

Thank you, Mr. Speaker.

Yesterday the Member for Menihek (Mr. Snow) asked me some questions concerning the Labrador Air Subsidy Program. The elimination of the Labrador Air Passenger subsidy -

MR. SPEAKER:

Order, please!

I am having difficulty hearing the hon. Minister. I do not know if his mike is on, but I cannot hear the hon. Minister.

MR. GILBERT:

There is too much talking on the other side.

MR. SPEAKER:

The hon. the Minister of Works, Services and Transportation.

MR. GILBERT:

Yesterday, Mr. Speaker, the Member for Menihek asked me some questions concerning the amount of subsidy paid for the Labrador Air Subsidy Program. The elimination of the Labrador Air Passenger Subsidy Program represents a small drop in the amount of money that the Provincial Government spends on subsidies to air passengers. In 1988-89, a total of 5961 applications for the Labrador Air Passenger Program were processed. The average amount of the subsidy was \$46.00 per occasion. The ninety-five applications which have been processed for February and early March of 1990 have produced subsidies in the range of \$55.00.

A number of variables will have an affect on the average amount of the subsidy at different times of the year. Many travellers take advantage of seat sales when

travelling to the Island portion of the Province, and this reduces the subsidy amount. At other times, and in cases of emergency, a full-fare ticket is necessary. Residents of Coastal Labrador have also been able to take advantage of an additional subsidy amount, as air travel to connecting points for Island travel has also been subsidized by 20 per cent under this program.

I would like to point out that funding is available from the Department of Municipal and Provincial Affairs for sporting and cultural groups, and, also, that a subsidy to Labrador Airways for travelling Coastal Labrador is still in effect, and this is, by far, the largest subsidy we pay.

MR. SIMMS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Opposition House Leader.

MR. SIMMS:

I wonder if the Minister would table that sheet of paper?

Orders of the Day

MR. SPEAKER:

Motion 1.

MR. WINDSOR:

Mr. Speaker.

MR. SPEAKER:

I just point out to the hon. Member, and I will not take this out of his time, that Motion 1, as hon. Members know, is to move that the House resolve itself into a Committee of the Whole on Ways and Means to consider the raising of supply to be granted to Her

Majesty.

MR. SIMMS:

It is the Budget Debate.

MR. SPEAKER:

Yes.

The procedure is that the Speaker leaves the Chair in theory, but it does not happen. It is just one of those strange things wherein it just carries on the way it is.

The hon. the Member for Mount Pearl.

MR. WINDSOR:

Thank you, Mr. Speaker.

What happened a moment ago in this House is somewhat symbolic of what is happening on the other side. The administration is afraid of what is taking place over here. They do not like what they are hearing, Mr. Speaker, particularly the Premier. I want to point out that the Premier has a basic flaw. He is like a thermometer. You can see his blood pressure rise when he is worried about something; you can see the colour in his face rise. He is just like a thermometer. He is like a mood meter on somebody's wall. He has a built-in mood meter. I know when I am getting to the Premier, because I can see his colour go up, his complexion turns very red.

Obviously, he is frightened to death today of what I am going to say about his Budget. He is already embarrassed about the fact that his Minister has badly bungled the Budget, and he knows it. He is going to run away and hide now. That shows how much backbone he has. He cannot even take it. I am able to get to the Premier. The Premier's problem is he thinks he is so intelligent

nobody else can speak to him, and I am able to get to him on that basis, Mr. Speaker. I am able to get to him.

SOME HON. MEMBERS:

Hear, hear!

MR. WINDSOR:

There is the proof, Mr. Speaker. It did not take me very long before he cleared out of the Legislature today. He was scared to death. I saw him lean over to the hon. the Government House Leader and say, No, no. Do not agree to letting the radio people in here today. Windsor is going to be speaking, and we are scared to death of that. We do not want the truth to get out to the people.

SOME HON. MEMBERS:

Hear, hear!

MR. WINDSOR:

You could see it, Mr. Speaker. I saw him lean over and he gave the President of Treasury Board his instructions: Do not agree to that. We do not want the truth out on the streets. Cover it up at all cost.

Well, Mr. Speaker, that is not going to stop us. I can assure hon. gentlemen opposite that the facts are going to be brought out, and they are going to be brought out in technicolour.

I hope the Minister of Finance has at least the gumption to stay here and listen to some of the things that are going to be said about this Budget today, and I do not say that unkindly. I hope he sits in his seat and listens, not only to me, Mr. Speaker, but to all other speakers who are going to speak on this side of the House, because we do a very detailed and thorough - another one down, Mr.

Speaker. I have about a 50 per cent vacancy rate so far. It will not be long before they are all gone, Mr. Speaker. The backbenchers are hanging in there a little bit, just trying to keep up a good front. They are embarrassed about this Budget, but they do not want to admit it publicly. They will be gone pretty soon.

Now, Mr. Speaker, I want to deal, first of all, with just the flavor of this Budget which has been described by me and my colleagues and our Leader as a sneaky, devious, and dishonest Budget, far from the people's budget the Minister of Finance would like to have the Province believe it is. It is a people's Budget alright, it is increased borrowings this year by 20 per cent from \$398 million to \$494 million, the largest increase in borrowing, Mr. Speaker, we have seen in many years, a large increase in the public debt. We will get into some details on that in a number of days, because I have lots of time to speak on this one.

The real concern, Mr. Speaker, and I guess the real evidence of how concerned this Government is and how well they know they have bungled this Budget, is the fact that the Minister of Finance refuses to answer questions. As I said yesterday, he has absolutely refused to deal with any of the details in the Budget, particularly the infamous payroll tax, for which he will go down in history as the one who introduced the payroll tax when he did not even know what it was all about. I intend to show this House, Mr. Speaker, that the Minister of Finance did not know, and the Administration did not know. I will forgive the backbenchers,

obviously, because they had no part in putting together the Budget. They saw it for the first time when the Minister of Finance tabled the Budget in the House, so I do not expect them to take responsibility for this mistake. I am embarrassed they are staying over there and applauding and supporting this Budget, because it must be obvious to them now just exactly how bad this Budget is, and what a great blunder the Minister of Finance has made.

I made the point yesterday, Mr. Speaker, that really what happened was that we caught them in the act two weeks ago. The little press conference I had two weeks ago seemed pretty quite, on a Thursday or Friday morning, whenever it was, it did not seem like a big affair, but the news media came out in droves. They know that when I call a press conference I have something worthwhile to say, so I get a good audience, unlike some of the Ministers opposite. I had a good audience there. I was quite pleased with it. I received good coverage on what I had to say because I said something for a change, which is something unusual for Ministers over there, who do not often say much. But I said something, and I always have, Mr. Speaker, whenever I held a press conference. I have always had something to say, and I enjoy that reputation. I am still able to draw a healthy number of the news media, and I am pleased with that.

That little press conference, Mr. Speaker, revealed the fact that the Government was considering playing with the Retail Sales Tax.

Now when the Goods and Services Tax was being debated at the National level, and I was Minister of Finance at the time and

participated in debates with the Government of Canada and our other Provinces about the Goods and Services Tax, the Minister of Finance wanted a truly national sales tax. He wanted one tax, which would make a lot of sense, in that it would be simple, clean, not confusing, and it would be consistent right across Canada. The problem is, how do you vary the rate? Well, you could do that I suppose, the problem being it took away from the Province any flexibility to use the Retail Tax System as a social measure. And that is really what our Retail Sales Tax does. It provides exemptions to the essential items in life - food, clothing, heating fuel, schoolbooks, essential items, so that the tax in this Province, with some exceptions, is basically a luxury tax. People will argue that -

MR. SPEAKER:
Order, please!

The Minister of Social Services (Mr. Efford) and the Member for Stephenville (Mr. K. Aylward), probably, are carrying on a conversation. It is rather loud and I find it a little bit interruptive. Though we do not want to stop talking, I do find it to be a little bit interruptive.

MR. EFFORD:
Sorry, Mr. Speaker.

AN HON. MEMBER:
Hear, hear, Mr. Speaker.

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

MR. WINDSOR:
Thank you very much, Mr. Speaker.

Your Honour was quite accurate.

The hon. gentlemen were speaking quite loudly. They were not bothering me too much, because they were not really saying anything of any substance. I do not pay too much attention, and I do not intend to get sidetracked by any banter from that side of the House today. But I do appreciate Your Honour quite accurately pointing it out to hon. Members opposite.

MR. EFFORD:
I thought I had apologized. Do not go too far with it.

MR. WINDSOR:
Thank you.

Mr. Speaker, the point I was making was that when we were negotiating a national sales tax, we made the point on behalf of the Province of Newfoundland and Labrador that we needed to retain some control over how sales tax in this Province was applied. We could not do very much about Federal sales tax. If it was going to be applied on a national level, equal all across Canada, then there was not much we could do about it. But we needed to retain the right in this Province to use Retail Sales Tax as a social lever, in other words, to remove some of the regressiveness of the taxation system, in other words, to give some relief to those who needed it more. And you do that. We have done that in this Province for many years, simply by exempting those items which are the basic essentials of life. When you are at the lower levels of income, the basic essentials of life make up almost 100 per cent of your disposable income; most of the money you have to spend goes on basic essentials. When you are in a higher, more affluent income

bracket, you have a lot more money to spend on the non-essentials. And if you can do that, you can afford to pay tax on it. So it is a very valid way of providing some relief to persons on lower income and injecting through our tax system into our economy something that helps people at the lower levels. A national sales tax would have taken that away.

But the Minister, Mr. Speaker, was proposing to change our Retail Sales Tax so that it applied to everything. He was going to remove these exemptions and he was going to make our sales tax a regressive sales tax, in that it would have dealt with everybody equally. He was going to lower the tax rate and broaden the base, which is exactly what GST does. It spreads. The Minister of Finance has said the GST will essentially be revenue neutral. I am not sure I totally accept that. But that is the premise under which we have been negotiating, that GST is revenue neutral through the Government of Canada, that it spreads the base, it gives manufacturers an opportunity. It puts more burden on individuals, unfortunately. And that was what the Minister of Finance here was thinking about doing, Mr. Speaker.

MR. MATTHEWS:

Yes, that is right. And he came close to doing it.

MR. WINDSOR:

He was going to broaden the base in Retail Sales Tax, and he was going to remove these exemptions so that everybody would be paying on all those essential items. Now we caught him in the act and we exposed him, because there was a Budget leak. And I believe it was a very serious Budget leak. I

wish we could do some documentation, because I think it is probably something serious enough that the Minister of Finance should have considered resigning over it.

MR. MATTHEWS:

Yes, he should have.

MR. WINDSOR:

We have seen it happen before, where Ministers of Finance resigned because a Budget document was leaked. We saw it Federally a year or two ago. The last Liberal Administration, as I recall, asked the Minister of Finance for the last Liberal Government in Ottawa - he did the same thing. He was caught, not with his pants down, but with his documents down, and he had to change the Budget at the last minute.

And that is what happened here, Mr. Speaker. The Minister of Finance was caught with a Budget leak and he had to change the Budget. He had already said the Budget is finished. He had made statements. The President of Treasury Board had said the Budget documents are all done. We finished our calculations, it is being printed now, and we are going to present it next Thursday. But they had to change it at the last minute because, interestingly enough, the proposal they had - and I had the numbers - to change Retail Sales Tax would have brought in an additional \$15 million this year. What a surprise! That is what it would have brought in, an additional \$15 million. And when we exposed it, Mr. Speaker, they had no alternative, they said we have to cancel that because the Opposition Finance critic has already told the public about this. You know, this is really a breach of the

Financial Administration Act. The Finance critic has exposed him.

MR. EFFORD:
Do you actually believe that?

MR. WINDSOR:
This is true. The hon. gentleman does not like it. He can play his games. He does not like it, but the fact is this is exactly what happened. So they very hurriedly said, how can we pick up that \$15 million? We have already allocated our expenditure Budget. We cannot change the whole Budget, so we have to change one figure. We have to take out that \$15 million additional RST and we have to plug in \$15 million somewhere else. Somebody said, well, what are the revenue options? I know how the systems works. I can table it in fact. I have here in my file a list of revenue options that were given to me when I was Minister of Finance. There are probably forty or fifty revenue options there, so I know what each of these little moves can generate for a government. I know what I am talking about here. They looked at their list of revenue options and said, quick, how can we get \$15 million and still have a people's Budget? And this is important! It has to be a people's Budget, so we will hit the corporations. This anti-business Government said, we will hit the corporations. We do not want development in this Province. We will drive businesses out of here. We do not care. We are social minded. We are going to put all our money into Social Services, Health and Education.

MR. EFFORD:
Are you suggesting tax the poor?

MR. PARSONS:

You have already taxed the poor.

MR. WINDSOR:
No, Mr. Speaker, I am not suggesting taxing the poor. That is exactly what the Minister was proposing to do by changing the Retail Sales Tax System, taxing the poor; rob from the poor and give to the rich. That is what the Minister of Finance was proposing to do but we caught him in the act. So they plucked out of their hat a tax which would provide an additional \$15 million this year and \$25 million next year, and they do not even know to whom it applies. We will get into the details of who is going to pay that tax in a moment.

They say, no, no, it is probably not going to apply to any of the public service, any of the Crown corporations, hospitals, educational institutions or anything like that. Well, I would like to know how they are going to do it, Mr. Speaker. I am not bringing in anything that is speculation, I am quoting from the Budget, Exhibit 1 on Page 7 of the Budget itself, and if you look under 1989 Revised, Wages and Salaries \$4.1 billion. That is the total of wages and salaries paid in this Province in all sectors. That is public and private, \$4.1 billion.

Now, Mr. Speaker, my engineering background allows me to very simply calculate that if you are going to raise \$25 million at a 1.5 per cent tax rate, then you are going to have to tax almost \$2 billion. Almost \$2 billion has to be taxable. You have a total of \$4 billion to work with and you need \$2 billion to tax. Now, have a look at the tax. It does not apply to corporations with salaries of \$300,000 or less; the

Minister said that is small business, therefore it is exempt. Mr. Speaker, most businesses in this Province are small businesses. The number of businesses and corporations in this Province with payrolls over \$300,000 are few, so you have eliminated, I would say, probably 95 per cent of businesses in this Province automatically. Now if you are going to eliminate 95 per cent of businesses, how can the Minister even suggest that you can eliminate the public service, all the institutions, all the non-profit organizations, Crown corporations, hospitals, the University and schools? Those are labour intensive. There is a tremendous labour content in the budget of those institutions. You have \$4 billion to work with in total, you need \$2 billion in order to generate \$25 million a year at 1.5 per cent, so how in the name of all that is holy can you do that if you are going to exempt all of those and all of the businesses that have gross salaries under \$300,000? It is not possible. It is not possible, Mr. Speaker.

I have shown clearly that the Government had every intention of taxing all those institutions and they are now out there squirming in the back room, and that is why the Minister of Finance and the Premier ran away the minute I got on my feet. They are out there now trying to find out how they can get this \$15 million this year and \$25 million next year without taxing these institutions. I would submit, Mr. Speaker, it cannot be done.

MR. EFFORD:

(Inaudible) no wonder the Premier left.

MR. WINDSOR:

Very simple mathematics, and the numbers are coming right out of the Budget document. They are nothing I hatched up. The hon. gentleman opposite can take a calculator and take 1.5 per cent and he will see.

MR. EFFORD:

(Inaudible).

MR. MATTHEWS:

We know he is right. But you do not have \$2 billion to tax at 1.5 if you eliminate all the rest, is what he is saying.

MR. WINDSOR:

Mr. Speaker, a colleague of mine just passed me a note here and it describes the Budget as a bad, unfair, gross, evil Budget. Mr. Speaker, this Budget has been bungled. The proposal to change the Retail Sales Tax System has been exposed; they were caught in the act and they hastily picked a new tax out of the air, and now they are going to pay the price, they do not know how they are going to do it. They are now just starting to find out.

The Minister made an interesting statement the other day in answer to question from one of my colleagues. He said, We do not know if we are going to have a reciprocal agreement on Retail Sales Tax with the Government of Canada and on GST. Well, that is interesting, Mr. Speaker. Because in the lock-up I was afforded by the Minister prior to the Budget Speech on Budget day, his officials made it very clear to me that a reciprocal agreement has been reached.

MR. MATTHEWS:

What was that?

MR. WINDSOR:

A reciprocal agreement has been reached. I asked him very clearly, because I recall when I was in the Department my concern was that the Government of Canada through GST was going to take tens of millions of dollars out of the purse of the Province of Newfoundland simply for purchases that this Province makes, which now would be taxable at the Federal level. And I was assured, No, no, you are right. We made those arguments when you were here. They changed their mind on that. They backed down and we have a reciprocal agreement. But now we have lost the reciprocal agreement on Retail Sales Tax. We can no longer charge the Government RST, so we lose a bit there. But the Minister in the House the other day said, We do not know yet if we are going to have a reciprocal agreement. What do we believe? Who do we believe? I believe the officials, because I do not think the Minister knows what he is talking about.

MR. TOBIN:

What is the reciprocal agreement?

MR. WINDSOR:

A reciprocal agreement simply says that we do not pay Federal taxes and the Federal Government does not pay Provincial taxes. In other words, we will not pay GST on purchases the Province makes. All the supplies Government and Crown agencies buy, on none of those purchases will we pay GST. And the Government of Canada will not pay RST on what they buy in the Province. But, of course, as you know, most Federal Government purchases are made through Toronto anyway. There is not a heck of a lot purchased here, so we do not lose very much. But we lose a

little bit. There are very few Federal Government purchasing agencies here. Mr. Speaker, I do not know what we believe.

Mr. Speaker, let us deal with the payroll tax. Let us deal with what I think will be an infamous payroll tax. The Minister has indicated that it applies primarily to private companies. I am sure that was probably their thought when they introduced this tax, that it would apply to private companies. And he said, it is 1.5 per cent, but because those companies are paying Federal taxes, well you know, we fooled the Federal Government a bit because this Provincial tax they will pay now will be deductible as a business expense when you are calculating your Federal tax, and, therefore you will not pay as much Federal tax. They do not want us to say that too loudly. We heard that the other day, Well, boys, we were trying to sneak that by the Government of Canada. I do not know who they think they are if they are going to sneak that by the Minister of Finance for Canada and his officials.

Mr. Speaker, the Minister of Finance says, 'I calculate that the effective rate on corporations is 0.8 per cent. That is the effective rate on corporations when you get the credit on Federal tax. There is one problem with that, Mr. Speaker. All the Hospitals and schools and other institutions which do not pay Federal tax do not get such a tax credit, so these groups are paying the full 1.5, while the corporations, yes, may be getting a credit back to 0.8. There is your fairness and balance in this tax, Mr. Speaker. There is fairness and balance! Now the corporations are being given back

some because they pay federal tax, but the crown agencies, the institutions, the hospitals, no. They do not get anything back.

MR. MATTHEWS:

That is shocking! What a ridiculous scheme.

MR. GRIMES:

You have to find out to whom it applies.

MR. WINDSOR:

I beg your pardon?

MR. GRIMES:

You have to find out to whom it applies first.

MR. WINDSOR:

You are right. The hon. Member for Exploits is correct. I do have to find out to whom it is going to apply. And so does he, because he has just admitted he does not know either to whom it will apply. I think I have just shown that the Government has no alternative but to tax every institution. And I point out, Mr. Speaker, that the Minister said, We model this after Ontario and Manitoba. Ontario and Manitoba do tax health institutions and educational facilities, both of them. This was a sadly researched Budget. They did not know what they were doing, Mr. Speaker.

This Budget professes to be a great people's Budget. It proposes to do great things for Health, Education and Social Services, yet it takes back part of what it does. How about a little organization like The HUB, of which everybody here is proud? A tremendous organization helping the disabled.

MR. EFFORD:

We gave them a million bucks

(inaudible).

MR. WINDSOR:

You gave them a million dollars, capital account. A million dollars which they borrowed, Mr. Speaker. Because they increased their borrowings this year by \$100 million dollars. What a great Government! We borrowed an extra million dollars, and we gave one of them to the HUB. Pat us on the back!

MR. EFFORD:

Do not go running that down.

MR. WINDSOR:

I am not.

MR. EFFORD:

You did.

MR. WINDSOR:

I did not. If you had not been talking to somebody in the background you would have heard what I just said. Perhaps if you pay attention, you will hear the entirety of what I am saying. You will find out I did not run it down. I complimented you yesterday and I complimented you today on giving them a million dollars, but I do not like you taking it back through this payroll tax on the employees; the disabled employees who are working at The HUB. I am saying that is what is going to happen. I am waiting to see you tell me otherwise, or the Minister of Finance. He has had seven days now to stand in his place and tell us it is not true, but he cannot do it because it is true. It is as simple as that.

MR. EFFORD:

He will answer when he is ready, not when you are ready.

MR. WINDSOR:

He will answer when he is ready. He will answer when the people are ready. When this Government has the intestinal fortitude to call an election he will answer, and so will this Government.

MR. EFFORD:

That is why we are over here and you are over there.

MR. PARSONS:

He has an obligation to the people.

MR. MATTHEWS:

He should have known before he brought down the Budget who had to pay, old man. That is what we are telling you. It is a fraudulent document. Fraud! Fraud!

MR. WINDSOR:

I am out of water, if the Page will bring me some more.

Mr. Speaker, post-secondary institutions are similarly affected here. Some of my colleagues have been making the point in Question Period over the past week. The Member for Humber East, particularly in dealing with the university, has pointed out that this tax will take \$1.6 million from the university - \$1.6 million. And when she speaks, I have no doubt she will point out exactly what has been happening to the university budget over the past couple of years, and how this Government has pointed to all the great steps they have made. They provided a few shekels this year to expand the administration building and to build a small animal shelter, and a few of those things.

AN HON. MEMBER:

Are you for (inaudible)?

MR. WINDSOR:

I am Marble Mountain.

We gave Marble Mountain a couple of million dollars, 2.1 million dollars. The only money, Mr. Speaker, for travel generators in the Province all went into the Premier's ski hill. And I do not begrudge the Marble Mountain. I am one of the greatest supporters of Marble Mountain, and was when I was the Minister of Tourism. I initiated the study that developed Marble Mountain to where it is today, I take a lot of credit for what is happening with Marble Mountain, and I am delighted to see them get the \$2.1 million; I wish it was 12.1 million dollars! But now they are going to tax the employees of Marble Mountain, because Tourism is not exempt. Tourism is not exempt, and we will get into that later on.

MR. REID:

You do not know that yet.

MR. WINDSOR:

Tourism is not exempt. I do not know that yet.

MR. PARSONS:

You do not know either.

MR. WINDSOR:

Well, I mean, I can only read the Budget Speech. It says forestry, fishery and agriculture, renewable resource-based industries. This Government does not consider tourism an industry. The Minister of Finance stood here in this House last year and said tourism is a seasonal industry. That kind of attitude is what has caused us problems in the tourist industry for many years, too many years, because of the approach of people like the Minister of Finance, who does not think we can have a tourism industry in Newfoundland in the wintertime. He just found out differently and he had no

choice, this year, but to put \$2.1 million into Marble Mountain. The Premier rapped him on the knuckles and said, Hey, do not forget about skiing, my favourite pasttime.

Tourism is not just a seasonal industry. What is seasonal is the Minister's attitude towards tourism and that needs to change. The tourism industry happens to be the third largest employer in this Province, Mr. Speaker.

The hon. the Member for Mount Scio - Bell Island (Mr. Walsh) is going to have his head shaken off here today, because he is deeply involved in tourism, he is a great proponent of tourism, and he knows that what I am saying is true. What I am saying is true. There is tremendous potential in the tourism industry, and we are going to get into that later on.

Now, Mr. Speaker, private companies are going to have to pay this tax.

MR. EFFORD:
So they should.

MR. WINDSOR:
They are going to pay the tax. Somebody has to pay taxes. The first point we should look at, Mr. Speaker, is that that is clearly a disincentive for those companies to establish themselves here. It is a disincentive, an additional 1.5 per cent on their payroll.

When a company is looking at establishing in Eastern Canada and that company is trying to decide between Halifax, Nova Scotia, and St. John's, Newfoundland, one of the factors they will look at is that, Oops! 1.5 per cent on my payroll, special tax in Newfoundland. We already have the highest personal income tax and

the highest corporate taxes and another 1.5 per cent is going to be tacked on to that. For this poor little Province that so desperately needs development, that so desperately needs investment from outside, this Government is now making it worse, it is putting in another disincentive.

What are those companies going to do, Mr. Speaker? They are going to say, Well, we have to do business in Newfoundland, I suppose, if we are going to sell our product there, but we will do it from Halifax. Or maybe we will set up a branch office in Newfoundland, and we will do our payroll from Halifax. Now, how does the Minister propose to get at that? If he is proposing to do audits and have tax inspectors dealing with all those details, his \$15 million will not last long. His \$15 million will not last long if he has to go into the accounting departments of corporations which have head offices in Halifax, or Montreal, or Toronto, or Calgary, to find out how much payroll is being paid to persons who are actually working in Newfoundland, or to persons who move back and forth.

Trucking companies in this Province, Mr. Speaker, have enough problems now trying to compete with trucking companies from Upalong. Why? Because they have lower corporate and personal taxes up there, because their cost of gasoline is lower - gasoline in this Province is highly taxed. So there are advantages. Many of those tractor trailers coming into this Province are licenced in Quebec, or Nova Scotia, or Maine, or New Hampshire and they pay their licence and insurance and everything there. They come into

this Province with extra tanks welded on which are full of fuel, they have their bunks in the back of the tractor-trailers, they have their grub with them, and they probably do not spend five cents from the minute they come off the ferry from Nova Scotia until they leave Port aux Basques to go back again, not five cents. And this Government is now making it even more attractive for them to stay up there.

And a company established here in Newfoundland that is trucking up to Ontario and back, or going up getting a load and bringing it back, that company, doing the same thing as the company established in Nova Scotia, has to now pay an additional 1.5 per cent on their payroll. And the Minister of Finance is saying this has nothing to do with the consumer! Well, who is going to pay it?

Banks and insurance companies, Mr. Speaker: I talked to a banker just yesterday who says, Well, we really do not know how this is going to be applied. We have quite a number of branch offices of the Bank in Newfoundland and Labrador and they are pretty independent; we can operate those as independent offices. We can set up a little set of books for each branch very quickly, no problem! We can separate them. We can make it as if instead of thirty-five branches of one Corporation, there are thirty-five independent little banks. We could do it that way. And, he said, on the other hand some of our management people are paid from head office in Toronto. So do we have to pay payroll tax on their salaries? That is a good question. Do we pay the payroll tax on the salaries of people who are paid from Head Office? Even

if they do pay it on the local employees who are paid (inaudible). Or is it possible to have all the salaries paid from head Office? Is it possible, Mr. Speaker, to move all of the Administration out of Newfoundland to avoid this 1.5 per cent tax? Perhaps this is the resolution that companies will come up with. This is how they will get around this tax. So they have a number of options: they can pay it from Toronto; move all their administration up there; they can set up separate companies or branch companies with independent sets of books. There are lots of ways to play games with that.

How about professionals, Mr. Speaker? This is called a payroll tax. Government tries to call it a health and education tax, but that is just a cover-up to try to blame all our problems on the Government of Canada again, notwithstanding the fact that they are getting \$42 million more this year than they got last year from the Government of Canada.

All we ever hear is it is because the Federal Government cut back on equalization, on EPA. There is \$27 million more on equalization alone this year. And the Minister stood up in his place on Budget Day and said, We did a great job of running the economy this year. We budgeted a \$5 million deficit last year. In the middle of the year I came in and I said it was going to be about \$50 million. And, he said, we really did have that, but we finished off at around, I think it was \$37 million as I recall - I think the figure was \$37 million - because we put a \$21 million special payment into the Pension Fund. Well, that is a good thing to do.

What he did not say, Mr. Speaker, was where all that money came from. It was not from the management of this Government. Most of it came from revisions in the equalization payments, equalization they were not expecting at Budget time last time, changes that were made, revisions that were made afterward. Now he is crying because he got that windfall of \$50 million in equalization payments after the Budget was finalized last year, and this is where he got his extra surplus. Check the books.

The hon. gentlemen opposite are learning something here, I can see by their interest. And I am delighted to see a couple of hon. gentlemen, two of them constituents of mine, as a matter of fact, who are paying great attention. And one, I am almost a constituent of his. They are paying great attention because they are learning some of the things that are in this Budget they probably had not thought about. But that is what is happening.

How about professions? How about lawyers and poor old engineers like myself, some of these people who are competing quite often with mainland competition? I mean, lawyers can come in here from Halifax or Toronto and go to court and represent you, but they do not pay the 1.5 per cent tax. Engineering work can be done in Toronto. And I am not talking about a little bit of engineering work like I might be doing, that is peanuts.

How about the Hibernia consortium, Mr. Speaker? One of the greatest things that was accomplished by the previous Administration was

the Atlantic Accord which guaranteed that this Province would get 50 per cent of the engineering work done in this Province. Now that was important, not only because of the amount of money that would be injected into our economy, but because of technology transfers. Because if all of this work was going (inaudible) in Newfoundland and Labrador and, hon. gentlemen, remember we talked a lot about joint ventures - I have not heard a word mentioned since this Government came to power. Joint ventures are forgotten about, no concept of trying to help local companies to get involved in such a massive project. No concept, no talk about helping them get involved in joint ventures with other companies, large corporations from outside which have the expertise that we need.

So the engineering aspect of the Atlantic Accord, Mr. Speaker, is critically important, transferring technology to this Province, technology that will be here long after oil and gas is gone. Some of the hon. gentlemen opposite may have had the opportunity - if they have not yet, I am sure they will over the next couple of years - to visit Norway. You see, Norway got involved in the oil and gas play many years ago, and they benefitted directly from that. But the big benefit Norway got was they took advantage of the technology and they kept it there, and they are now probably recognized as the nation in this world which has the greatest amount of expertise in offshore oil and gas. And that is the real lasting benefit. Oil and gas is short term. Long term for you and I; we will not be around when all the oil on the Grand Banks is pumped up, Mr. Speaker. But I am

talking about future generations. When all that oil is gone, what will be left? Technology. And that is important.

What this tax does is say to the Hibernia consortium, never mind your technology transfer, it is going to cost you an additional 1.5 per cent - because Government changed the rules of the game after we made the agreement - and you are now going to take 1.5 per cent out of their pockets. Boys, we will do it in Toronto. This great megacomputer we have been talking about getting in here, this super computer we thought may have to be established in this Province to do that type of work when Hibernia gets rolling, will not be coming here. 1.5 per cent on the value of engineering work that is going to go into the Hibernia development is one pile of money, Mr. Speaker. And I am sure the oil companies are sitting back saying, Huh! not only are they going to tell us where we are going to build our modules in Newfoundland and Labrador - the Premier wants one of those in his District too - but now he wants 1.5 per cent of everything we spend doing it. Well, I think that is going to be a very negative thing for offshore oil and gas.

Mr. Speaker, my colleague made the point a couple of days ago that this tax indeed applies to everything, to food. And I talked a few moments ago about spreading the Retail Sales Tax and how that would impact on essential items, on food, clothing, books, heating fuel and electricity. This tax does exactly the same thing. It sneaks in by the backdoor the same way and taxes all those essential items that have been exempt in this Province for years, for the

right reasons. I do not think anybody opposite will disagree with exemption on food and clothing and heating fuels. The hon. the Member for Labrador certainly would be concerned. Well, he is not in Happy Valley - Goose Bay, because they get such a special deal on electricity there anyway, because they are so close to Churchill Falls. But in the rest of the Province those items are certainly very essential. This new tax impacts on everyone of them. It impacts on food because your wholesaler has to pay 1.5 on his salaries, the retailer has to pay 1.5 per cent on his salaries, your trucking operation has to pay 1.5 per cent on his salaries, the advertising agencies and the television stations and radio stations that do the promotion have to pay the 1.5 per cent, so the cost will go up. This is very directly a 1.5 per cent inflation. That is exactly what it is, because it will hit basically all goods and services. It is a local goods and services tax. It is not a health and education tax, it is not even a payroll tax. It is a goods and services tax because it applies to everything, all employment put into goods and services. It does not apply to the materials as a goods and services tax would, but it is a value-added tax. That is what it is. The same sort of a thing.

So food, Mr. Speaker, will be impacted, clothing will be impacted, books will be impacted - the cost of all of these items. Every time they are handled, salaries are paid for that; every time they are trucked, every time they are shipped on a boat, anything that has any employment involved in it, any payroll, any labour, particularly anything that

is labour intensive. I know the hon. gentleman for Mount Scio - Bell Island has to be looking around. I wonder if he has thought about taking each one of his chicken stores and making them a separate company so his payroll is not over \$300,000? I wonder?

AN HON. MEMBER:
(Inaudible).

MR. WINDSOR:
I am sure he has and I do not blame him. Because that is what we are talking about.

MR. NOEL:
Even with each store it is probably too high, too high a payroll.

MR. WINDSOR:
But that is what we are talking about, because if his payroll is taxable -

MR. WALSH:
\$1.5 million.

MR. WINDSOR:
\$1.5 million, your payroll?

Mr. Speaker, the hon. gentleman has a \$1.5 million payroll. He is going to have to pay tax on \$1.2 million of that, and at 1.5 per cent that is \$18,000. Very simple mathematics.

MR. WALSH:
The price of doing business.

MR. WINDSOR:
The price of doing business, yes. Not the price to the hon. gentleman, Mr. Speaker, the price to the consumer. His chicken has to go up a dime on a snack box, maybe a quarter. Eighteen thousand dollars is a fair chunk of money. He has to get it back some way, Mr. Speaker. He has a

profit margin he is working within, and he is going to come up with that profit one way or the other. And that is the way with everything that is involved here.

AN HON. MEMBER:
It is a terrible thing to say about the Member.

MR. WINDSOR:
It is a terrible thing to say about the Member. That is business. That is the free enterprise system. That is supply and demand. That is what we are talking about here. This tax will impact on every item that is consumed in this Province. And the fact of the matter is, Mr. Speaker, the consumer will pay for it sooner or later. And it is a tax on electricity and heating fuels. Newfoundland Hydro will pay tax, Newfoundland Light and Power will pay tax, Newfoundland Telephone will pay tax. And they will get their increases, because they will go to the Public Utilities Board and ask for an increase. They have taken off the consumer advocate, so this Government has guaranteed that they will get any increases they send to the Public Utilities Board for. That will be rubber stamped. We do not have Mr. Wells over there now to protect us. He can do it now on his Open Line Show, but he cannot do it at the Public Utilities Board any more.

AN HON. MEMBER:
(Inaudible) lucky you have a quorum.

MR. WINDSOR:
I would rather have the other one over there than the one you have, I can tell you that.

Now, Mr. Speaker, all of these Crown corporations, these agencies

- I will get into the Crown corporations - all the institutions are going to have to pay this tax. And you have to remember they do not have the flexibility the hon. the Member for Mount Scio - Bell Island has. They cannot raise their prices, not in the middle of the year. The University cannot raise their tuition fees in the middle of the year. They have established their tuition fees. If \$1.6 million has to come out of the University budget to pay this tax, you can rest assured tuition fees will have to increase to pay for it.

MR. EFFORD:

Mr. Speaker, is his time up?

MR. SPEAKER:

No.

MR. WINDSOR:

The Member's time is never going to be up.

The hon. gentleman is going to have a long grey beard before I sit down, I will tell you that. I am only setting the theme yet. I am going to get into the details later on. This is the first time I have seen hon. gentlemen opposite sit up in their seats and stay awake since the House opened, so, I mean, there must be something being said.

MR. SIMMS:

You are just into your preliminary topics.

MR. WINDSOR:

That is all. I am warming up.

AN HON. MEMBER:

(Inaudible) your colleagues.

MR. WINDSOR:

Mr. Speaker, my colleagues have

already explained all of this. They understand it, you see. My colleagues understand what I am saying here. And I am making sense. This is not political rhetoric, this is simple basic fact. I am taking numbers out of the Budget and I am explaining them to you.

How about some of the non-profit organizations? I mentioned the HUB. I mean, the HUB really concerns me. We give them \$1 million to expand and they need that, and that means, obviously, they are going to be able to expand their operation and increase their staff.

MR. EFFORD:

They got \$1 million, did they not?

MR. WINDSOR:

Yes, they did. This is the third time I have mentioned that and said what a great thing it is. I am delighted. So they will be able to increase their staff now and pay more payroll tax.

How about Canadian Red Cross, Mr. Speaker?

MR. EFFORD:

We gave it to them in less than one year.

MR. WINDSOR:

I spoke to a gentleman from the Canadian Red Cross two days ago and I said, How much is your payroll? He said, Gee, \$500,000 or \$600,000, I suppose altogether. He said, We will not have to pay tax on that, will we? I said, On anything over \$300,000 you will.

AN HON. MEMBER:

(Inaudible).

MR. WINDSOR:

On RST the same thing would apply.

AN HON. MEMBER:

We will get to that (inaudible) that whole range of low income tax credits.

AN. HON. MEMBER:

(Inaudible).

MR. WINDSOR:

You are playing games with it. We will debate that silly proposal when you bring that one in, which the Minister will probably do next year because he has run out of ideas anyway.

Mr. Speaker, as I pointed out these institutions are going to have to pay the full 1.5 per cent, whereas businesses will get some Federal tax credit and therefore they are only going to pay 0.8 per cent, so it treats the businesses - in fact even though it is an anti-business tax it still treats the businesses a little bit better than it does the educational and health institutions that it is suppose to help. It is a goods and services tax, Mr. Speaker, if we ever saw one.

Also, on the Crown corporations, Mr. Speaker. I will just mention those briefly so some thought can be put into them. Newfoundland and Labrador Development Corporation; is that going to be taxable or is it a resource based industry since most of their effort is directed towards resource based industry? Could we not argue therefore that employees are involved in a resource based industry and therefore it is not taxable? I wonder. It could be interesting.

MR. EFFORD:

A fine guessing game.

MR. WINDSOR:

Well, all we can do is guess. The Minister refuses to give us answers. All I am trying to do is help the poor Minister. He does not even know the things that he has to be thinking about over there. I am trying to find out all the problems. He needs a lot of help over there.

AN HON. MEMBER:

(Inaudible).

MR. WINDSOR:

We did not do this either. I am sure Newfoundland Hardwoods will be taxable. That is really a business. The Minister of Forestry though might argue.

AN HON. MEMBER:

(Inaudible.)

MR. WINDSOR:

Engineering work is a professional service and that is taxable. Heavy metal work is taxable. The town of Gander would have had to pay about another \$25,000 if this tax had been in place, to get the sewerage treatment plant that the President of Treasury Board had the honour of opening. I thank him for his comments that day. He knows what a good system that is and he was very complimentary in his comments that day, very pleased that we opened that plant in Gander. It would have cost the town of Gander another \$25,000 if this tax were in place, probably more than that. Very labour intensive that was. Built in Newfoundland, by the way, 100 per cent, and not brought in from outside. The first sewerage treatment plant in this Province, totally built in this Province, I say to the Minister of Municipal Affairs.

AN HON. MEMBER:

Who designed it?

MR. WINDSOR:

I did not. It was designed locally by local engineers and they would have to pay tax on their design.

AN HON. MEMBER:

Who did the design?

MR. WINDSOR:

The design was done by Hydro Research and Development of which I am now an associate. As declared in my conflict of interest statement and I make no bones about it. It was done, built and completed before I was associated with them. It is a good design, it is a good piece of technology and there are going to be a lot more of them built in this Province, and we will pay tax. I was not involved with the company when that was built.

AN. HON. MEMBER:

How much did you make personally out of that?

MR. WINDSOR:

I did not make a cent.

I was not involved with the company when that was build.

AN. HON. MEMBER:

Were you not involved in the engineering?

MR. WINDSOR:

I had nothing to do with it. I happened to be involved about the time the official opening took place. I have been out there now getting it fine-tuned, so it now in fact is 50 per cent better than it needs to be to beat environmental standards I say to the Minister of Environment and Lands. There are eighty-six sewerage treatment plants in this

Province, Mr. Minister. There are only three that work and this is one of them, and the cost, Mr. Minister, was 40 per cent of a conventional design. It is free advertising I get here today, Mr. Speaker, but I am taking the opportunity because the question was asked of me.

I think the Minister should know and I invite the Minister to come out. I invite the Minister to let me take him out and show him that plant. It is the only one of its kind in the world because my colleagues, before I became associated, took a piece of United Kingdom technology, adapted it to treat municipal sewerage and it is the biggest application of this technology anywhere in the world, and it works. If you ask your officials, Mr. Dominie and Mr. Card from Grand Falls, we did some testing there two or three weeks ago for two or three days, and in parts per million that is allowable - under your standards it is thirty parts per million - we were consistently around twenty on the average for the day, without chemical treatment which is designed for this time of the year with a low flow. Quite seriously, I invite the Minister, and I would be delighted at his convenience to take him out and give him a full tour and explanation of that plant. In fact I am going to Happy Valley - Goose Bay at the request of council, at the written request of the council, I am going up there during the Easter break to meet with the council and to give them a full briefing on this thing. They visited during a municipalities convention in October when they were out and they are very interested. I have talked to the people who are involved in the NATO base who will

be needing a sewerage treatment plant for Happy Valley - Goose Bay and it is something that will work very nicely up there.

AN HON. MEMBER:
(Inaudible).

MR. WINDSOR:
They need a good engineer in Happy Valley.

AN HON. MEMBER:
(Inaudible).

MR. WINDSOR:
Well, we are happy to offer our services.

AN HON. MEMBER:
(Inaudible).

MR. WINDSOR:
Well, actually I have a letter here in my briefcase. I will send him a copy of it because they have expressed great interest in that technology.

Now, Mr. Speaker, I am allowing myself to be taken off the subject. Get back to the Budget. There is nothing irrelevant, of course, in the Budget debate, and this is a very worthwhile exchange, at least from my point of view. But, Mr. Speaker, some of the Crown corporations like Marystown Shipyard, that will be taxable. You cannot call it a resource based industry I supposed, and it is involved in building something for the fishing industry. Building ships for the fishing industry. Will Marystown Shipyard have to pay 1.5 per cent tax on the labour involved in building a fishing trawler? Will it pay that? Good question. The President of the Council nods his head, he says yes. But should they?

The Newfoundland Liquor Corporation and Liquor Licensing Board, they will pay taxes. We will get to them in a few minutes and see how much tax they are going to be paying. How about the off shore petroleum board, I assume they will pay taxes. It is resource based, not renewable resources though. Petroleum is not a renewable resource, so I guess we cannot exempt them. Newfoundland Farm Products, Agriculture. They will not have to pay. How about the trucker that is trucking all of those products around the Province?

AN HON. MEMBER:
They own their own trucks.

MR. WINDSOR:
They do not deal with any truckers?

AN HON. MEMBER:
They own their own trucks.

MR. WINDSOR:
Not all of them they do not.

AN HON. MEMBER:
No, but some.

MR. WINDSOR:
No indeed they do not. They use a lot of hired trucks. Another good point. Maybe this is another way of unfairly letting Crown corporations who may not be subject to the tax operate their own trucking system to put truckers in this Province out of work. That is another way of looking at it.

Oh, the Minister of Finance came back! He finally got up enough courage. He must have gone out and got a shot of something to bolster up his nerves and he is back now to hear what is being said about him.

Mr. Speaker, let us get on to Municipalities. How will this affect Municipalities in this Province? Mount Pearl will be taxed. \$42,000 a year in tax is what it would cost the City of Mount Pearl. Something in the order of a quarter of a million dollars for the City of St. John's. Labrador City, \$20,000. Corner Brook, I would say would be in the same - in fact, it would be a little bit more than Mount Pearl because their operating costs are higher than Mount Pearl. So if Mount Pearl is \$42,000 then I would say the City of Corner Brook is going to have to fork out about \$60,000. Wabush is \$15,000.

All this, Mr. Speaker, after budgets have been approved by the Minister of Municipal Affairs. The budgets have all been approved - submitted and approved. And where are these Municipalities going to get this kind of money? Where is the City of St. John's going to get a quarter of a million dollars in the middle of the year after the budget is already brought down and the tax rate set - the mill rate set for this year? How are they going to do it?

AN HON. MEMBER:

Cut back on their salaries.

MR. WINDSOR:

Cut back on their salaries. The Ministers might be making \$250,000 a year, but I can tell you the City councilors in St. John's, Mount Pearl, Corner Brook and Labrador City are not making a quarter of a million dollars.

AN HON. MEMBER:

A quarter of a million?

MR. WINDSOR:

You will not find it. A quarter

of a million dollars is a significant portion of the budget of the City of St. John's to have to find, unannounced and after the budget is brought down. It would be different if the Minister said here is a tax that will apply next year for Municipalities and the municipalities can plan it and they can take it out of the pockets of the tax payers at the municipal level next year. Another way for the Minister to hide his tax on individuals and try to say that this Budget does not tax individuals. Maybe it has something to do with amalgamation, Mr. Speaker. We should look at that. The Minister of Municipal Affairs says he is going to save \$54 million, I believe it is, \$54 million by amalgamating municipalities, how is he going to do it, very simple, mathematics is a wonderful thing. If you get forty-five cents on the first \$2 million, twenty cents after and if you combine two total levies of \$2 million and you only pay forty-five cents on one, so you save twenty-five cents on \$2 million, a half million dollars, simply by taking two municipalities like Mount Pearl and Conception Bay South, each of which has a total of over \$2 million, Mount Pearl, well over 2 million, Conception Bay South, over two million, simply by saying: okay, we will eliminate two municipalities and make them one, the Government saves a half million dollars. Peanuts, Mr. Speaker, that is peanuts. That is absolute peanuts. The real kicker in it, Mr. Speaker, is the fact that the city of Mount Pearl, because they are self-sufficient financially, because they are paying on all the loans that they have ever received for water and sewer and for anything else, they are paying their own way, getting

no special subsidies from Government -

AN HON. MEMBER:

What about their grants.

MR. WINDSOR:

I beg your pardon. They get their municipal grants under the Municipal Grant Act, sure. They are treated the same there as any other municipality, they get the forty-five cents on the first \$2 million, twenty cents after, yes, yes. We are not allowed to apologize because Mount Pearl is treated the same as Gander or Buchans or Grand Falls or Windsor which are treated the same under municipal grant. I wish Mount Pearl got as much money per capita as Windsor, it would have the lowest tax rate in the Province. Not one cent does Mount Pearl get outside of the Municipal Grants Act, not one cent of special funding for any of it. Everything which is in there is paid for by the taxpayers of Mount Pearl. Everything!

AN HON. MEMBER:

Taxation Centre?

MR. WINDSOR:

Taxation Centre, imagine! The hon. Gentleman is obviously talking about the Motor Registration Building. It does not pay a cent of tax to Mount Pearl, not a cent of tax, not on Provincial Buildings.

AN. HON. MEMBER:

What about Donovans Industrial Park?

MR. WINDSOR:

Donovans Industrial Park was always planned to be the Industrial base for Mount Pearl, it was no gift! Hold on! I can show you the 1955 plans, I can

show the Murray Jones Associates plans which were done in 1971. Mount Pearl - Newtown Development Scheme Plan. When Mount Pearl's Industrial Park was reallocated to the Donovan's area, it was all planned as one great integrated system.

AN HON. MEMBER:

Tell John Murphy that.

MR. WINDSOR:

You cannot tell John Murphy anything that he does not want to hear, but he cannot change the facts and I can document it and the evidence is down in the Department of Municipal Affairs. Murray Jones and Associates reports and their plans are down there and the buildings and the streets that are being developed today are still in accordance, Mr. Speaker lives in one of the areas oh one of the streets which was planned by Murray Jones in 1971. That same plan is still being developed. No major changes have taken place.

AN HON. MEMBER:

The City of Mount Pearl has not got as much sunlight.

MR. WINDSOR:

It has not got as much sunlight. It is certainly a whole lot brighter than the hon. Gentleman, I will tell you that, they do not need the sunlight.

SOME HON. MEMBERS:

Hear, hear!

MR. WINDSOR:

Mr. Speaker, the minute that Mount Pearl would amalgamate with Conception Bay South, the first thing Mount Pearl has to do is pay on the debt because the debt would be combined. The City of Mount Pearl would now be liable for all

of the debts that Conception Bay South has incurred in their water and sewer system. I think it is about 35 or 40 million dollars spent to date. About another \$85 million or \$90 million needed in there. And all of a sudden the City of Mount Pearl and the taxpayers of Mount Pearl would see their debt go from about \$17 million to \$57 million.

AN HON. MEMBER:

We are all Newfoundlanders.

MR. WINDSOR:

Yes, right, and we should all pay our own way. And the people of Mount Pearl have paid for their water and sewer and their roads and their recreational facilities and everything else and so should everybody else. It is as simple as that.

MR. R. AYLWARD:

(Inaudible).

MR. WINDSOR:

I beg your pardon?

MR. R. AYLWARD:

(Inaudible) you would not be saying that.

MR. WINDSOR:

Indeed I would be saying it. I said this many times. I have said it many times in Cabinet. I have said it many times in caucus, and I said it many times in the House of Assembly and I am going to say it a couple of more dozen times before I leave this Chamber you can rest assured.

AN HON. MEMBER:

It will not be very much longer.

MR. WINDSOR:

Long after I am - I think myself and the Leader of the Opposition are the deans of this Chamber. I

think we are the only ones that have been here since 1975.

AN HON. MEMBER:

The hon. the Member for Port au Port (Mr. Hodder).

MR. WINDSOR:

The hon. the Member for Port au Port.

MR. R. AYLWARD:

No he is here.

MR. WINDSOR:

I apologize to my colleague. I apologize to him, the Member for Port au Port.

So there are three of us who have been here since 1975, and I am going to be here when most hon. gentlemen and hon. Madam opposite are gone. I am not going to stay forever.

SOME HON. MEMBERS:

Hear, hear!

MS UERGE:

Gordon Seabright (inaudible).

MR. WINDSOR:

Seabright.

SOME HON. MEMBERS:

Oh, oh!

MR. WINDSOR:

I will not touch it. I do not engage in those tactics.

I do not need to. But I will be here.

Now, Mr. Speaker, this Government tries to leave the impression that this is a people's Budget.

MR. R. AYLWARD:

A great family book.

MR. WINDSOR:

That there are no increased taxes on people. Yet right in the Budget Highlight documents, Mr. Speaker, -

AN HON. MEMBER:
(Inaudible).

MR. WINDSOR:
My friend I can stand on my feet longer than you can sit there, I can tell you that.

SOME HON. MEMBERS:
Oh, oh!

MR. WINDSOR:
It is really difficult to try and concentrate when you are getting praise heaped on you, Mr. Speaker, from the other side. It really is disconcerting.

Mr. Speaker, the Budget highlights - simple addition, to get back to our mathematics, simple addition of Budget highlights \$93 million additional taxation. And there are some hidden tax increases. The Minister has learned very quickly. He was not quite as devious last year as he is this year. Last year in his Budget Speech, let me quote from the Minister's Budget Speech of last year, page 15, "These measures that I am announcing today will raise \$31.5 million this year and \$43.4 million next year." So the Minister admitted in his Budget Speech last year that there is an additional \$43.4 million taxed on the people of the Province this year for measures that he announced last year. So he did not announce them again. He did not stand in his place last Thursday and say, oh, by the way, I told you last year it was \$43.4 million going to kick in this year. I did not want to remind you of that. He did not tell us any of that.

AN HON. MEMBER:
Income tax was part of it.

MR. WINDSOR:
Income tax was part of it, yes. No tax on individuals. What is personal income tax? He raised it 2 per cent last year, 1 per cent took effect last year and 1 per cent this year.

AN HON. MEMBER:
(Inaudible).

MR. WINDSOR:
Oh, only \$20 million, Mr. Speaker, I think is the number.

AN HON. MEMBER:
(Inaudible).

MR. WINDSOR:
I am wrong! I am wrong! No I am right! It is only \$20 million, additional personal income tax this year. The Minister says there is no taxes on people.

MR. R. AYLWARD:
That is not much.

MR. WINDSOR:
I have already gone to pains on the payroll tax to indicate that the people are going to pay the \$25 million a year the Minister proposes to raise on payroll tax. People are not going to pay for it, Santa Claus is going to bring it there. Where is it going to come from if it is not going to be passed to the consumer?

AN. HON. MEMBER:
Rebates from the Federal Government.

MR. WINDSOR:
Rebates from the Federal Government, my eye, Mr. Speaker.

Any way the Minister wants to cut it there is \$25 million coming out

of the pockets of the people of this Province, and he cannot change it. He might not like it. He did not know what he was doing when he did it, but that is what he did, \$25 million a year. That is on top of the \$43.4 million he announced last year he was going to take this year. So we are getting up there already. We are getting up there!

Then we look at retail sales tax, Mr. Speaker. All of a sudden that is up like \$35 million. Now the Minister is going to jump to his feet when he gets a chance to say, 'But that is because the economy is booming.' I do not see the indicators anywhere in the economy that the economy is booming, that sales have gone up all that much. The Minister did not tell us that but do not forget the Goods and Services Tax is coming in and we are going to pippyback our 12 per cent after the Federal taxes is applied. So because this terrible Goods and Services Tax is being imposed by the Government of Canada, the Government of Newfoundland and Labrador is going to pick up a few shekels, that is why that has gone up by 35 per cent, that is a 6 per cent increase. A 6 per cent increase over the retail sales tax that was collected last year.

AN HON. MEMBER:
(Inaudible).

MR. WINDSOR:
I wonder how much was spent in anticipation of the Government changing the retail sales tax. I wonder how much was done after I exposed the Minister on that little scam.

AN HON. MEMBER:
Not as much as the anticipation on Hibernia.

MR. WINDSOR:

Oh, yes. Anticipation of Hibernia. I will never forget Mr. Speaker, the hon. the Premier when he was Opposition Leader sat here on this side as he loves to do, he pontificated day in and day out about this terrible Government that is misleading the people about the fact that Hibernia is going to do something wonderful for the economy of this Province, and that the development of the Lower Churchill is going to be a good thing for this Province. Every day he was up saying that this Government does not have any ideas. They are putting all their apples in one barrel. All on Hibernia and the Lower Churchill, well I could not believe it, Mr. Speaker, I almost fell out of the chair when I heard the Minister's Budget. What did it say, Hibernia and Lower Churchill are going to be the saviours of the economy of Newfoundland and Labrador. How they changed their tune, Mr. Speaker. How they changed their tune when they walked across. All of a sudden they realized that Dr. House and his Economic Recovery Team in spite of the \$2 million they are going to spend this year have not got any answers. And in twelve months has not given one answer except to reorganize the Department of Development so that the Minister of Development has less to do than he has now. That is all that has come from the Economic Recovery Team.

MR. SPEAKER:
Order, please!

I wonder if the hon. Member for Mount Pearl would give me a minute to welcome to the gallery Captain and Mrs. Wilson Janes and the Salvation Army Corp Cadets from Horwood, Notre Dame Bay.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the Member for Mount Pearl.

MR. WINDSOR:

Thank you, Mr. Speaker, I am certainly pleased to give Your Honour the opportunity to welcome these young people to the House of Assembly. I join with you on behalf of all hon. Members on this side and both sides, I am sure, in welcoming them.

I was pointing out, Mr. Speaker, how the Government has changed its tune so quickly. The Premier would love to sit here and pontificate as only he can do. He likes looking down his nose at people opposite. He tried it with me this afternoon. See that is why the Premier gets so upset when I say things to him because he knows that I am not impressed by him at all. He can look down his nose at me all he wants. And all I see is the bottom of his nose. I am not impressed. I am not intimidated.

AN HON. MEMBER:

(Inaudible).

MR. WINDSOR:

With Ministers like the hon. Minister of Labour he needs something, I can assure you of that. We will get to her I can assure you in due course.

Now, Mr. Speaker, I have dealt with the \$43 million the Minister announced in his Budget last year, dealt with the \$25 million payroll tax that the Minister tries to convince us is not going to be on people. I have dealt with the \$35 million increase in retail sales tax, I do not know who is paying

that, if it is not the consumer of the Province. I dealt with the \$20 million personal income tax the 1 per cent the Minister sneaked into last year's Budget and it takes effect this year. Corporate Income Tax has gone up, \$9.4 million, a 17 per cent increase.

That is interesting.

A 17 per cent increase, and who pays Corporate Income Tax? Corporations. Who pays the Corporations? The consumers. In the end analysis, he pays the two. Corporation Capital Tax, Mr. Speaker, is gone up, a 50 per cent increase because the Minister increased it from 3 per cent to 2 per cent. \$1.6 million he is going to pick up this year and that is on banks and insurance companies. Who is going to pay it, Mr. Speaker? Do you think that banks are going to reduce their amount of profit because the Minister decides to bring in a new tax?

AN HON. MEMBER:

He is going to spread it all over the nation.

MR. WINDSOR:

He is going to spread it all over no nation. He is going to spread it all over Newfoundland and Labrador. He is going to take another nickle out of you every time you cash a cheque at a bank. That is what he is going to do. They are going to get their money back, Mr. Speaker. They do not operate for free.

Minerals holdings tax is only \$0.3 million. That does not sound like an awful lot until you realize that that is a 400 per cent increase. Where is the Member for St. John's West (Dr. Gibbons), the

Minister responsible for that? He is hiding behind me now. Talk about devious. If Your Honour will excuse my back I have to turn around and address the Minister who is sitting behind me. The Minister is now in the Opposition backbenches. Is the Minister aware that there was a 400 per cent increase in the mining tax? I have not had a chance to research and find out why that came. The hon. gentleman, I think, is doing an investment behind my back. He is talking to his investment broker here now. There is why we had the 400 per cent in the Mining Tax so the Minister could invest it with the hon. the Member for Ferryland (Mr. Power).

SOME HON. MEMBERS:

You cannot see either one of them.

MR. WINDSOR:

Twenty-six pounds gone, boy.

The Minister in one little sentence says we are going to increase some fines and forfeitures. He did not tell us, by the way, that we tacked 5 per cent on driver's licenses and vehicle licenses last year and picked up a whole bunch last year.

AN HON. MEMBER:

Maybe the point system.

MR. WINDSOR:

The point system will save you money in the long run you will find out. All you have to do is look at the Budget there and see how much we are picking up. In the Registry of Deeds alone \$2.7 million. Now you cannot convince me that there are going to be so many pieces of property sold this year, so many mortgages put through, so many properties registered in the Registry of

Deeds that that is an normal growth. Two point seven million is a nice bit of money. It happens to be a 35 per cent increase in the Registry of Deeds.

AN HON. MEMBER:

How did you calculate that?

MR. WINDSOR:

Simply by taking the amount of money that was collected in the Registry of Deeds last year, the amount of money this year, divide one by the other, and you will find you get 135 per cent.

SOME HON. MEMBERS:

(Inaudible).

MR. WINDSOR:

Thirty-five per cent is small. The amount is \$2.7 million. Percentage is important, Mr. Speaker. It makes a difference if you are going to register a mortgage on your new home, and it is going to cost you \$1000 or it is going to cost you \$1350. Three hundred and fifty dollars on a house is a heck of a lot of money when you are trying to get your first home. It may not be much to the hon. gentleman but if you are only making \$9000 as a fisherman it is a heck of a lot, Mr. Speaker.

Fines and forfeitures, little fines and forfeitures of some sort. We do not really know what they are. They are just listed in the Budget there and we will dig into the details of the Budget eventually, \$1.5 million. That is a fair bit of change to pick up on fines and forfeitures. It happens to be a 32 per cent increase. The Registry of Deeds was 35 and this one is 32, interesting.

Mr. Speaker, the next one is a good one. The Minister of Health should enjoy this. He is not

here. This is a Health and Education Budget and what do we see in the Budget? Health fees and certificates increased by 45 per cent. There is a 45 per cent increase in the cost of health fees and certificates in a Budget that is suppose to be putting emphasis on Health and Education. The Minister of Education is amazed. He did not know that. I do not know what health certificates are.

MS VERGE:

They will probably be birth certificates.

MR. WINDSOR:

Birth certificates.

MS VERGE:

Vital Statistics.

AN HON. MEMBER:

Ask me about student aid?

MR. WINDSOR:

We will get to student aid. My colleague will get into student aid, the Education critic. 45 per cent. So all of those fees, Mr. Speaker, have increased by 35 - 45 per cent. And an innocuous little statement in the budget that picks up the \$4.7 million. One little sentence says certain fines and forfeitures will be increased \$4.7 million, one third of what they are going to pick up in their great payroll tax. Little bits and pieces out of the pockets of the consumer, the individual who has to come to Government for particular services and needs licenses and pays fees and fines and things of that nature.

Mr. Speaker, let us talk about the most devious, the most blatant grab of money of all in this budget. The most blatant one of all, and this is a very serious

situation, Mr. Speaker. As the Minister, I think, has mislead this House and has mislead the people of this House. We will get to his expenditures, you may rest assured, but he has mislead this House. Last year, Mr. Speaker, the Minister in his Budget Speech said, and I quote, "The Newfoundland Liquor Corporation will be asked to generate an additional \$1 million from the sale of spirits and wines, and the Newfoundland Liquor Licensing Board will implement a new fee schedule. There will be no increase in the price of beer resulting from this Budget."

A full paragraph in the Budget Speech last year and in the list of revenue measures - there is a press release the Minister issued last year and again this year - and in that release that he put out last year that outlined all of the revenue measures that were contained in the Budget he had the same paragraph, '\$1 million will be asked from the Newfoundland Liquor Corporation.' This year, Mr. Speaker, not a word. Not a word about additional funding from the Newfoundland Liquor Corporation until you look inside and you see. It is very simple. Revenue from Newfoundland Liquor Corporation 1989 - \$79 million. Revenue from the Newfoundland Liquor Corporation 1990 - \$81.5 million. \$2.5 million more, Mr. Speaker, additional revenue from Newfoundland Liquor Corporation. The Minister found it important enough last year for \$1 million to have a paragraph in his Budget Speech and to list it in the revenue measures that he had taken, but \$2.5 million this year, he tried to slide that through. He tried to cover it up. And do you know what happened, Mr. Speaker? He does not know. I

suspect - I cannot prove this - I am making it very clear that I cannot prove this. The Liquor Corporation did not know he was going to announce it. They did not know. In fact, I do know that officials from his Department called the Liquor Corporation within the last 3 day since I have raised this in the House and said, 'By the way, what will be the implication? How much will we have to raise the price of liquor or beer? Lots of phone calls being made is exactly right. Lots of phone calls being made to the corporations and to the institutions rather and agencies of Government as it relates to the payroll tax. What are the implications.

I do know that a Minister said I was told, at least - I mean this is heresy on my part, but I was told. Not by one of the Minister's officials, but I was told that a call was made within the last 3 days since I have raised this question in the House of how much liquor will have to rise for the Corporation. And that Minister can laugh. That is his only defense so far in the last 7 days is to laugh when he finds questions coming to him that he knows he cannot answer, that he cannot explain when he knows that we are absolutely right. \$2.5 million, Mr. Speaker. Now the Minister tried to laugh it off in one of the questions put to him the other day and he says, well, that is because of increases from suppliers. And I heard the Chairman of the Liquor Corporation within the last couple of days made a press release, I believe, I did not hear it. But I have had it quoted to me that there is 2 to 3 per cent increase from suppliers. So therefore the prices are going to increase a

little bit.

AN. HON. MEMBER:

You are aware they have increases.

MR. WINDSOR:

Yes, I am. But what has that to do with the profits of the corporation. It has absolutely nothing to do. That is there cost, Mr. Speaker. All of their costs including what they pay to the suppliers, including what they pay for truckers, now they are going to pay payroll tax on that, by the way, including what they pay to their employees, and they are going to pay a payroll tax on that. All those costs are going up. And then the Minister directs the Liquor Corporation. He does not say how much you are going to have at the end of the day. How much can you give me. He says you will give me. This is the way it works.

MR. EFFORD:

How many times have you said that in the last hour?

MR. WINDSOR:

Well I have learned, Mr. Speaker, from the previous, previous, previous, previous Premier that when you are dealing with an hon. gentleman like the hon. gentleman opposite you had to say it over and over and over to get it through his skull.

MR. EFFORD:

No, you do not.

MR. WINDSOR:

You have to say it over and over and over.

MS VERGE:

The problem with the Minister of Finance (inaudible).

MR. NOEL:

Do you have to say it louder and louder and louder?

MS VERGE:

(Inaudible) Cabinet shuffle.
(Inaudible).

MR. WINDSOR:

Social Services is quite happy. The Minister is quite happy. I am going to break off here, Mr. Speaker, I cannot resist - the Minister of Social Services is proud of the fact, he is going around this Province and saying, we added fifty new positions.

MR. EFFORD:

Yes.

MR. WINDSOR:

Well have a look at the Budget document, Mr. Speaker, you will find out that last year in the Budget the Department of Social Services, if you look at the schedule it deals with the number of employees in each Department, you will see that the Department of Social Services budgeted in the Budget last year had listed 751 employees. But the revised at the end of the year was 801, 50 employees more last year, they added during the year, over what they had budgeted. This is the Government, Mr. Speaker, restraint, holding back on expenses, pontificated to us when we were over there you have to cut back on this over-sized public service, increase fifty positions last year. And he is out now saying I am going to add fifty. Do you know how many are in the Budget for this year?

MR. R. AYLWARD:

Eight hundred and one.

MR. WINDSOR:

Eight hundred and one. Exactly the same number that he finished

last year with. There are no new positions being added in the Department of Social Services.

MR. EFFORD:

How many (inaudible).

MR. WINDSOR:

None. Not one position being added, Mr. Speaker. The revised from 1989 is exactly the same as the estimate for 1990.

SOME HON. MEMBERS:

Oh, oh!

MR. R. AYLWARD:

Ten million dollars less than last year.

MR. WINDSOR:

We got him now. We got his hobby horse. The Minister of Social Services has been exposed.

MR. EFFORD:

(Inaudible).

MR. WINDSOR:

I do not need to ask you questions. I have the answer, they are here in the Budget. Ah, the answers are there.

The hon. gentleman can get up when I am finished speaking in a couple of weeks time and you will have an opportunity to respond.

MR. EFFORD:

Will the Member stop shouting over there.

MR. WINDSOR:

The hon. gentleman is deaf over there, you have to talk loud.

AN HON. MEMBER:

(Inaudible).

MR. WINDSOR:

It is interesting, Mr. Speaker. This great Budget that does so

much for the social sector. It increases a percentage of total gross capital and current expenditures from 63.4 per cent to 65.7 per cent. Good. That is good and I applaud that. That is 2 per cent increase. Forgets to say, Mr. Speaker, that last year the percentage spend on social programs went down by more than 1 per cent. All they did, Mr. Speaker, was bring it back up where we had it.

MR. R. AYLWARD:

They caught up again to where we were. Just about caught up to us again.

MR. EFFORD:
(Inaudible).

MR. WINDSOR:

Maybe I will, Mr. Speaker, let the hon. gentleman speak for a moment because he cannot change the numbers. A couple of weeks time?

SOME HON. MEMBERS:
Oh, oh!

MR. WINDSOR:

I will give the Minister of Finance a chance to get up and tell me about his payroll tax though. We will give him every opportunity to get up and give us some facts about that.

MR. SIMMS:

He will only need five seconds to do it.

MR. R. AYLWARD:

I do not know.

MR. WINDSOR:

I will even say, look, I will sit down for a while and let him go downstairs and ask his officials what it is about so he can come up and explain it to us. I will move a recess of the House so he can go

and get the information.

Now, Mr. Speaker -

SOME HON. MEMBERS:
Oh, oh!

MR. WINDSOR:

Oh that is interesting!

AN HON. MEMBER:
(Inaudible).

MR. WINDSOR:

I am talking about the number of employees in the Department. All you have to do, again, is look at Schedule 2 in the Budget, in Salary Details. I am not making up any numbers. If you look at this Government that talked about cutbacks, if you look at the number of employees who were budgeted last year and the number in the revised estimates, you will find that every Department but one had an increase in the number of employees last year.

AN HON. MEMBER:
Which one?

MR. WINDSOR:

Which one? The Department of Justice.

AN HON. MEMBER:

They need people.

MR. WINDSOR:

They probably need more employees, at this point in time, to deal with some of the terrible social problems this Province has had to wrestle with. And that is the only Department of Government that had fewer employees at the end of the year than they were budgeted.

AN HON. MEMBER:

They even increased by a couple,

MR. WINDSOR:

They increased by a couple?

AN HON. MEMBER:
(Inaudible).

MR. WINDSOR:

Yes. Every single Department is up. Now this is a case where I have somebody else do some analysis for me. You cannot beat the engineers, boy! I have to stick to my engineering, I can see that, do it myself.

Every Department of Government - then, that is worse - had more employees at the end of the year than they had budgeted. And this is a Government that says, 'We are cutting back, there is restraint. The previous Administration was wasteful, neglectful, fat Administration,' they have said it all.

AN HON. MEMBER:
(Inaudible).

MR. WINDSOR:

Well, I am talking about some of the things that were announced in last year's Budget. I talked about the \$43 million.

Another thing in the Budget last year was a positive announcement by the Minister. It was a great tax reform that I brought in a number of years ago, small business holiday, a three-year tax holiday for small business in this Province, which we need. Most of our businesses are small business. It gives them, for the first three years, a tax holiday on provincial taxes, a good program, very, very well received by the financial community. It had very great benefits for companies starting up.

AN HON. MEMBER:
(Inaudible).

MR. WINDSOR:

Well that is right, nevertheless, we did not take taxes out of them, but gave them a chance to pay back some of their capital investment in the first three years.

Last year, the Minister announced he was going to extend it. That was a positive announcement. I was pleased to hear him say that he recognized it was a good program, an incentive for small business. Not a word, this year, Mr. Speaker, and that bothers me, not what the Minister said, but what he did not say. He did not say that that tax holiday, which was extended last year to April, 1991, was extended another year, now, to 1992. So that bothers me because it indicates to me that that holiday for small businesses may well be allowed to expire in 1991. Why did they not say, 'Okay, we need three years; we will extend it one more year so companies that are starting now know they have a three-year tax holiday.' Companies starting now can only look forward to a two-year tax holiday.

So, I put this question to the Minister, because he can do it next year. But it would be nice for companies starting out now to know, so they can do their financial analysis in the knowledge that they will not pay taxes for three years. Let me ask the Minister, does he intend, next year in his Budget, to announce another two-year extension, so that corporations, new companies starting now, can look forward to a three-year tax holiday? Will the Minister answer that? I would give the Minister the opportunity to answer that, if he would, but he will not even look up at me, so he obviously does not want to answer. He obviously never

thought about it before. I invite him to think about it, and maybe when he speaks, or maybe in answers to Questions on Monday or now if he chooses, or whenever, he will tell us. I mean this most sincerely, Mr. Speaker, I think small business in this Province would like to know if they can look forward to a three year tax holiday or has that now been reduced because the Minister did not mention it in his Budget Speech, and did not provide that extra year's extension.

Mr. Speaker, the Newfoundland and Labrador Liquor Corporation, to get back to that again, have a payroll of \$7.2 million, if hon. gentlemen want to question those numbers they can look for it in the 1989 Annual Report of the Newfoundland and Labrador Liquor Corporation, I am documenting that for you.

AN HON. MEMBER:
(Inaudible).

MR. WINDSOR:
We will get to that. Do not worry about it. Gladly.

MR. RIDEOUT:
(Inaudible).

MR. WINDSOR:
The hon. the Leader of the Opposition makes a (inaudible).

Newfoundland and Labrador Liquor Corporation last year had a payroll of \$7.2 million, at 1.5 per cent that is \$108,000, the Liquor Corporation has to raise just for that. That is another \$108,000 that has to be tacked on to the price of alcohol. And as I mentioned in passing a few moments ago, so do the tax on salaries paid to trucking companies, and advertising companies, and

companies that supply the bottles because the Liquor Corporation bottles many of its products here locally. It comes in bulk particularly screech. Screech is bottled locally. All of the labour involved in that is now going to be taxable. So this is a tax on screech now. A tax on screech, the poor man's rum.

AN HON. MEMBER:
Nothing wrong with that.

MR. WINDSOR:
Beans and bologna and screech.

AN HON. MEMBER:
Poor man's champagne.

MR. WINDSOR:
Yes, we have that here too. I suppose we have. The Minister has not told us yet. The Minister has not told us whether he is going to put 20 cents on a bottle of liquor and 15 cents on a dozen beer or whether he is going to put 40 cents on a bottle of liquor, or whether is going to put 30 cents on a dozen of beer, he has not told us. That is only my guess, I would really like the Minister to tell me what the numbers are. I worked those out from some numbers that I have.

AN HON. MEMBER:
(Inaudible).

MR. WINDSOR:
Pardon?

The Minister is mumbling something, Mr. Speaker. My poor ears cannot pick it up.

AN HON. MEMBER:
Chafe had to come on and clear it up, the Minister knew nothing.

MR. WINDSOR:
Chafe was on explaining, yes, he

got the gun put to his head by the Minister. Get out there and try to bail me out. I tried to sneak \$2.5 million out of the pockets of the people of this Province without even mentioning it in the Budget Speech.

AN HON. MEMBER:
(Inaudible).

MR. WINDSOR:

Ah, he had no choice but to say that. He tried to say it was a suppliers increase that has nothing to do with the fact that the Minister after all costs are added up, the Minister said, Mr. Chafe send me \$81.5 million, after all your costs are paid and everything else because you are required by Statute to run a sound corporation and run a balanced budget -

AN HON. MEMBER:
You are just guessing.

MR. WINDSOR:

That is not guessing at all. That is a fact, Mr. Speaker, I know how it works and all we have to do is look at it. It says revenue requested from the Newfoundland and Labrador Liquor Corporation \$81.5 million. So the Corporation has no choice, but spread that over the price of every product that they sell.

I am going to say, Mr. Speaker, that I am probably wrong. I think 20 cents and 15 cents is probably much lower than the fact, it is probably 30 cents on a bottle of alcohol and 25 cents on a dozen beer. I would say that is probably closer. I will get the numbers. I will have the numbers before next week is out. I will do some more calculation on that, it will come from somewhere. So that is where we are with the

Liquor Corporation.

Well, Mr. Speaker, how about another hidden increase and other hidden entries, hidden this year, Mr. Speaker, but again, the Minister did not hide it last year. He announced it in last year's Budget. He has learned a lot.

AN HON. MEMBER:
(Inaudible).

MR. WINDSOR:

My own number, that was the only document that was given to me by a colleague. We will not ask him for his advice anymore.

Mr. Speaker, in the Budget last year the Minister came up front and was honest with the people. And he said we are going to direct Newfoundland and Labrador Hydro to pay us \$10 million guarantee fee on the monies that we are guaranteeing, monies that Hydro has borrowed. They are going to pay us \$10 million a year. So that is \$10 million that the Minister announced last year. He did not mention it again this year. He said, 'By the way I told you last year that \$10 million was going to have to be paid.' He also said that we were going to remove the subsidy that Government puts into the power distribution districts. There was a subsidy required because of the cost of providing electricity in those districts. Consumers pay more in that area when they consume more than 700 kilowatts hours of power, they pay more. But there was a subsidy of \$30 million a year given to Newfoundland and Labrador Hydro by the Province. The Minister announced that he is going to phase it out over 3 years - \$10 million a year. So he picked up \$10 million last year

and he picks up \$20 million this year. So that is \$20 million on a PDD subsidy and \$10 million on the guarantee fee, so that is \$30 million that Newfoundland and Labrador Hydro now has to pass off through its rate increases, pass on to Newfoundland Light and Power who in turn pass it on to the consumer of this Province. That is another \$30 million that was hidden in this document.

MR. SPEAKER:

Order, please!

I am having difficulty in hearing the speaker. I suggest that the Members for Grand Falls and Windsor - Buchans carry on their conversation outside the chamber.

The hon. the Member for Mount Pearl.

MR. WINDSOR:

Thank you, Mr. Speaker. I appreciate that.

Mr. Speaker, that is very clearly going to be passed along to Newfoundland and Labrador Hydro or to the consumer by Newfoundland and Labrador Hydro. And as I have already said, Newfoundland Light and Power, of course, all of their payrolls will be taxed. That will be passed along to the consumer of energy in this Province - passed along the same way.

There is another option, of course, Mr. Speaker, but we do not like to think about it. But I have to think about it because the Minister has projected that unemployment will increase slightly this year. This Budget indicates we will go up marginally from 15.5 to 16 per cent, but that is significant, Mr. Speaker, it is going to go up. After the Premier's performance in Meech

Lake we will be lucky if we do not have unemployment go a heck of a lot further. We will get into that one. We will get into it.

Mr. Speaker, one of the options that all of these companies and agencies have when this tax is applied - there are three options really - they can pass the price along to the consumer, which is what I am suggesting they will do. Or they can hold back maybe - the President of Treasury Board will love this because he got himself in such hot water with Labour now. The President of Treasury Board is started off. The President of Treasury Board should have learned from my example how to deal with Labour. He would be well served to follow my example of how to deal with labour in this Province, because I dealt with them honestly and fairly and I did not threaten them before we sat down at the bargaining table, which is what the Minister has done. I did not threaten them. You do not negotiate with a Labour Union or anybody with a gun to their heads which is what the Minister has done. It is what he has done, that is not negotiating, Mr. Speaker, that is dictating. He is starting to learn from the Premier, the greatest dictator of all. The option, Mr. Speaker, was to either increase their prices or cut back on the benefits and wages paid to the employees, they can do it that way. They can cut back their wage and benefit package by 1.5 per cent, that will do it. That will pick it up for him. They can take from the employees, the hon. Gentleman for Mount Scio can take his \$18,000. is it, I think we calculated \$18,000. his operation will cost him. He can take that out of the pockets of his employees, they will enjoy

that, they will enjoy that, your chicken would be burnt tomorrow night, let me tell you, when the employees salaries are cut back.

AN HON. MEMBER:
(Inaudible).

MR. WINDSOR:
No, you cannot.

AN HON. MEMBER:
(Inaudible) from your Income tax.

MR. WINDSOR:
No. The business can, from Federal tax.

MR. AYLWARD:
Memorial University cannot.

MR. WINDSOR:
Yes, that will bring it back to zero point. If the hon. Gentleman was listening earlier today, I would prove to him that they are going to have to pay. A Minister cannot raise \$25 million without making Memorial University and all the School Boards, and all the Community Colleges, The Marine Institute and the hospitals and every Crown Corporation pay tax. \$25 million a year, \$15 million this year because it only comes in the first of August, that is simple mathematics.

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

MR. WINDSOR:
Thank you, Mr. Speaker. I appreciate your checking me. I sort of enjoy some of the banter back and forth though. It is interesting to hear their views. The only time we seem to get answers is when we get them stirred up and draw them out of their shells. We have to get them going.

AN HON. MEMBER:
He did not know anything about the New Tax.

MR. WINDSOR:
He knew nothing about it. He does not think it applies. He does not know it applies. But the other option, Mr. Speaker, I will try to interrupt the interrupters here, the other option is to reduce that. If you cannot reduce the wage and benefit package then you reduce the number of employees, employers can do that. That is your third option. You either increase prices, or you decrease the wage and benefit package, or you decrease the number of employees. Does the hon. gentleman have a fourth option? Is there another way to balance your accounts? There is a businessman there from Lewisporte. Can he tell me how to balance the accounts in his business in Lewisporte? Or the hon. Member for Mount Scio, without doing that? I will yield to the member for Mount Scio and let him tell me the fourth option. I am delighted to hear it.

MR. SPEAKER:
The hon. the Member for Mount Scio - Bell Island.

MR. WALSH:
There are other options, of course.

MR. SIMMS:
A point of order.

MR. SPEAKER:
The hon. Member for Mount Pearl (Mr. Windsor) permitted the hon. Member for Mount Scio - Bell Island (Mr. Walsh) to make a few comments.

MR. WALSH:
It is a pleasure to see that the Opposition House Leader is still

with us and still able to sleep with his eyes open.

The other way, Mr. Speaker, is one that businessmen have taken over the last seventeen to twenty years. Whenever you have to face an increase in costs whether it be for a product you are buying or whether it is through taxes you do as you always do, you get a little sharper in your business, you buy a little better, you are a little more cautious in the things that you do, but, I think, the best way to do it is to address your people and say to the people who work for you, do what you can, make sure you sharpen the pencils a little better, and do it by better buying and better purchasing. Anyone in business, Mr. Speaker, can tell you that.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the Member for Mount Pearl.

MR. WINDSOR:

Mr. Speaker, that was a great piece of financial advice we got there. I am not about to suggest that all the businesses in this Province are as inefficient as the hon. gentlemen's must be if he has room for that. I would suggest he should do that and increase his profits by all that much if he has that much free space in his business. It is getting close to noon on Friday, Mr. Speaker, and the troops are anxious to get rolling over the highway, to get back home for the weekend, and I can appreciate that. I have a long way to go this weekend.

The Minister announced in the Budget that there will be some decreases in the number of staff

people. Well, as we just saw a moment ago when we discussed the summary of the salary details. There were 216 positions added to the Public Service since the Budget came down last year; 216 positions added to Government. That is there. I refer to hon. gentleman to Schedule 2 in the salary details. The total number of permanent positions budgeted 7,362; the revised 7,578.

Mr. Speaker, the Minister has room to reduce, because he budgeted last year for 216 positions less than he finished with at the end of the year. So he can reduce, Mr. Speaker, by 216 positions this year just to get back to where he was when he brought down his Budget last year. Now, that is a great accomplishment for this Government. They are going to cut back again. A great cut back. Back to where they started. Now does he think 216 jobs added? You got them because they were there in the revised. You paid them last year, and now you have to get rid of them again. And where is he going to do it? The Department of Fisheries is going to lose people. That is what the Minister said. Four Departments, Fisheries, Environment, Mines and Energy and Finance, at a time when we have a crisis in the fishing industry, we are going to lose employees in the Department of Fishery and the Department's budget is cut by over \$2 million.

There is where we are. At a time when the Minister says he has a problem balancing the Budget, he has to bring in a new tax in order to balance the Budget, what does he do? He is cutting back ten gas tax inspectors. Ten gas tax inspectors were given their pink slips this week, Mr. Speaker. And the Minister tried to say, oh, it

may not be people, it just might be just positions. These are ten people - ten people - who have been told. I had them and I have lost them; I had a note telling me there were so many: there are two in Corner Brook, one in Stephenville, one in Port aux Basques, one in Grand Falls, I think several in St. John's, and the Minister's Director of Tax went across the Province this week and gave them their notices. He went out personally and visited them this week and said I am sorry, there has been a Budget cut. There are ten positions gone. Gasoline tax inspectors, Mr. Speaker,

MR. SIMMS:
Only a few yearss ago we (inaudible).

MR. WINDSOR:
My colleague from Grand Falls is right. It was only a few years ago that we added a lot of positions, because we did a very thorough study, and I do this from memory, Mr. Speaker, but I recall -

MR. EFFORD:
And laid off nurses. That is what you did.

MR. WINDSOR:
No, we had more money for nurses.

Our study showed, Mr. Speaker, that every Tax Inspector we have can earn on the average \$400,000 a year in taxes that would have been lost, that would have been missed. That was done by the Minister of Finance before me, when I was President of Treasury Board. I remember well the Minister of Finance coming to Treasury Board and saying, I need more Tax Inspectors.

DR. KITCHEN:

How much was it?

MR. WINDSOR:
\$400,000 per inspector.

DR. KITCHEN:
(Inaudible).

MR. WINDSOR:
Oh, there is obviously a point of diminishing returns. There is a point of diminishing returns. I do this from memory and I stand to be corrected on this, Mr. Speaker, but as I recall, the Minister of Finance of the day came to Treasury Board and said, I want fifteen new positions of Tax Inspectors. And he showed very clearly that officials had done a thorough analysis and showed to the satisfaction of all of us at Treasury Board and all of us in Cabinet at the time, that each one of those inspectors would generate \$400,000 worth of revenue that would otherwise be lost.

I will give the hon. Minister an example of one young girl who came out of the School of Business at Memorial University on a work term, one of these young students, what my daughter is doing right now, in fact, she came with the Department and one of the first assignments she was given was to go and do a couple of little convenience stores. She was as bright as a tack and she came back to her supervisor less than a week later, a little sheepishly because she had not gained quite a lot of self-confidence, this was sort of her first assignment, and she said, Sir, I think this little convenience store owes us a lot of money. Oh, he said, very well. How much did you think? Over \$500,000, Sir. He said, what? A half a million dollars? A little convenience store?

MR. EFFORD:

Do you mean to tell me you were Minister of Finance and you allowed that to happen?

MR. WINDSOR:

No, we uncovered it. A half a million dollars, Mr. Speaker, because this young girl was hired for one of these extra positions and this person was not remitting the sales tax that was being collected on beer sales. And we all know what percentage of beer sale is tax.

AN HON. MEMBER:

That was in my District.

MR. WINDSOR:

It was in your District. Exactly. No, it is in the hon. gentleman's District, the hon. gentleman for St. John's West. That was made public. I will not use it here, but it was a public issue. It has been discussed in the media. And that is how that was discovered, by a young tax auditor, a young girl on a work term who went out as quick as a

AN HON. MEMBER:

A Gasoline Tax Inspector, was it?

Not a Gas Tax Inspector, but the same principle applies. The Minister can stop playing games. The same principle applies. But there was \$500,000 that was found. I do not think we got it all back, but we got a lot of it back. But the main thing is we cut our loses at that point in time.

So now, Mr. Speaker, the Minister has eliminated ten tax auditors; ten gasoline tax auditors have been fired. They have been told they are finished after many years of service, many of them, one of them in Port aux Basques. One of

the critical areas is Port aux Basques, where all the people come across on the ferry, and we are eliminating a tax position there, an audit position.

MR. SIMMS:

The Member for Port aux Basques should be concerned.

MR. WINDSOR:

Yes, the Member for Port aux Basques lost one. The Member for Stephenville loses one, too.

MR. R. AYLWARD:

Another job.

MR. WINDSOR:

Two in Corner Brook, two in Gander, I think there is one in Grand Falls, and two or three in St. John's. I have the exact list of where they are somewhere in my pile of notes.

Mr. Speaker, it being about one minute to twelve, perhaps I will stop and adjourn the debate, and I will come back. I will have all weekend now to rest up my lungs and my vocal chords and to do some more research in hon. Members' Districts, and to take more phone calls from constituents of hon. gentlemen opposite who are saying I cannot get hold of my Member and here is the problem. While you have the chance to speak, will you bring it up in the House? So I will bring some of those in in the next chapter, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. BAKER:

Mr. Speaker.

MR. SPEAKER:

The hon. the Government House Leader.

MR. BAKER:

Before adjournment, Mr. Speaker, I would like to advise the House that on Monday we will be continuing with the Budget debate, and we all look forward with eager anticipation to the Member for Mount Pearl. We do hope that over the weekend he manages to put together a speech that surpasses what we heard today.

Mr. Speaker, I move that the House

MR. SIMMS:

Mr. Speaker.

MR. BAKER:

Do you want to say something?

MR. SPEAKER:

The hon. the Opposition House Leader.

MR. SIMMS:

Mr. Speaker, since the House Leader took the opportunity to congratulate - we will agree stop the clock - the Member for Mount Pearl on his introductory remarks here today -

SOME HON. MEMBERS:

Hear, hear!

MR. SIMMS:

- I thought for a preliminary kind of introduction to the meat and substance of his input, which you will see for the next number of weeks, no doubt, it was very well put today, just preliminary comments touching on this, touching on that. I thought he did a very good job.

Having said that, may I ask the President of Treasury Board if he would address the question I raised earlier today about the broadcasting resolution, and could we reach some kind of an agreement

to deal with that on Monday.

May I also, while he is on his feet, ask him if he could tell us what Department's Estimates will be dealt with Monday night for the Resource Estimates Committee. I think the first one sits Monday night. Does anybody know what Department?

AN HON. MEMBER:

Mines and Energy.

MR. SIMMS:

Mines and Energy.

MR. BAKER:

Mr. Speaker, Mines and Energy will be dealt with, as the Minister has just pointed out. And I agree with the Opposition House Leader. Perhaps on Monday we could take a half hour time slot somewhere during the day to have a couple of speakers from each side - five minutes each - concerning it and then make some decision with regard to the Broadcasting resolution. That is perfectly okay. So, we could make that kind of arrangement.

MR. SIMMS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Opposition House Leader.

MR. SIMMS:

We would agree with that. Maybe we could be precise about it now so we will all know in terms of our planning - 4:30 p.m.? The Member for Mount Pearl would want to hear this, I am sure, because it might cut into some of his plans for his lengthy debate on Monday, the more meaty part of his debate. On Monday we will be agreeing that until 4:30 p.m. on Monday, instead of 5:00 p.m., we

will be dealing with the Budget debate. We have agreed to adjourn the Budget debate at 4:30 p.m. and we will spend from 4:30 p.m. to 5:00 p.m., a half hour, or however long it takes a couple of speakers from each side, 5 or 6 minutes each or thereabouts, to debate the resolution on broadcasting. So that is the agreement we have, as I understand it.

MR. SPEAKER:

The hon. the Government House Leader.

MR. BAKER:

Mr. Speaker, that describes it rather accurately. I would say to the Opposition House Leader, he does not have to apologize for the lack of meat in the Member's speech today. We look forward to the meat on Monday. We understand that there was not much there today.

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

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