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VERBATIM REPORT
(Hansard)

Speaker: Honourable Thomas Lush

The House met at 2:00 p.m.

MR. SPEAKER (Lush):
Order, please!

On behalf of hon. Members, I would like to welcome to the gallery today the Community Council from Seal Cove, Fortune Bay. The Council is represented by the Mayor, Mr. Alvin Loveless, and Councillors, Mr. Wesley Loveless, Mr. Lester Bungay and Mr. Cyril Loveless.

SOME HON. MEMBERS:
Hear, hear!

MR. SPEAKER:
Order, please!

Oral Questions

MR. RIDEOUT:
Mr. Speaker.

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

MR. RIDEOUT:
Thank you, Mr. Speaker.

Mr. Speaker, I had intended to direct a question to the Minister of Finance. If he is not going to be here, I will go to the President of Treasury Board. I just observed some Ministers coming in. I do not know if the Minister of Finance is among them.

Mr. Speaker, the Minister of Finance, as the House knows, certainly tried to pull the wool over the eyes of the people of this Province in the Budget document that was brought down a couple of weeks ago. I believe, after a couple of weeks of scrutiny and questioning, people

are beginning to see that there was a lot of fluff on the surface of the Budget, but underneath that there was a lot of flawed analysis, you could even say fraudulent and false utterances in the Budget.

Mr. Speaker, now that we have had an opportunity to scrutinize a number of areas of the Budget through Question Period and so on, I would like to direct the President of Treasury Board to the so-called positive announcement regarding education financing that was contained in the Budget just a couple of weeks ago.

Would the Minister tell the House the amount of new money that will flow to school boards as a result of the 4 per cent increase in the per pupil grant that was announced in the Budget a couple of weeks ago?

I see the Minister of Finance has just arrived. I could redirect my question.

DR. KITCHEN:
(Inaudible).

MR. RIDEOUT:
Well, there you are. He is so confident. Maybe the President of Treasury Board will answer the question. If not, I can redirect it to the Minister of Finance.

MR. WARREN:
Mr. Speaker.

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

MR. RIDEOUT:
Mr. Speaker, I did not ask the Minister of Education.

DR. WARREN:
Mr. Speaker, I am pleased to

announce that the amount of money that goes to school board operational grants will increase by 4 per cent, from \$265 per student per year to \$275 this year. The total amount is reduced somewhat, I would suggest, because of declining enrollments, but the amount per student has increased by 4 per cent, Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. RIDEOUT:

Mr. Speaker, for the first time since that fraudulent, false document called a Budget came down, we finally had a Minister admit that there were cutbacks.

AN HON. MEMBER:

There is no cutback.

MR. RIDEOUT:

There is a cutback. Let me ask this supplementary, Mr. Speaker, to the Minister of Finance. Not the Minister of Education, the Minister of Finance. Will the Minister of Finance confirm for the House that the 4 per cent per pupil increase in the grant is not 4 per cent at all, that, in fact, when you take into account declining enrollments in this Province the actual increase is 0.7 per cent, less than 1 per cent, and if you combine that with the Minister's own prediction on inflation, at 4 per cent, you will actually find that there is a cutback in the amount of transfer to the boards for per pupil grants. Is that not the reality, Mr. Speaker?

MR. SPEAKER:

The hon. the Minister of Education.

DR. WARREN:

Mr. Speaker, there has been no

cutback. We have financed elementary and secondary education for the past twenty years on a per pupil basis. It is wrong; the former Government should have changed it; we are going to change it. But, Mr. Speaker, we have not had a chance to revise the whole grant system. Shortly, we will announce our plans for the future, but this year the grants per student went up by 4 per cent, from \$265 per student to \$275 for every student in this Province.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. RIDEOUT:

Thank you, Mr. Speaker.

The Minister is talking out of both sides of his mouth and the people of the Province know it. There was a 4 per cent increase, which was not a 4 per cent increase at all. And he was going to do away with school taxes, but he has not gotten around to that yet, Mr. Speaker, talking about what the Minister was supposed to do.

Now, Mr. Speaker, again my supplementary is to the Minister of Finance - my supplementary is to the Minister of Finance. To add insult to injury, coming on top of what I just outlined to this House, school boards still does not know whether or not they are going to be subject to the payroll tax. Mr. Speaker, if you couple the 4 per cent increase in inflation, the payroll tax, another 1.5 per cent, if boards are finally going to be subject to it, and the electricity increases the Minister has dictated by taking away the PDD subsidies and so on, will the Minister of Finance tell the House today,

confirm for the House today that in fact there has been a significant cutback in the amount of transfer funding to school boards in this Province?

MR. SPEAKER:

The hon. the Minister of Finance.

DR. KITCHEN:

The answer, Mr. Speaker, is no.

MS VERGE:

Mr. Speaker.

MR. SPEAKER:

The hon. the Member for Humber East.

MS VERGE:

Thank you, Mr. Speaker.

My question is for the Minister of Finance, as well. Would the Minister confirm for the House of Assembly that the employer payroll taxes in Ontario and Manitoba are levied on hospitals, senior citizens' homes, and education institutions?

MR. SIMMS:

A good question. Do you know that?

DR. KITCHEN:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Finance.

DR. KITCHEN:

Mr. Speaker, I think the question is misdirected. She should really ask that to the Minister of Finance in Ontario.

MR. SPEAKER:

The hon. the Member for Humber East.

MS VERGE:

Thank you, Mr. Speaker.

My supplementary is for the Minister of Finance for Newfoundland and Labrador.

This Minister in one of his few statements about his new employer payroll tax, which he announced in his Budget, said that he modelled it on the employer payroll tax in Ontario. Did he find out anything about the employer payroll tax in Ontario? If so, would he please tell us whether that Ontario tax applies to education and health institutions?

MR. SIMMS:

A good question.

MR. SPEAKER:

The hon. the Minister of Finance.

DR. KITCHEN:

Mr. Speaker, I said last week, I will say again and I will keep saying it, that I will be making a statement about the effect of the payroll tax shortly. I will not be making it today. I will not be making it tomorrow, but I will be making it shortly. I will say this, just to repeat what I have said before, that none of these institutions should worry.

MR. SPEAKER:

The hon. the Member for Humber East.

MS VERGE:

Thank you, Mr. Speaker.

I have a new question for the Minister of Education. Will the Minister of Education confirm that the Budget reduces the amount available for teacher aides or student assistance, and that this cut will thwart the policy of integration of students with special needs and possibly force school boards to go back to the Department of Social Services for

funding to employ teacher aides?

MR. SPEAKER:

The hon. the Minister of Education.

DR. WARREN:

Last year, Mr. Speaker, Social Services provided for the Department of Education, I think over \$2 million. I could check that figure for the hon. Member later on. This year we have in the Education Budget, I think, \$2.4 million, and the Department of Social Services will be providing some funds for additional teacher aides throughout the Province this coming year.

MR. SPEAKER:

The hon. the Member for Humber East.

MS VERGE:

Thank you, Mr. Speaker.

The Minister of Education has admitted, then, that there has been a major regression in his Department -

SOME HON. MEMBERS:

No, no.

SOME HON. MEMBERS:

Then answer the question.

MS VERGE:

- and that regression will jeopardize the quality of education for students with special needs.

My final supplementary, Mr. Speaker, is to the Minister of Social Services (Mr. Efford). Will the Minister of Social Services confirm that his Community Development Budget, which is the part of his Budget that can be tapped by Education, has been cut by \$4 million?

MR. SPEAKER:

The hon. the Minister of Social Services.

MR. EFFORD:

Thank you, Mr. Speaker.

When I inherited the mess from the former Government, in the Department of Social Services, the one thing I was displeased with was the Community Development Program. We have taken the whole program and done a complete review on what is necessary to give proper training and proper motivation to people dependent on Social Services. What we are going to do is implement a complete new program this year. Now whether the \$4 million is in the Community Development Program or in the extra \$16 million we provide in the Social Assistance Program, if we do not spend it in one area we will spend it in the next. As the year goes by and we need money to spend in Community Development Programs, Mr. Speaker, I will be making representation to Government to get the necessary funding. But with an extra \$16 million in Social Assistance, for the \$4 million for the Community Development Program, it is just a matter of transferring funds from one Department to the other.

MR. SIMMS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Opposition House Leader.

MR. SIMMS:

Mr. Speaker, I have a question for the Minister of Finance, as well. Over the last week or so, people everywhere around this Province have been having some second thoughts about the Minister's Budget. In fact, it is becoming

increasingly obvious that the Minister successfully bamboozled the people a couple of Thursday's ago, when he presented his Budget.

I would like to ask the Minister to confirm, and it is a follow-up to a question that was asked last week, that funding for the Recreational Capital Grant Program has been cut dramatically for this new fiscal year, in fact, and that the only funding for some recreation projects, which I understand will be announced in the next week or two, is actually funding left over from last year's Budget. In short, can the Minister of Finance, or will the Minister of Finance admit that funding has indeed been cut for that program, that no new funding, no new money has been allocated in his Budget for the year 1991 for the normal Recreation Capital Grant Program?

MR. SPEAKER:

The hon. the Minister of Finance.

DR. KITCHEN:

Mr. Speaker, one of the problems in this Province, and in every other province, is that you have to set priorities. We have places in this Province, I imagine some are in Districts represented by Members opposite, where there is no water, there is no sewer, and where fish plants are in bad shape. There are certain priorities. We set our priorities this year, Mr. Speaker, in the areas of Health, Education and Development, and this means that if we are going to set priorities and keep taxes to a minimum and, at the same time, come in with an appropriate not too high a deficit, we have to make choices. We did make choices. Some of them were very difficult to make, but we made the right choices, unlike

the people opposite who ran her in the hole year after year, after year, and we are faced with this almost impossible task. This is a good Budget, and there is no need of their making silly little remarks.

MR. SPEAKER:

The hon. the Opposition House Leader.

MR. SIMMS:

Mr. Speaker, now that the Minister of Finance has admitted that, in fact, there were cuts in the Recreation Capital Grants Program, I want to address my supplementary to the Minister responsible for Recreation in this Province. I want to ask him, how in the name of common sense can the Minister justify not providing new money for Recreation Capital Grant Programs, which we have had in effect for years in this Province, especially for the smaller recreation projects which are so needed in various communities around the Province?

Let me ask him this question: Last Wednesday in Hansard, March 21, Page L 12 the Minister said, "The need for funding" - that is the need for funding in recreation - "is not as great as it was in previous years." I want to ask the Minister, does he seriously believe that? And, secondly, does he still feel that the need for funding is not as great?

MR. SPEAKER:

The hon. the Minister of Municipal and Provincial Affairs.

MR. GULLAGE:

Mr. Speaker, I will have to check Hansard. I think there was more to that statement than what he just quoted. I think what I explained at the time was that

even though it appears in the Budget on the surface, if you were to look at the bottom line, that there is a cut in recreation capital grants, it really reflects the fact that we have finished up projects that were ongoing, phases that had been started some years ago. Most of these recreation capital grants in the portion of the Budget you are speaking about are three, four, and five year phases. Those were completed in this current fiscal year, ending this Friday; those were completed and it was not necessary to put them back in the Budget again because they are finished. That was the explanation I gave at the time, and Hansard should reflect that.

MR. SIMMS:

So the need is not as great?

MR. GULLAGE:

The need is as great as it always has been. The need out there and the requests for recreation capital grants are the highest, I suppose, they have ever been. I would have to check it, but I think it is \$9 million worth of requests that we currently have in our Department. I believe it is the highest ever, so my officials tell me. So, yes, the need is great.

MR. RIDEOUT:

And you have no money in the Budget to address it.

MR. SPEAKER:

The hon. the Opposition House Leader.

MR. SIMMS:

Mr. Speaker, I have a supplementary for the Minister responsible. I really have difficulty understanding what the Minister is trying to say. I did

not take his comments out of context, he said: "The need is not as great for funding in this year as it was in previous years." That is what he said. That is an accurate quote.

Now, Mr. Speaker, if the Minister honestly feels that way, that the need is not as great this year as it was in previous years - and I can also tell him it is pretty obvious that he does not know what is going on in his Department - can he explain to the House why, then, his Department has, in fact, applications on file for funding in the amount of \$20 million, not \$9 million, \$20 million at this moment in his Department? Does he not know the needs of the people in communities around this Province, or does he not know what is going on in his Department? Does that fact not make his argument that not as much funding is needed as in past years a rather silly argument?

MR. SPEAKER:

The hon. the Minister of Municipal and Provincial Affairs.

MR. GULLAGE:

I can only repeat, Mr. Speaker, that I did not say that the need was not as great as in previous years. I think if you carry on in Hansard you will find that I clarified that quite clearly. I was referring strictly to the fact that final phases of projects had been completed and it was not necessary, certainly, to put a project back in the Budget that had been finished; that would not make very much sense. As for the \$20 million he refers to, yes, the global figure of requests might be in the \$20 million mark.

I thought your question was confining itself to the area of

recreation capital grants. If so, I believe the figure I gave may be more substantially correct. But, yes, the need is dramatically great out there in rural Newfoundland in particular, there is no question about that, and I do not think that at any time I said it was not a great need.

MR. SPEAKER:

The hon. the Opposition House Leader.

MR. SIMMS:

I would just like to put this question to the Minister again, because I cannot allow him to mislead the House. I am sure he is not doing it deliberately. But I am quoting from Hansard. Pages L 11 and L 12 is where he answered the question from the Member for Fogo, and he did, in fact, say that the Budget reflects a decrease in funding in that area. And he did say it was because projects were started over a five year phase - he did say that - but he also said, Mr. Speaker, that the need for funding is not as great as it was in previous years. That is what the Minister said.

It is in Hansard, his own words, so I would ask the Minister one final time, if that is his feeling, then how can he justify or square his answer with the fact that there are indeed \$20 million worth of applications on file in his Department? Obviously, the need is greater than ever before.

MR. SPEAKER:

The hon. the Minister of Municipal and Provincial Affairs.

MR. GULLAGE:

Mr. Speaker, for the third time I can only repeat, regardless of what Hansard says, I think you are

taking it out of context. You just said yourself that the preamble to it was the fact that I had explained that projects were completed that had been started: previous phases had been started in prior years, final phases were complete, projects were done and over with. As to those particular projects, the need was complete and that was the point I was making. For the third time I think it should be clear that if a project is complete and done, the need is no longer there.

AN HON. MEMBER:

That is right.

MR. PARSONS:

Mr. Speaker.

MR. SPEAKER:

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

MR. PARSONS:

Thank you, Mr. Speaker.

My question is to the Minister of Finance. Since your colleague, the Minister of Environment and Lands, when he came back from the West Coast, where apparently he woke up - he must have been asleep for the last twelve months, because he could have easily found out by asking any Canadian that environmental issues had top priority in everyone's mind - said he was going to seek additional monies by consulting with Cabinet. I want to ask the Minister of Finance, has he received a request for more monies from the Minister? If so, when will that money be forthcoming?

MR. SPEAKER:

The hon. the Minister of Finance.

DR. KITCHEN:

Mr. Speaker, we, and when I say

we, Treasury Board, the Minister of Finance and the Cabinet generally, have untold requests from various organizations in the Province and from various Departments. I would not like to tell you how much money the Minister of Environment asked us for this year, and pressed and pushed. What we have to look at, and we have done very well. Was it yesterday the Minister of Environment got up in his place and said, 'we are going to declare Bay du Nord a wilderness area? - a tremendous environmental impact.

We are very concerned in our Government about environment. This year we decided we would focus on three things in our Budget, and even though recognizing that many other areas were important and the needs were there, we have to operate on a priority basis, Mr. Speaker, and that is what we did, that is what we are going to do, and we are going to cut out frills and essentials, starting with us.

MR. PARSONS:
When?

DR. KITCHEN:
We have done it already. We have downsized the Cabinet, and we are doing other things; we are cutting out the cars, \$1.8 million, and maybe we will go after some of the perks of the Opposition in time.

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

MR. PARSONS:
Thank you, Mr. Speaker.

Boy, that one will go down in history. He is going to cut out the frills.

AN HON. MEMBER:
Yes, and the essentials.

MR. PARSONS:
On the other hand, they are always telling us they have nothing to cut out, now he is going to cut out the frills.

MS VERGE:
And the essentials.

MR. PARSONS:
On another day I will ask you where the frills are, and the essentials?

My next question is to the Minister of Environment and Lands. In the Estimates, under the Heading Pollution Clean Up, this year's estimates are \$87,000 compared with last year's expenditure of \$1,740,700, a shortfall of \$1,653,700. Why did the Minister agree with this shortfall when he said more monies are needed? Why did you agree with it? Certainly you have some input with the Minister of Finance. Why did you accept that shortfall?

MR. KELLAND:
Thank you, Mr. Speaker.

I should tell the hon. Member, who served a short time in Cabinet, that there is no Budget until there is a Budget. What that means, Mr. Speaker, in case he does not know, is that there are all kinds of working papers and, as my colleague, the Minister of Finance says, many, many, many requests for funding for a variety of programs in all Departments. But there is no Budget until there is a Budget. It is as simple as that.

I can ask for \$15 million more than my Department receives,

colleagues can ask for many million more than they actually receive, but those are purely working papers. There are priorities within various divisions of various branches, various branches within various departments which impacts on the total priority of the whole Government running the Province. So, whether there is a shortfall here or a shortfall there or additional funding somewhere else, is only determined when the Budget is actually approved and, up to the point that there is an approved Budget, there is no Budget.

MR. SPEAKER:

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

MR. PARSONS:

Mr. Speaker, this is funny. This is really a joke. The Minister gets up and tells us that all the cuts within his Department are just superficial, we can expect big changes.

Mr. Speaker, my question, again, is to the Minister of Environment and Lands. With the shortfall in his Department, will the Minister tell the people of this Province if he is going to initiate a clean-up at Mackinsons, where cancerous substances have been found? If so, where is he going to get the money when there is only \$87,000 there and the cost for this clean-up would be approximately \$1.8 million?

MR. SPEAKER:

The hon. the Minister of Environment and Lands.

MR. KELLAND:

Mr. Speaker, I suppose you could categorize the question as being foolish rhetoric. Whether or not

we initiate a clean-up at Mackinsons or anywhere else in the Province, will purely depend on the funds available in any given year.

SOME HON. MEMBERS:

Oh, oh!

MR. KELLAND:

A simple matter, a statement of fact. We will make the best use, and much better use than ever was made in the past seventeen years, of the dollars we have allocated to our Department.

SOME HON. MEMBERS:

Oh, oh!

MR. KELLAND:

If the jackals will be a little quieter, they will hear me.

We make the most efficient use of the money we have allocated. It is as simple as that. There is no budget until there is a Budget.

Several of my colleagues, Mr. Speaker, talked about what we have inherited from the Opposition. The Bay du Nord wilderness is one example. There are many, many others. The Mackinsons problem has been ongoing since 1985. There was no political will, no political fortitude on the other side. We have inherited quite a mess, and we are making great strides, in my opinion, to efficiently use the resources we have left to us from an inefficient, top-heavy Administration of previous years, in order to carry out the functions of our job as Ministers. My Department is no different than any other Department, Mr. Speaker, and we will make the best use of the dollars allocated to us in the Budget.

MR. A. SNOW:
Mr. Speaker.

MR. SPEAKER:
The hon. the Member for Menihek.

MR. A. SNOW:
Mr. Speaker, previously, during this session, I asked the Minister of Finance why the Labrador Air Passenger Subsidy program was discontinued and he stated one of the reasons was because the Federal Government had programs in place for the benefit of residents of Labrador. I wonder if he could explain to this House and to the people of Labrador what those programs are?

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

DR. KITCHEN:
Mr. Speaker, I am going to have to take that under advisement and dig them out. I am not sure of all the details. I do know, though, that the Federal Government has made a proposal by which it will eliminate from the Northern allowances all communities on the Island, leaving in place their arrangements for Labrador. That is one thing. So, in a sense, the people of Labrador will be having a benefit, as proposed by the Federal Government, the people of the Island do not have. And, as the Minister of Work, Services and Transportation answered last day, we are heavily subsidizing air services into Labrador at the present time.

MR. WARREN:
What?

SOME HON. MEMBERS:
Where? Where?

DR. KITCHEN:
Yes.

AN HON. MEMBER:
Where and when?

DR. KITCHEN:
I think along coastal Labrador there is a heavy subsidy.

MR. WARREN:
That is to the airlines, boy!
That is to the airlines!

DR. KITCHEN:
To the airlines, yes, and the airlines pass it on to the people.

AN HON. MEMBER:
No, they do not.

DR. KITCHEN:
And I believe, as well, that when people are sick there is an air ambulance service at a very minimal amount, and there are, I believe, some recreational things. But if you want a final tabulation, I will endeavour to provide it for you.

MR. SPEAKER:
The hon. the Member for Menihek.

MR. A. SNOW:
Mr. Speaker, my reference was to the Labrador Air Passenger Subsidy Program.

AN HON. MEMBER:
That is what the question was about. How stunned!

MR. A. SNOW:
That is exactly what my question was about.

SOME HON. MEMBERS:
Hear, hear!

AN HON. MEMBER:
Get Hansard.

MR. SIMMS:
Hansard is not even printed. Do not be so silly.

MR. A. SNOW:

A supplementary question, Mr. Speaker, that was supposed to be directed to the Minister responsible for Works, Services and Transportation. In his absence, I will direct it to, maybe, the Minister of Finance, the Minister responsible for Treasury Board, or, indeed, the Minister of Environment and Lands, because I am sure he is very well aware of this particular issue.

The Minister suggested that the Labrador Air Subsidy program was discontinued in this Session of the House - he stated that - and it was because the program was used less and less over the last numbers of years. I wonder if you would mind telling us what those numbers are, 'over the last numbers of years?'

AN HON. MEMBER:

Me?

MR. A. SNOW:

Yes, you, if possible. I am sure you were party to the decision to cut that particular program. What numbers were used to cut this program, and why he did it.

MR. SPEAKER:

The hon. the President of Treasury Board.

MR. BAKER:

Mr. Speaker, to answer the hon. Member, first of all, that kind of question, requiring detailed information going back over a number of years, is more suited to the type of question you put on the Order Paper.

SOME HON. MEMBERS:

Not so.

MR. BAKER:

Oh, absolutely.

I would like to advise the hon. Member that that avenue is open, and I am sure the Minister of Finance will research the question and get back to you. But I would like to point out that avenue on the Order Paper for questions that require detailed numbers, going back over a number of years. You cannot expect Ministers to have these off the top of their heads.

AN HON. MEMBER:

Any Minister worth his salt would have the information.

MR. BAKER:

Well, I am just pointing out that that mechanism is there in the proceedings of the House to be properly used.

MR. SPEAKER:

The hon. the Member for Menihek.

MR. A. SNOW:

Mr. Speaker, I would appreciate the answers being tabled in the House. I must also suggest that the Minister of Works, Services and Transportation stated in this House, in tabling an answer to me, that 5,961 people applied for the subsidy in 1988-89. That is nearly 6,000 people who applied for that particular program. Now, that figure represents approximately 20 per cent of the population of Labrador. I believe that is a significant number and that the program warrants reinstatement. Does the Minister agree?

MR. SPEAKER:

The hon. the Minister of Finance.

DR. KITCHEN:

I take it that what the Member wants is an answer to a written question.

SOME HON. MEMBERS:

No. No.

MR. RIDEOUT:

He wants you to reinstate the program?

DR. KITCHEN:

No.

MR. SPEAKER:

The hon. the Member for Torngat Mountains.

MR. WARREN:

Mr. Speaker, my question is also to the Minister of Finance and it concerns health care in Labrador. When the Minister brought in his Budget there was no mention of any money for the planning of a new hospital for Happy Valley - Goose Bay, or any money for the construction of the new hospital. Could the Minister advise this House if within this crafty Budget there is any money for the planning of a new hospital for Happy Valley - Goose Bay?

MR. SPEAKER:

The hon. the Minister of Health.

MR. DECKER:

Mr. Speaker, as the hon. Member should know, that involves a Federal/Provincial agreement, and any announcement to be made on that would have to be made in the appropriate way.

MR. SPEAKER:

Question Period has expired.

Notices of Motion

MR. SPEAKER:

The hon. the Member for Menihek.

MR. A. SNOW:

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

introduce the following resolution:

WHEREAS the Labrador air passenger subsidy program was implemented 24 years ago to promote more travel from Labrador to the island portion of this Province; and

WHEREAS the Labrador air passenger subsidy program was utilized by many Labradorians, and thus created more interaction between our people; and

WHEREAS the geography of this great Province has created a devisive gap that is the Labrador Straits and therefore programs such as this are necessary; and

WHEREAS the only functional year round travel system to the island from Labrador is by air; now

THEREFORE BE IT RESOLVED that this hon. House demand that Government immediately reinstate the Labrador air passenger subsidy program.

SOME HON. MEMBERS:

Hear, hear!

Petitions

MR. SPEAKER:

The hon. the Member for Torngat Mountains.

MR. WARREN:

Mr. Speaker, I have a petition signed by 88 residents of the Community of Postville on the Labrador coast. It is interesting, Mr. Speaker, after hearing the answers from the Minister responsible for recreation in this Province today in response to questions from my hon. colleague for Grand Falls (Mr. Simms) that it would be appropriate that I should present

this petition today.

It is noteworthy that the Minister said that the demand is not as great as it was in other years. Mr. Speaker, I should remind the hon. Minister that if he would go through his files he will see requests there from the District of Torngat Mountains.

Mr. Speaker, before going any further I should read the prayer of the petition and make sure that we are in order. 'To the hon. House of Assembly. The petition of the undersigned of the Community of Postville, Labrador, is that funding be allotted to upgrade and construct a house over the ice rink so that the community can have a place to go to practice competitive sports that are enjoyed elsewhere in the Province.'

Mr. Speaker, a couple of years ago, the former Government started a program in coastal Labrador. In fact many of the colleagues opposite were quite envious of the work that was done in a sports recreational complex in the community of Nain. It was one of the first on the coast and was one of the first that Government did for remote areas of this Province and all the people in Postville are asking for is for Government to put some money into recreation in their community.

The request is not that great and I believe the Minister responsible for recreation in this Province has to look at recreation as a major ingredient in any Budget. The Minister and the Government of the day do not realize that proper recreational facilities in the various communities will assist the Minister of Health in his Budget. It will assist the Minister of Social Services with

his Budget. All we are asking is that the Minister put more variety, more initiative in having recreation moved up the ladder in his portfolio. I have a feeling the Minister is too taken up with amalgamation and other issues that are of much less value to the people in the various communities than is recreation, so I support this petition. This petition is calling for a number of dollars to be brought into the community of Postville to help them to establish a shelter over their hockey rink that the former Government helped them to construct.

Mr. Speaker, it only cost roughly \$30,000 to get the rink there in the first place, so another \$30 or \$40,000 would be sufficient to put a roof over that particular building. All I am asking the Minister to do is not to let the Premier make the decisions for everything. I know the Minister is not going to get any co-operation from the Member for Naskaupi. The Member for Naskaupi has already sold Labrador down the drain by his 20 per cent subsidy off the air fare. He has also sold Labrador by not having money for the new hospital, so I would suggest to the hon. colleague, that he should say to his Premier, it is time to get rid of the Member for Naskaupi in your Cabinet and replace him with the Member for Eagle River, because the Member for Eagle River has the knowledge and the understanding of the remote areas of Coastal Labrador and that is what we need in the Cabinet. Someone with some sense and common knowledge of the importance of the needs of Coastal Labrador. Mr. Speaker, I support this Petition as I present it on behalf of the 88 people of the community of Postville.

MR. SPEAKER:

Just before recognizing the Member for Port au Port, If I might be able to make this announcement, because I understand students are leaving and we would not want that to happen, so on behalf of hon. Members, we would like to welcome to the galleries today, 80 Grade VII students from I. J. Samson school, here in St. John's, accompanied by their teachers: Miss Daphne Baker, Mr. Herb Hopkins, Mr. Dave Touchings and Mr. Robert Johnson.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the Opposition House Leader.

MR. SIMMS:

Mr. Speaker, I was just wondering if the Minister responsible for Recreation was going to respond?

AN HON. MEMBER:

(Inaudible).

MR. SIMMS:

Pardon me?

I am not presenting that, that is another petition. I wondered if the Minister of Recreation was going to say a few words in response.

AN HON. MEMBER:

Are you commenting on the petition now?

MR. SIMMS:

I will when the Minister is -

MR. SPEAKER:

Order, please!

MR. SIMMS:

I am prepared to relinquish the position for the Minister,

obviously, because you go back and forth that is the normal process.

AN HON. MEMBER:

Did the Minister wish to address the petition?

MR. SPEAKER:

The hon. the Minister of Municipal and Provincial Affairs.

MR. GULLAGE:

It is unusual to have someone take the floor and then relinquish it once again. It is a strange procedure. I did not hear any point of order.

MR. SPEAKER:

Order, please!

There is no point of order.

The hon. the Minister of Municipal and Provincial Affairs.

MR. GULLAGE:

Mr. Speaker, certainly we welcome a petition from Labrador particularly the Community of Postville. I certainly would entertain their petition, and have a good strong look at it. I would assume naturally if a petition is coming at this late date, that Postville would have applied for the necessary funding to put a roof over their stadium. I would think very shortly I would see the priorities as far as the Capital Grants Projects are concerned. I have no doubt that the need in this particular Community, indeed along the coast of Labrador and other communities as well, is very great for recreational funding. I would like to assure the Member we will make sure we have a good strong look at the petition and at the application which I assume is in the Department right now.

MR. SPEAKER:

The hon. the Opposition House Leader.

MR. SIMMS:

I would like to have a few words, Mr. Speaker, on this petition so ably presently by my colleague the Member for Torngat Mountains. Who I must say, Mr. Speaker, has a tremendous reputation for fighting on behalf of the people that he represents on the coast of Labrador. He has a tremendous reputation for fighting on their behalf and for bringing their concerns to the appropriate authorities. In this case, it is the Government.

MR. WARREN:
(Inaudible).

MR. SIMMS:
Pardon me?

MR. WARREN:
(Inaudible).

MR. SIMMS:
Yes and the Member is also known as being persistent in seeing through those wishes and following up on the wishes and concerns of his constituents. So I commend him on the able way in which he presented this particular petition.

I was a bit disappointed in the Minister's response, of course. The whole question of the petition. The topic of the petition itself pertains to questions that I asked in Question Period with respect to funding for the Recreation Capital Grant Program where I pointed out, and where the Minister of Finance confirmed and indeed, the Minister of Recreation confirmed, there is no new funding in this year's Budget for a Recreational Capital Grants Program. Now that is a Program that has served this

Province well and it has addressed all kinds of needs, particularly those of smaller sizes, where a recreation committee or a council or whomever could apply for \$10,000 to fix up a soccer field or \$5,000 to put a fence around a ball field, all kinds of little projects and programs like that. Unfortunately, with the lack of funding identified in this year's Budget, that is going to make that all the more difficult.

And to emphasize it, of course, Mr. Speaker, right on the heels of that question I asked today is this petition from the eighty-eight people in Postville, who are making a request for a small amount of money to assist people in a community on the coast of Labrador that have very little, I submit, in the way of activities to help them. A few years ago this Government, the previous Government of which the Member was a part, did provide some capital funding to the tune of \$25,000 or \$30,000 to enable them to build a rink.

They are simply asking for a similar amount of money whatever the amount is, I am not quite sure, to put a roof or a cover over that particular stadium. I think that is a very reasonable request for a group of people who live in an isolated area for all intense and purposes. I ask the Minister to take a serious look at it to seriously consider the request of the people of Postville, Labrador whose needs are probably more important, if you want to say that, than a lot of communities on the Island, for that matter. I do not know how he is going to respond to it if he does not twist the arm of his friend the Minister of Finance and convince him to throw a few bucks

into that Capital Recreation Grant Program.

MR. SPEAKER:

The hon. the Member for Port au Port.

MR. HODDER:

Mr. Speaker, I beg leave to present a petition on behalf of 428 residents of the community of Cape St. George in the District of Port au Port. I should say, Mr. Speaker, that the petition to the House of Assembly is a land tax petition, this meaning property tax, and the petition had circulated throughout the community asking who was against land tax and who was in favour of the land tax and, lo and behold, 428 were against and nine were for it. So, Mr. Speaker, I have been asked to present this petition to the House. I would say that the economy is very difficult in the Port au Port area at the present time. The fish plant is not in operation and it does not look like it will be operated this summer, but we hope it will.

Mr. Speaker, I have spoken to Municipal Affairs officials, and to the Minister about this problem, and it is hoped that we will be able to arrange a meeting, hopefully next Sunday night to talk to both the council and the concerned citizens committee who were the authors of this petition. Perhaps at that meeting, Mr. Speaker, we will be able to hear the grievances of the people and hear the point of view of the council, and hopefully, we can come to some sort of an understanding.

Mr. Speaker, I will present this petition to the Minister and refer it to the Department to which it relates.

MR. SPEAKER:

The hon. the Minister of Municipal and Provincial Affairs.

MR. GULLAGE:

Mr. Speaker, I have spoken to the Member concerning the problem in that particular area. It is not unique but we have certainly not had a problem like this in some time that I am aware of where we have several communities previously joined together and now there seems to be some opposition to that particular grouping. They have a petition put together concerning the taxation in the area and so on, so I am sympathetic to the Member's problem and of course we will be working with him to speak to these communities and to address any concerns they have. Hopefully we can rectify that particular problem but certainly we will be looking at the petition, looking at the prayer of the petition, and trying to work with the council in the area to see if their concerns can be alleviated and we can address in particular the concerns of the portion of the community that is contained in this particular petition.

MR. SPEAKER:

Are there further petitions?

Before going to Orders of the Day I would like to welcome to the Speaker's Gallery today, Mr. James Gutman, Chairman of Prenor Trust, Toronto, and Mr. Cyril Morgan former National President of the Canadian Home Builders Association.

SOME HON. MEMBERS:

Hear, hear!

Orders of the Day

MR. SPEAKER:

Order 1, the Budget Debate. I think the Member for Mount Pearl was carrying on.

The hon. the Member for Mount Pearl.

MR. WINDSOR:

I did not realize I was going to have to lead the House for Government as well.

Mr. Speaker, when I was so rudely interrupted by the weekend I had just outlined a few things that I might talk about over the coming weeks. I did a little homework over the weekend, Mr. Speaker, and it is too bad hon. gentleman opposite had not done some homework, particular the Minister of Finance before he brought down his Budget. What we have proven very clearly in the last couple of days is that the Minister of Finance not only did not have his homework done - he still does not have his homework done. He still does not know what he actually put in the Budget. It is time for him to wake up. He had better wake up quickly because the people of Newfoundland and Labrador have caught onto this scam. The jig is up, Mr. Speaker. The Evening Telegram in their editorial the weekend, it was interesting, Mr. Speaker, 'we were beginning to think we were too quick.'

SOME HON. MEMBERS:

Hear, hear!

MR. WINDSOR:

They talked about the additional funds being raised by the Newfoundland Liquor Corporation - clearly a tax where none was immediately visible. They are starting to recognize the sneaky ways the Minister of Finance went about trying to pull another \$2.5

million out of the pockets of Newfoundlanders and Labradorians. And they talked about his famous payroll tax. It is a services tax now, we realize that, there is tax on all services in the Province. He piggybacked on GST. When we caught him in the scam, when we got him with his Budget leak, he was trying to bring in an expansion, a broadening of the base of retail sales tax. We caught him and exposed him in that and in the last minute they had to change their Budget and bring in a new type of service tax, ill conceived and ill thought about. And they say who must pay this payroll tax? Does he know what he is about or does he not? That is a good question, that is what Newfoundlanders and Labradorians are asking. Does the Minister know what he is about or does he not? The answer is no, no he does not know what he is about, he does not know what he put in his Budget. And here is the best part, this part gives me a bit of great personal pleasure, Mr. Speaker, it says, 'perhaps Dr. Kitchen's career as Minister of Finance will be or should be a short one after all.'

SOME HON. MEMBERS:

Hear, hear!

MR. WINDSOR:

Mr. Speaker, the game is up. The Minister has been exposed.

Another newspaper, "The Sunday Express", and there are all kinds of things here I can talk about, but neither the Minister of Finance nor his officials in the Department of Finance seem to have any concrete idea about how the tax will be implemented and whom it will affect. I am talking about the great payroll tax. It is hard to even imagine how a

Finance Minister could forecast that a new tax will bring in \$15 million when he and his officials are not even yet sure who will have to pay.

Mr. Speaker, these are valid questions that are being posed. There are more in this article. I could have a lot of fun with this article, but that is a valid question, Mr. Speaker. Who - and this is what we have been trying to find out - will this famous payroll tax apply to? The Minister says, 'wait,' Mr. Speaker. How long do we have to wait? He brought his Budget in more than 10 days ago and he is still not able to tell us what his taxes apply to nor can his officials - that is not true, let me correct myself. Every time we have asked the officials they said it applies to everything. The Budget document - if we are to believe the Minister on Budget Day - the Budget document says everything except Forestry, Fishery and Agriculture, everything. Well, Mr. Speaker, if we are to believe that if that is true, then the Minister is going to pick up more than \$25 million on an annual basis, so he deceived the House on that.

But if it is not true - let us have a look and see can it be not true, Mr. Speaker. I did do a little bit of homework, and I found some statistics in the Historical Statistics of Newfoundland and Labrador published by the Government of Newfoundland and Labrador. A very good document, Mr. Speaker. Now in the Budget Documents itself we find out that the total wages and salaries paid now is \$4 billion a year, just to be exact \$4.01 billion a year total wages and salaries paid in this Province in

all sectors. This particular document takes us up to 1986. I have to put my glasses on so I can read. I have worked so hard all weekend that my eyes are tired.

AN HON. MEMBER:

Give me the book and I will hold on to it for you.

MR. WINDSOR:

Yes boy, just hold it far enough away.

Mr. Speaker, in 1986 the total was \$3.6 billion. So I have taken the numbers that are here and I have extrapolated that to \$4.0 billion. And it lists, Mr. Speaker, in this book by sector the wages and salaries paid by sector. Obviously some of the ones that are not taxable, are Agriculture, Fisheries and Forestry, right on top of the list. We will assume they are not taxable. Now let us assume that all of the things that we have been speaking about in the past week or so are also not taxable, then I would take out Transportation, Communications and other utilities. We do not think they should be taxed quite surely. Education, Hospitals and Welfare, is it a reasonable assumption that I would take those out? Religion, Mr. Speaker, now maybe the hon. gentleman would like to talk about that.

Then there is the public sector, Federal Administration, Provincial Administration, Municipal Administration. We will take those three out. That is a reasonable assumption. Then there is a small component called Other Administration - a couple of million dollars.

Now, Mr. Speaker, if we take all of those out and we just simply do

a little bit of mathematics,
simple mathematics,

AN HON. MEMBER:

It would be better if you did the crossword puzzle.

MR. WINDSOR:

The Budget is a crossword puzzle,
Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. WINDSOR:

It takes a lot of digging to find the truth, because the Minister certainly did not give it to us in his Budget Speech.

MR. MURPHY:

He certainly did.

MR. WINDSOR:

Now, Mr. Speaker, when you add up all those components and in a simple division you find out that you were talking about 55 per cent of all wages and salaries paid in this Province.

AN HON. MEMBER:

All you eliminated?

MR. WINDSOR:

We have eliminated. Unless some of those things that I just mentioned are taxable.

DR. KITCHEN:

(Inaudible).

MR. WINDSOR:

Is the Minister saying they are taxable then? Is it health now or religion or welfare that is taxable? Or is it the municipalities or is it Hydro or is it Newfoundland Telephone? Well I will do the Minister the justice of saying I assume that they are not taxable for now. So that is 55 per cent of all wages

and salaries that we have eliminated. Fifty-five per cent of \$4 billion is \$2.21 billion. Now when you subtract \$2.21 billion from \$4 billion, even the Minister could do this, you will get \$1.79 billion, Mr. Speaker.

Now, Mr. Speaker, the Minister has told us he is going to raise \$25 million by this tax at 1.5 per cent. In order to do that he needs 1.6666 recurring billion dollars. But he has only got \$1.79 billion left after we have taken out these exemptions. He needs \$1.7 billion.

AN HON. MEMBER:

These are all assumptions.

MR. WINDSOR:

These are no assumptions. Oh yes, there is. Yes, health and education is taxable. That is what is wrong with the assumption.

SOME HON. MEMBERS:

Hear, hear!

MR. WINDSOR:

So \$1.79 billion versus \$1.7 billion these are pretty good numbers and we have not yet taken out the \$300,000 that all businesses are exempt from or eliminated all taxes paid by small businesses which are about 95 per cent of the businesses in this Province. So, Mr. Speaker, it is very clear.

AN HON. MEMBER:

You would make a good Finance Minister.

MR. WINDSOR:

I did make a good Finance Minister.

SOME HON. MEMBERS:

Hear, hear!

MR. WINDSOR:

One thing I did over the weekend was go back over my own Budget and compare it with this one. And the Minister said one thing right in the last few days, there will never be another Budget like this one. We will make sure there is never another Budget like this one.

SOME HON. MEMBERS:
Hear, hear!

MR. WINDSOR:
Now, Mr. Speaker, that proves without any doubt, I would submit, that some of these things, maybe not all of them, some of these things we have been talking about are indeed going to be taxable. Now when is the Minister going to come clean with the Province and tell us? Is he going to tax health or education or Newfoundland Hydro or Newfoundland Telephone or the HUB? When is he going to tell us, Mr. Speaker? Or municipalities, Memorial University, the Red Cross? When are some of these things going to be made clear? Who is going to pay those taxes?

Because all of these people are out there, many of them with budgets approved by this Government, particularly the municipalities, budgets approved by the Minister of Municipal Affairs (Mr. Gullage), mil rates set for the year, no way to make up this additional money. Forty-two thousand dollars for the City of Mount Pearl, over \$250,000 for the City of St. John's, the Minister is going to take out of taxpayer's pockets. I do not know how they are going to get it. They obviously will have to go into a deficit this year and double it next year or something.

SOME HON. MEMBERS:
Oh, oh!

MR. WINDSOR:
We can turn off the street lights, I suppose, cut back on water, no recreational programs this summer, we can do that. Find \$250,000 in the City of St. John's budget.

MR. R. AYLWARD:
Cut out the recreation programs.

MR. WINDSOR:
We could do all of that, Mr. Speaker. But I think we have proven very clearly, Mr. Speaker, the Minister has been playing games with us and he did not know when he brought in his Budget what he is taxing. They are scrambling down there now trying to find a way to get \$25 million, \$15 million this year, a little easier this year, trying to find that.

AN HON. MEMBER:
(Inaudible).

MR. WINDSOR:
Oh, do not worry! My sources are good. You need not worry about that. But I tell you, Mr. Speaker, I will not ask, nor will I allow, a public servant to give me information that is confidential. I would not accept it if someone came to me with confidential information.

I do not mind when somebody says, 'Why do you not look at this, or why do you not look at that?' There is nothing wrong with that. Have a look at this subhead. Did you notice how much this one is? Everything I have said, every number I have given has come from the Budget or published statistical documents. Most of my calculations, Mr. Speaker, come right from the Budget Highlights. It is a very good little document when you take time to read it. I mean, it looks good on the surface, but you have to read it

very carefully. If you start digging into it, Mr. Speaker, you find out really what happened.

Now, we have set the scene, I feel pretty confident of that. We talked last week about the Minister's payroll tax and the implication on the various corporations, his bungled Budget and the Budget leak, the impact on municipalities and some of the hidden tax increases. I think they are worth going over again, some of those tax increases, Mr. Speaker.

MR. MURPHY:

You have to go over them again. You have nothing to lose.

MR. WINDSOR:

No, there is nothing good in this Budget to go over. The hon. the Member for St. John's South is quite right. There is nothing positive in this Budget. It tries to put itself off as having something positive.

DR. KITCHEN:

A tremendous Budget!

MR. WINDSOR:

A tremendous Budget! One of the most deceitful documents ever tabled in this House.

Now, Mr. Speaker, right out of the Budget Highlights I pointed out the other day -

SOME HON. MEMBERS:

Oh, oh!

MR. WINDSOR:

I have lots of time, Mr. Speaker. The President of the Council wants me to keep going, because he has to speak after me and he does not know what he is going to say to try to defend this Budget. He is scared to death that I might sit

down this afternoon. He can relax. I only have an hour-and-a-half, because we have agreed to stop at 4:30. So he can relax. I mean, that is hardly worth standing up, an hour-and-a-half, to deal with this stuff.

Now, Mr. Speaker, I pointed out the other day, straight from the Budget Highlights, that the Minister grabs \$93 million out of people's pockets. Ninety-three million dollars. Again, that is very simple, straightforward numbering right out of the Budget document. Increase in retail sales tax, \$35 million. He tries to tell us there is no increase in personal taxation - \$35 million - when he had hidden in there 1 per cent that he announced last year. Because he announced it last year to apply this year, that does not matter. There are no taxes this year, Mr. Speaker. That is what he would have us believe.

Well, we have exposed him on that one. Personal income tax is \$20 million; retail sales tax was \$35 million, gasoline tax is up by \$4 million. He tried to sneak that through. He did not say anything in his Budget about tax on gasoline. I hope he is going to get his \$\$ million, because he just fired ten tax auditors, ten gasoline tax auditors. He just fired ten of them. And he stood in this House and tried to say, No, no, that is positions. Well, we know that ten people were given their pink slips last week.

AN HON. MEMBER:

No, that is not true.

MR. WINDSOR:

Yes, that is true. I can give you some of the names, Mr. Speaker.

Now, this is interesting, too, Mr. Speaker. I will get into this a little later on, but while I am at it here, now, you talk about the Minister announcing that there are ten positions. He says, in fact, there are positions going in Finance - I do not have the list now. There were four Departments, Mines and Energy, Development, I think. Anyway, in the Department of Finance he has 340 positions listed for this year, Mr. Speaker. That is exactly the same number as the revised for last year. So where are these ten positions? Ten people are just laid off, yet we have not eliminated any positions.

MS VERGE:

Then why are they laid off?

MR. WINDSOR:

That is a good question. Where is the saving? The Minister just laid off ten experienced, dedicated tax auditors.

MR. R. AYLWARD:

He will hire on ten more political flunkies.

MR. WINDSOR:

That is a possibility. My colleague suggests ten more political flunkies. It will be interesting, when we start looking at the salary details, to see where some of the growth is, Mr. Speaker. This is the Government, by the way, which said, last year, they were going to cut back. All kinds of efficiency they were going to have last year, and there were going to be cutbacks, and how the previous Administration were the fat cats.

AN HON. MEMBER:

It is hard to hold the line, though.

MR. WINDSOR:

It is hard to hold the line. He held the line. He increased by 216 positions last year. That is how he cut back. That was a great saving, 216 permanent positions created. Then he tried to pawn off fifty of those as new ones this year in the Department of Social Services. He tried to hookwink the people of this Province into believing that the Minister was creating fifty new positions. That is what he announced in his Budget.

MS DUFF:

Big, bold print.

MR. WINDSOR:

Big bold print in the Budget, one of the major positive announcements. The trained seals were over there pounding so hard they almost destroyed their desks - fifty new positions!

MR. SIMMS:

More than that.

MR. WINDSOR:

Yes, more than that. Yet, Mr. Speaker, in the Department of Social Services we see 801 positions this year and 801 positions last year. Now, how can that be, Mr. Speaker? Is this a typographical error? Is there a mistake in the Budget, or did the Minister mislead the House in his Budget Speech? Obviously, he misled the House, trying to suggest that fifty new positions were created to look after all of these serious problems we are having today. We welcome the concept that additional personnel are being made available to deal with some of the problems, particularly of abuse of children.

MR. R. AYLWARD:

It would be the right thing to do.

MR. WINDSOR:

That is right. It would be the right thing to do. If the Minister came in and said, here are fifty new positions and here is how much money I need to support those positions, we would say, good stuff! We will vote for it.

MR. R. AYLWARD:

Hear, hear!

MR. WINDSOR:

Unanimous approval of the House. No problem! If there are fifty new positions in that Division, Mr. Speaker, where are the other fifty that are going to be let go? Maybe that is what he is about. But he still deceived the House in announcing fifty new positions. I cannot wait for the Minister to get up and explain it.

MR. MURPHY:

(Inaudible) shutout.

MR. WINDSOR:

I had lots of shutouts, but I do not recall the hon. gentleman opposite ever scoring on me either. Not one. The hon. gentleman for St. John's South never once put a puck behind me in my career. I challenge the hon. gentleman to go back to the record book.

MR. MURPHY:

You do not remember me scoring on you the shot was that fast.

MR. WINDSOR:

I have all day, Mr. Speaker, if they want to talk about hockey. I can talk about hockey, too. I do not mind.

DR. KITCHEN:

(Inaudible).

MR. WINDSOR:

Yes, this is hockey, for the information of the Minister of Finance. He thought I was just talking about his Budget.

Newfoundland Liquor Corporation, \$2.5 million additional, corporate income tax, \$9.4 million, tobacco tax, \$1 million, not a word about that, and other sources, \$21 million. I wonder what they are? You will find them in the back. The Budget highlights, \$93 million additional out of the pockets of the people of this Province, and the Minister says, 'It is a people's Budget. No additional taxation.' But, we are only beginning, Mr. Speaker - only beginning. We have to look back at last year's Budget again and see the announcement that was made regarding Newfoundland and Labrador Hydro. Last year, the Minister stole \$30 million from the Power Distribution Districts. He said, We will not give them the subsidy. We will phase it out over three years. So that is \$20 million this year. And, he said, we will charge Hydro \$10 million additional for a guarantee fee for the funds Newfoundland Hydro have borrowed that are guaranteed by the Province of Newfoundland and Labrador. And then he says that will not increase hydro rates. Now, Mr. Speaker, how naive is the Minister if he thinks that he can take \$30 million away from Newfoundland Hydro and not increase hydro rates? That is what he said in his Budget last year. That is what he said. I can quote from the Budget. That is exactly what he said in the Budget Speech, "We will not increase hydro rates this year."

Well, it might be interesting. Now, I think, Hydro are before PUB looking for an increase. That will be rubber stamped, because

they took the consumers advocate off the PUB, Mr. Wells. They fired him out unceremoniously. There is nobody there now to protect us. So they will get their increase, and that will reflect the \$30 million this year, and, perhaps, the \$10 million extra they will have to pay next year as the final year phaseout of that subsidy. So that is next year.

Now, they have said they are going to reduce the fleet of Government vehicles by \$1.8 million. Now you can look through the Budget documents, Mr. Speaker, with a magnifying glass, and I cannot see any great reduction in the fleet. But he says he is going to do it, so we will take him at his word. That is another \$1.8 million. So that is a \$93 million grab right out of the Budget document.

AN HON. MEMBER:

(Inaudible) keep adding.

MR. WINDSOR:

No, no. Ninety-three million additional taxation right there. Then there is \$30 million more for Hydro, and there is \$1.8 for fleet. Then, when you look at his Budget again, the Minister made a great announcement, \$31.3 million for public buildings this year.

AN HON. MEMBER:

(Inaudible) add that on (inaudible).

MR. WINDSOR:

No, we will not add that on, we will subtract that from what was spent last year. The Minister made a great announcement, \$31 million is going to be spent. He did not tell us, though, that they spent \$34.7 last year. So they actually reduced the amount being spent on public buildings by \$3.4

million. That is another \$3.4 million they are grabbing. And, of course, the Ombudsman's Office, Mr. Speaker. He is gone. Another few hundred thousand dollars, I think, that was.

MS DUFF:

Two hundred and thirty thousand dollars.

MR. WINDSOR:

Two and thirty-five thousand dollars gone there.

Now, Mr. Speaker, Newfoundland and Labrador Housing Corporation. That is an interesting one. I wish the Minister for Housing was here. Newfoundland and Labrador Housing Corporation. The Minister announced there is going to be \$98.8 million spent this year on housing. He did not announce that they spent \$118 million last year. Almost \$20 million less on housing this year.

Something else he did not tell us, Mr. Speaker, is why the Board of Directors of Newfoundland and Labrador Housing Corporation have not met since this Government took office - not one meeting of that Board of Directors since this Government took office.

DR. KITCHEN:

Trying to save money, boy.

MR. WINDSOR:

Trying to save money, the Minister says. Well, who, then, is now running the Housing Corporation? Is the Chairman now running it without any direction?

AN HON. MEMBER:

(Inaudible).

MR. WINDSOR:

Oh, the Minister is now running it. I see. So the Government has

now decided that we will ignore the legislation which provides that the Newfoundland and Labrador Corporation shall have a Board of Directors and that that Board of Directors shall have certain privileges and powers and authorities, and we will direct the Chairman not to call a meeting of the Corporation, not to call the Board of Directors together, the people who are appointed to protect the interests of the people of this Province, we will now have the Minister do it.

There has not been one meeting, Mr. Speaker, of that Board of Directors, which is one of the best Board of Directors of any Crown Corporation in this Province, a Board of Directors that works more like an Executive Board than a Board of Directors. There are some very capable individuals over there who worked on finance committees and actually did budgeting work, worked with the officials of the Corporation doing budgeting and administering the affairs of the Corporation, far and above normal operations of a board of directors, Mr. Speaker. It was a hands-on Board, one of a couple. There are a couple, and that was one of them.

Now why has that Board of Directors not met, Mr. Speaker? What is this Government afraid of? That the Members of this Board will expose the way in which this Government is directing the Housing Corporation through the Minister? Is the Minister really giving any direction to the Housing Corporation? He is coming now. I am glad he is back.

Why has the Board of Directors not met? Mr. Speaker, I ask the Minister of Municipal Affairs to address that question when he

stands to speak on his budget, at any time. I would yield now for a moment if he would like to give us the answer to it. Maybe the Minister would like to tell us why the Board of Directors of Newfoundland and Labrador Housing Corporation have not met since this Government took power. Almost a year now, and not one meeting of the Board of Directors. Most of them were under the impression that it was mandatory, it was in the Statutes that they meet four times a year, but I have not been able to find it; I find it is by convention of the Board, by tradition. They have always been under the assumption that they would meet a minimum of four times a year. The fact of the matter is, I think that Board met at least once a month in the last seven or eight years. Certainly, for the eight years I was Minister they met once a month. I meet with them personally at least four times a year. At least four times a year I attended Board meetings of the Housing Corporation.

AN HON. MEMBER:
What a Minister.

MR. WINDSOR:
What a Minister is right.

AN HON. MEMBER:
(Inaudible).

MR. WINDSOR:
And future. Why has that Board of Directors not met to conduct the affairs of that Corporation? Under what authority now is the Chairman operating? The Act clearly requires certain resolutions of the Board of Directors. And the other question Mr. Speaker, who did the Budget for them this year? The Minister, in his Budget, includes the budget

of the Housing Corporation. That is all in there. Under the Heading of Municipal and Provincial Affairs, housing is all included. The Minister is responsible for Housing.

Well, who prepared the Budget? If the Board of Directors have not met, how can there be a budget of the Housing Corporation? It requires the approval of the Board of Directors. Or is this another stab in the dark by Ministers? Is this another guess?

MR. EFFORD:

Sit down, boy.

MR. WINDSOR:

Yes, the hon. the Minister of Social Services would love for me to sit down, because I am getting to him. He does not like the truth. He does not like the fact that we are exposing this Government for the fraudulent document they produced and called a Budget.

MR. EFFORD:

Why do you not correct some of the misinterpretation you have put on it?

MR. WINDSOR:

Misinterpretation. I cannot wait for the great mathematical genius from the Department of Social Services to correct me. I cannot wait, Mr. Speaker.

MR. RIDEOUT:

Outside the House he is as sharp a frog.

MR. WINDSOR:

That is right. He may well be.

So, Mr. Speaker, who approved this reduction in the budget of the Housing Corporation? Who approved the budget to be submitted to the

Minister to be included in these Estimates?

AN HON. MEMBER:

That is a good point.

MR. WINDSOR:

It is a good point.

The Minister of Finance would be well advised to be very careful over such things. He is responsible for the Financial Administration Act and several other Acts that are very, very technical. The Telegram could be a lot more correct than they think. If the Minister does not watch his ps and qs in dealing with the Financial Administration Act, he may very well have a very short career. He may well have a very short career, because it is a very serious thing when an Act of the Legislature is not followed.

I would suggest, Mr. Speaker, that the Minister of Housing has totally ignored the Housing Corporation Act in not having the Board of Directors meet. We will do some more research on that, and we will get back to this again. We will check the legalities of that just to see.

A year is just about up and not one meeting of the Board of Directors, so it is interesting. We will find out in due course. The question is: Is the Minister giving any direction, or is the Corporation Chairman, now, acting totally on his own without authority from the Board, and perhaps without authority from the Minister?

AN HON. MEMBER:

We will straighten it out.

MR. WINDSOR:

You will straighten it out? Oh!

What year will that be? You have had a full year now, you have not had a Board meeting. That is just a minor technicality the Minister of Finance said. Maybe the Minister would like the House not to meet for a year, so he would not have to stand up here. We will see. If the hon. Gentleman opposite cannot bring a Legislative Program any better than they brought in last fall, Mr. Speaker, they should not open the House, if they cannot come up with anything more creative than that. Mr. Speaker, the Minister announced \$60.1 million, capital funding for Education in this Province. It sounds rather interesting. So if you look at what this Government spent last year, \$64.7 million. \$64.7 million, so this Budget which is a Health and Education Budget, we lose \$4.6 million in education. \$4.6 million less, for school construction in this Province

AN HON. MEMBER:
(Inaudible).

MR. WINDSOR:
Not school construction? Oh! What is it? Tell me what it is, if education capital is not school construction? What are we constructing?

AN HON. MEMBER:
(Inaudible).

MR. WINDSOR:
Yes ? I am delighted to see it. I know it is going to talk about the university and all the other post secondary institutions. I know they are all included, they are still schools at one level or another. What do you call them? They can play all the games they want, but education capital funding is down by \$4.6 million.

AN HON. MEMBER:
(Inaudible).

MR. WINDSOR:
The Minister will get his chance to answer. Just for fun, I will let him answer, Mr. Speaker. I will yield for a moment to the Minister of Education.

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

DR. WARREN:
Mr. Speaker, I would like to correct a little information. This information that the hon. Member has repeated in this House, was mentioned last week. Last year, this Government increased the capital funding for school buildings, elementary and secondary school buildings, from \$20 to \$27 million. The previous Government - I do not know for how many years have a total capital grant at \$20 million. Last year we increased it to \$27 million. 33 per cent in one year, and we had been in power for only a month at that point in time! Can you imagine what we are going to do after fifteen or twenty years? We increased the capital funding for school buildings from \$20 to \$27 million last year and we told the Denominational Education Councils that they would get 27 this year and 27 next year, and that is the way funding has been done for schools - over a period of time so as to give the Councils the right to go and borrow and plan for the long haul. Mr. Speaker, last year, and I am trying to find the exact details, we had budgeted for certain capital figures for the Univeristy, the centre for Earth Resources Research. We budgeted last year for \$7.1 million. We spent \$5.5 million. Last year we budgeted for the colleges \$2.9 million, but we want to put some

college projects on hold until we produce this white paper, and if they want me to outline what is in the white paper and the tremendous response we have gotten to that white paper we put some funding on hold last, Mr. Speaker, and as a result we did not spend some of the monies that we had budgeted. So last year we spent less than we had budgeted because we wanted to put the expansion to the the Fisher Institute - and we will have some good news in a few days on that - and other projects on hold until we did the planning for the 1990s, because this Government plans, and it is going to have a projected plan in place for educational funding.

SOME HON. MEMBERS:
Hear, hear!

DR. WARREN:
So last year, Mr. Speaker, the amount spent was less than what was budgeted. So if the Member wants me to give him the details, we are spending more this year on capital expenses than we spent last year and if he wants the details I can give him the details, but we are spending more not less on capital funds this year than last year.

SOME HON. MEMBERS:
Hear, hear!

MR. SPEAKER (L. Snow):
The hon. the Member for Mount Pearl.

MR. WINDSOR:
Now, Mr. Speaker, I refer the hon. gentlemen to their own document Estimates 1989, Appendix 3, a lovely red cover, nothing on it - exactly what is in it - nothing.

MR. GILBERT:
We do not have a picture of Sprung

on it.

SOME HON. MEMBERS:
Hear, hear!

MR. WINDSOR:
No because this Government is not interested in developing this Province and they made that clear in their Budget too.

\$64.7 million, Mr. Speaker, and what do we have this year? The same, Appendix 3, page 299 of the Budget, \$60.1 million Gross Expenditure.

AN HON. MEMBER:
What is the actual for last year.

MR. WINDSOR:
This is your Budget for this year. What has that got to do with it Mr. Speaker?

SOME HON. MEMBERS:
Oh, oh!

MR. WINDSOR:
What will your actual be this year? Let us compare apples and apples. Let us compare Budget last year with Budget this year and you can cut it any way you want, you have stolen \$4 million funding for education.

SOME HON. MEMBERS:
Hear, hear!

MR. FLIGHT:
Do not get your blood pressure up now. Take it easy.

MR. WINDSOR:
The Minister is trying to compare apples and oranges, Mr. Speaker. We were taught the difference of that in Grade 2. What foolishness, Mr. Speaker!

SOME HON. MEMBERS:
Oh, oh!

MR. WINDSOR:

Maybe he budgeted \$60 million this year. He might only spend \$50 million. Maybe we will compare \$50 million with what he spent last year. And he will be taking away \$10 million or \$12 million.

AN HON. MEMBER:

(Inaudible).

MR. WINDSOR:

Mr. Speaker.

So, Mr. Speaker, that is the situation as it relates to education.

Community Development, Mr. Speaker. A good program - the Department of Social Services. One of the better programs. The Minister announced a Community Development program, \$25 million this year. Good announcement, Mr. Speaker, until you look at what they announced last year. Last year, Mr. Speaker, they announced \$30 million. So this Budget that is a help in education and social budget has taken \$5 million away from that.

SOME HON. MEMBERS:

Oh, oh!

MR. WINDSOR:

The answer is straightforward, \$30 million is \$5 million more than \$25 million. It is straightforward.

I might also note -

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

MR. WINDSOR:

Thank you, Mr. Speaker.

Now, Mr. Speaker, it is also worth noting while we are here, because this Government made a great to do about announcing that there was \$113.5 million going to be spent on road work this year, and that is good. We welcome that, Mr. Speaker, that is a good announcement. That is up quite a bit from last year, it was \$106 million last year, so that is an addition \$7.5 million this year for road work in this Province. That is good, that will create some employment.

AN HON. MEMBER:

But where did the money come from?

MR. WINDSOR:

Oh, good question, where did the money come from? When you look at that, Mr. Speaker, you find out that the Provincial Government is putting in \$30 million this year. That is a good contribution, \$30 million, and it is exactly what was put in last year and the year before, they have not increased road funding at all, even though inflation is giving you less for the dollar. So this great announcement of an increase in road funding from \$106 million to \$113.5 million is because of additional Federal money. Imagine, additional Federal money. And the Minister brings in a Health and Education tax because the Federal Government is giving us less money.

Mr. Speaker, I already mentioned the 50 positions in Social Services which are non-positions. The Minister will get a chance to answer, and I cannot wait for this I must say. I am looking forward to hearing the Minister get up and try to defend the 50 positions he announced and the fact that there are no new positions in the Department of Social Services this

year. That is what I call an honest document now. 801 positions last year, 801 positions this year and the Minister says I have 50 new positions. It is amazing, he is amazing. He is not over the effects of it - there was a picture in the paper a couple of years ago of him kissing something at the fair - a pig, kissing a pig. And most of us in the House did not know which was which when we looked at the picture.

Obviously, Mr. Speaker they do not like what they are hearing. They do not like listening to the truth.

Mr. Speaker, when you add all of that up, when you take the \$93 million tax grab that is outlined in the Budget documents, when you take all of these cutbacks that are there, we find out that this is not a tax grab of \$93 million at all, it is \$162.4 million. That is what this comes out to be. And you talk about all of the new taxes and all of the program cuts, \$162.4 million that this Government has to play with now. They did a few things, they put \$8.3 million in the Whitbourn Home for Young Offenders, the Young Offenders Facility for the Speakers District. I congratulate the Speaker, you were a good constituent of mine, ensuring that the program started by the previous Administration was continued. Delighted to see that \$8.3 million in there. I do not suppose it has anything to do with the fact that the Liberal bag man got the contract - no it would not have anything to do with that. I would never suggest that - never suggest that.

Mr. Speaker, there is an additional \$4 million for Health, an additional \$4 million for capital construction in the Health

care sector. I will give them that. It is less than the 4.6 they took from Education but Education and Health combined is still \$400,000 less. There is \$1 million for the HUB. We have congratulated them for that and now this is the fourth time. There is a \$1 million program for older worker adjustment. I am not quite sure what it will be for. Is that early retirement or is that special funding for people in the private sector? We do not really know yet.

AN HON. MEMBER:

Long Harbour people.

MR. WINDSOR:

For Long Harbour? That is good. There is \$1.7 million for student aid. That will reduce a little bit the 10 per cent increase in fees students had last year.

AN HON. MEMBER:

Double it.

MR. WINDSOR:

There is a bit of increase but it is not \$1.7 million. It is only giving back a little more than they took last year. That is all. There are a couple of programs for women. \$500,000 for a program entitled Women Interested in Successful Employment. That is every woman in Newfoundland and Labrador. Every woman would like to have successful employment but I hope this is a good program. I do not have details on it yet.

AN HON. MEMBER:

(Inaudible).

MR. WINDSOR:

Well, that is out of the \$6.3 for pay equity is it not? The program announced is 0.5, \$500,000. Well, they have \$6.3 million for pay

equity in the health care sector. Did we not announce that before we left office? We announced we would be implementing pay equity in the health care sector and they put funding there for it now. There is 4 per cent for other various programs.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

MR. WINDSOR:

Thank you, Mr. Speaker.

There is 4 per cent for things like social assistance payments and these type of things to cover the cost of inflation. Those are the basic amounts and we will not give them any particular credit for that. We note there is nothing in there for pensioners, not a cent, not yet. There is \$2.1 million in there for the Economic Recovery Commission but that is not new money. They had \$3 million there last year. They did not spend all of it. They only spent about \$900, 000 but there was \$3 million there last year. They are spending \$2 million on that but we cannot give them credit for that as being new money that they found out of all this money they are grabbing, there is a new crown corporation there. There is the efficiency of this Government. They are taking part of the Department of Development, taking the Newfoundland and Labrador Development Corporation and combining all that together to create a new Crown corporation. It is going to cost \$1 million more. That is this Government's idea of efficiency, of streamlining Government. We will combine two components and give

them an extra \$1 million. That will be good. What do we get for our \$1 million? Good co-ordination, and we are not getting it now. The Newfoundland and Labrador Development Corporation is not doing their job, the Department of Development is not doing their job, so we put them together and give them an extra \$1 million and they will do the job. That is amazing. \$1 million, Mr. Speaker, for what? That is not doing anything for the people of the Province you can be sure of that.

They talk about \$800,000 for tourism development in Labrador. They managed to say that it came from the Labrador Subsidiary Agreement but they did not spell out that most of that, I think 70 per cent is Federal money. They have a couple of hundred thousand dollars in there and that is all that is new and exciting in Tourism. In fact we will get to Tourism a little later on, the forgotten industry by this Government.

Here is a good one, Mr. Speaker, an Asian initiative, \$450,000. It is a good program. The future of trade, Mr. Speaker, is very clearly in the Pacific rim. I led the first trade mission over there in 1985, I believe it was, the first ever trade mission to go to Japan, Korea and Hong Kong. We actually did some developments from that. A couple of the private companies that were with us on that actually did quite well with joint ventures. Subsequent visits by the Premier the following year and subsequent Ministers of Development have done well. I do not know why we need an extra \$450,000 but maybe I do. You see the Minister of Development has nothing left to do

so this is called the Minister of Development vacation fund, his Asian initiative.

Then we have the Economic Council, a good organization which I initiated, I have had the honour of introducing the legislation when I was there. The Economic Council is doing all the economic analysis, they are looking at the broad picture. I do now know what is happening in this Province or what the implications are, so they are doing all of that work. We now have an Economic Recovery Team, it comes up with all the ideas and is supposed to bring out new programs, but we have not seen anything yet, except job creation for themselves and create another new group that I just mentioned, this new crown corporation, so we now have three of those: The Economic Council, The Economic Recovery Team and this new Crown Corporation, all doing the job of the Minister of Development so he has nothing left to do! He has Trade and Promotion only. We will get to him. When do we get to his estimates? The Member for Lewisporte - what are we doing tonight in Resource Committee, which Department, do you know?

AN HON. MEMBER:
Mines and Energy.

MR. WINDSOR:
Mines and Energy tonight. Oh good heavens. Mines and Energy tonight in Resource Estimates. Oh good! That will be fun. We will get some answers tonight as the Minister will be well briefed. He is very knowledgeable. He will give us some answers. We may not like them, but we will at least get the answers.

AN HON. MEMBER:
We might get an answer from the

Minister of Development.

MR. WINDSOR:

We will get answers from the Minister of Development, too. You can rest assured that we will get answers from the Minister of Development. When are we going to get into the Department of Development, tomorrow night, one night the week? Any time, any place.

AN HON. MEMBER:
Thursday, March 29th.

MR. WINDSOR:

Thursday night? Department of Development, Thursday night, we are looking forward to that. Well, when I was the last Minister of Development, I think it took twenty minutes for the Opposition to pass my estimates in Estimate Committee. We gave them so much information, they were frightened to death and they ran, they hightailed it and got out of there.

So, Mr. Speaker, add up all of those positive things that the Government did and what do we get, 24.4 - 24.5 million dollars. 24.4 - 24.5 million dollars. Compare that with the 162.4 that they grabbed from various places, 162.4 million dollars either in increased taxation, direct increased taxation or indirect taxation, or programs clearly slashed and the difference is 138 million dollars, taken out of the pockets of people in this Province. And do not forget 42 million dollars additional revenue from the Federal Government, so that is 180 million dollars that this Government has to play with. But what I have not been able to find out is, what have they done with it. As we get into the Estimate Committees maybe we will find out, but somewhere there is

an additional 180 million dollars.

That is not bad Mr. Speaker, 180 million dollars unaccounted for, yet this Government brings in a new tax which they say will bring them 15 million dollars this year. That is 180 million. Then you must look at the other side in the consolidated fund services and you also realize that they are borrowing an additional 100 million dollars. How could they be borrowing an additional 100 million dollars when there are 180 million dollars in new taxes and in cut programs, where are the 280 million dollars going, and what are the people in this Province getting for that, Mr. Speaker? These are good questions. These are good questions.

Now Mr. Speaker, I mentioned a moment ago that we will talk a little about salaries and the number of job positions. This Government, ever since it came to office, has been talking about streamlining Government and reducing the number of staff. Instead of that, what have they done? They have added 216 positions. That is what they did last year. They budgeted for 7,362 positions and finished the year with 7,578 positions. This is the Government which says, We are going to streamline Government and cut back on Government expenditures in all these Departments, going to do all these reviews and cutbacks. Two hundred and sixteen additional positions, and that includes the fifty positions in the Department of Social Services; just happened to be fifty - 751 last year, 801 this year. Fifty positions have been added, and the Minister has the gall to stand up and try to hoodwink the people of this Province into believing he is

creating fifty new positions this year. It is interesting.

The President of Treasury Board set the stage the other day for his negotiations this year. We saw a very healthy settlement given to nurses.

AN HON. MEMBER:
They deserve it.

MR. WINDSOR:
I know. I am not about to say they do not deserve it. Maybe they do. Maybe the nurses do deserve it, although I suspect they were surprised they got as much as they did. And then the President of Treasury Board said, Now other bargaining agents need not think -

SOME HON. MEMBERS:
Oh, oh!

MR. WINDSOR:
When they are ready, Mr. Speaker, I will carry on.

The President of Treasury Board said, Mr. Speaker, other bargaining groups need not think they are going to get 25 per cent or anything like it.

AN HON. MEMBER:
(Inaudible) cannot afford to give it.

MR. WINDSOR:
They cannot afford to give it, no. They can give it to the nurses. The nurses had a special case. Well, we heard the reaction from some of the labour leaders, Mr. Speaker. The President of Treasury Board has succeeded in getting every labour leader upset. Every union member is upset, scared to death. That is how he negotiates, he threatens them before he starts. Well, Mr.

Speaker, the nurses are getting 25 per cent; I think that is over two years. I just had a look at the salary details given in the Budget, again. You see that the salaries for health care have gone up by about \$2 million from last year. It was \$15,587,000 last year and \$17,587,000 this year, exactly \$2 million, a 13.3 per cent increase in the health care sector. Now, that checks, Mr. Speaker. That should probably allow the Minister enough money to give the nurses half of their 25 per cent for this year. That probably works out okay. I do not have a problem with that.

But then you have a look at the rest of the Budget to see what the total increase is, and you find, Mr. Speaker, we had \$328 million this year, the total of the Health budget was \$17.6 million, so that leaves \$311 million for all the rest of the Departments. You will find that the total increase in the salary budget for this year is \$13.5 million. Two million have gone to Health and the total is \$13.5 million. That leaves \$11.5 million, Mr. Speaker, over, a total for the other Departments of \$311 million, or 3.7 per cent. That is what is in the Budget for salary increases for all the rest of the collective bargaining groups, 3.7 per cent; 13.3 per cent is in there for Health and 3.7 for all the other groups combined.

Now, there are going to be some interesting negotiations, Mr. Speaker. No wonder the President of Treasury Board had to say up front, 'They need not think they are going to get 25 per cent, too,' because he does not have it, it is not in the Budget. I can sympathize with the President of Treasury Board. I have been

there. I know what it is like to try to negotiate when you do not have any room to negotiate and you are on a really tight budget. I know what it is like. We all remember what happened when we came up to salary freezes and you sit down with less than 5 per cent in your pocket to start negotiating with people who want to make up for the 10 or 15 or 20 per cent they figure they lost over the last couple of years. I would suggest to you, Mr. Speaker, that we are heading for a very, very rough year in collective bargaining, because the Minister of Finance has not given the President of Treasury Board enough money to negotiate with these people. He has to take a very hard position. He has not given him enough flexibility to deal with it, so we are going to have trouble - we are going to have trouble!

Mr. Speaker, this Budget put forward is a people's Budget to start off with. I think we have shown very clearly it is far from a people's Budget. The Government now have \$180 million in their fat hand, \$280 million if you talk about the \$100 million extra they borrow. That is what they call a people's Budget. It says it is going to put emphasis on Education and Health - I have already dealt with that - and it says the Resource Sector, Mr. Speaker. Well, it does not take very long to look at the Budget Summary again and see that 6.7 per cent of the total of the Budget, current and capital, is allocated to the Resource Sector. The Minister of Development is coming and he is smiling. I do not know how he can still smile. Last year this Government allocated 8.1 per cent of their Budget - 8.1 per cent - to the Resource Sector. So it has

gone down by 1.4 per cent, Mr. Speaker, from last year. In one year, this Government has dropped 1.4 per cent.

AN HON. MEMBER:
(Inaudible).

MR. WINDSOR:
The Minister of Development should not run behind the curtain yet. He might be interested in seeing how much was allocated the year before - what percentage was allocated the year before. We have 6.7 this year and 8.1 last year. How much was allocated in my Budget in 1988? 15.1 per cent. They have knocked off 60 per cent of the Resource Budget in two years. And this is a Budget that professes to be putting emphasis on economic development and resource development! Now, how do you explain that? The Minister of Education is looking at me with a puzzled look, because I think he is honestly concerned now too. I do not think he realized that. It has gone from 15.1 per cent of the total Budget to 6.7 per cent in 2 years.

AN HON. MEMBER:
(Inaudible).

MR. WINDSOR:
Those are the numbers. Those numbers are good. They are taken right from the pie chart here in the Budget highlights. It is also in the Budget document. Resource sector, \$222 million, a total of 6.7 per cent. If you look at the same pie chart from last year - I have them here. I will just take a second to dig them out, because the Minister of Education is concerned. I want to be sure there is no concern, that I am giving you numbers that I can support.

MR. EFFORD:
(Inaudible).

MR. WINDSOR:
The Minister of Social Services should not get so excited. The Member for Lewisporte (Mr. Penney) is anxious to hear this, as well. He is sitting there making notes. I must have them here somewhere. I know I have them here.

MR. R. AYLWARD:
If you keep taking notes like that, you will soon be over here.

MR. WINDSOR:
Here they are. Here are the Budget highlights for 1989. The summary of gross, capital and current account expenditure in the resource sector. The summary of gross Government expenditure, Resource Sector, 8.1 per cent last year. This is from the Minister's Highlights from the Budget of last year. And here are the Budget highlights for 1988. We will find the same pie chart. I am sure it must be here. The summary of gross Government expenditure, Resource Sector, 15.1 per cent - \$440 million in 1988 spent in the Resource Sector, and in 1990, \$222 million.

Now, the Minister of Education is still puzzled.

AN HON. MEMBER:
(Inaudible) education-wise.

MR. WINDSOR:
Education? Social Sector. I will give the Minister the numbers. I better make sure I have the right years for you now. I certainly do not want to mislead. 1990, this year, the Social Sector is 65.7 per cent of the total Budget, and that is up from last year; it was 63.4 per cent last year. Last year was down from the year

before, which was 64.1 per cent. So he went down last year and he went this year. It went up a little bit more this year than he went down last year. Okay. So the increase is some 63.4 to 65.7, which is 2.3 per cent this year. But you went down by 0.7 per cent. So your net increase is 1.6 per cent - 64.1 to 65.7. That is the great increase there.

And the General Government Sector - this is interesting, Mr. Speaker. This is a Government again that is going to be full of efficiency and cutback in administration and all the rest of it. This year they are going to spend 27.6 per cent. Of their whole Budget, of the gross current and capital, the gross Government expenditure, 27.6 per cent. And what did we spend in 1988? 20.8 per cent. You are up by almost 7 per cent - 6.9 per cent in two years on the General Government Sector. This is a Government that says to us, there is too much administration, there is too much waste, you should cut back on all of the frills. The Minister of Finance is talking about the frills. Well he must, because he has added 7 per cent to the gross Government expenditure for frills in two years.

MR. R. AYLWARD:
Hiring Beaton Tulk (inaudible).

MR. WINDSOR:
Almost 7 per cent - 6.9 per cent.

So, Mr. Speaker, that is a matter of concern. Everybody should really be concerned about that.

Now, Budgetary Financing Sources. The Budget talks all about the Federal Government cutting back until we start looking. Just in the Budget highlights, I mean

there it is, spelled right out for you, Government of Canada, additional revenues, equalization payments \$27 million, EPF \$1 million less. We heard all this screaming about all the EPF funding we are losing, \$1 million less.

MR. R. AYLWARD:
They had a windfall last year.

MR. WINDSOR:
They had a windfall last year.

MR. R. AYLWARD:
That is what did it.

MR. WINDSOR:
Canada Assistance Plan, \$13 million. Oh, by the way, equalization payments, all of these all of these transfer payments, the reason there was a \$50 million surplus instead of a \$5 million surplus, most of that - not all of it - \$35 million or \$40 million of that \$50 million came from the Government of Canada.

AN HON. MEMBER:
(Inaudible).

MR. WINDSOR:
Yes. These figures were given me in the lock-up by the officials from Finance and Treasury Board. I think it was \$35 million out of the \$45 million extra that arrived. We budgeted \$5 million, we actually had \$50 million; \$35 million of that \$45 million came from the Government of Canada. Now, that was a windfall last year. They are getting \$42 million more this year from the Government of Canada, more than they had last year. That is the revised. With the \$50 - you know, the \$35 million in there, they are getting an extra \$42 million and they are crying that they are losing money from Government of

Canada payments. Now, how do you justify that? It does not hold water, Mr. Speaker.

Again, you look at where the money comes from. Summary of Budgetary Financing Sources, right out of the Minister's Highlights. And it is in the Budget again. You look at Federal revenues: \$1.488 billion, say, \$1.5 billion. That is what comes from the Government of Canada. \$1.5 billion we receive from the Government of Canada; 44.8 per cent of all revenues to this Province come from the Government of Canada this year. What was it last year? Well, what a surprise! 44.8 per cent, exactly the same percentage of the total revenues of the Province, coming this year from the Government of Canada. Yet, this Government and this Budget document try to convince the people of Newfoundland and Labrador -

MR. BAKER:

It might have been more before.

MR. WINDSOR:

It was 44.8 per cent last year.

The President of Treasury Board says it might have been more before. Maybe it was.

MR. R. AYLWARD:

They are sucking the money out of us. That is why the (inaudible) is going on.

MR. WINDSOR:

That is right.

The point I am making is that this Government is saying, We had to bring in this payroll tax because the Government of Canada took all this money on us, yet the document shows clearly there is an additional \$42 million over and

above the \$35 million windfall they got last year. So that is an increase in this year's Budget of \$77 million budgeted this year from the Federal Government more than was budgeted last year, and they try to tell the people of this Province, We have to take an extra \$15 million in this infamous payroll tax because of what the Government of Canada is doing to us.

Mr. Speaker, how gullible do they think the people of this Province are? I mean, it is an insult to the people of this Province to think they are going to be sucked in like that.

MR. PARSONS:

Now, the Minister of Development, a smart young man, he cannot figure out and tell us where this money is coming from.

MR. WINDSOR:

Nobody in this hon. House would be more delighted than I if the Minister of Development's budget were double. I would be delighted. One of the problems we have in Newfoundland and Labrador today, Mr. Speaker, is that we do not have the money to properly develop our resources. We need more industry assistance. And I would certainly support any effort, any move on behalf of this Government to institute new programs that would help industry, that would attract new foreign investment, properly done; not coming in here taking control of our corporations; no incentives for foreign companies to come in here and unfairly compete with established Newfoundland companies. There are a couple of examples of that. The Minister should be very careful of that. There is a window factory in Donovans, a lot of Korean money

that came in here, a lot of Federal/Provincial assistance was given, and the day they announced it was coming here, a local company shut down, went bankrupt. Now, I have no problem; I support the Minister's Asian initiative. I called it his vacation fund. While he was out I pointed out that he had nothing else to do. The Economic Recovery Commission is doing part of his job, the Economic Council is doing part of his job, and this new, yet unnamed Crown Corporation is doing another part of his job, and he has nothing left to do but trade and promotion. So he is going to follow my lead and go off to Asia, and he needs another \$450,000 for that. We will find out Thursday night what it is for.

MR. R. AYLWARD:

He might take you.

MR. WINDSOR:

I might go with the hon. Minister. Yes, he would do well to invite me. I have a lot of contacts over there still. I gained a lot of respect over in Asia in the short time I was there. I might just go with him.

Mr. Speaker, I would certainly support any move to provide additional funding for resource development. Because if there is anything that we are lacking in this Province, it is capital. We have to attack that problem. It is the cost of starting out here. I notice here, and we will get into that, if I am not mistaken the Stock Savings Program is down to \$50 million - \$50,000 or something this year. It comes from \$300,000 last year to \$50,000 this year. We will get into that Thursday night. I will not take the time of the House now. The Minister might take a look at that.

These are the sorts of programs, Mr. Speaker, that were welcome when we initiated that program a couple of years ago, the Venture Capital Program and these things. These are the types of programs, and no doubt there are other ideas. I would like to see the Minister come forward with some of them. If he does, I will support him, because we do need more programs to help business establish. Too many businesses in this Province are undercapitalized. That is the real problem, they are undercapitalized. You cannot run a business on borrowed money, not at today's interest rates. It was okay when it was 6 per cent. When interest rates were 6 per cent you might get away with it, but today you are paying 15, 18, maybe 20 per cent, depending on where you borrowed it; if it is venture capital, more. You cannot run a business if 95, or 98 or 100 per cent of your capital is borrowed money; all you are doing is working for the bank or whoever invested in your company.

Mr. Speaker, any initiative the Minister will come up with that would put forward new programs to help business get established, particularly to reduce the cost of financing, would be welcomed. And as we will see when we get into it, funds for loan programs are reduced.

But the Minister is going to do some travelling in Europe or in Asia, and I wanted to just comment while he is here and paying attention. Investment from those countries is fine and we should go after it, because there are millions and billions of dollars over there looking for a place to go. And there is a lot of expertise over there. Do not

underestimate the expertise over there, particularly in Japan and Korea. There is very, very good technology over there that has not been utilized in Canada yet, but he has to be very selective; some of it we cannot utilize because we are so far from the markets.

There are some things that we can utilize in spite of our transportation costs and our labour costs, but there are some pieces of technology over there that we can take advantage of. We should look particularly at technology that is related to our own resource-based industries in the first instance. There is technology available in the fishing industry and the forest industry over there that could be applied in Newfoundland and Labrador. He should put emphasis on that, because we can benefit from it. And if he can attract foreign capital and their expertise to Newfoundland, the Province will be well served. I can see areas over there which we identified, which the Minister has at his disposal, and I can see areas where we should take advantage of that and provide incentives. But again, I say, be very careful that you are not bringing investment to an industry that is simply eliminating, it is the reverse of import substitution. The Minister has a program called Import Substitution which is identifying those products that are consumed in Newfoundland and Labrador in sufficient quantities that we can produce them here. It is a good program and it has worked. We had a couple of good ones going and a couple of them failed because the financing package was not put in place for them. They got into too much difficulty before anybody could help them and we hoped they

would start again. It was a paper manufacturing industry, a cardboard carton industry, and an envelope company that was in place here. That was import substitution.

That was based on officials in the Department of Development identifying the marketplace in Newfoundland and Labrador and that company being able to establish and get a sufficient portion of that marketplace but you are not going to get it all. You will never get 100 per cent of the marketplace. That has been applied in several cases and it worked well. There are other areas we can look at. I do not know if the Minister is following through on a program we have started of looking at Government purchasing, public sector purchasing. I think there is a good case to be made for the Government of Canada to have more purchasing done in Newfoundland and Labrador.

AN HON. MEMBER:

(Inaudible) Federal Minister
(inaudible).

MR. WINDSOR:

Well, I welcome that. We started that process and quite honestly did not have a lot of success. We signed an agreement. The Minister of Public Works and I signed an agreement with the Federal Minister responsible at the time which was basically aimed at procurement. It was a Procurement Agreement. I do not recall the exact title and I think that was about all that ever happened is that we signed an agreement which was the best efforts to do something but I think it was more lip service than anything else. You have to stay on top of it and you are going to have to assign

somebody in the Department to be responsible for following through on that type of program because there are opportunities there. If we can get the Federal Government -

MR. EFFORD:

Oh, oh!

MR. WINDSOR:

Mr. Speaker, I am trying to have a very rational, intelligent debate with the Minister of Development and the President of Treasury Board, and other Members who have been very attentive and the Minister of Social Services comes in here now and is trying to disrupt the House. I have all night long. He can babble on all night if he wants to and then I will carry on with my debate.

There is a big opportunity there for procurement. Does the Minister want to make a comment?

Mr. Speaker, I will yield to the Minister of Development.

MR. SPEAKER:

The hon. the Minister of Development.

MR. FUREY:

The Member raises a good point. In fact last year, the fiscal year 1989-90, the Government of Canada's procurement using all its agencies and Crowns and all of the Federal system, there was something in the order of \$90 billion spent, and when you break that out through supply and services you will see there were 270,000 contracts valued at \$9.6 billion to 43,000 Canadian suppliers and of that 1056 Newfoundland firms received 7000 contracts or \$92 million of the total \$9.6 billion so it was less than 1 per cent of the total expenditure in the Government of

Canada's total procurement, right across the nation. And you are absolutely right, that is unacceptable. I think it was you as Minister who signed this memorandum of understanding to address these issues, but you are right again they simply payed lip service to it and this is something we are going to address with the hon. Minister federally tomorrow morning, to point out exactly where Newfoundland is.

When you look at the percentages across just the Maritimes in what we have picked up in terms of value, Nova Scotia picked up in 1986-87, \$370 million worth of work, New Brunswick \$92 million, Prince Edward Island \$10 million and Newfoundland \$100 million. And if you transfer ahead a year Nova Scotia increased the next year by 12 per cent under this procurement, New Brunswick increased by 2986 per cent because of the frigate program destined to the St. John dockyard, Prince Edward Island increased by a whopping 32 per cent and Newfoundland decreased by 8 per cent. So not only are we not getting a fair share we are getting progressively less than what is really entitled to us and we are going to address that tomorrow morning.

MR. SPEAKER:

The hon. the Member for Mount Pearl.

MR. WINDSOR:

Thank you, Mr. Speaker, and I thank the Minister for that information. He is quite right there were a lot of programs where industrial benefits, the frigate program he mentioned was one that I was about to mention. A frigate program was given to St. John Shipyard and, by the way,

Marystown Shipyard had competed for part of that work and was not successful. I think there was a great mistake there, I said so at the time. The Marystown Shipyard should have had part of it, but there is a bit of a sop. It had included in that some industrial offsets for Newfoundland and Labrador. I mean it is hard to get at all of the defence contracts. There are industrial offsets for other provinces. Hard to get at it. The Canadair Program had industrial offsets for other provinces.

AN HON. MEMBER:
(Inaudible).

MR. WINDSOR:
I had not seen him.

Having said all that it is very difficult to take advantage of some of these opportunities. Now the opportunities may be there, but if the private companies do not have enough initiative, even with the assistance of the officials in the Department, to take advantage of these programs, then we just cannot get it. I am not for one moment suggesting it is all the Government of Canada's fault. But I think we do need the resources there to be able to go after it, to make sure that we take advantage of everything we can. Maybe we cannot get all that is available because we do not have the people and the companies here.

But it may be the basis for starting new ones. This is where we get into the import substitution, and I will get back to what I was talking about, the reverse of that. Because when you bring in companies and you compete and you give them an incentive, by way of cash grants, tax breaks and

you name it, to establish here, and they get other Federal breaks as well for bringing this invested money into Canada, when they have those special advantages, they are simply going to put local companies out of business.

Be very careful in any business, in any industry you attract, to ensure that we do not have an existing business here that is filling the demand. If there is market room, good. If it is new technology, a new product I am all for it. If it is expanding existing industry and joint ventures, I am all for it.

AN HON. MEMBER:
Why should we attract them?

MR. WINDSOR:
Why should we attract them? Because they are investment capital. Because unfortunately Newfoundlanders and Labradorians do not invest in Newfoundland and Labrador. I forget the numbers now. They are available. I had them when I introduced the stock savings plan. The percentage of money that is available, capital that is available in Newfoundland that is invested in Newfoundland companies is so far below the rest of Canada -

MR. R. AYLWARD:
You will lose it in savings accounts and RRSPs. The bank would get all of our savings if you invested it outside.

MR. WINDSOR:
Well that is right. That is what is happening. And this is the whole problem. And that is why we brought in the stock savings plan and the other name, I have forgotten the name of it, which was basically designed to encourage Newfoundland companies,

individuals to invest in Newfoundland and Labrador. Because companies are putting their money in banks, trust companies, insurance companies, all of that is being invested in Toronto. Okay. Some of it is going to Toronto and being invested back and we are paying Toronto interest rates on it.

Why cannot we invest that money locally? There are hundreds of millions of dollars going out of this Province every year being invested in other parts of Canada, when companies here in Newfoundland and Labrador are crying for investment capital, and part of the reason is that Newfoundlanders do not know how to invest there. We only have two or three publicly traded companies in Newfoundland. So how does the individual, even if the individual is involved in the stock market, how do they invest? Newfoundland companies are not on the stock market, and the average investor calls his stockbroker and says, you know, what do you suggest? Where shall I put some money? I would like to make a little investment. But he is investing in the stock markets. The average individual is hesitant to get involved with a local company and that is why we tried to get into that whole thing of making it possible and there was an incentive to invest in Newfoundland companies. And I think that has been fairly successful.

AN HON. MEMBER:
(Inaudible).

MR. WINDSOR:
Well the point is we should be able to make our own fishing equipment. We are buying it from Japan. Well lets get the Japanese

to invest their capital here and bring over there expertise and produce it here for the local market and perhaps even the export market as well, but that is easier said than done. If we are only buying \$100,000 worth of a particular item a year -

AN HON. MEMBER:
(Inaudible).

MR. WINDSOR:
There has to be enough volume to justify setting it up here and to be competitive with Japan. The other question gets back to tariffs. What tariffs are on the import of fishing gear in Newfoundland and Labrador, is there any duty? You can be sure you are paying duty on the shirt which you bring in from Taiwan, to protect the Textile industry in Central Canada. You are paying quite a lot on a Toyota or a Honda automobile which you bring in to Newfoundland to protect the automobile industry in Central Canada, but you do not pay anything on a pound of fish which comes in from outside of Canada. You do not pay anything on fishing gear that comes from outside of Canada, or Forest Products which come from outside of Canada.

Anything we produce can be brought into Canada duty free, but all the things that are produced in Central Canada are protected by tariffs.

MR. NOEL:
That is why we need a reformed Senate.

MR. WINDSOR:
If there trading wheat with Russia, then it is okay for the Russians to catch some of our fish here too. The bottom line is we are being traded off every time we

turn around, because we are so small, we do not have the impact on the national economy. The problem is it is very difficult to produce it and be competitive. We can produce it, but at what price? Unless there are tariffs imposed on these items being brought into Canada, then you would have to look on the other hand and say well, if you are doing that, that is a tariff on the fisherman who is buying it. It is increasing the cost of fish, so you have to be very careful in balancing one against the other. You can impose tariffs which are protectionist measures, but you cannot do that any more if it is produced in the United States, so the Japanese could go to the United States and produce it. Free Trade says they can bring it into Canada and so you have to watch that. The United States will welcome the Japanese money but the Japanese do not want to go to the United States, they would rather come into Canada -

AN HON. MEMBER:

Are we training our people to compete (inaudible).

MR. WINDSOR:

We are trying to do that. We had some good programs. NIMAT was a good program. That is gone. The previous Administration cancelled it, I think it was a mistake. Newfoundland Institute for Management Advancement and Training. I thought at the time it was a mistake, but it was one of those decisions that had to be made, it was a difficult decision but something had to go and that went. That was a good agency, that was training people. The other big problem, outside of being undercapitalized, is management in Newfoundland. Too many companies in Newfoundland and

Labrador lack professional management expertise. We are improving, thank God. A lot of the smaller fish companies are hiring people from the School of Business at the university or professional accountants and professional business people which will help us in due course, but it is a slow process. That is an educational process. I have to finish at 4:30, do I not? That will all take time, but, if we can attract some of that capital, try to get some of these industries established here, produce some of the products for the local market, and this is where import substitution comes into it. This is what import substitution is about. The Minister has a program to assist companies which are getting involved in that, primarily to identify products that can be developed. The problem is, where do you go once you identify them? There has been some success. And there are a lot of good programs in the Department of Development, but they all need more resources, we need more money for import substitution, we need more assistance for industry, we need more programs to help with the cost of financing in this Province, the cost of capital, other mechanisms.

The Venture Capital Program is good and, I have forgotten the name of the program, but it is an investment program, we provide a subsidy on Newfoundland Capital invested in Newfoundland companies. Investment Capital Program or something, I just cannot remember the name of it, but it is a good program, a very, very good program. We need more of those, but when I look at the Budget and see that the Resource Sector has gone from 8.1 per cent to 6.7 per cent -

AN HON. MEMBER:
What about Fortis?

MR. WINDSOR:
Fortis. Well we did it for them because we had to set the scene, we had to show that the thing could work. We needed a couple of the bigger companies to be involved to get the program up and running to have it at that level. We only have one or two companies there. So I think it was justified, argumentative, debatable, I accept that, but it was important to have a couple of these big companies involved in that scheme to give it the credibility. The other real point that I make to the President of Treasury Board - if he could just listen for a moment, I realize he is talking - the other real reason for putting in those big companies was to give that first time investor a place to invest with minimal risk. A large portion of the money that is savings in this Province, or investment money that is available, is with senior citizens. They have their life savings invested and they are living on their interest. My mother is in that situation, and she cannot afford to take the few dollars she has and invest it in something that has an element of risk to it. I mean, she depends on that investment income. And if she lost \$50,000 tomorrow on a bad investment, she would not have enough money left to live on. So she has invested in Guaranteed Income Certificates. She is protected, she is safe. And I keep saying to her, 'I can get you more money, but I have to take a chance.'

Well Fortis, in this particular program, is a case where she could invest in that company, she gets an immediate return, she has it

still pretty well guaranteed - the risk is minimal - to see Fortis going bankrupt is almost beyond comprehension. So there is a very minimal amount of risk and I think that is why there is only a 10 per cent subsidy on it. But it gave that person who could not afford to take the risk something in which to invest, or it gave the person who was investing for the first time in his life something to invest in without a great amount of risk. So it is an experience building thing.

Mr. Speaker, I could go on. I ask that we sit down at 4:30 and rather than get on into a new topic, if the House Leader will agree, I will stop now. I mean I can go on for another 2 or 3 minutes, but I would rather wait and get into another subject on another day. We will get back to it and we will talk some more about this terrible Budget and some of the falsehoods that are in it, some of the deceit that is in, and some of the things that are covered up. And we are going to uncover more as the days and the weeks and the months unfold. Thank you.

SOME HON. MEMBERS:
Hear, hear!

MR. SPEAKER:
The hon. the Member for Port au Port.

MR. HODDER:
Mr. Speaker, last week the Chairman of the Privileges and Elections Committee, Mr. Dumaresque, who is unavoidably absent today being in Labrador, tabled the recommendations respecting the issue of broadcasting the proceedings of the House of Assembly. Today I would like to seek concurrence

from the House on these recommendations. Also, last week he indicated that the final report of this Committee expected by June 1, 1990 would contain all relevant information and a substantiation of our recommendations. However, to facilitate debate and inform hon. Members on the thrust of our first recommendations, I offer the following remarks. The principal thrust of the first report is contained in recommendation 1. Full audio transmission of the House of Assembly proceedings be granted to the press gallery through existing House of Assembly facilities. This recommendation was fully debated in committee and concluded under the knowledge that no other legislature in Canada, which offered radio and television broadcasting of proceedings, edit any of the audio feeds going to the press. In all jurisdictions there are guidelines governing television, with the authority for same vested in the respective speaker. Therefore, it was the Committee's understanding that gavel-to-gavel access be given to the press, and this would include any comments associated with the regular debate of the House. The existing facilities referred to include the present accommodation for audio-feed in the press gallery room and would prohibit any equipment, such as microphones or tape recorders, inside the Chamber or in the press gallery seating area.

With respect to recommendation No. 3, that newspapers and other print journals be permitted to take still pictures of proceedings throughout the session under guidelines established by the House, the Committee concluded that this would be an infrequent occurrence, and would be done with express consent of the House

through the Speaker. In this instance, written request would be made by the relevant media, outlining the debate to be covered and the principal speakers to be photographed. Also, on acceptance of the Committee's report, the Committee on Privileges and Elections would work in concert with the respective media and the Speaker to finalize complete guidelines. Now, Mr. Speaker, there were five guidelines which Mr. Dumaresque, the Chairman of the Committee, brought forward last week. A couple of them, I have referred to. The second one is sort of redundant now, in that the Throne Speech and Budget Speech have been done in concurrence with the media here, as on a number of occasions.

As for recommendation No. 5, I understand, Your Honour, that the Speaker will draw up guidelines on this and the Speaker will monitor Members, perhaps in conjunction with the Committee, but the Speaker would monitor Members' complaints or any problems that would arise with this new experiment taking place.

Mr. Speaker, I would just like to thank the Committee at this point. They are the Member for Eagle River (Mr. Dumaresque), the Member for Bonavista South (Mr. Gover), the Member for Pleasantville (Mr. Noel) and the Member for Ferryland (Mr. Power).

I think, Mr. Speaker, this is a good move. It is being done throughout most Commonwealth countries. As we know, our Federal Parliament has full media access at the present time, as does Britain. I think it is the way of the future, and it would be a backward step to ignore this report. I think it is a reform,

such as The Public Tendering Act was a reform when it came into this House, or The Ombudsman's Act was a reform when it came into this House.

Mr. Speaker, I believe we must have openness in Government, and what we do must not be in private or be seen to be done in private, because this is the media age, it is the age of the global village, and I think we cannot deliberate in private.

Mr. Speaker, I think it will help the decorum of the House. I do not think we will be quite so silly, sometimes, and I think, perhaps, debate will be more considered and more intense.

Mr. Speaker, I would like to point out one thing. I do not want to speak very long, because I realize other Members want to speak, but I would sound a warning. The Committee is working on television access in the new House, which is presently being prepared. I would like the House to be aware that all systems are not yet ready, that this, if we are going to do it right, should be done properly and that we should take upon upon ourselves to make sure that the proper cables, conduits and equipment are there, because it is a reform that will go on. And one thing the Committee found out is, once you give access to the media, you cannot take it back. So, we may as well do it right, now.

Mr. Speaker, this is a first step. It is almost a token step, if we agree to this. The real step will be when we televise the House. But, I think it is a forward step and I think it will mean that we will be a more progressive jurisdiction and it will be an expansion of the

democratic process.

Mr. Speaker, I would like to thank, in conclusion, all the organizations which have so far presented briefs to the Committee, and all the groups and individuals who have been of assistance to us, the media in particular, and the press gallery, as well.

One other thing I would like to say in conclusion is that once we start to televise the House, we keep in mind some of the minority groups in our population, such as the hearing impaired. In my own case, there is a French television station operating in my District at the present time and we should think in terms of translation. I believe the House Leader, when he speaks in a few minutes, will talk about some other aspects of the Inuit and Innui in the Province, who may need translation services. I think, Mr. Speaker, it is a forward step; I think it is one that is long overdue. I am pleased to have served on this Committee to help bring this type of thing forward. Thank you.

SOME HON. MEMBERS:

Hear, hear!

MR. GOVER:

Mr. Speaker.

MR. SPEAKER:

The hon. the Member for Bonavista South.

MR. GOVER:

Thank you, Mr. Speaker.

Mr. Speaker, it gives me great pleasure to rise in the House today and move concurrence in the recommendation of the Committee on Elections and Privileges with respect to broadcasting. And I would like to take this

opportunity to say that I concur in all the remarks made by my colleague, the Member for Port au Port (Mr. Hodder), who is also a Member of the Committee, with respect to this particular issue.

Mr. Speaker, the Committee proceeded on the primary principle that democracy requires nothing less than the broadest possible access by the public to the proceedings of the House of Assembly. But, I suppose, like all great principles, one has to consider some practical constraints upon the principle, the principle constraint in this particular case being the cost. But we are pleased to make the recommendations we have made, in particular recommendations (1) and (3), with respect to full audio transmission of the House of Assembly and allowing the print media to have still photographs of important debates. Because while these recommendations provide a fuller and broader access to the public of the House of Assembly proceedings, they require little or no cost on behalf of the taxpayer to expedite these particular proceedings.

And certainly the recommendations of the Committee were formed after hearing the various groups that appeared before us, officials from the Department of Works and Services, the various media around the Province and other interest groups which appeared before the Committee, as well as the Committee's trip to the House of Commons, in Ottawa, to study the broadcasting facilities there. And as my learned friend, the Member for Port au Port, indicated, I would like to thank all of those groups and individuals who appeared before us and made insightful comments for

our recommendations to the House with respect to this particular report.

With respect to television, as my learned friend indicated, the Member for Port au Port, if television is to be introduced, it has to be introduced correctly. Television requires a great deal more consideration in the aspect of financing guidelines and, in particular, the issue of construction, considering the new Chamber that is being built. So we have decided to postpone any specific recommendations on that particular aspect of the broadcasting until we have had a fuller opportunity to assess the ramifications and implications of those factors that I have just outlined.

But, certainly, the recommendations represent a great step forward for democracy in this particular Province, and for the people to have access to this particular House of Assembly. Therefore, I commend to this Chamber the good Liberal initiative, although an all-party initiative, contained in the Committee's report. Thank you, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. SIMMS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Opposition House Leader.

MR. SIMMS:

Thank you, Mr. Speaker.

I will just add a few words, I guess, to what has already been said by the Vice-Chairman of the

Committee, the Member for Port au Port, and the Member for Bonavista South, who served on the Committee. There are a number of points I would like to make, however, and emphasize, to ensure that this is the understanding the Government side of the House has in implementing this new reform.

First of all, the only pertinent recommendations, really, we need to concern ourselves with are recommendations (1), (3) and (5), because of the other two, one is redundant, I guess, and the fourth one is still ongoing with respect to television for the future Legislature.

With respect to recommendation No. (5), concerning the request of the Committee on Elections and Privileges to deal with any kind of breaches, or breaches of privilege that Members may feel have occurred as a result of broadcasting, I think there now is an understanding at least that rather than the Election and Privileges Committee being the Committee to deal with those matters, Your Honour with a Committee, whatever kind of Committee he wants to establish, or one that is already in place, would actually deal with it, or Your Honour could deal with it without a Committee. Normally, if somebody feels that his or her privileges are breached, whether it be through broadcasting, a newspaper article or whatever, you have the right to raise it in the Legislature and Your Honour will have to rule as to whether it is or is not. So I think there is already a mechanism in place for that, and I do not think we need to concern ourselves or spend a lot of time on that particular item.

On the other two items, audio transmission, electronic transmission, radio in particular, and, of course, the print media having the right to take photographs, there obviously needs to be some guidelines developed. I think the understanding, from discussions we have had behind the scenes, is that we would like to recommend that the Speaker, through a Committee, perhaps the Internal Economy Commission, or whatever, would, over the course of the next couple of days - this is not meant to prolong the matter, but certainly by the end of the week Your Honour should be able to develop some guidelines. I do not think you are looking at a large number, but certainly there are two or three that come to mind that might need to be looked at. Your Honour would develop those guidelines and finalize them by the end of this week, and then take the opportunity to advise the press gallery that the proceedings have finally been approved, the guidelines approved, and that coverage would begin probably on Monday, or something along those lines. That is my understanding of it. The Government House Leader can confirm that, I guess, when he stands to speak, but that is certainly what we have discussed.

I might suggest also to Your Honour that when that day comes, on Friday, if it is finalized by Friday, that the Members of the House be informed, perhaps by telegram or message. The normal way of telling somebody about the House opening could be used, just so everybody is aware of it. I think we should not forget that.

Secondly, Mr. Speaker, a very important matter has come to my

attention, and to our attention here on this side of the House. My colleague, the Member for Port au Port, alluded to it, but I have also had similar concerns. In fact, perhaps more far-reaching concerns were expressed to our side, to us by the Member for Torngat Mountains, who makes a very legitimate point. In his particular constituency, and elsewhere along the coast, I guess, there are Innu and Inuit, and these people, hearing the transmission of proceedings from this Legislature, will hear only the English broadcast and for them, of course, that would be of no benefit at all. The same thing could apply to the few people who speak French in the Port au Port area. It is not as large a number of people as the hon. Member for Torngat Mountains represents, and there may very well be other groups, but those are the two that have come to our attention. And the member for Menihek, I guess, has a French population, to some extent, in his District of Menihek.

I would like to say that in the case of the Innu and Inuit, and the French in Port au Port, they have their own broadcasting facilities, so I would like to ask the Committee, which is still intact and will not make their final report until June sometime, to look at these particular issues I have raised on behalf of Members on this side of the House in particular, and that the Committee specifically address the question of providing translation services for the people in those areas I have referred to. It is not a major expense, but it is by far a very important ingredient to bringing the proceedings of the Legislature to all people in the Province of Newfoundland and Labrador.

I am only referring to a couple of individuals, I am not talking about a major expense. I think it is something the Committee probably would have liked to have the opportunity to look at, but I am sure, now that it has been raised, they will look at it, and I trust they will address it and address it in a positive way. Because it is the intention of this caucus to accept this report at the moment, but it is on a trial basis. That is the understanding, I think, with which we entered this agreement. It will proceed for the rest of this session, this sitting, it would be reviewed at the end of the House sitting, in May or June, whenever we rise, and a final decision would then be made on whether this matter would proceed in the new session in the fall, based on these concerns being addressed and others that might arise throughout the course of the next couple of months, while we have electronic broadcasting. I want to make those points and make sure it is understood clearly what our position is on this side. It is for a trial period, we want those concerns addressed, and we want the matter reviewed at the end of this sitting of the House before any final decision is made with respect to the future.

Mr. Speaker, I guess there is not much else left to say except that I think we are all looking forward to this new era. It will certainly mean a lot of different things to everybody, to different people. We, in particular, on this side of the House, are looking forward to it. There is some question as to whether or not it is an advantage for the Opposition. I do not know. We will have to wait and see.

MR. WALSH:

In this case a disadvantage.

MR. SIMMS:

Well, we will have to wait and see. I can tell the hon. the Member for Mount Scio - Bell Island (Mr. Walsh) he may not feel that way when I put my first question, under this new rule, to the Minister of Finance, and my second question to my friend, the Minister of Forestry. We will see how he feels about it at that point in time.

Anyway, Mr. Speaker, I look forward to entering this new era because it is, in fact, a major reform. There is no question the Government is to be commended for setting up the Committee to look into this matter, and hopefully it will be of benefit to the people who count, the people of Newfoundland and Labrador.

SOME HON. MEMBERS:

Hear, hear!

MR. BAKER:

Mr. Speaker.

MR. SPEAKER:

The hon. the Government House Leader.

MR. BAKER:

Thank you, Mr. Speaker.

I am very pleased to rise in support of this great Liberal initiative. Mr. Speaker, it gives a great deal of satisfaction to know that, if only on a trial basis, the people's House will become available to the people. I am not going to take a lot of time. I would like to make the point that if this is a trial period for the radio transmission, I believe a decision cannot really be made to go or not to go,

especially if the decision is not to go in the future, until we have also had a trial with TV, if, in fact, the Committee recommends that a little later on. If it is to be a trial period, then I am assuming that the trial period will also extend to the other media when the facilities become available.

I would like to go over the recommendations of the Committee again to make sure we have no differences, and that we understand exactly what we are up to here at this particular point in time, Mr. Speaker.

We are dealing essentially with two things, the audio transmission of the House of Assembly, and that this permission be granted to the press gallery through the facilities that already exist in the press room behind the gallery. The second one is that newspapers and other print journalists be permitted to take still pictures of proceedings throughout the session under guidelines established by the House. Essentially these are the two things that we are now addressing. Two of the other recommendations have already been taken care of in this session and there seems to be agreement on the fifth, that complaints would be registered through Your Honour, and then Your Honour would deal with them as he sees fit. Some of them might even, if they constitute a breach of Privilege, some of them could even be referred back to that committee to deal with, but it would be up to Your Honour to handle the problems that arise from the use of the facilities. Mr. Speaker, we are in full agreement that this House go on record as approving the recommendations, subject to Your

Honour's - as quickly as possible - developing and jotting down whatever he perceives to be the appropriate guidelines, because I think in his introduction, the Member for Port au Port mentioned a couple of the restrictions that would perhaps apply. If Your Honour, could as soon as possible, develop the guidelines and come back to the House and report to the House on what is happening - I would not dare to put time limits on Your Honour - but I assume this could be done, as the Opposition House Leader said, fairly expeditiously. So, Mr. Speaker, we are very, very pleased that finally we are going to have some debate direct from this House, go out over the air waves. I would like to say to the press who are in attendance, Mr. Speaker, through you, that we firmly believe there is more to debate in the House of Assembly than Question Period, although Question Period forms a very important part of it. We have heard some great speeches in this Chamber already in this Session - and I will refer to the last speaker - I indicated to him that some of what he said was exceptionally good and I believe that he deserves to be heard. Now other things that he said, of course, I do not agree with and think perhaps it is not so good and had a failing grade on part of it, but some of what he said was exceptionally good and it deserves to be said, Mr. Speaker, to the people of the Province. So Mr. Speaker, we concur with these recommendations, with the stipulations already outlined.

MR. SPEAKER:

Is the House ready for the motion?

On motion, resolution, carried.

MR. SPEAKER:

The hon. the Government House Leader.

MR. BAKER:

Mr. Speaker, a couple of things. First of all, about the Committees. I would like to inform hon. Members that the Resource Committee will meet in the House at 7:00 p.m. this evening to review the Estimates of the Department of Mines and Energy.

The Social Services Committee meeting scheduled for tomorrow morning has been postponed.

The Government Services Committee will meet tomorrow evening at 7:00 p.m. to review the Estimates of the Department of Municipal and Provincial Affairs.

The Resource Committee will meet tomorrow evening at 7:00 p.m. in the Colonial to review the Estimates of the Department of Environment and Lands.

That is the scheduled agenda for the Legislative Committees.

Mr. Speaker, I have a more extensive summary, but let us see how things go. We cannot really tell any more than a day or so ahead of time, because there may be changes in the schedule as the Committees proceed.

AN HON. MEMBER:

(Inaudible).

MR. BAKER:

Instead of what?

AN HON. MEMBER:

Forestry and Agriculture.

MR. BAKER:

I have been informed there has been a slight change already. Instead of the Department of

Environment and Lands, it is the Department of Forestry and Agriculture, that is at 7:00 p.m. at the Colonial Building. I am sure the Opposition House Leader is very interested in that. And I am sure the Minister is looking forward to it as well.

The other point, Mr. Speaker, I would like to make is to inform hon. Members that tomorrow I will be calling Motion 11, which is the Meech Lake Motion.

MR. SPEAKER:

The hon. the Opposition House Leader.

MR. SIMMS:

Mr. Speaker, as is the practice and the tradition Private Member's Day being Wednesday, the appropriate resolution debated is usually signified by the appropriate House Leaders. So I would like to advise the Members that on Wednesday it is our intention to ask that the pro-Canada resolution, put forward by the Leader of the Opposition last Thursday, notice given of, will be the one we will be calling.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the Government House Leader.

MR. BAKER:

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

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