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Speaker: Honourable Ross Wiseman, MHA

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The House resumed sitting at 7:00 p.m.

MR. SPEAKER (Verge): Order, please!

I recognize the Member for Cape St. Francis.

SOME HON. MEMBERS: Hear, hear!

MR. K. PARSONS: Mr. Speaker, it is nice to be here. I think this is our first night session. I think we have a few more coming. It is a great time in the evening to come and let the people out there listen to what us fellows have to say.

I hope everybody enjoyed their supper. I beat it to Flatrock as fast as I could go. My son had supper cooked and I had to have a look at my daughter's house because she just started painting today. It is only another couple of weeks and she will be moved out. So, I had a great supper and I hope you all did too.

First of all, it is a great pleasure to get up here to represent the district that I represent, the beautiful District of Cape St. Francis. Mr. Speaker, we get here on a regular basis and we listen to the Opposition. We give our spin and they give their spin on what is happening with the Budget. Today, yesterday, and the last couple of days we have listened to everyone in this House speak. Everybody has a different perspective, but we are all – on this side I think we are all on the one page and they are on the page they want to be on, on the other side.

I listened to the Member for the District of Fortune Bay – Cape La Hune today, and I thought she gave a fantastic speech. The gist of her speech was a little bit interesting for me because she talked about taxes and I guess, again, it is how you want to spin things. She talked about how she heard members of the opposite over there talk about how taxes have increased. The example she gave is a real good one. It is really easy to understand. Yes, taxes have increased but so have the wages, and that is the reason why taxes did increase.

She talked about corporate tax going down. It is an example of the economy that we have today, that if we do not have the money coming in, they

do not pay the taxes. It is very simple what she had to say but it struck home. She did a fantastic job at that today.

Yesterday I listened to the Minister of Natural Resources, the former Finance Minister, and he gave a great speech, too. You learn a lot in here. He talked about how we are spending our money, why we spend our money like we do, and what is happening. Basically, what he talked about was the economy.

I know in this area, the Northeast Avalon which I travel on, I have not been outside the Avalon much except when I go to Millertown on my moose hunting trips or my trout trip in the summertime. I look around the Northeast Avalon – I was downtown the other night and I was just amazed by what is happening down there when you look at the old Woolworth's building that is now up in the air, and there is a parking garage underneath and office space underneath. The TD building is getting revamped and new office space. All over the city there are things happening everywhere.

Our economy is booming. As much as you guys want to say over there that it is not booming, our economy is booming. People are doing better today than they ever did before.

SOME HON. MEMBERS: Hear, hear!

MR. K. PARSONS: The economy is booming because of the investments that we made, and it is the investments that we are continuing to make.

I have a lot of friends of mine who work, some go to Alberta, but I have a lot of friends now who go out to Long Harbour and work. I have friends who go to Bull Arm and work. I am sure that a lot of the tradespeople in my area are looking at opportunities in Muskrat Falls. These are opportunities that this government made. This government did investments, and we did smart investments, and it is paying off. People are working. People are working like never before.

It is a little bit different with government, and government is a –

AN HON. MEMBER: (Inaudible).

MR. K. PARSONS: No, we are not really. We create a lot of jobs ourselves but you know at times we have to watch our household. It is like at home, and it is something I always say. My father always used to say you cannot spend \$500 if you are only making \$400.

Our economy and what government has here is a lot of times – we are versatile on what is happening in the world markets. We have to look at what is happening with oil prices and what is happening with mineral prices. Sometimes there are things that will happen which will affect our bottom line, so we have to be very responsible. It a responsibility we have to our children and our grandchildren, making sure that things are run the way it is so that in the future we are not doing what we were doing years ago, just concentrating on paying the interest off on the debt.

Mr. Speaker, just look at what is happening in our economy. I know one of the members mentioned here today about wages. It is unbelievable when you think about it because everybody for years and years had to go somewhere else to make good money. I have to go somewhere else. I have to go to Ontario. I can go to Nova Scotia, go anywhere else, or go to BC. Do you know what, Mr. Speaker? Today our wages are the second highest in all of Canada. People are making money here.

SOME HON. MEMBERS: Hear, hear!

MR. K. PARSONS: Those are the results of the investments we are making.

I look in my own district and I look at the housing starts that are down there. It is unbelievable to watch what is happening. I just told you about how I was down to my daughter's house tonight looking at the first coat of paint that went on. Young people are building houses all over the place, and they are building beautiful homes, because they are doing well.

There are lots of engineers. There are lots of social workers, what she is. There are lots of people working in the trades and today they can afford things because they are making the money here in Newfoundland and Labrador. It makes a big difference what is happening in this economy, and that is where they are spending the money, right here in Newfoundland and Labrador.

I have a friend of mine who is a car salesman and works in at Avalon Ford. My friend from Fortune Bay – Cape La Hune bought a rig off him and the Member for Bellevue bought a rig off him also. Do you know what? He is telling me that sales were never like it before. He never saw it. The car sales are flying out the door. Cars are going out the door. That is because people have money to spend on this stuff. That is part of the economy. The economy is booming. It is booming and it is doing great. People who want work, there is lots of work there.

Mr. Speaker, I just drive down Stavanger Drive on a regular basis and have a look at what is going down there. We have new stores. Golf Town is coming down there now. I cannot wait because I hear they have good deals that are going to probably improve my golf game. I do not know. I doubt it very much.

Mr. Speaker, I look at what is happening in the city. There is a hotel going up down there. I think right now in the City of St. John's there are five new hotels going up. That is huge. People are investing money. There are people working. There are all kinds of tradespeople to build these hotels, huge. They need plumbers, pipefitters, and you name it; fellows doing steel and whatever is there. There are lots of people and there is lots of work available.

I think it was also said today that never before in our history is there so many people working, never before. The opportunities are there. Like I said, it is not because government is hiring people. It is because the economy is booming. People are needed out there. If you are building a house today, try to get an electrician or try to get a plumber. It is a job to do it because people

are working. It is not like it was years ago when you could have had five or six fellows come down to bid to do the electrical work on your house. You almost have to beg someone to come down today. That is what is happening.

Mr. Speaker, this time our government, this Budget, and I have been here for five years and up until this year I think all of them were surpluses. We had great budgets where we had money to spend. Last year, there were a lot of things that affected us. There were a couple of offshore rigs that were in for refit. We lost money that came from the Atlantic Accord. So, our money was not what it was – now, according to Finance Ministers and people in the know, they say we will probably run another deficit next year and then following that we should be okay, in surpluses.

Mr. Speaker, do you know that in all of the provinces in Canada this year there is only one province that is going to run a surplus, and that is Saskatchewan. All the other provinces – mighty Alberta is going to run a \$4 billion deficit this year. Why? Because of the volatility in oil prices.

Mr. Speaker, we are not in this alone. I think that our Finance Minister did a fantastic job in his Budget this year and I applaud him for it. I know he is a hard-working man and I know that he put his heart and soul into making sure that all of the figures and facts were in this Budget for us people.

When I look at the Budget, and there were cuts – I said this earlier when I was up on a motion I am sure that there is not anybody on this side of the House that was not affected by this Budget, that did not know somebody, did not have a friend, a relative or somebody who was laid off. One person laid off is too much. Sometimes, you have to make responsible decisions and they are hard decisions, but they are the right decisions to make because you have to think about what is happening today and you have to think about the future.

We have a Premier who has a plan and we have a Cabinet that has a plan and this government

has a plan, we have to stay the course. We have to make sure that we stay the course in doing what we do. We have reduced taxes to the people. We reduced it so that people have \$500 million, a half a billion dollars more than what they had in their pockets to spend. That is a part of this plan. Our plan as a government is to make sure that our people get the best bang for their buck and make sure that they have money to spend like I said on the new homes and the cars and everything else. We are putting money back in people's pockets while also being responsible with our debt.

When we came in here we had a \$12 billion debt. I think the Member for Fortune Bay – Cape La Hune spoke about it. She said that twenty-three cents for every dollar that we had just went towards the interest on the debt. Now today, it is down to 10.9 cents, but we are still paying way too much because \$800 million a year is going towards our debt, paying down our debt. That is still too high; we have to bring it down. We have work hard and we have to bring it down.

Now, the next couple of years we are going to have difficulty dropping it down a bit, but in the years after that we have to continue with our plan. We have to continue to reduce our debt. When we reduced that \$800 million, Mr. Speaker, that means we are going to have money to invest in our health care, money to invest in our education, money to invest in social spending, but we have to be smart. We have to be smart about our money. We have to make sure that we are investing it well.

Mr. Speaker, I just look at what happened when we came here, when our government came here – and I do not blame the Liberal government; I do not blame anybody. Times were different. They did not have the money that we have today. We have money to invest. I do not blame anybody. I just take responsibility for what we are doing and what we have done since 2003 is we are making smart investments.

Since 2003, just to give you a little example – the money was not there; I agree with him – we had \$78 million invest in construction and

acquisition of new buildings. This year, we have \$509 million. On maintenance – our schools and our hospital facilities in 2003 were falling down. When this government took over, the maintenance in the buildings, in schools, were unbelievable. There was mould; there was everything that you could imagine in schools. Hospital facilities were just falling apart.

In 2003, we only had \$11 million to invest in that stuff. This year we are investing \$117 million, just on maintenance in our buildings alone. That is huge investments because that is what we have to do; we have to maintain what we have because, if not, it will fall down around your ears.

Mr. Speaker, I listen to the Minister of Education get up here day after day and talk about what is happening in education. I am so proud of what this government is doing with education. I applaud the minister, too, because I think he is doing a fantastic job. He stated here today that we have thirty-nine major projects that we have done since we became government – thirty-nine, that is huge investments.

I do not know if a major investment that he is talking about is what is happening in a couple of the schools that I am going to mention now in my district. We invested \$1 million in the school in Logy Bay-Middle Cove-Outer Cove called St. Francis of Assisi, a beautiful school. I think they have about 270 children in the school. The parents are so happy with the facility down there and they are happy with the teaching. They realize their kids are getting the best technologies and everything is there.

We invested in that school. That school was an old school and we invested \$1 million in it. We put on a new roof, siding, we put new windows in it, and we did major upgrades to the inside of it. To walk in that school now makes me proud. It makes me proud to be part of this government.

I spoke the other day about a teacher twenty-eight years teaching and she was one of the teachers there at the school that told me to thank our government for the job they are doing, thank

our government for the facilities that she has to teach her children. She called them her children.

Mr. Speaker, in my district where it is growing so fast, I look at a school like Cape St. Francis, when it was designed in the early 1980s, later built in the 1990s I think, it was designed for a declining population. Now, I do not know how that came up because the place is absolutely booming.

Right now, there are 300 children in the school. This year we had to put a new module on the school. It is not a portable classroom; it is a module and it is absolutely beautiful. It has its own air conditioning system; it is larger than the regular classrooms. The school, the parents, and the children are tickled to death with it, Mr. Speaker.

The Minister of Education talked about the nine schools that we just built and we built one in Torbay, Holy Trinity Elementary. Granted, it is full now, but every time I walk in that school I am proud of this government. I am proud of the investment that we made. Do you know what? It is a state-of-the-art school, the children have the best technology, there are whiteboards in every classroom – I think that is what they are called, whiteboards.

AN HON. MEMBER: SMART Boards.

MR. K. PARSONS: SMART Boards.

The technology is there, technology like we never had before, laptops in all of the labs. These are investments that we are making to make sure our children have the best possible technology to make everything available to them. That is what this government is all about.

Like I said, this year he talked about ten new schools. Again, there is another one in my district which I am very proud of. We are looking at building a new school and it is going to be from Grades 5 to 7. What that is going to do is it is going to help three schools. Like I said, Cape St. Francis is at capacity, and Holy Trinity is at capacity, so both of those schools are going to go K to 4. The new school then will

be Grades 5 to 7. It will take Grade 7's out of the high school and put them in this school and it will take care of the capacity levels we have in high school.

I really believe that is going to answer the education needs in my district. I thank the Minister of Education for listening to the needs of the people in my district.

SOME HON. MEMBERS: Hear, hear!

MR. K. PARSONS: Mr. Speaker, other things that you look at what we are doing for education – again, we are so proud of the things we are doing like the classroom size, like you mentioned, free schoolbooks. Never before have we seen the investments that we are doing in our children.

Mr. Speaker, I am not going to get through all of what I have to say because I talk too much probably, so I am going to get rid of a couple of sheets. I want to talk about what we are doing for our communities. I am going to talk about Municipal Affairs a little bit here now and I want to thank the Minister of Municipal Affairs. I think he was up here today; he was pretty hot when he was up, I tell you.

He mentioned that he thinks he is after being to every municipality in this Province. I know every time that one of the municipal leaders, towns, or anyone in my district has asked him for a meeting, can I meet with the minister, can we meet with the minister – all it is, is a phone call and he is there for us.

SOME HON. MEMBERS: Hear, hear!

MR. K. PARSONS: I really have to thank him for the job that he is doing.

Mr. Speaker, we are investing this year \$230 million in municipal infrastructure around the Province. Our towns are growing and the infrastructure over the years has fallen to the side, but we are making investments in our communities, and that is where we have to invest. We have to invest in our towns; it is very important.

We have municipal leaders, who I know in my district most of them are volunteers. They are great volunteers. They go in and make decisions. I was on council myself. Sometimes you have to make awfully hard decisions as a municipal leader.

The very first decision I had to make was against one of my buddies. Mr. Speaker, I am telling you right now, that is hard. It is hard to get up and make a decision that you know your friends and people in the community – but these people volunteer all the time. I am very proud of the investments that we are doing for these towns because we are showing that we support them. That is huge.

SOME HON. MEMBERS: Hear, hear!

MR. K. PARSONS: Mr. Speaker, this year too, the minister came up with a new formula for Municipal Operating Grants. I believe there is no town in this Province that is going to receive less money than they received last year. No town is going to receive less money than what they have had. Like I said earlier, the Minister of Municipal Affairs understands the towns.

In my district alone, I am just going to give you ballpark figures now, I think they are right. A town like Bauline is going to receive \$17,000 more; a town like Flatrock will receive \$36,000 more; a town like Logy Bay-Middle Cove-Outer Cove is going to receive \$56,000 more; a town like Pouch Cove is going to receive \$70,000 more; a town like Torbay is going to receive \$85,000 more.

Mr. Speaker, those are investments that help those towns do things they need to do to make it better for the residents in their towns. We are supporting the towns in this Province. I applaud the job that the Minister of Municipal Affairs is doing here.

Mr. Speaker, the other day the Member for The Straits – White Bay North had his private member's thing. I was hoping to get up and speak a little bit. I was next on the list but they called an amendment and I did not get a chance

to speak. We were talking about transportation, and what is happening with transportation.

On the Northeast Avalon, Mr. Speaker, we are making huge investments. I listened to all the members get up and I know there are huge investments made in every district in this Province. We have improved the road network like you would not believe.

In the Northeast Avalon, Mr. Speaker, I have to thank this government for what they have done with the Torbay Bypass Road. It is unbelievable the change it has made on people's lives getting back and forth to work. It is unbelievable what it has done to the communities, for growth in the communities. We have communities down there with 20 per cent growth. The least amount of growth in any of the communities in my district right now in the last four years is 15 per cent.

The Torbay Bypass Road was an investment that this government made. It is a \$23 million road. The federal government threw in I think it was \$5 million or \$6 million and we threw in the rest. Mr. Speaker, that was a huge investment. We had 17,000 cars a day go across the school zone in Torbay where the children were getting dropped off to school. Fifty per cent of that is gone now.

Our roads are a lot safer down there. People can commute back and forth to work. If there was an accident or it was slippery on Piperstock Hill, people were late getting to work. It is unbelievable. The people in the area, when I talk to them, they really appreciate it. I appreciate the investment that this government has made.

Mr. Speaker, I only have a few seconds left. I just want to end by saying we had some hard decisions to make and these decisions were the right decisions for this Province. Like I said, I applaud our Premier for making hard and tough decisions. I think the Minister of Finance did a great job in bringing down our Budget. I think this is a good Budget at the time for our people, and we will be in good shape in the future.

Thank you very much, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Order, please!

I recognize the Member for The Straits – White Bay North.

MR. MITCHELMORE: Thank you, Mr. Speaker.

This is my second opportunity to speak to the Budget. I will put on record that I certainly have no confidence in Budget 2013.

Earlier today, to be given an economics lecture from the Member for Fortune Bay – Cape La Hune, which targeted the New Democratic Party with twists and misinformation, it really detracted from this government's bad news Budget. There are a lot of real issues that we need to debate and that need to take focus.

One thing I would like to inform the member opposite, Mr. Speaker, is that when New Democratic Parties form government, when they are in power –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. MITCHELMORE: – they produce balanced budgets more than any other governing party on a percentage basis. That is more than the Conservatives or the Liberals, and that is a fact.

People are really tired of government's continuous rhetoric and spin, and I said that in the Interim Supply speech. We really need to look at that. One thing that people are really tired about with this government is the late Friday evening news releases selling the bad news as good.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. MITCHELMORE: I remember we were in this House debating the Muskrat Falls bills

and the Minister of Fisheries decides to call a press conference late at night on December 21, Friday evening, and announced the OCI deal. That was a massive giveaway of our public resources, and it was a precedent-setting measure.

On another Friday news release in the Department of Fisheries and Aquaculture they announced their seafood year in review. It was really filled with bad news but sold as good. There were drops in the value and volume of all levels of product. Even including the aquaculture industry, that has been touted.

The Adult Dental Program, the changes and caps to that –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. MITCHELMORE: – leaving people who need it getting one denture at a time. Then again, there was another one, Mr. Speaker –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

The hon. the Member for The Straits – White Bay North.

MR. MITCHELMORE: Thank you, Mr. Speaker.

Then there was another case in the Department of Advanced Education and Skills when they were making cuts to the EAS, the employment service offices. This led to 200-plus jobs and dozens of offices closing across the Province; yet, \$14 million was going to be reinvested and somehow less staff and less regionally available to people is going to provide a better overall service. That is quite questionable. I want to say that people are really tired of that.

Mr. Speaker, I ran a business. I have a commerce degree and I served as an investor and a lender for community business and provided that advice on economic development.

As well, I served as a compliance auditor and as a credit controller for an international marine and engineering consultancy in Europe. With that, we were dealing with large sums of money that we were pulling in, and the importance of understanding collecting the revenues and looking at revenue and cash flow management, how important that really is. This budget, Mr. Speaker, is really bankrupt of ideas. It is bankrupt on showing how we are going to collect new revenue streams.

The 10-Year Sustainability Plan lacks detail on saying how it is going to have something innovative that is going to provide new revenue. All we see really is government going on the volatility roller coaster ride of oil. We saw that in the Budget last year with the drastic drop in oil prices, what it was estimated at. We lost hundreds of millions of dollars.

The mining industry with the commodity market lost over \$100 million to the Treasury. It is quite significant. When we are rolling the dice on these megaprojects and on oil, it creates a high level of uncertainty as to where we are going. That was one of my first reactions.

If you are going to build an economy and a budget it really needs to be built from the grassroots, from the community and it has to be inclusive and have ideas to really increase your revenue streams. Just weeks before the Budget, the Minister of Finance went out and did pre-Budget consultations. It was a very narrow timeline and the ability to really put some of these ideas and suggestions from the community into play.

I really hope that next year we will see the pre-Budget consultations happen earlier and be on a more regular basis. Maybe there will be a role for the Office of Public Engagement to play, because we have not really seen a whole lot as to what they are doing to date. It really needs to be inclusive. We saw St. Anthony, the largest administrative centre on the Great Northern Peninsula, left out of consultation. There is a way to allow these people to be involved.

The member opposite had talked about looking at how we have reduced interest payments. Well, you have also increased revenues and you still have a high level of debt that you are servicing. Last year the debt was at – that the interest payment was \$800 million. This year it is \$848 million. So even with no new borrowing, you are paying more. That is almost \$50 million that cannot be spent into new programs and services.

Now, looking at the Budget and seeing it really lacks a commitment to our renewable resource industries, especially in rural Newfoundland and Labrador, and we are not seeing the vision of any type of plan. There is no focus on the fishery and how we grow those revenues, that before this government came to power was \$1 billion in export revenues coming from the fishery. Now it is at \$740 million. That is a \$260 million drop.

We are not seeing where we can look at enlarging our Treasury. I have said time and time again in this House that there are opportunities of looking at things like biomass. It is really a legitimate energy alternative and the world is embracing it, but government is not willing to be innovative. I do not know why they are not moving on some of these initiatives.

We have valued resources that this government would just rather throw away, dump at sea versus create any economic value. Thousands of pounds of shrimp shells are dumped at sea, they are, versus being used as nutraceuticals, fertilizers, medicinal products, and the chitin from it. There should be investment in research and development.

We look at crab. The crab shell has high-value proteins. We look at taking and extracting chitin and things like that from it. We may be able to realize a higher value than to the harvester, to the processor, and to all involved in the industry, rather than having these annual bidder disputes.

There is a role for government to look at: Do we use this in a form that can create some value? If we do the research and development, then we can use the Business Attraction Fund to go out

and attract somebody and cut red tape to make sure that these types of things can be put into action. I do not believe necessarily that it is government's role to be involved in establishing the business side of doing this. It can be facilitated through the Department of Innovation, Business and Rural Development in partnership with Fisheries and Aquaculture.

Rather than dumping the shrimp shells, we could be using anaerobic digestion and powering greenhouses for nurseries and for helping out with food security. The dump sites, how we are going from 2020 and trying to create these regional dump sites. There is an ability to use the waste, the actual compost there to create energy and to do a similar type of thing on a small scale. These are where some types of investments need to be made.

The Minister of Natural Resources is really bankrupting the Treasury when it comes to collecting revenues from our forestry resources. Instead, what we see from government when it tries to do business deals or expropriations, we see that we amass hundreds of millions of dollars worth of liabilities and environmental liabilities. That comes at a great cost and depletes the Treasury.

We have a real ability to be looking at things like biomass and wood pellets. One of the things that government had invested in was the Wood Pellet Appliance Rebate Program. I have releases from it here from February 2011, April 2010, October 2009, and February 2009.

The PC Blue Book promised to expand and enhance this plan, but they did not. They cut it. When the rest of the world is adapting biomass and using it as energy, and taking what would be low value in our forest industry, they are creating a high value and passing that on to sawmill operators, passing that on to harvesters and really creating value in the economy.

Government made an investment in a pellet plant in terms of lending in Roddickton. The Newfoundland Forest Sector Strategy Final Report was submitted to the Department of

Natural Resources back in November of 2008. This report was done by Halifax Global.

The Minister of IBRD and Natural Resources should have paid a little more attention to what was stated here. It says, “We must add a cautionary note here, however. While there may well be potential to manufacture wood pellets profitably in Newfoundland, a pellet plant will need to be of sufficient scale to be economically viable and, such a plant must almost certainly be located adjacent to a year-round, bulk shipping port facility.”

Where is the plant? Not near a year-round bulk shipping port facility. What does it need? It needs that. Well, it may not actually need that year-round bulk shipping facility if it took the approach of creating its own demand of converting public buildings into pellets.

I said many times in this House, and questioned the minister on why we are not converting public buildings to biomass in Newfoundland and Labrador. Maybe then this government would not have to bring down such an austerity budget and actually cut –

AN HON. MEMBER: (Inaudible).

MR. MITCHELMORE: Okay, well let’s look. On April 27, in the *Morning Sentinel* – Do you know what? We have missed the boat on many opportunities. The Minister of Fisheries knows it when it comes to certifying lobster. Maine has certified their lobster as eco-friendly. It is going to open up all kinds of opportunities in the European market. We are missing that boat and we are missing it when it comes to converting public buildings.

The *Morning Sentinel* on April 27 says, “...an \$11.4 million federal effort to boost Maine’s wood pellet industry, early returns seem to indicate that the investment was a sound one.” The investment was a sound one, investing in the wood pellet industry, but we do not see that here in A Sound Plan, A Secure Future in this Budget.

Let’s look at what they are doing here. They put wood pellet boilers in schools. They are going to “...drive Maine toward a stronger sustainable forestry economy and reduced dependence on foreign oil...” because it is going to save them money.

The Department of Forestry is providing funds to convert “...24 biomass conversion projects to fruition in schools, hospitals and public buildings across the state.” We heard the Minister of Education talk about all the new schools that are being built, but none of them are being built with pellet boilers to be heated. That is much more cost effective than electricity.

We know about all of the health facilities that are being built. There is one being built in my district, The Strait of Belle Isle Health Centre. We talk about the Corner Brook hospital that is being built. All of these could be heated using biomass.

In the last project that they are doing is in municipal buildings. The Minister of Municipal Affairs in looking at municipal buildings, they are running them on pellets as well. It is really stimulating the creation of biomass boilers in the States and it is something that the College of the North Atlantic was seeking to do: to create a demonstration (inaudible) –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. MITCHELMORE: – to add that skill set and labour where we could be building pellet boilers here.

We could be doing the same thing with wind mills and adding that capacity. Reports that I have here on my desk are saying that Labrador alone could have 1,500 megawatts of wind power, done by energy consultants and presented to the Department of Natural Resources. Yet it seems that we can only have 80 megawatts of wind power. I really do not feel that information is accurate.

Anyway, they hired an economist here, Bill Strauss, to do an audit on the projects and they said there is a real good payoff to the bottom line. It is giving the forest industry a boost. It has a huge multiplier effect for the public and the obvious one is to the supply chain.

We hear the Minister of Natural Resources and the Parliamentary Secretary get up and talk about how we need to develop this supply chain. Well, you can do it with pellets. It is creating jobs for people who are harvesting and transporting the wood. The construction phase with these twenty-four projects is going to create 335 full-time jobs, created and retained. That is nearly three times after Muskrat Falls gets built just in twenty-four projects. It is quite significant.

Do you know what this is going to be doing? This is going to be lowering the energy costs for operation. We have been seeing the administration costs go up for the school boards, the heating costs for schools, and the heating costs for all of these old government buildings. The cost of conversion simply pays for itself within two to four years. What this is doing is creating small-scale manufacturing. It is really stimulating the market value for low-value wood.

When we looked at an analysis, which was done as well for the department, it said that a third of all the forests that are cut down is potential for the biomass, the rest for pulpwood, and the other for sawlogs. It is a third split. It is quite significant.

The view by the people in the industry say that these low-value markets, as they rise, there is going to be a more sustainable fuel source they could tap for energy. They will be better off, the forest owners, woods workers, and all the foresters of Maine. It seems like the US is getting this right, but we are simply getting it wrong.

There is huge potential for pellet industry in Newfoundland and Labrador. If we do the analysis of what it costs, natural gas ranks what? Yet that is not affordable apparently here in

Newfoundland and Labrador, but that costs about an average of \$10 a gigajoule and in wood pellets at \$19.29, at a cost of \$270 a ton. Electricity averages \$34 a gigajoule, quite high, and then heating oil is even higher at over \$40 a gigajoule, so quite significant.

We are not doing these things to increase revenue streams – cut operating costs so that we are cutting government waste when it comes to operation because we all know if we build a big house and we have a certain amount of income and we have to spend \$5 or \$1,000 a month heating it that is money that cannot really be put back into the economy and recirculated at the local restaurant or buying cars and other things like that.

It is the same way with government. We cannot have really adequate programs and services if we do not look at cutting the operational costs like reducing heating costs in all of these public buildings and facilities. We could have had additional people working and a better delivery of programs and services if we looked at alternative measures to enhance revenue in Newfoundland and Labrador.

Forestry is one option, the fishery is another, there are so many other sectors, but this government keeps getting it wrong. Looking forward, we need to see new ideas because there is so much especially in the rural economy.

The Member for Fortune Bay – Cape La Hune got up and talked about reducing taxes, but the thing that is not mentioned is that this government had so many hidden fees that they put forward when it comes to looking at aquaculture. The licences are going up, the buying licences are going up, the fish processing licences are going up, and forester licences are going up. These are all a direct attack on the business owners and then that gets passed on to consumers. It is a way where people are getting taxed and it is taking more money out of people's pockets.

We understand that we need to grow revenues in Newfoundland and Labrador and this

government is certainly not doing that.
Bankrupt of ideas, not willing to be innovative –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. MITCHELMORE: – willing to continue with corporate giveaways, and not adding value or getting best value for public money.

We see these strategic plans come forward and be abandoned, Air Access Strategy, the Northern Strategic Plan now becomes a living document, and we see all sorts of things that have been promised –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. MITCHELMORE: – but we do not really know if we are getting the best value for public money.

Thank you, Mr. Speaker.

MR. SPEAKER: Order, please!

The hon. the Minister of Finance.

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: Thank you, Mr. Speaker.

I am pleased to have the opportunity to spend a few minutes discussing the Budget. I am going to choose a couple of different areas tonight because there is a lot to cover, but I want to start my comments, Mr. Speaker, with a reference to how the Budget process unfolds.

It begins in the fall – it was ongoing all year, this year, with the Core Mandate Review – and this year, it was a tough Budget year. We had ministers who were tasked to find efficiencies in their departments and they had to come forward with ways to save money, not only to save money, Mr. Speaker, but to ensure that we could maintain the same level of service. That is what we went through.

It is a grueling process that, I can tell you, at times tempers flared because the ministers on this side of the House believe in what they are doing; the ministers and the members, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: We had a committee in place and what we put the Minister of Health through, I would suggest, was very tough in terms of a department where everyone wants so much and health care is so important to people.

Then we had the Minister of Education come in, and the questions he has been asked in the House are indicative of the kinds of questions that we asked him; but he was firm, as was the Premier, in their resolve to protect health care and to protect education.

As the next number of weeks goes on, we will hear more from the ministers as to the good things that are in the Budget because there are a lot of good things in the Budget, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: The Budget has resulted in a number of criticisms and the first one that I will deal with today is we have been criticized of mismanaging the money. Well if rebuilding the Province of Newfoundland and Labrador and resulting in some of the achievements that we have made over the last number of years is mismanaging, I would say we have done a good job at managing the mismanagement which has resulted in good management, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: Let's talk about mismanagement. The health care budget in 2000 was \$1.2 billion. In 2012, it was \$2.9 billion. At that point, it was 38.7 per cent of provincial spending; 142 per cent growth in one area of the Budget along, Mr. Speaker.

Education grew by 71 per cent; \$700 million spent in 2000, up to \$1.2 billion in 2012, and

now I think \$1.3 billion this year; 11 per cent of the spending.

Between education and health, almost half of the money coming into our government goes to those two key areas, Mr. Speaker.

Part of the difficulty, and I do not say this in a judgemental way, it is just the way it is when you govern in a Province as diverse as ours, as large as ours, with a relatively small population spread out, that people want these vital services near them. They want to have their hospitals near; they want to have their schools near. Look what happens when the school boards try to close down a school, and we have seen a number before Christmas. People demand the services be kept open.

What we have to do as a government is respond to the requests of the people, respond to their needs, but in a responsible way. One statistic, Mr. Speaker, that puts it in perspective, is that in our Province I think we have between fifteen to twenty-two hospitals and health care centres. We then have more than 100 types of different clinics. We have more than twenty long-term care facilities. In the City of Hamilton, a city with the population of the Province of Newfoundland and Labrador, there are three hospitals.

Managing this Province is tough. We have had some good times, Mr. Speaker, but we had a lot of years of bad times, especially the fourteen years preceding us coming into government. We have had to rebuild the Province. Is that mismanaging the economy when you build schools, you build hospitals?

I am hoping over the next number of weeks, or if we are here until the end of June, or whenever we are here, that member after member will get up and talk about the schools built in their districts. They will get up and talk about the hospitals. It is too bad that the former Member for Cartwright – L'Anse au Clair is not here; she can stand up and tell us about the schools that we have built in her district. We will hear from the Minister of Labrador Affairs on the hundreds of millions of dollars that we have spent

building the Trans-Labrador Highway. What have we done with the money? We have spent it to rebuild.

In 2003-2004, there was \$154 million invested in infrastructure. In 2012-2013, there is \$744 million, an increase of 383 per cent, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: From 2003-2004, we, at the time, spent \$78 million on construction or acquisition of new buildings, roads and equipment up to \$509 million in 2012-2013. Maintenance has gone from \$11 million in 2003-2004 to \$177 million in 2012-2013. Municipal infrastructure has grown from \$37 million in 2003-2004 to \$102 million in 2012-2013. Since 2003-2004, there has been \$5.1 billion invested in infrastructure, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: Since 2003-2004, we have spent \$968 million on municipal infrastructure and \$195 million on MOGs. These are the kinds of numbers, Mr. Speaker, that speak for themselves. So what are we guilty of as a government? It is doing the best we can for the people of this Province to ensure that they have the facilities nearby and the services they deserve? That is what we have done.

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: We have taken it further, though. We have reduced the debt by 28 per cent, from \$11.9 billion in 2004-2005 to \$8.6 billion in 2012-2013. Just listen to this statistic: In 2003-2004, twenty-three cents of every dollar that came in to government was used for debt servicing; one-quarter of the money coming into our government was used to pay debt. In 2012-2013, it is down to 10.9 cents, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: The annual cost of debt servicing is \$800 million a year. So, why do we take debt so seriously? Why are we trying to

ensure a return to a balanced budget and to reduce debt over a ten-year period? Debt costs money, money that can be used to pave roads, to build hospitals, to build rinks, to build schools, Mr. Speaker, for all of the people of this Province.

We have reduced taxes by a half billion dollars since 2007, Mr. Speaker, and those taxes have gone into the Low Income Seniors' Benefit, for example, \$21 million. We have lifted the RST on insurance at \$75 million, the HST on the Residential Energy Rebate of \$38 million. We have reduced personal income taxes by \$403 million, thereby sheltering, as I talked about last week, a great many of the lower income people in our Province from paying taxes, or paying as little taxes as possible.

So that is what we have done with money, Mr. Speaker. That is the financial mismanagement that we hear about.

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: We have rebuilt the Province. Unfortunately, we got into a situation where we had to look at creating efficiencies and ensuring that we have the right people doing the right jobs in government.

In 1990s in this Province, Mr. Speaker, there is no doubt that government was a main employer. Today, we still employ, in one form or another, 45,000 people. I think there are approximately 238,000 people employed in our Province. We have Eastern Health alone with 13,000 employees. We have approximately 6,000 nurses, 6,000 teachers; we have the other health authorities. So then we have the core government service with 8,900 people in the sixteen departments and agencies.

When we engaged in our review – because, quite frankly, the way things were done twenty years ago is not the way that they need to be done today, with the use of computers and other types of electronic equipment. The review encompassed all aspects of the department. The ministers each did it themselves. They went through their departments with their officials,

came through the Budget process, and there were no decisions lightly made.

I can tell you, Mr. Speaker, that any time a minister has to give something up, he or she will not necessarily do it willingly because they believe in their programs. They believe that what they are doing is right. The example I am going to use, Mr. Speaker – we are going to deal with the tourism marketing. My good friend and colleague, the Minister of Tourism, Culture and Recreation, is not here, but we felt this year with the choices we had to make we had to reduce the marketing budget from \$15 million to \$11 million.

Four million dollars was taken away from that budget, Mr. Speaker. I can tell you the Minister of Tourism, Culture and Recreation was not very happy with us. Particularly, with me because the way we looked at it – and the Premier saved the day for him. I do not even know if he knows that, but I was looking at, as the Minister of Finance: How can we get more? Do we layoff people or do we perhaps not run some of these ads for a year?

We were ready to go deeper but the Premier came in and said no, these ads are important to tourism in this Province and we can withstand a year or two of lower payment.

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: Mr. Speaker, I can tell you, it was not a nice picture because the Minister of Tourism believes strongly in those ads and how they increase the tourism in our Province to a billion dollar industry. He fought hard to keep those and he is still fighting to this day over them, Mr. Speaker. It is hard to have a conversation without him reminding us of what we did. That goes for every minister in government.

We then got into a situation: Where are we today? This is where we are today – I will get to GDP in a second, but just listen to this. These statistics are absolutely startling. Personal income in Newfoundland and Labrador for a five-year period between 2007 and 2012 grew

by 6.3 per cent. The rest of Canada was 3.1 per cent – double the rest of Canada in personal income.

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: Labour income grew by 7.6 per cent. The rest of Canada, 3.2 per cent – more than double the rest of Canada in labour income, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: Our employment grew by 1.3 per cent. The rest of Canada grew by 0.8 per cent, the Maritimes by 0.1 per cent. Again, almost double the rest of Canada, Mr. Speaker.

Retail sales in our Province in the five-year period from 2007-2012 grew by 4.7 per cent, the rest of Canada by 2.5 per cent. Again, almost double the rest of the country, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: This is a statistic that is most startling of all. Capital investment in this Province grew by 18.9 per cent over a five-year period compared to 3.6 per cent in the rest of Canada, and 0.1 per cent in the Maritimes. I cannot even calculate –

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: I will need the minister's calculator to figure that one out, Mr. Speaker. That is the kind of growth that we are seeing in this Province.

As I outlined the other day, Mr. Speaker, we have lowered taxes by a half billion dollars. We have the most competitive tax regime in Atlantic Canada. We have the lowest tuition fees in the country, while tripling the budget of Memorial University of Newfoundland and Labrador. We are second in the country in weekly earnings, only behind Alberta. Who would have ever thought that could happen a few short years ago? There are more people working now than ever in our history, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: Our unemployment rates have declined by 3.9 percentage points, the lowest in thirty-seven years, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: These are the kinds of things that are happening in this Province. Look at Vale Inco, look at Hebron, and look at Muskrat Falls. The biggest dilemma we have is finding enough workers.

Who in this House of Assembly, five or six years ago, who in the public of Newfoundland and Labrador five or six years ago would have thought we would need workers? We do not have enough workers. Whoever saw that day coming? It did not come by accident, Mr. Speaker. It came because, as a government, we built the economy.

We built infrastructure, which is important to the economy. We paved roads, Mr. Speaker. We built schools, we built hospitals, and we have built towns. What we have is a situation where there is somewhat of a paradox or a dichotomy in that we have a booming economy but government revenues are down. That is not that complicated.

Being a have Province is a source of pride. It means we can pay our own way, but it means we have less money. It means we do not get equalization. Back in the early 2000s, more than 30 per cent of the money that came to government coffers came from equalization.

We have reduced taxes by a half billion. We have increased wages by more than \$500 million annually, Mr. Speaker. That is what we have done with the money.

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: So, we find ourselves in a situation where we had to take steps. Last year our oil production was down, and I will talk about that a little later because it is quite an

interesting chart I have in terms of oil production.

The Leader of the NDP the other day talked about GDP. She asked me a question about GDP and how our GDP forecast was lower. We had predicted a decline of 0.1 per cent for 2012, and it appears the decline is 5 per cent. This is based on two very simple facts. The assumption of oil production, oil production went down. We had our rigs off-site.

Then there was an assumption of iron ore production. What we are seeing in the iron ore industry, and again it is quite fascinating, but as the Chinese economy goes, so does the demand for iron ore. We have gone from \$160 a ton to \$80 a ton.

Over the last five years, our GDP fluctuates. There is the real nominal GDP and I am not going to get into that. We had between 2008 and 2012 an average increase of 1.5 per cent a year in our GDP, greater than Canada's 1.2 per cent. So our GDP has increased, but it is in an economy like ours, a notoriously unreliable statistic because of the ups and downs with exports, Mr. Speaker, of iron ore and oil.

In 2013, our GDP is expected to increase by 6.8 per cent. In one year we have a decline of 4.8 per cent. We are going to increase by 6.8 per cent; 6.8 per cent is equivalent to what is happening in China. The Chinese economy is estimated this year, it could be 7 per cent or it could be 7.5 per cent.

What we have to look at are the kinds of other economic indicators that I have talked about here. We have to look at retail sales. We have to look at car sales. We have to look at disposable income. We have to look at labour income and capital investment. What we have is a situation where the economy is very good, Mr. Speaker.

Now, I am hoping I will get a couple more opportunities, but what have we done in this year's Budget? We knew, Mr. Speaker. I want to say this and I have said it before, but I think it is important to realize how good a job the

Premier has done. She has said publicly that we do not govern by polls. The Premier knew what these polls were coming into this Budget cycle. What was the easiest thing to do? The Premier could have said: Let's not rock the boat; let's leave it to someone else to solve the problem. It will be someone else's problem. That was the easiest thing to do.

What did we do? What did the Premier do? She said: No, I cannot take that approach for the future generations of Newfoundland and Labrador. The Premier is looking to the future, as our government has done since taking office. She chose the tougher and harder route, Mr. Speaker, and I have nothing but admiration for her in doing that.

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: The Premier decided, Mr. Speaker – and make no mistake in a government it is somewhat like a hockey team or any kind of team, there can only be one boss. That boss is the Premier. Now, Mr. Speaker, I might think that I want to be on the power play but I might have to kill penalties. If I have to kill penalties, that is what I have to do. It has to be a team effort, but it is the Premier who leads the way.

I am going to give you now a couple of good things that we have done in this year's Budget. We have invested \$2.9 billion in health care in Budget 2013 –

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: – and hopefully you will hear more about that; \$1.3 billion to meet the educational needs of children and youth in our Province –

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: – \$230 million to help rebuild municipal facilities, Mr. Speaker –

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: – to deliver new regional projects, and continue the fight against poverty.

We have new Municipal Operating Grants; over \$200 million in strategic investments to help spur economic growth; and over \$866 million in infrastructure investments.

Do you know something, Mr. Speaker? The NDP will often stand up and say: You do not care about the poor. You do not care about the uneducated. You do not care about those who are not as well off as yourself. Well, Mr. Speaker, 60 per cent of our Budget is spent in the social sector in this Province. That is what we have done with our money.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Order, please!

I recognize the hon. the Member for St. John's Centre.

SOME HON. MEMBERS: Hear, hear!

MS ROGERS: Thank you very much, Mr. Speaker.

It was only a few short weeks ago that we all sat and saw the Budget for the first time. I remember looking through it in our lock-up and saying: Oh, my God, there is \$10 million cut to Newfoundland and Labrador Housing Corporation. Then I looked at the Justice budget and I thought again: Oh, my God, what will this mean? What will these deep cuts to the Justice budget mean for the people of Newfoundland and Labrador? I am happy, Mr. Speaker, to stand again and to talk about this Budget.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Wiseman): Order, please!

MS ROGERS: Thank you, Mr. Speaker.

On Monday, April 15, the Premier said – she actually said this and I mentioned this in the House the other day. She said: We cannot continue to have waste, spending, extravagance, and poor management. This is what the Premier said, so she must have been referring to the reign of this government, who has been at the helm,

who has had the reign of power for the past ten years, and who have been managing the resources that belong to the people of Newfoundland and Labrador in the time in our history as a Province of the most lucrative years, of the most profitable years.

She said: We cannot continue to have waste, spending, extravagance, and poor management. Mr. Speaker, she can only have been talking about what her government has done in the past ten years because this government knows they have been stewards of the most profitable, prosperous years in our history. So who is she looking to blame?

This government has been the only one at the helm. For ten years they have been running the show during the highest revenues this Province has ever experienced. Yes, they have done some good things and they have done some good spending –

SOME HON. MEMBERS: Hear, hear!

MS ROGERS: – but, Mr. Speaker, there has been no sustainable plan. They are talking about a ten-year plan for sustainability now, but that is ten years after they had the most prosperous years in the history of this Province. For ten years, they have been doing this project, they have been doing that project, and they have been starting this and starting that, but there has been no plan. There has been no identifiable economic policy and no sustainability plan.

Now, even in their cuts, Mr. Speaker, there is no plan because some of the cuts we have seen have affected so deeply and so negatively a lot of the people of this Province. In the ten years they have given much, but by this Budget they have taken so much away. This is not a Budget of hope; this is not a Budget of prosperity. They call themselves Progressive Conservatives; this is a regressive Budget. Mr. Speaker, it is a regressive Budget; it is regressive Conservatives.

This has been a pawn job. These cuts were done in panic because we see the roll out; we see the effects on people's lives. I would like to talk

about this. They said that these cuts were based on core mandate reviews. We have been asking for the core mandate reviews. We have been asking for the plan on which these cuts were based. We have not seen anything yet. Do you know what, Mr. Speaker? I do not think it exists.

I do not think that they had a solid, identifiable plan for these cuts and what the ramifications and the roll out would be on the lives of the people of Newfoundland and Labrador. I do not believe that it exists. I believe that they were in a panic. Only a few months ago the deficit was going to be \$1.5 billion, and then within a few weeks the deficit was going to be \$500 million. That is not planning and so they had to scramble.

They had to scramble because they had no plan, they had no vision, and they were not good stewards of all this prosperity. That should have been spent in a way that was sustainable, that would make sure that we have social justice and a solid foundation in our social plan, in our social projects, so that they did not have to turn around and cancel them, so that they did not have to turn around and take it back from the people of the Province.

The Minister of Finance said that they had a good foundation. I argue, Mr. Speaker, and say that there are huge cracks in that foundation. That foundation is crumbling. This is a government that cannot do it any more. They simply cannot do it any more; they have ground to a halt.

I am happy to speak about the Budget again because I have been elected like all of us by our constituents. I have been elected by the good people of St. John's Centre. I asked them: How has this Budget affected them? How is the Budget affecting their lives? How is the Budget affecting the lives of their families?

I met with folks, I spoke with folks on the phone, and I had a town hall – there were a lot of people at the town hall. There was a wonderful crowd. It was a crowd who was really, really concerned, and there was a crowd who had a lot

to say. I have been engaged with them, Mr. Speaker, because that is what we are all elected for. We are all elected to be engaged. We are all elected to listen to our constituents. We are all elected to bring messages to our constituents. We are all elected to have that dialogue –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MS ROGERS: Thank you, Mr. Speaker.

In my engagement, yes, I even heard from many of them on social media and we had conversations back and forth, and there was great engagement. They wanted to know what has gone wrong, what happened to all these promises, all the promises that this government made saying that we were flush – the former Minister of Finance only last year said we are flush with cash. Those are his exact words and now all of a sudden we have this crisis deficit, with a crisis Budget. It is nothing more than a crisis. It has thrown the lives of many of our people into crisis.

I was amazed, Mr. Speaker, when the Budget was delivered, that government members across from me pounded on their desks. They celebrated this Budget. They celebrated the cuts to ABE. They celebrated the cuts to the Newfoundland and Labrador Housing Corporation.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MS ROGERS: They celebrated the cuts to seniors. They celebrated the cuts to so many things that people in our Province rely on. They rely on it to get through their daily lives. They rely on it for the health and the well-being of their families. So many programs that they relied on, and this government congratulated one another, they patted each other on the back, they shook hands, and they pounded their desks and they said what a great Budget. Well, Mr. Speaker, I would like to argue with that.

SOME HON. MEMBERS: Hear, hear!

MS ROGERS: Mr. Speaker, the good people in St. John's Centre, they are not any different than the people across the Province. Like the people in all of our districts, they all want their families to be healthy. They all want their families to be secure. They want their families to have a roof over their head. They want their families to be well educated. They want their families to have good food on the table. They want their families to have good recreation. They want to make sure that their senior parents are well taken care of and they have the help that they need to live in dignity and safety in their senior years. They want to make sure that their kids have access to good education. They want what we all want for the people that we love and care for in our families.

Mr. Speaker, that is not what this Budget is doing. This Budget is taking away – and I want to talk a little bit about how this Budget is taking away from the families of Newfoundland and Labrador, from the working families of Newfoundland and Labrador, and from some of the seniors.

I would like to talk about housing because I often, Mr. Speaker, get up and talk about housing in this House. Housing is such a crucial issue. We have a housing crisis Province wide. When the mayors from across the Province got together here in St. John's a few months ago for their municipal conference, without exception they all talked about the housing crisis that is facing the people of Newfoundland and Labrador, the housing crisis that is caused by some of our prosperity and by some of the great projects that are being undertaken. That is one of the ramifications, but with the proper planning –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MS ROGERS: Thank you, Mr. Speaker.

With the proper planning, we would not have been in a housing crisis because it was so clear

and evident that this was coming. We all knew. This government for ten years knew what major resource projects were coming down the pipe. They had a hand in that, but they did not plan.

No, again, there is no sustainable plan. There is no unified plan. There is a project here, a project there, and a project there. Some of them great; absolutely, some of them are great and they will bring prosperity to the Province, but it is not an integrated plan.

Here we are almost in most major parts of the Province where we have zero vacancy rates and unbridled, skyrocketing rent increases. We know that people cannot get on with their lives. Without a safe place to live and without a roof over your head, you cannot go to school, you cannot go to work, and you cannot get on with your life. We all know that.

Many of us here in this House have family members where their adult children cannot move out because they cannot find an apartment that they can afford. We all know that. There are people in this House, Mr. Speaker, whose children cannot afford a house because they are paying high costs for child care.

That is another thing. There is nothing in this Budget to help young working families with child care. We all know that child care is a minimum of \$800 to \$1,000 a month. That is what young working families have to pay for child care. We know how expensive that is and what a burden that is. We know there is a better way. We know we can invest our money so that together we can afford a publicly administered and publicly funded child care program that is good for the people of the Province, that is good for the children of the Province.

Anyway, we have these young working families, they are paying child care costs, they are paying their student loans, and on top of that they are trying to get good housing. It is expensive. The housing costs have risen far more, have increased far faster than the income of the people of the Province, and we know that. We all know that. It is undeniable. We talk about it around our kitchen tables.

This government, in 2011, said that they cared about these housing issues. This government said that they cared about our young working families. This government promised in 2011 that they care and that they would help young working families own homes. They said that they were going to establish a home ownership assistance program. We know what that means. We all know that when we buy a house, we start paying off that house that we are building up family equity. What has this government done?

At Estimates yesterday, I asked: Where is that home ownership assistance program? Where is that one that you promised? Do you know what they told me, Mr. Speaker? I said: Where is the money in the Budget for this? Do you know what? There is not a penny, not one penny in this Budget to help working families, the hard-working families of Newfoundland and Labrador to help them buy –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MS ROGERS: This was a promise they made so clearly. They made it in the House last year. They keep saying it again and again. There is no help.

This government is saying: Do you know what? It is not our problem. We are washing our hands.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

The Speaker has recognized the Member for St. John's Centre.

MS ROGERS: Thank you, Mr. Speaker.

Again, I bet you there is not a single person who can stand up in this House and say that they do not know a single person who has been affected by this housing crisis. I bet you there is not one single person here who can stand up and say that.

Do you know what else, Mr. Speaker, they did in housing? During this housing crisis when so many people are affected, when seniors are living in fear, when they are spending over 50 per cent of their income on housing, seniors who have worked hard all of their lives, do you know what this government did? They cut the Newfoundland and Labrador Housing Corporation by \$10 million. Instead of helping the people who are facing the housing crisis, they have cut and they have reneged on their promises. That is what this government has done.

These are the people, Mr. Speaker, who congratulated one another and patted each other on their backs after this Budget came down. Do you know what else they did? They cut the Residential Energy Efficiency Program in half. This was another program that they promised, that used to help 1,000 people retrofit their houses so that they could save on their energy costs. Do you know what they did with this Budget? They cut that down; they can only help 500 people now. It is very low-income people; people who have a hard time making ends meet. That is what this government has done; it has turned its back on the people of Newfoundland and Labrador.

Do you know what? This government is not elected by corporations; this government is elected by the people of the Province. That is who they should be serving.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

The Member for St. John's Centre.

MS ROGERS: Thank you, Mr. Speaker.

The corporations that have come in here and set up business, it is a good thing. It is a good thing because there are jobs and we are going to get royalties from resource extraction, but the government is to serve the people of Newfoundland and Labrador and facilitate the work of those corporations. They are not there to serve the work of those corporations.

This government is not doing a good job of sharing the wealth. They are not doing a good job of making sure that everybody is taken care of. They are not doing a good job of making sure that people are not left behind. They are the stewards of our resources. We all know that and they know that, but they have been reckless. They have been reckless with this Budget. They have been reckless in the area of housing because we know that so many people are affected by this crisis.

Small businesses are affected by this housing crisis because they cannot find workers. Workers cannot afford to live in certain communities because they cannot find housing. Up in St. Anthony they are having a hard time getting nurses because of the housing crisis. They cannot afford housing. In Happy Valley-Goose Bay, the prison guards, the corrections officers, are working on call every second weekend. Do you know why that is? They cannot get substitute workers to come up to Happy Valley-Goose Bay because they cannot afford to work.

Our prison guards are overworked, they are on call every second weekend, they have young families, they are worn out, and they are not happy. That is a direct effect of the housing crisis that this government has done absolutely nothing about. They have turned their back on the people of Newfoundland around the issue of housing. They have broken their promise.

AN HON. MEMBER: I wonder how many people came to your open house in Goose Bay the last time you were up there.

MS ROGERS: There were people, and they spoke to us.

There is no plan. Mr. Speaker, this government has absolutely no plan whatsoever and no strategy on housing. They have been at the helm for ten years. They had ten years to get this right. They had ten years to do some of the most creative, the most innovative strategies around housing because they had the resources and because they had the power.

They have been a majority government. Nobody could stop them from doing whatever they wanted to do. They could have done it. They were in the perfect position to do the right thing, to address this housing crisis. Instead, what they did is they stood back and they watched it grow. They watched the housing crisis grow. That is how this government has treated the people of Newfoundland and Labrador in this Budget.

I am amazed, to cut back the Residential Energy Efficiency Program when governments worldwide are helping their people to make their homes more energy efficient. This is archaic thinking. This is absolute backwards thinking. It goes against common sense. It makes no sense whatsoever.

MR. SPEAKER: Order, please!

I am sorry; the member's time has expired.

MS ROGERS: Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Minister of Fisheries and Aquaculture.

SOME HON. MEMBERS: Hear, hear!

MR. DALLEY: Thank you, Mr. Speaker.

It is a pleasure to stand here and have an opportunity to speak about this year's Budget and certainly have an opportunity to talk about some of the Fisheries aspects in my department. I have to say, Mr. Speaker, to stand after such a brilliant performance, because I can only allude to it as a brilliant performance on stage and the audacity to point the finger at this government, to stand and point the finger at this government about what we are doing for the people of Newfoundland and Labrador.

It is an unbelievable performance, Mr. Speaker, when the Minister of Finance just stood and told the people of the Province that 60 per cent of our funding goes into social aspects of our society. Yet, we stand here and a tirade on the other side

to talk about what we should be doing. I did not hear once, not once, and the people of the Province did not hear once where the money is going to come from to do all that you want to do, not once. The only idea they have brought forward in this House, Mr. Speaker, is taxes.

Do you know what? This government has helped save money for the people of this Province. One focus we have had, Mr. Speaker, is on the working class in this Province. We are supporting the people.

SOME HON. MEMBERS: Hear, hear!

MR. DALLEY: Mr. Speaker, we are doing all we can to support the people who are challenged from day to day to meet the means to live, whether it is for housing, food, or whether it is to heat their homes. We understand that. We have put money in investments and built programs around to support those who are challenged with income issues.

Mr. Speaker, we have also supported those people who are working and struggling day to day, struggling to pay their bills, but they work. They pay their taxes, Mr. Speaker. They build their homes. They help run our economies. They volunteer in our societies. We recognize those people, and that is the people as well that this government has been very firm on our investments.

Mr. Speaker, we have heard talk of 70,000 jobs coming up in the future. We hear talk about some of the things that we have done to help support those working families. We can go back to free textbooks. We can go back to tuition fees, Mr. Speaker, and we can talk about investments in our apprenticeship programs to help provide people with work.

The member opposite stands and says this government has ignored the people of the Province. Mr. Speaker, let me tell you, I have two young children. I have one right now in university and one about to go in a year or so, and I could never be more proud, Mr. Speaker, that with the investments this government has made there is a great chance that they will live

and work right here in Newfoundland and Labrador.

SOME HON. MEMBERS: Hear, hear!

MR. DALLEY: Mr. Speaker, we do not need to lecture about what we are doing. We understand there are challenges. We understand the difficulties when we have to trim our budgets, and everybody in this Province understands it because they do it at home every day.

Mr. Speaker, we have made the right decisions for the future of Newfoundland and Labrador. We will make some new reinvestments when the time comes and we are in a position to, but right now, Mr. Speaker, to rein in our spending to make the right decisions and the right focus. I can tell you we are on the right track here in Newfoundland and Labrador. I could not be more proud to be a part of a government, to be supportive of the Premier of this Province, to be supported by a party that truly does understand the people of Newfoundland and Labrador and what their needs are. We do not need a lecture.

Mr. Speaker, I want to speak a little bit about my department in the fishery and certainly get an opportunity to speak about what this year's Budget has brought to the fishing industry in Newfoundland and Labrador. One indication I want to raise: we recently, unfortunately, had a number of plant closures in this Province. I have said it in the House before, we do not own plants, we do not operate plants, and I can assure you and the people of this Province, we do not close them down.

Mr. Speaker, we recently had four plant closures in this Province because of a multitude of challenges in the fishing industry unlike we have seen in our history. We have a fish plant worker adjustment program where we can go into a community and help these people transition. I did not hear the member opposite mention this, but we go in with a program to help these people transition from losing their jobs, give them a year to work, not only work and have some income but help them as well to make some future plans.

Mr. Speaker, of the four plants that recently closed we have not had a call for a program in these communities. Do you know why? Because people are working; people have found work, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. DALLEY: Now, of the four communities, we know three of them where many, many people are gone to work in other plants, in other sectors of our economy. That is very positive news. We do anticipate there will be some challenges, Mr. Speaker, and we will be there to support them so that the people watching can certainly know we will do all we can.

It is positive in that, even though we have seen a downturn and some challenges and we have seen some of our long-term industries closing down, they are finding new opportunities. This is what this government has been about, diversifying the economy, finding new opportunities, and I think it speaks very well.

Mr. Speaker, we have a billion dollar industry in our fishery. Now, the member opposite likes to stand and talk about the \$740 million export that he pulled out of a book. No question, the book indicates \$740 million, but it is based on eleven months because we like to get the book out before the Boston Seafood Show. It also did not include our domestic sales, as well as transportation to Halifax, just a brief explanation.

The reality is, Mr. Speaker, we have a billion dollar industry despite multiple challenges in our fishery. Just to give you a few challenges that we do not control. It could very well be the rising Canadian dollar that is on par, since we export so much of our fish products.

What about the increasing fuel costs, Mr. Speaker? International competitiveness; I just came back from the International Seafood Show, Mr. Speaker, where 140 countries are involved in the seafood industries and looking at marketing and buying and selling of fish. We have low-cost producers in Asia that is a challenge for our industry. We have (inaudible)

market prices. We have high tariffs and market challenges in the EU. We have increasing aquaculture supply to add to the challenge of our competitiveness.

Mr. Speaker, despite all of that, and add to that a declining resource which we are all very much aware of, we still have a billion dollar fishing industry in Newfoundland and Labrador.

SOME HON. MEMBERS: Hear, hear!

MR. DALLEY: I can tell you, Mr. Speaker, that fishing industry is valuable. We have some 10,000 harvesters who work in the fishing industry and get a living from the industry. We have over 9,000 plant workers.

Mr. Speaker, that is almost 20,000 people who are still directly involved in the fishing industry in this Province. I can tell you that is not lost on our government; it is not lost on our Premier, who grew up in a fishing family. We understand the challenges; we know what they are. We are there to support the industry and do all we can. Make no mistake, Mr. Speaker, the value of our fishing industry has never been better.

You can go to Gander, you can go to Corner Brook, you can go to Grand Falls, you can come into St. John's and I can assure you, you can look around and you will see the true value of what is helping to drive the economy. When the rural economy is supported by the fishery, I can tell you that is taken and brought into some of these mainstream centres, Mr. Speaker, and you can see it.

SOME HON. MEMBERS: Hear, hear!

MR. DALLEY: Mr. Speaker, we talk about our fishery. A few facts about the fishery – because we hear some comparisons on the other side sometimes about Norway – Norway has almost 4 million tons of seafood. Globally there is 150 million tons of seafood. In all of Canada, all of the Atlantic Provinces, Western Canada, all of our fish supply, we only have 1 million tons. Of 150 million tons globally, Newfoundland and Labrador has 260,000 tons that we are trying to compete against.

Mr. Speaker, when you stand in this House and you want to make comparisons to what we should be doing or should not be doing, it is a far cry when you are working with 260,000 tons and you are working with 4 million tons. Just to put that into some perspective, we have 0.15 per cent of the global seafood supply here in Newfoundland and Labrador.

Mr. Speaker, let me tell you, and I have seen it on the floor over in Brussels, our companies are to be given credit, our harvesters are to be given credit for the quality seafood and what we are doing to compete out there in the markets because we are competing. Be rest assured, Mr. Speaker, it is a real challenge of what we are up against.

Mr. Speaker, I have had my fisheries critic stand and talk about us, our government, not doing enough for marketing. He stands and talks about the Norwegian model. I had an opportunity to meet with the leader of the Norwegian Seafood Export Council and talk about what they do about marketing and how it is going.

It is an industry-supported, industry-driven, industry-operated marketing council where industry pays up to \$80 million a year to run the marketing council. It is not nationalized. Government does not run it, government does not operate it. Government does not market the seafood industry, but they do support it. Mr. Speaker, that is the model that our government, in working with industry through the MOU process, brought forward to offer up to the industry.

So, Mr. Speaker, when you stand and say government is not doing anything for marketing, you really do not know what you are talking about. I have to say it. We have the model put forward that is working in Norway. Added to that, if you look at the history, I can say there is no government in the history of our Province that has done more for marketing and offered more to the marketing efforts of our seafood industry in our history, no government other than this one right here.

I see some people nodding on the other side. I see a few smiles. Let me give you a few examples. Mr. Speaker, when FPI was sold, this government with the vision offered to the industry \$100 million to buy the FPI marketing arm and industry refused. Through the MOU process and looking at the new model, our government listened to industry. We talked about a way in which we could perhaps enhance the value of our seafood in this Province. We offered \$11 million for sales consortia and a new marketing council.

We offered \$80 million to help with inventory financing, so we would not have to dump our products on a market, to help industry be able to manage it and spread it out so that we would not drive down prices in the markets, Mr. Speaker. What a significant investment it would have been for the people of this Province and our fishing industry, but be rest assured our Premier and our government supported those initiatives in marketing.

Add to that, Mr. Speaker, \$2.8 million in the last ten years to support processing and marketing services. Another \$1.58 million for market intelligence initiatives to help support year after year what is happening in the global markets, so we can inform industry and help them make decisions to get the best price for harvesters and get the best price for our processors out there in the markets. We have also offered \$2.6 million in marketing in this year's Budget.

So you see, Mr. Speaker, when you stand and say we should be nationalizing and taking it over, no, we need to do exactly what we are doing as a government. Stand and support the fishing industry, provide the funding, and help out in any way we can. Be rest assured, it has to be industry driven, and I can tell you we are there to support the industry.

SOME HON. MEMBERS: Hear, hear!

MR. DALLEY: So much so, Mr. Speaker, our export of fish, we export in fifty countries. Even though we are 0.15 per cent of seafood in the global economy, we export to fifty countries,

with US and some of the Asian countries, and Europe being the lead.

I have heard the member speak tonight as well to talk about government has missed the boat, the minister has missed the boat. Mr. Speaker, we are on the boat. We are driving the boat. Let me tell you about MSC certification.

SOME HON. MEMBERS: Hear, hear!

MR. DALLEY: The member mentions lobsters; it is ironic today he mentioned it in this House. Well, Mr. Speaker, I say to him, stay tuned on lobster because this government, like it has done with almost 65 per cent of the seafood products in this Province, will support MSC certification in lobster. I tell him to stand by and you will see what is going to happen with it.

SOME HON. MEMBERS: Hear, hear!

MR. DALLEY: Mr. Speaker, we recently had an announcement on crab of MSC certification, our shrimp has MSC certification; 65 per cent of our industry. I can tell you on the floor over in Brussels I heard all about quality and the importance of MSC and the fact that Newfoundland products are getting MSC certification. Mr. Speaker, that does not happen overnight. It is expensive. It is a long process. I can tell you it considers key factors, such as sustainability and traceability, things that consumers are looking for in a market.

Well, Mr. Speaker, we got it together in this Province. Our fish processors are engaged in MSC. Our harvesters are supporting quality fishing methods, and our government is standing by and providing the support the industry needs to get that MSC certification.

Mr. Speaker, another thing we are doing in this Province to help support the fishing industry, that has come again out of this year's Budget, and that is the whole issue of the Fisheries Loan Guarantee Program. You heard me mention some of the challenges in our fishery. We have challenges here at home as well, significant challenges.

We have declining resources. We have harvesters who want to make investments but they are not sure if they can because of the unpredictability of the resource. We have some who want to get out of the industry. We have others who want to put more money in, who want to invest, but, Mr. Speaker, added to that we heard from industry through the MOU process, one of the challenges is, for the lack of a better term, company owned. Meaning they were invested with companies, companies dictated when they fished, where they sold their fish and so on.

Mr. Speaker, we heard that cry from industry. They wanted the opportunity to get out of that. So, Mr. Speaker, our Premier, our government, our fisheries minister and through IBRD we offered up a program, the Fisheries Loan Guarantee Program with some \$100 million to help support the fishing industry in this Province.

SOME HON. MEMBERS: Hear, hear!

MR. DALLEY: Now, Mr. Speaker, there is a bank process. There is a financial process, and we help provide a 100 per cent guaranteed loan for vessels and licences to help the industry, to help the harvester make that decision, but more importantly, to make them independent, to make their own choices and to sell their products where they need to sell it.

Mr. Speaker, it was significant. The take up has been really good. We are getting positive feedback, but what this does is it gives the industry a chance. It is another way for government to work with industry and help support the fishing exercises in this Province.

Mr. Speaker, I heard the member opposite, my critic, mention the Fisheries Loan Board one day this week. He wants us to put the money back into the Fisheries Loan Board. I suggest he do his research on the loan board. The reality was that did help a lot of people in this Province, there is no question. What happened is that people started to take advantage of it. What we had was some people were paying back their

loans and many more decided they were not going to pay. That became a mess.

Mr. Speaker, as the Minister of Finance has alluded to many times, as the Premier has alluded to many times, we are a responsible government, responsible for decisions we make, responsible for taxpayers' money. The Loan Guarantee Program is our solution, our initiative to work with industry to help support them and make the right investments.

Mr. Speaker, when we look at this industry and the value of the industry to our communities – you can go on a wharf this week. I was home this weekend in Twillingate, and I can tell you the activity on the wharf was absolutely phenomenal. From trucks to boats, and activity, the supply sector, I can tell you it is positive out there. The feedback from around the Province with the start up of the crab fishery has certainly been positive. It is really encouraging.

I have to say as minister, when we go through the Budget exercise our goal was to make sure that we offered a suite of programs in the fishery that can help support all aspects of the industry. Let me give you a short list, Mr. Speaker, of some of the initiatives, some of the places where we felt was a priority for our government. Not only our government, as I have often said, it is not our fishery. Government does not own the fishery of this Province. We are in this together collectively, all of industry, whether it is the FFAW, the processing sector, or government.

Mr. Speaker, we are putting money in marketing. We are putting \$2.2 million in fishery technology and new opportunities, technology, innovation, some over 400 projects that we have supported to make the industry safer, better, and more valuable. Mr. Speaker, we are making investments in the Centre for Fisheries Ecosystem Research in the cod recovery initiative, science, research, help fuelling some of the decisions we need to make. More importantly, a vision about where we are going in this Province and investing to make sure we have the right information to support the DFO science, to support the industry.

Mr. Speaker, we are also putting money in sealing initiatives. I received word today that almost 84,000 seals were taken this year. That is a significant increase from last year and at \$30, \$35 a belt. That is money in the hands of the people of Newfoundland and Labrador.

SOME HON. MEMBERS: Hear, hear!

MR. DALLEY: Our government stood up again this year to support the sealing industry.

Mr. Speaker, we have money going into a seafood development program. We have Coastal and Ocean Management initiatives educating the people of the Province on the importance of our oceans. We have millions of dollars going into aquaculture, and that is a whole other speech.

When members opposite talk about rural economies and what is happening in rural Newfoundland, surely you need to take another trip to the South Coast where there are 1,000 people working, Mr. Speaker. The economy is booming. They cannot find enough workers in the fishery. You cannot stand and say government is ignoring the Province and ignoring what is happening.

Mr. Speaker, our government and our Premier, we understand the fishery. We support it. There are challenges, but we will continue to work with industry to make it viable in the future.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. OSBORNE: Thank you, Mr. Speaker.

Mr. Speaker, I am going to talk a little bit about the Budget tonight.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. OSBORNE: Government has done some good things, I say, Mr. Speaker. I started speaking about this the last time I spoke about the Budget a couple of days ago, the Poverty Reduction Strategy. Government has done a number of very good initiatives through the Poverty Reduction Strategy, and we have seen some very good spending and some good measures within the Poverty Reduction Strategy; there is absolutely no doubt about that. We have seen the elimination of sales tax on utility bills and on insurance. We have seen a number of other initiatives.

We know the Poverty Reduction Strategy has been recognized by other provinces and recognized as one of the strategies for other provinces to follow and to model their strategies after. I will say that I commend government on some of the initiatives they have carried out, but I also have to say, Mr. Speaker, because I agree with giving credit where credit is due. We also have to point out some of the shortcomings.

I apologize about my voice. I have a touch of laryngitis, so I am not sure if I am going to get the full twenty minutes out of the speaking time that I have tonight.

Mr. Speaker, we have to point out some of the shortcomings. While St. John's has a very vibrant economy now, not everybody is benefiting from that vibrant economy. We have seen a number of very strong indicators within the City of St. John's and the metro region because of the oil industry and other resource industries, but there is a housing shortage, an affordable housing shortage within the City of St. John's.

There are a number of people, Mr. Speaker, who are couch surfing. I represent a district that takes in a large portion of the downtown area, and in that area, in particular, there are individuals who are couch surfing. There are individuals who would be considered homeless.

Mr. Speaker, we have seen an increase in the use of food banks, not only in the St. John's area but throughout the Province. Not everybody is benefiting from a stronger economy.

We have seen an increase of usage at soup kitchens. I spoke a little bit about that a couple of days ago as well. About the fact that at a soup kitchen that I have been involved with there are individuals who use that soup kitchen, and about four years ago, five years ago, the first time I volunteered at that soup kitchen I think they had an average of about sixty people coming in for their brunch. Mr. Speaker, that is up now to about 200 people using that soup kitchen frequently.

There are people who are falling between the cracks, Mr. Speaker. We look at a reduction for the individuals who are slightly above the poverty line, for individuals who are struggling to make ends meet. You look at things like the Residential Energy Efficiency Program that used to help 1,000 homeowners a year to create repairs to those homes and to make them more energy efficient. That has been reduced now to 500. Mr. Speaker, I would not say that is a highlight of this year's Budget.

We look at a reduction in the housing budget, Mr. Speaker. One of the areas I have been very vocal on for a number of years, the fact that we need affordable housing, especially in areas like St. John's where rental rates have increased. Because of a more vibrant economy rental rates have increased, and people cannot afford to pay rent. Prior to what I would say is the vibrant economy, while we were struggling to get there as a Province, as an economy, there were people even then who were struggling, trying to decide whether they would keep the heat on, put food in the fridge, or pay their rent.

Mr. Speaker, when you see things like a reduction in the housing budget, a reduction in the rental supplement budget, you realize that the very people who are struggling the hardest to stay up, to make it, to enjoy what some people are enjoying as a vibrant economy, they are the ones who are falling through the cracks.

We have to point out that, yes, there are good things that government has done, but there are areas – when the government has been in power for ten years and the issue of homelessness has increased, the issue of couch surfing has

increased, there has been an increase in the use of food banks, an increase in the use of soup kitchens, then something is missing. Something is missing, Mr. Speaker.

When you look at the fact that because of a more vibrant economy in St. John's, that while most people are enjoying that, there are some people who have fallen behind because of that, the question is: How do we help those individuals? How are we able to assist those individuals? Where do we come up with the ability or the programs to help those individuals, the individuals who are falling behind because the Province is prospering?

We have to find ways of helping those individuals. We have to find ways of ensuring, Mr. Speaker, that every person in this Province who should benefit from oil resources, and revenues from oil resources and other natural resources, see the benefits, because not everybody is seeing those benefits.

Mr. Speaker, another issue that has come to the forefront lately that I wish to talk about and it will have an impact on the Province's economy. We all want to see the Province prosper. We all want to see an increase in employment. We want to see an increase in the Province's wealth. We want to see the Province's debt paid down. We are a resource rich Province and we want to see the development of resources that we can development.

I want to talk a little bit about fracking, or slickwater fracking as some people call it. When you use fracking to extract natural gas from shale rock, you are using a mixture of chemicals and literally tens of thousands of litres of water per well hole drilled. I am not speaking against the use of fracking, but what I am saying is if we are going to employ the use of fracking in this Province we need industry specific regulations, industry specific legislation to ensure that we protect our groundwater, we protect our environment and the health of the people who are supposed to be benefiting from any royalties that we see from fracking.

Mr. Speaker, yes, we all want to see the proper development of our natural resources. That is what I would advocate here, is that we have industry specific regulations. What are we going to do with the waste water that is extracted from the drill holes? Is it going to be stored? Is it going to be shipped somewhere for treatment? What are we going to do with that waste water?

Have emergency response units been properly trained in the event there is an accident and some of this waste water happens to be in play as a result of an accident? Are they properly trained to deal with that? Are we properly able to recover the chemicals that are used in the water in drilling those wells? Are we going to ensure that our groundwater supplies in this Province are properly protected? These are the things that I would like to see answered as we progress with fracking, with the extraction or recovery of gas from our wells.

Mr. Speaker, there are a number of other topics that I would like to speak to as well. My voice is not holding up very well here, so I am going to conclude my comments for tonight. I will have other opportunities to speak on the Budget as well, Mr. Speaker, and I look forward to doing that.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: There being no further speakers to the amendment, you have all heard the motion.

All those in favour of the amendment?

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against the amendment?

SOME HON. MEMBERS: Nay.

MR. SPEAKER: The amendment is defeated.

On motion, amendment defeated.

MR. SPEAKER: We are now finished with the amendment. We are now moving back to the main motion. The floor is open for debate on the main motion.

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

MR. KIRBY: Thank you, Mr. Speaker.

It is a pleasure for me to speak for my final twenty minute block. The clock actually says 9:40 something. I think somebody will rectify that situation, but it is a pleasure for me to get up and speak a final time on the Budget.

A Sound Plan, A Secure Future is the title of the Budget. Of course, we have heard varying degrees of opinion throughout the debate on how sound and how secure this Budget plan actually is. It is very clear that there is a difference of opinion on the government side compared to this side.

I thought it was very fitting that the Member of the House of Assembly for the District of Burgeo – La Poile, in his opening comments, quoted from Charles Dickens, *A Tale of Two Cities*. He said, "It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness".

I just wanted to continue that on a bit because I went and looked up the quote afterwards. Dickens continues, "...it was the epoch of belief, it was the epoch of incredulity, it was the season of Light, it was the season of Darkness, it was the spring of hope, it was the winter of despair, we had everything before us, we had nothing before us..." and so on and so forth, Mr. Speaker.

It really points out I guess the dichotomy, the difference in thinking, and the difference in thinking in this Chamber in such a short time, in my brief, elected, political life. Because it was just a few brief – it seems to me it was just a short time ago that I was elected and I am sure it will be just a short time before we all have to face re-election.

MR. GRANTER: (Inaudible).

MR. KIRBY: Well, we hope that will not happen, I say to the Member for Humber West. We all have to have some optimism.

His colleague, the Member for Humber East, the former Minister of Finance, was out just a short time ago it seems to me saying we are flush with cash. When we were going into the Muskrat Falls debate – we will all remember this, every Newfoundlander and Labradorian will remember this. I think people across the country might remember this because it was said so often. We were flush with cash and we were forging ahead and spending several billions of dollars, this birth right of our children, the savings that we had on Muskrat Falls.

It just seems that Muskrat Falls was slammed through here in the dying days of the fall sitting. Then we came back after Christmas and all of a sudden we are in a huge, difficult, deficit situation to the point where we have to make, what I would argue in some cases, dangerous and reckless changes and cuts to the Budget. I wanted to pick up where I dropped off because we are clearly not flush with cash.

I was reading a story from the CBC, it said: Politicians promote literacy in school amid cuts. A number of politicians, including I believe the Leader of the NDP, the Leader of the Official Opposition, the Minister of Education, and perhaps others were out at Goulds Elementary reading to school children on a day to celebrate literacy, at the same time it was pointed out that the school is losing money from its learning resource budget. It is not funny, because it is shocking. The contradiction is stark; it is absolutely stark.

They go on to say the learning resource teacher at that school currently works 75 per cent as a learning resource teacher and now it is going to go down to 50 per cent. Anybody who has been in the school administration, in a position of leadership in the school, knows that principals piece together bits through the school allocation formula. It might say in the formula – it used to say we had one learning resource teacher for 750, now the government is changing it, cutting it so that there is one for 1,000. The school

might not have 1,000 students, so principals have to piece things together.

This is interesting what the minister says. I work with learning resource people who are very creative. If there is something there that they need to have done, I can guarantee you they will find a way to have it done. I just thought that was a bit shocking in a way.

It reminded me – anyone who is of a certain age, do you remember that show MacGyver that used to be on? I believe it was in the late 1980s, in the early 1990s, agent MacGyver. He could get himself out of any situation with a roll of duct tape, a Swiss Army knife and some chewing gum, or something like that. That seems to be the approach the minister has to our learning resources teachers. That some way, by hook or by crook they will cobble together something with a bit of duct tape and everything will happen. That is shocking.

In a way, we are fortunate that he is a former principal as Minister of Education, instead of say a former emergency room doctor who is Minister of Health. Can you imagine the same attitude in a different situation? It is harrowing danger, I would say. Not every problem can be solved by some combination of a Swiss Army knife, chewing gum and duct tape. I would argue that no problem in education can be solved like agent MacGyver would solve a problem.

The learning resources teacher, in this instance, said the cuts will mean she will have to squeeze more work into less time. Students will have less access to up-to-date reading material and the newest technology. That is a fact.

I want to draw this connection to other cuts the Department of Education are making to public libraries in general in Newfoundland and Labrador. People who are involved in literacy in Newfoundland and Labrador have, for some time, been calling for renewed investment, a renewed focus on literacy in the Province and new investments in libraries.

They do acknowledge there was work done on the Corner Brook library, for example. They built a beautiful new facility and relocated the library there, but now we have cut back on resources to staff it. The Province is laying off five of fourteen professional librarians in the public library system in the Province. Now we will have nine full-time librarians for ninety-six libraries. That is almost the ratio of one librarian for ten libraries. It is an awful lot to expect of people.

Librarians who were consulted about this, who attended the town hall meeting that was very well attended, I would like to add, in the City of Corner Brook, said they were baffled by the lack of planning and consultation that went into that decision. It is a perfect example of short-sightedness and a complete lack of understand that went into making this decision to cut libraries.

This person says the analogy that I would use would be if you took a hospital and then laid off all of the doctors, then you said to the remaining staff: Well, we are just going to divide up the rest of the work amongst all the rest of you guys. We are going to fire some of you as well. I know the public is not going to be affected at all.

It is like if you had a hospital and you went in and laid off some of the doctors, fired some of the other people and said: Now, straighten it all out, everything will be okay here. It does not work like that. You cannot cut \$1.2 million from the public library system, about 10 per cent of the overall budget, lay off that many staff in an already understaffed environment and expect things to operate as they were.

This person said in Corner Brook with our beautiful new library building, where we have had a librarian for thirty-five years, we will no longer have a librarian. It is terrible. What consultation and long-term planning went into a decision like that, they asked? You are leaving the City of Corner Brook without a librarian. That is a sad story.

The provincial library association spoke out about this. In fact, the Canadian, the national

library association has spoken out, as decried these cuts, because the last survey of adult literacy we had in Newfoundland and Labrador was a decade ago. The International Adult Literacy Survey that was conducted show that we had literacy surveys that lag far behind the rest of the country.

Now, that is not because we are any less than the rest of the country. That is because of the structure of our economy over the years, the reliance on the fishery and the lack of necessity for people to have to continue through school to conclusion, to graduate and so on. It was not like that in my father's generation but it has changed now. We cannot continue on this path. We have to do more to invest in and improve literacy.

One of the things I wanted to do here – I know the Minister of Education has somewhere in the order of 200 e-mails on this, maybe more than that, from individuals in the Province who are concerned. I hope the minister has accessed these e-mails. The library association said, in this note they say they have sent 196 e-mails to the Minister of Education. I have those e-mails and I want to bring some of that in here because I believe those people need to be heard.

Here are some of the things that some of the people said over those 200-or-so e-mails, and maybe the minister has even more now, I do not know. One person said, we need to keep our librarians and we also need the services they provide to our communities. Another person said: Is the beautiful, new, long sought after library in Corner Brook now going to be turned into a place with just books on shelves? I can hardly believe this government does not see the value in a proper library, and that is a library under the direction of a professional librarian. I think that is a profound and correct statement.

Somebody else goes on to say, the absence of a qualified librarian for Corner Brook is such a tragedy. These are people who understand the situation. These are the people who borrow books, who borrow other materials from libraries; who use library facilities; who use libraries to access Internet; who use libraries to

access the Internet for job search; who use libraries for learning programs and literacy programs for their children.

Most people do not have access to Chapters to be able to buy hundreds of dollars of books for their children. Many people use libraries to educate their children. They get literacy materials that they cannot access in schools, to have regular access.

This other person says, I am completely disappointed with our Premier and all those in government who are willing to carry out her slash-and-burn form of governing this Province. Another person goes on to say: I am extremely disappointed by these cuts and I do not believe it speaks well of this government's priorities. Public libraries and their staff provide an important service to all communities in Newfoundland and Labrador, but in rural communities that service is vital to residents. Cutbacks to these libraries will have a major impact on programs for pre-school children, school age students, adults, and seniors.

Many rural libraries operate with a minimum number of hours. That is true, with a minimum number of hours. They are not open all the time. They do not have full-time hours. They do not have full-time staff. Any reduction in hours will be detrimental to the services and programs that can be offered.

Somebody else went on to say: Newfoundland public libraries were already severely understaffed and underfunded prior to this Budget. The fact that they are being targeted for further cuts is extremely disappointing.

I could go on and on because, like I said, the minister has received, or at least I hope he has received, a good number of these. There are a good number about Corner Brook. Maybe I should read another one from Corner Brook that says: because libraries are the cornerstone of knowledge as well as building a strong community, I am really appalled at the Newfoundland and Labrador government for cutting them.

I am also appalled at the Newfoundland and Labrador district office being closed. The result is that Western Newfoundland, as well as Labrador, will not have district representation, thus proving that – I will not say his name, but it is the Minister of Education’s name – has a grudge against them. That is why I believe that the Newfoundland and Labrador government should stop all cuts to libraries, especially against Corner Brook, and on and on and on. I do not even have the words to describe how ridiculously appalled and stunned I am by the decision to cut so many professional positions at the public libraries.

There are a number of other things but I am running out of time. I do not want to pick particularly on the Minister of Education because he deserves some of the blame, but so does the Minister of Advanced Education and Skills, who I am also responsible for critiquing.

I wanted to say that I heard a backbench member of the government, I will not say who it is because I do not want to embarrass them, but I heard a backbench MHA on one of the Open Line programs one day talking about: Adult Basic Education is really not something that you should have in the community college system anyways.

Well, I would say go and read anything that has been written by academics, theorists, educators, anyone who knows anything about the history of community colleges in Canada and North America, or Newfoundland and Labrador, or St. John’s or Burin, and they will tell you that Adult Basic Education is fundamental. It is a distinguishing feature of community colleges in –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Littlejohn): Order, please!

MR. KIRBY: - this Province and in Canada, and removing Adult Basic Education removes something very vital and important because it is fundamental. It is a defining feature of the community college system.

Adult Basic Education programs are vital, not just to individuals but to community and collective economic success. They are an investment. This is the way that people make their way back into the labour market.

Employment opportunities for people with post-secondary credentials are growing. In a lot of instances now high school education is not a precursor to enter into the labour market. We know for certain the wages that are offered for individuals who have post-secondary credentials are far higher than individuals who have high school graduation.

For those who have not had the opportunity to complete senior high school or its equivalent, the outcomes in the labour market are far worse. They spend far more time out of the labour market. They spend far more time looking for employment. They spend far more time drawing Employment Insurance. They spend far more time on Income Support. Those are government’s own statistics, we know that. That is the way that it works. Educational attainment is a hierarchy in the labour market.

I just wanted to point out something else. I was down in Burin and we had quite a well-attended meeting down there. I would say somewhere in the range of fifty to sixty individuals came out. There were quite a number of people from the community college down there from the Burin campus, which has been hit hardest perhaps by these cuts.

There was a woman who came over at the end. She was not comfortable speaking in the group because she is originally from St. Pierre and Miquelon. Down where I am from on the Burin Peninsula, I am originally from Lord’s Cove. You can look out through my parents’ window and see St. Pierre and Miquelon just right there. They are just right there but they are sort of a world away, really.

This woman has moved to Newfoundland and Labrador to get a job. What she has heard is a white hot or red hot or blue hot or whatever it is economy, but her English language skills are not that great and she has not completed the

equivalent of senior high school here in Newfoundland and Labrador. Doing the ABE program in Burin was her opportunity to have a chance. That was what she said to me, this was my chance and now it is all going away.

I thought it was sort of a heartbreaking situation really, because we attracted somebody to Newfoundland and Labrador from another country, somebody who is fluent in French, the other language in our country, somebody who could certainly be an asset to our economy, and now this person feels like they are left high and dry because they are not finished their ABE program. They have to go somewhere, they are not sure where, to complete it if indeed there is a place for them to do it.

I had a lot more to say about that and a lot more about the cuts. A member stood up - I am not sure if it was yesterday; I guess it was yesterday - and talked about how people were spoiled in the Province. I do not think those staff and those students at the College of the North Atlantic campuses that have been cut were in any way spoiled. I think government was very much on the right track. Unfortunately, these cuts have put us on the wrong track. That is why I cannot support this Budget, Mr. Speaker.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Lake Melville.

SOME HON. MEMBERS: Hear, hear!

MR. RUSSELL: Thank you, Mr. Speaker.

Mr. Speaker, I would just like to say what a privilege and honour it is to get up here today and speak on behalf of the great people of the District of Lake Melville. They certainly have put their faith in me time and time again and I answer the call as best I can whenever I can. It is truly my honour to represent them in this hon. House.

Mr. Speaker, I would like to step back in time to last week just a little bit here and recognize the volunteers, as so many of my colleagues in this hon. House have done, being National Volunteer Week last week. Specifically, I want to talk about the Labrador Winter Games really quickly here, Mr. Speaker.

We had about 500 volunteers come out in aid of the games, support of the games, which represents probably around 6 per cent, 6.5 per cent of the total population of Happy Valley-Goose Bay. So that speaks to the backbone of our community where people are willing to go over and above and step outside their normal lives in order to support a worthwhile cause, to support athletes, and to support the games in Labrador, Mr. Speaker. It is a wonderful thing indeed.

Mr. Speaker, in talking about the Budget here, I would like to first start off with a few things about Labrador. I would like to say when it comes to the completion of the Trans-Labrador Highway we have the additional \$39 million allocated to complete Phase I of the Trans-Labrador Highway, an absolutely wonderful, wonderful initiative.

I will just say this much. Mr. Speaker, as a young boy out hunting on the land with my father, both in the winter and in the summer, in the wintertime we would go out on that road. It was inaccessible by vehicle all winter long. We had a long brutal winter in Labrador, as many of the people in the House know. Well, everybody in Labrador certainly knows. We used to go by Ski-Doo up caribou hunting, partridge hunting, and do a little bit of trapping, Mr. Speaker. It was simply inaccessible.

I remember riding on the back of the snowmobile with my father looking down over the sides at these ravines, really steep drops. A beautiful country nonetheless, but it gives you an idea. We are stepping back twenty-five years or so, Mr. Speaker. It is just unimaginable how far we have come since that time.

I would also like to talk about the summertime as well. As a young boy I remember going up

the Trans-Labrador Highway, but we used to refer to it as Churchill Road at the time. Mr. Speaker, it was a wood path at that time. We used to go towards the culverts which we see nowadays, those were wooden bridges, some of them quite rickety. We would have to take great caution and great care to go over some parts of those crossings of the streams, the brooks and what have you, Mr. Speaker. Even then it took such a long time to get anywhere and it was pretty perilous.

When I came home around 2003, when I moved back from Ontario, I remember showing back up in Labrador and of course we engaged in the same hunting, the same traditional use of the land. There was not much difference at that time, Mr. Speaker, but since I returned home in 2003, I have gotten to see major, major improvements in our road. At that time, it was unimaginable that we would even have a south coast road going down connecting Cartwright to the Lake Melville area.

We can see through this Budget as well, and through that joint federal commitment with our government and the federal government of the \$85 million, we are going to begin to widen and prepare that southern road as well, Mr. Speaker. It is a wonderful opportunity to connect communities. It is good for tourism, good for business, and good for people connecting with their loved ones who happen to be on the Island portion of the Province as well. As I have said many times in this House, my father-in-law lives on the Northern Peninsula. We have driven that road many times. It is going to be quite a spectacle when it is done.

I am certainly proud, Mr. Speaker, a very proud Labradorian, proud of where we have come from, proud of where we are today under the leadership of our Premier and this government.

SOME HON. MEMBERS: Hear, hear!

MR. RUSSELL: I am absolutely stoked, if you will, Mr. Speaker, about where we are heading in terms of Labrador.

As a young kid who grew up in Goose Bay, we had at that time nothing more than a base town, if you will, or a military town. Everybody who worked in the town was employed on the base, my father included. Interesting enough, my son just did a heritage fair project about the base and it dawned on him that my existence was dependent on that base. It was the main employer.

My grandparents came down from the North. My other grandparents on my father's side came from the Island. They met up there and that resulted in me; then having me there. My son then realizes that his mom, from the Northern Peninsula as well, came to Goose Bay to work on that very same base and resulted in his existence. So it was great for him to have the realization of the importance of the base, where it came from, where we are headed with that base, and what it means to people in terms of having jobs and being able to sustain themselves, and have a disposable income for their families and make their lives there, Mr. Speaker.

If you look at Happy Valley-Goose Bay and Lake Melville today, because of the leadership, the determination of this government to do right by the people of Labrador – not merely have sessions of lip service to the people of Labrador. In Happy Valley-Goose Bay, Mr. Speaker, we have fibre op running through our community. We have a brand new high school. We have a brand new hospital. We have a brand new long-term care facility. We have a sewage treatment plant about to come on stream.

These are things that we could not have dreamed of back in Happy Valley-Goose Bay as we were growing up. To come to that realization of where we are heading and to see what the potential of Labrador is, and especially in Central Labrador, it is simply amazing.

If I could step back to one of those hunting trips, Mr. Speaker, I will tell you something really important that happened to me. As my father and I were out hunting in the woods we came across an abandoned core shack. It dawned on me, and I asked my father, what is in that core

shack? We went in and saw the old abandoned core samples. Back in that day, it was just unfathomable to realize how they got a drill rig even in there. It must have been slung in by a helicopter.

For a young man to see what people were doing, how they were drilling into the earth, taking samples, and measuring that up against stake claims. Then eventually to where we are headed today in that same region with companies like Labrador Iron Mines, Mr. Speaker.

We have the ability to start looking forward at Muskrat Falls and the employment that brings and the power it is going to push out in order to facilitate further mining developments. The future is limitless for us in Labrador, Mr. Speaker. I am proud to walk the path with this government that is going to see us realize our hopes and our dreams of having a lot of industry, a lot of opportunity for jobs, and a lot of the affluence that comes with those opportunities.

Just to talk a little bit more about Labrador. We have a total investment in the road, which has been the centre of my first few minutes here, Mr. Speaker, a total commitment up to this point of \$450 million on that piece of infrastructure. I think one of the largest in our Province's history. It is something to really be proud of.

As somebody who has driven it as a youth, who has driven it as a hockey coach and a father when I came back to the Province in 2003, and to see it now everyday when we cross over to Lab West, and to visit my colleague in Lab West, the Minister of Service Newfoundland and Labrador and Labrador Affairs, and to go to those hockey tournaments, to bring the kids over a safe road in time. It does not take eleven or twelve hours any more. You can do it in six hours or seven hours. It is phenomenal, Mr. Speaker.

This government has also shown a commitment over and above these blue PC districts, Mr. Speaker. I will talk a little bit about what is going on in some of the rural districts, and I hope the Third Party is listening. This is a

government, through our Premier and our Cabinet and our team of dedicated colleagues over here; we do what is right by the people of Newfoundland and Labrador. We are not rewarding those districts that have chosen us on this side of the House to represent them, but we do what is right.

I just want to list some of those, Mr. Speaker. We have \$4 million committed to continue the work of the construction of a new arena in Makkovik, a place where I have blood ties as well. That is in the district of our friend across the way from Torngat Mountains. We have \$1.5 million allocated to continue the work towards a multi-purpose facility in Hopedale. I have been in that community a lot and I can tell you it is certainly needed. That comes down to this government, it is about service to the people, and it is about addressing the needs.

It is not about political patronage and rewarding those, like I said, loyal districts. It is about doing what is right. It is about putting the money where it is needed, where it is going to do the most good for the kids, for the elders and for the people in those communities. I am certainly proud to be a part of that.

I have just a couple more from Labrador, if you will, Mr. Speaker. There is \$3.9 million to rebuild the classroom and administrative spaces in Charlottetown. A wonderful initiative as well, sorely needed. There is \$3 million to support the ongoing environmental remediation of the former US military site in Hopedale. That builds up to our third year now, which is a total of \$6.3 million in that commitment. I have walked that hill. I have witnessed that site with my very own eyes. We are to be commended for reaching out and making sure that we deal with that particular situation.

Mr. Speaker, I would just like to go on and address some of the concerns about some of the comments we have heard from across the way from the Third Party. I will quote one the members over there from across the way saying that Budget 2013 is bankrupt of ideas that lends to diversification of the revenue streams coming

into the government and into this great Province, Mr. Speaker. That just blows my mind.

We have the oil revenue, yes we do. We are talking about aquaculture. We are talking about hydroelectric developments, fabrication, Mr. Speaker, and we are talking about facilitating a new way of life for Labrador. This is how I am going to put it. If I had to look into the future and if someone had to ask me: well, Mr. Russell, what would you like to see in Labrador?

I will tell you what I would like to see. I would like to see all communities connected by roads, therefore alleviating the pressure on marine services and the isolation that comes with that, which means cheaper goods and services. It means people being able to open up their communities to further tourism efforts.

You talk about that in conjunction with the fact that this government, we put forward legislation to make sure that when power is available and we are ready to move on new mining developments – imagine a scenario, Mr. Speaker, where we have six or seven new mining developments, the jobs that come with that under new royalty regimes that are more beneficial to the people of this Province and to our general revenue funds. Together with all of that, we look at the ability for us to begin to train our people for these long-term jobs, these mining efforts that are going to last decades and decades and decades.

If you were to look at all of those things together, Mr. Speaker, and then our new pricing that we can have on industrial power with the two major developments right now in Lab West. The antiquated formula for power there is going to change. We have to come on stream with the competitive pricing within Quebec because let's face it, when you are talking about the central mineral belt it extends right through Labrador into Quebec.

When it comes to diversification, this leads to a point that our Minister of Finance talked about several times, every time he has gotten up to speak. It talks about fiscal flexibility, not only in the form of having to deal with unanticipated

fluctuations and the volatility of oil pricing or, God forbid, disasters, but also flexibility to deal with new opportunities, such as new oil and gas developments, new mines.

We have to put our eggs in several different baskets, if you will, Mr. Speaker, in order for us to be able to capitalize on opportunities as they emerge. That is responsible governance. That is visionary governance, and under the leadership of our Premier, this team over here, we are going to make sure we are ready to capitalize on all these opportunities in the best interest of the people of the Province, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. RUSSELL: It comes down to, I guess – we have heard it many times in this House about living within our means and when expenditures surpass our revenues we have to adjust. Of course, a lot of us in this House have felt the sting of cuts, of layoffs and things like that. Nobody is happy to make those decisions, but we walk a path on this side of the House, Mr. Speaker, where we are prepared to make the tough call, the hard decisions in the best interest of the people of the Province.

We could have taken the easy way out. We could have simply gone and spent spent, borrowed a little more and then went for the political favour that comes with that. I am sure that would have been reflected in the polls but, personally, I do not take too much stock in them anyway.

When it comes to living within our means and addressing our debt situation, Mr. Speaker, we have heard the Minister of Finance and many of our other hon. colleagues in this House get up and talk about the servicing cost of that debt, between \$800 million and \$880 million, almost a billion dollars to service the debt. There is a significant opportunity cost associated with that. It is as simple as this it is money that is not available for programs and services. This is something that has been addressed. I am proud to say we have addressed the debt to the tune of over \$4 billion since we have taken office, Mr. Speaker, and that is no small feat indeed.

If you look at it very briefly, and I will just say if you had a credit card in your own personal household – to the people out home who are watching – if you rack that up, you max that out, you get to a point where you are paying on the interest. You do not hit the principle any more. You are simply not going to be able to do all the things in life that you want to do. You are going to have to make some sacrifices.

Those sacrifices either come in recreation, it either comes in entertainment. It comes in support of your children, their extracurricular activities. God forbid, it gets to a point where it comes down to the running of your household and you have to make decisions, which come down to things like the basic necessities, such as food and utilities.

We have to be responsible. This Province has to be run like a corporation that is responsible to its shareholders. In essence, we have to be responsible to the people, the taxpayers and the voters, those who we are servicing. This is their money. We have to make sure we do our very best in order to service the people who are all part of this.

When I talk about the debt, we have heard the NDP say many times they are not interested in taking surpluses and putting it on the debt. Mr. Speaker, we have done that time and time again. Yes, when it comes to all of the money we spent on the debt and the money we have spent in the past on infrastructure, those were necessary. You have to strike while the iron is hot. We had the money at that time.

We have all heard mention of the crumbling infrastructure we inherited as a government when we came in, in 2003. We have made gigantic strides in upping the quality of life for the people of this Province by our dedication to doing right by them and addressing the infrastructure needs, Mr. Speaker. I am certainly proud to be a part of that.

We have also heard of, I guess, the people from across the way and their methodology of how we would do all of those wonderful social things that they seem to want to have, such as the

universal health care, the dental, housing for everybody. We have heard of chicken in every pot and thirteen in every dozen. Tax, tax, tax and spend, tax and spend. That would put us into a vicious cycle, Mr. Speaker, which basically, I do not think we would be able to recover from.

In getting up and saying that time and time again, they send a very dangerous message to the people out there in terms of having a sense of entitlement. In terms of everybody deserves all of this stuff. I say to the people of the Province, we are here as a government to foster development, industry, to get jobs for people, Mr. Speaker, to have megaprojects and smaller projects that are necessary in order to provide for the people of the Province. They have to meet us halfway.

If you want to get out there, if you want to become educated, if you want to get a job, if you want to buy a house, if you want to do those things, come see us. Come see your MHA. We will help meet you halfway. We will get out there and beat the grass with you, and we will get it done.

Mr. Speaker, I will just finish off, with the last few minutes I have, talking about Muskrat Falls specifically. We have heard mention from the Official Opposition about we have all of these people coming from away, coming to Newfoundland to take our jobs and all of that, Mr. Speaker. I say to the people at home, we are in the very preliminary stages of this project. We have a long way to go.

By summer, we are going to see the number of people onsite doubled. There are going to be a lot of jobs for a lot of people who are interested, but again, meet us halfway. Come see us. Come help us meet those contractors. Come help us connect with the unions.

By the way, a good point too, because everybody who is a member of the union or wants to be in order to get one of those jobs, you should know the people from across the way did not want you there, neither one of them. They did not want you there. They did not vote for

this project. When you think about that as you are connecting with the unions and connecting with the contractors, you just remember this government stood tall, we stood firm, we pushed for this project. They voted against it. It is as simple as that.

Mr. Speaker, I only have a couple of seconds left. I will use this time to close and just draw a little bit of comparison about the difference between us over here on the governing side and the Third Party. When you talk about us and what we want to do, we want to make sure that we have the money to spend on infrastructure, to spend on people's education, to make sure that we keep the classroom sizes up there, and we keep the teachers there, and we want to make sure people's quality of life is enhanced. We want to build industry and we want people to benefit from that and become a part of it.

We talk about aquaculture research, mega developments, hydroelectric development, mining, fabrication, Mr. Speaker, and what do you get when you look at the Third Party? Well, let's talk shrimp shells, wood pellet fired electrical generation, and simply, I will say it, the double crossing of all of those who have went into business with us in good faith in the oil business. We are not prepared to that; we are here for the people, Mr. Speaker.

Thank you very much.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for St. Barbe.

MR. BENNETT: Thank you, Mr. Speaker.

I would like to spend the next segment talking about something that has not been discussed much: the Budget. We seemed to have talked about everything but the Budget.

We were all supplied with these four books. One says *Budget 2013: A Sound Plan, A Secure Future*. One says *Securing the Future: A 10-Year Sustainability Plan for Newfoundland and Labrador*. One says *The Economy 2013: A*

Sound Plan, A Secure Future. This one says Estimates 2013 – the one that says Estimates might have some relationship to reality; the others certainly do not.

Mr. Speaker, just by way of an aside, last Thursday evening I attended a fundraising function – the Member for Terra Nova was there representing the minister as well – and the theme was Alice in Newfoundland. I was speaking to somebody and they said: How did you arrive at Alice in Newfoundland? They said: Actually, we wanted to go with Disneyland. We wanted to get a bunch of Mickey Mouse outfits and when we went to the store to get the Mickey Mouse outfits, the person said someone claiming to be the Premier came in and took all the Mickey Mouse outfits. They took a Mickey Mouse outfit for the Minister of Finance, took a Mickey Mouse outfit for the Minister of Education, took a Mickey Mouse outfit for the Minister of Health, and a Mickey Mouse outfit for the guy they say is supposed to run the ferries. That is because she already had the Minister for Advanced Education in a Mickey Mouse outfit and Fisheries as well.

Mr. Speaker, part of this that I want to go through in one of these books, I would like to refer to nine graphs that we are shown. Ordinarily when you look at graphs, you look for similar periods. If it is a ten-year period and then it is a ten-year period, it is the same number of years, so you can compare before and after.

I can tell you, Mr. Speaker, that none of these graphs line up with each other. Not many of them make much sense. Some are relevant and some are not. One is for three years. Another one is for six years. One is for nine years. Two are for ten years. One is for sixteen years. One claims that it is for twenty years and actually twenty-one years are shown. It seems that whenever the government wants to support what it thinks is an argument that makes sense it puts in a graph for a particular number of years to cover that argument without actually relating to reality.

Before going to those graphs – in looking at financial statements, often, if you look at the

annual report the beginning part is the management, discussion, and analysis. They will say management explains away all the bad fortune that they had to try to convince the shareholders that things are not really as bad as they look, this is our side of the story, do not bother to look at the numbers.

I looked in this book that was supplied, called *Budget 2013: A Sound Plan, A Secure Future*, and it says on page 5, “It is our government’s goal to reduce net debt per capita to the all-province average within 10 years, while protecting vital services, especially in health and education. Year 1 will be a deficit reduction process.” Presumably, Mr. Speaker, that is this year, but in fact we may –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

We have individual conversations going on and the Speaker is having a hard time hearing the speaker. Can we take our individual conversations down just a little, please?

Thank you.

The hon. the Member for St. Barbe.

MR. BENNETT: Thank you, Mr. Speaker.

If year one is a deficit reduction process, we still have a half a billion dollar deficit, so it may well be reduced but it was reduced from the fictional \$1.6 billion that we were introduced to a few months ago.

“Year 2” – which is very concerning – “will involve reviews of Memorial University, College of the North Atlantic, Regional Health Authorities and Unfunded Pension Liabilities.” We saw how education was reviewed. Education was reviewed with a chainsaw. Not much was left and what was left was a pretty big mess.

Then this document pretends, in year three, we will return to surplus. Year three is an election year so obviously from here on in they are going

to predict a surplus in year three. From years four to ten we have a continued focus on – and this is not really accurate because it says innovation, economic diversification, and debt reduction. A continued focus would imply that we actually had a focus in the first place, which we have had no such focus from this government.

It is troublesome that the government goes on to say – because this is foreshadowing what they likely will do for us next year, “To address the fiscal challenges associated with delivery of health care services, one of the focus areas of the 10-Year Sustainability Plan is our government’s commitment to complete an operational review of the four Regional Health Authorities.” A review for sure, but having watched them in education, that is very concerning.

They also say, “The pension and post retirement review will be a key focus area for our government...”. Doubtful – they have not performed to this point. Then after you read the verbiage it that goes through, it comes to the end, “And there it is, Mr. Speaker – the plan that will lead us forward, this year, next year and throughout the coming decade, building on our strengths, harnessing our opportunities, securing a bright future.”

When you look to the back in the appendix and all of this upside that government talks about, if you look at their main economic indicators, in 2012 they said housing starts: 3,885. In 2013 we are down by 365 houses, which is a 10 per cent reduction in 2013. In 2014 they are predicting housing starts to drop another 400, down to 3,102. In 2015 they are predicting that housing starts will drop again to 2,995.

Mr. Speaker, over a three-year period, that is a drop of approximately 900 houses or 25 per cent of the home construction in this Province. How can we be returning to surplus when the economy is headed straight down? Housing starts are a key indicator of the economic well-being of an economy and it certainly is not here.

Mr. Speaker, if you look at the charts that they have in this book which says a 10-Year

Sustainability Plan, I can agree that a 10-Year Sustainability Plan will be a great thing for this government to have. In fact, they ought to be starting on the second 10-Year Sustainability Plan, had they had a sustainability plan ten years ago when they took office.

There is a chart which shows Revenue by Source, on page 8, it is ten years. Then you look at the next page, which is page 9 of this document produced by the Minister of Finance, this is for a sixteen-year period. Heaven knows why you would pick sixteen years as opposed to ten, but the sixteen-year period ends next year. It goes back to 1998-1999. It is produced by Canada-Newfoundland and Labrador Offshore Petroleum Board and the Department of Finance. It is millions of barrels of oil that we have had the production of for the past sixteen years and the next year.

Well clearly, this is not any kind of an economic indicator. This is historical. Anybody can look behind and see what has happened, something that this government had very little to do with. This is a sixteen-year graph and if we continue on with these same documents from Finance – Mr. Speaker, if you look at Figure 10, this now is for six years. The last one on oil production forecast was for sixteen years, but it was not a forecast; it was a forecast for one year and hindsight of fifteen years. This one is a six-year forecast, but the six-year forecast starts in 2010, from 2010 to 2016. Here we have a six-year comparison to a sixteen-year comparison previously.

Mr. Speaker, if you go over to the next page you will look at total offshore oil production. The Budget forecast versus actual. It starts in 2004. It runs for nine years to 2012-2013. Of what value is it to tell us what oil cost over the last nine years when we know we cannot predict the value of oil in any event?

More telling of the sloppy job of how this was thrown together is if you look at the bottom of this page 15, figure 12, it says in the description twenty years and in fact twenty-one years are illustrated. This is an offshore oil production forecast from 2012-2013 for the next twenty-one

years to 2033. Mr. Speaker, this government cannot possibly forecast oil production for the next twenty-one years. Yet, we are told this is part of our 10-Year Sustainability Plan. Heaven help us.

If you look at the actual performance of this government in spending and being able to control, or better put, not control its spending, Mr. Speaker, a very telling area is health care spending. Health care spending of this government in 2004 was slightly more than the Canadian average, by about 12 per cent. The Canadian average was \$2,657 per capita, and we were slightly ahead of the national average or higher than the national average.

Now we have shot forward. Today we are 34 per cent higher than the national average for health care spending. Even though health care spending nationally has gone up by approximately 40 per cent, we are 34 per cent higher.

Mr. Speaker, our health care system is nowhere near performing as it should. Wait times are still far too long. An example of wait times is if an elderly person goes for hip replacement surgery, it is a six-month wait period. They wait six months and get one hip replaced, then they cripple around for a year and they get the second hip replaced. That means it is a twelve-month period.

They have completely, completely underperformed in the health care sector, downsizing or rightsizing on hospitals that are promised. We have all sorts of security breaches in hospitals. We had the issue just this week with C. difficile in the hospital. The problem with C. difficile, which is a very difficult illness to cure because it tends to attack people who are already compromised –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

The hon. the Member for St. Barbe.

MR. BENNETT: Mr. Speaker, then government launches into other areas and says we are talking about our unfunded pension liability. If you look at page 19 of this document, called A 10-Year Sustainability Plan, this is actually for ten years. Now, the ten years started in 2007 and goes through to 2016. So you can see again, they simply take a snapshot of a ten-year period, or whatever period and it does not apply. It does not actually relate to anything else.

The explosion in hiring in this Province in the public sector has had an enormous escalating effect on our unfunded pension liabilities. We cannot say when this government took office. You cannot look that far back because the graph only goes to 2007. However, the unfunded pension liability is not sustainable.

There are five defined benefit pension plans. The Public Service Pension Plan, the Teachers' Pension Plan, the Uniformed Services Pension Plan, Members of the House of Assembly Pension Plan, and the Provincial Court Judges Pension Plan. After somebody retires there is a fifty-fifty cost share for all health benefits from the date of retirement to death.

The current unfunded liability associated with post retirement benefit, the health benefit is \$2 billion. Two billion dollars to pay for the extended health care or major medical in group insurance plans for people who are retirees. The total shortfall for pensions and group insurance benefits, we are looking at \$5 billion, which is 64 per cent of the provincial debt as of March 31, 2012. How can this government possibly say they have a 10-year sustainability plan? There is no 10-year sustainability plan.

In its 2011 report, the Auditor General noted the unfunded pension liability is a significant portion of the Province's debt, and if no corrective action is taken the Teachers' Pension Plan will be 21 per cent funded by 2029. Mr. Speaker, we will have twenty-one cents of every dollar that we owe to teachers by 2029 at the rate we are going, and the Public Service Pension Plan will be 48 per cent funded in 2029. Not only are we not recovering with this

particular problem, we are falling further and further behind. So I would invite anybody who is watching to get these books and look at the severe financial circumstances we find ourselves in.

Mr. Speaker, we find ourselves in this situation ten years after this party took power. Ten years after forming government and having had the biggest surpluses and the most revenue available, we still find ourselves in this situation. Yet, they will stand up and say: we cut taxes, we did this, and we did that. The numbers are clear. The numbers are quite apparent that we are looking at a very major, serious financial problem with this Province. It is not going to go away any time soon.

Mr. Speaker, there are probably three ways to deal with a deficit: you can raise taxes, you can cut expenses, or you can grow the economy. This government is not growing the economy. This government is collecting oil revenue on efforts of prior governments and taking that oil revenue. It is not being reinvested back into renewable energy sources, Muskrat Falls aside.

Many people have criticized it. I expect we will pay for that one for a long, long time. It will probably be the death knell of this government. You can see since Muskrat was finalized that the government is circling the drain in ever rapidly and smaller circles, so it is gradually going down the drain. You can see what public opinion is doing there.

If this government is serious about a sustainability plan, then it needs to get into economic development on a serious basis. It needs to become more attractive for the corporate sector. It needs to do things like make sure that Workers' Comp gets under control so employers can afford to set up here. It needs to reduce the red tape, not the Red Tape Reduction Strategy, which resulted in no benefit practically for anybody. It needs to get back into rural economic development.

In the book, which says *The Economy 2013, A Sound Plan, A Secure Future*, it is just words. You can go through it, Mr. Speaker, and you can

see there are all sorts of projects referenced that government, I suppose, have a right to take credit for, although they had little to nothing to do with these developments whatsoever. Hibernia; what did this government have to do with Hibernia? White Rose; what did this government have to do with White Rose? Terra Nova; what did this government have to do with Terra Nova? You can see Voisey's Bay; what did this government have to do with Voisey's Bay?

Mr. Speaker, one of the most telling items in this document, the government's failure to commit to meaningful economic development throughout the Province, is found near the end of the book. In fact, on page 53 right at the end, there is a map. The map says not to scale, so you have to look and see. There are two maps on one page. One is a scale of 100 and one is a scale of 160. In fact, Labrador is shown smaller than actual in comparison to Newfoundland.

This is divided up into twenty economic zones. The twenty economic zones used to have twenty rural economic development boards. Mr. Speaker, we still have the map; it shows where we should have twenty rural economic development zones and we do not have any rural economic development boards.

We have 200 volunteers fully plugged in on an ongoing basis to help generate rural economic development for this Province and they are gone. They are gone because when the federal government withdrew from the field a year ago, the provincial government decided to save a little over \$1 million, probably less money than those ten or twelve appointments that they made just a few days before the Budget. The same cost for those ten or twelve individuals would be the Province's contribution to the rural economic development boards.

The Opposition pleaded with the government and the boards looked for their continued survival. The Government of Nova Scotia was enlightened enough that the very day after the federal government withdrew from the field, they struck a task force to be able to reconfigure,

revitalize, restore, and maintain their rural economic development boards.

Mr. Speaker, if this government wants to get us back on the right track, it needs to get into very serious conservation of resources, stop wasting so much money. The amount of waste in government, generally – in this government in particular – is absolutely staggering. The amount of waste is completely staggering. Cut the waste, stop hiring so many people on the thirteen weeks, beefing up with friends and family who are hired in different departments, so other people have a chance to have proper, competitive job hiring practices, shrink the size of the public service, and grow the size of the economy.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Minister of Intergovernmental and Aboriginal Affairs.

SOME HON. MEMBERS: Hear, hear!

MR. F. COLLINS: Thank you, Mr. Speaker.

Mr. Speaker, it is a pleasure to speak tonight on *Budget 2013: A Sound Plan, A Secure Future*. It is a Budget that provides responsible management. I emphasize the word responsible. It is a word I will be using repeatedly during my presentation, because this is a government that will take its responsibility very seriously and a government who makes responsible decisions.

Mr. Speaker, this Budget was a much anticipated one. People were given due notice sometime before the Budget that we were going to have difficulties, that we would have a deficit, and following so many years of surpluses, that was a different place for us in this Province – a completely different place for us. I do not know how many years of surplus we had – five or six, seven years of surpluses – and now suddenly we are in a place where we are going to have a deficit. So that sort of took people by surprise. When you have so many years of prosperity, you get used to a certain standard of life and I guess

it makes it a little more difficult and a bit of a challenge to accept reversal of that.

So we were in a different place, Mr. Speaker, with this Budget, and as a result this Budget is a very contentious one. It has gotten a lot of publicity, it has gotten a lot of hype, it has gotten a lot of discussion, it has gotten a lot of negative reaction, and that is to be expected when you change horses, like we did after six or seven years.

Mr. Speaker, a lot has been said in these discussions about the way we spent money over the last number of years, how we squandered money, how we spent it recklessly. I know, Mr. Speaker, this has been said several times by members on this side of the House, and it bears repeating. When we took over this Province in 2003, we took over a Province that was virtually bankrupt – certainly our infrastructure was bankrupt. I can remember, Mr. Speaker, out in one of the main communities in my district, Placentia, the infrastructure crumbling. Water and sewer not being operable, roads not fit to drive on. I noticed the atmosphere that had developed in that community in the previous ten years.

Mr. Speaker, as a result of this government's shrewd and prudent fiscal investments – mostly in the oil industry, but also as a result of the Atlantic Accord benefits – we have turned this Province around. We are able to invest billions of dollars into rebuilding this Province. Mr. Speaker, can you imagine what this Province would be like today if we continued with the policies that were in effect in 2003? Can you imagine where we would be? All we have to do is ask ourselves to make the comparison: Where were we in 2003, and where are we today? It is a very simple comparison to make, and the difference is significant.

We were able to have some prosperous years, and we had a lot of money to spend. Mr. Speaker, we are told that we squandered that money; we squandered it. Well, where did we squander it? We squandered it on roads. We squandered it on water and sewer. We squandered it on schools. We squandered it on

dialysis units, social housing initiatives, drug therapies, child protection, education, and freezing tuition. We squandered it in a lot of ways, Mr. Speaker, in a lot of places, if that is what you call squandering.

In my own district, Mr. Speaker, we squandered it on a new high school in Placentia and we squandered it on \$16 million worth of roads. We squandered it on water and sewer. Now we are going to squander \$40 million on a new bridge. We squandered \$250,000 on a sewer outlet we just put in St. Mary's. We squandered \$500,000 on a water system we just started in St. Bride's. We squandered \$2 million on water improvements we made in Long Harbour; \$3 million worth of infrastructure developments in Whitbourne. We squandered money all over the place, Mr. Speaker.

We also paid down our debt. According to the bonding agencies and the banks, the Bank of Canada, we did everything right. Can you imagine what our Province would be like today if we had continued the policies we had in 2003? Can you imagine what our health care services would have been like, what shapes our schools would be in, what shape our municipal infrastructure would be in, our roads would be in?

Mr. Speaker, we had money and we spent it. We spent it to rebuild this Province. It has been said several times over here that it is not rocket science. We spent it to rebuild this Province, and we had to.

It was interesting, yesterday I heard the Member for St. Barbe saying ten years of reckless spending, spending the Province into ruins. He said we are spending into ruins. My God, we took it out of ruins in 2003. As a result, Mr. Speaker, we have today an economy in this Province that is driven by private capital investment: \$11 billion this year alone. Eleven billion dollars of capital investment, that is what is driving the economy in this Province. That came about because of the investments that we made. We rebuilt this Province so that companies could come in and make that private investment.

I do not have to go beyond my district, the Placentia, Argentia, Long Harbour area, where we invested millions and millions and millions of dollars in roads and schools and bridges. As a result of that, we have a thriving economy in that area today, with billions of dollars being invested into the economy. Members have already spoken here tonight about the high employment rates in this Province, highest ever, second highest in the country in wages. People are buying houses; people are buying cars. Mr. Speaker, the economy is thriving; it is white-hot.

Compared to 2003, this is the economy, this is the Province that we now have. This is the situation we set up for ourselves. Where were we in 2003? All we have to do is look back ten years. We are the envy of the rest of the country.

We keep hearing from the other side the gloom and doom of the day in this Province. It is unreal. The future was never brighter. We rebuilt this Province. I cannot overemphasize it; we rebuilt it. As a result of rebuilding it, companies are in and investing monies in this Province, \$11 billion this year. That is what is driving our economy. That did not happen accidentally.

Mr. Speaker, we came to a point where we did not have the revenue to spend any more. The different sides of the ledgers were not in balance. We had more expenditures than we took in revenues because of what happened in the global economy with the oil production business and whatnot last year.

We had to cut back; we could not afford it any more. That is not rocket science. That is the reasonable thing to do. Isn't that what any reasonable person would do in their household? Isn't that what you would do in your households? Is there anybody in this House who would not do the same thing in their household budgets?

Let me ask you this: What do the people of this Province expect from their government? Do they want to carry on and spend, spend, spend and get ourselves deeper into debt? Is that what

they want? They elected this party to govern. They elected us to be good stewards of their dollar. That is what they elected us for and it is their money. The Minister of Natural Resources says all the time it is not our money; it is the people's money. They elected us to be good stewards of that money.

Do they want us to put up taxes? I doubt it. Do they want us to borrow? I doubt it. Do they want us to run up the deficit? I doubt it. They want us to govern responsibly – and I will use that word again; the electorate wants us to govern responsibly. They want us, if we have to make tough decisions, to make them. That is why they elect us. They tell us we are electing you; do what you have to do to keep this Province sound. They want us to protect and secure the future of our children and our grandchildren. They put that responsibility on this government. That is what they want, and that is what we are doing.

Now, there are always those who say yes, you can cut. Go ahead and cut, as long as you do not me. If you do not cut my program, cutting is fine. You are always going to have those people out there. Reduce the spending, as long as it does not affect me. You are always going to have those.

When you make cuts, you are going to get negative reaction. Job cuts are painful. They are painful for families. So you are going to get a negative reaction. Cuts to a program at CNA, you are going to get a reaction from instructors and students. You have to expect reactions.

Mr. Speaker, compare us to 2003 or back in the 1990s when there were significant cuts made, thousands of cuts being made in the public service, we are talking a different economic climate today considerably than what we were talking then. I know people who were laid off in this Budget cut one week and had a job in the private sector the next week because the jobs are out there. We are talking a different economic climate now altogether.

Yes, no one likes cuts. No one wants to lose their jobs. No family wants to be affected that

way, but we are working in a different economic climate altogether today than we were in 2003 and than we were in the middle of the 1990s. Mr. Speaker, this is a different economic climate. The cuts are always painful and you expect reaction.

The Member for Cartwright – L'Anse au Clair before she left in her farewell speech said, "politics is not for the faint of heart." If you have a responsible government, you have to make tough decisions and you take the reaction. You have to expect the reaction. Well, Mr. Speaker, it is unfortunate and regrettable sometimes the tone that the reaction takes.

The Minister of Transportation in his presentation last week or earlier this week mentioned when the Premier put up her hand and said this is what I am putting my hand up for in politics, she did not put her hand up for some the reaction she got as a result of this Budget. This is unfortunate; that is regrettable that people do that. Nobody gets into this business to look for death threats or threats on your property, your home or your family. That is not what you sign up for, so it is unfortunate and regrettable that it happened.

Having said that, Mr. Speaker, we know when we get into this business that you have to make tough decisions. People expect you to make tough decisions. They do not want you to take the position to make the decisions that are politically sound. They do not want you to do that. They want you to be responsible. They do not want you to compromise the future of the children and grandchildren in this Province; they do not want you to do that. They want you to make responsible decisions to make sure that does not happen.

Mr. Speaker, that is one of the things that I admire about this Premier. I know other people on the other side are nodding their heads, bobbing their heads over there, here they go praising up their Premier again. One of the things I admire about this Premier is that she governs by principle, not by political polls. She is prepared to take the political hit to do what is right. Because when you govern that way, you

will govern responsibly – and I use that word again.

If you govern by political polls, it helps with popularity, sure; but is it in the best interests of the Province? This Premier is willing to take the negative impact, willing to take the drop in the polls to do the right thing. One thing this Premier will never do, she will never compromise the future of our children and grandchildren in the Province, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. F. COLLINS: I am telling you, Mr. Speaker, this is the kind of honesty, integrity, and leadership that people in this Province expect. At the end of the day, that is what they will demand. They may get caught up in the moment now, in the negative reaction now, but at the end of the day what people want is honesty, integrity and leadership, and that is what this government is doing.

Mr. Speaker, when I hear the members opposite, especially the Third Party, you would think we were living in an era of poverty and rats, gloom and doom, a Third World country. That is all we ever hear from the side over there. They decried a lack of housing, they decried a lack of day care, they decried a lack of home care, and they decried a lack of pharmacare, the desperate state of our health care, the desperate state of our educational system. That is all they come up with all the time.

They do not have a monopoly, Mr. Speaker, on caring for the vulnerable and the needy in our society. They do not have a monopoly on that. Yes, we have the vulnerable with us. We have the poor with us. The Bible says we will always have them. We will never reach that Utopian level where we can address all the needs of these people. We will never get there. We will try. We will strive to alleviate the situation as much as we can. Will never get to that Utopia where the needs of all the poor are addressed. We will never get to there.

Mr. Speaker, the Minister of Finance said tonight 60 per cent of our Budget is spent on

social programs, 60 per cent. Sixty percent of our Budget is spent on social programs. We could very well be called a socialist government over here, 60 per cent spent on social programs, because of the way we invest in our seniors and in our poor, and in our needy and in our vulnerable. So when they preach about the needy, when they preach about the vulnerable, when they preach about the underprivileged, they do not have a monopoly on that. They do not have a monopoly on that, Mr. Speaker.

Mr. Speaker, you get tired sometimes hearing about the same – everybody should have daycare. Everybody should have home care. There should be full-time kindergarten. They have no idea how to pay for it, no suggestions of how to pay for it. Spend, spend, spend out of one side of their mouths, spend, spend, spend and on the other side criticize the government for wasting money.

Spend, spend, and spend. Yet, at the same time, no way to pay for their programs; yet, at the same time, they are against development. They are against Muskrat Falls. They are against Hebron. Hebron will return us \$23 billion because of the way we invested. Muskrat Falls will return \$20 billion in terms of the contract.

Mr. Speaker, if you are going to have all of these programs, and we need them, then we have to have revenues to pay for them. So we have to invest. It is not rocket science to know we have to invest in the future. How they can be against that is beyond me.

They are against development. They are against investment. They are against jobs. They are against all the ways and means of diversifying the economy. They want to diversify the economy all right, through wood pellets, crab shells and shrimp shells. That is how they want to diversify the economy. They are against development. They are against investment. They are against jobs.

Socialist governments, Mr. Speaker, have a record of spending taxpayers' money. You have taxpayers' money until it runs out. Then they have nothing to replace it with and they are

tanked out. That is what happens in socialist governments.

Mr. Speaker, I know my time is up. There are a lot of other things I wanted to talk about. Maybe I will get another chance.

This government is – I will come back to the word – responsible. People elected this government to be responsible. That is what we have been, Mr. Speaker, responsible. Responsible management is what we are about. At the end of the day, that is what people want. After all this hype is gone and the negative reaction is gone from the other side, people will say thank God this government acted in a responsible fashion.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Wiseman): The hon. the Member for The Straits – White Bay North.

MR. MITCHELMORE: Thank you, Mr. Speaker.

The hon. member opposite is fear mongering again. We are seeing lots of spin from the members on the government side here.

One thing, Mr. Speaker, that is not rocket science, it is accounting. If we look at Budget 2013, and we look at the fiscal forecast as to where we are going, we look at revenue from last year and this estimated upcoming year, it is supposed to be around \$7 billion, on par with (inaudible). If we look at where expenditures are, expenditures are going to rise slightly.

The Minister of Intergovernmental Affairs said you do not want a government that is going to be borrowing. No, you do not want a government that is going to be increasing the debt. If you look at the debt-servicing expenditures, what they were last year at \$808 million and where they are going to be this year at \$847.6 million estimated, that is an increase in debt-servicing expenses. You are going to have to spend more to service your debt.

If we go forward and look at the Budget outlook of where we are going to be in 2013-2014, the revenue is \$7 billion. Next year revenue is supposed to drop about \$60 million. In 2015-2016, I do not know what is going to happen there. There are no details on it. Government is hoping revenue is going to jump up over \$870 million in the election year coming.

Net expenditures; let's look at where program expenses are going to be. Well, they are anticipating that in 2013-2014, \$6.7 billion; again, in 2014-2015, \$6.7 billion. Then it is going to drop off to \$6.6 billion in 2015-2016; so less money, despite almost \$1 billion in revenue in 2015-2016. They are going to be spending a whole lot less in government programs and services.

If we look at where the debt is going, the debt is going from \$850 million, to \$880 million, to \$931 million in the debt-servicing ratio. This government has a lot of plans for borrowing and to service their debt. That is not something you can hide from when you are looking at the outlook and the accounting process. We cannot practice creative accounting. The numbers speak for themselves.

If we look at the main economic indicators there and we look at employment of where they were in 2012. It was anticipated it was going to increase, 2013 it going to go up. In 2014, when peak employment should be happening with the Muskrat Falls Project of about – what was it the government is always saying, about 3,000-plus jobs? Do you know what employment is going to do in this Province? It is supposed to go down by 0.9 per cent. That is quite a bit.

Then, in 2015 as well, only jump up 0.6. There would still be a net loss in those two years when this project is supposed to be at its peak, when we are supposed to have employment. This sends a clear indication. Is government looking at doing further and further layoffs that is going to impact the employment situation, or is the economy starting to really bottom out here that the jobs are just not going to be available?

Right now we have a high number of people who are unemployed. For every job vacancy that is out there, there are sixteen people who are unemployed in Newfoundland and Labrador. Not everything is rosy when it comes to looking at where we are in Newfoundland and Labrador, and government certainly cannot paint it that way. That, to me, says a lot.

I will remind everyone in this House that I am the youngest member in the House of Assembly at twenty-seven years old. I took part in the Youth Retention and Attraction Strategy. In 2008, the recession hit and there were no jobs for me when I graduated –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. MITCHELMORE: - with a Bachelor of Commerce degree. I had to move away like many others and go out West. I worked in Alberta for the Association of Professional Engineers out there. That was something I had to do, like so many others.

Now, many members across the floor are saying that we have the second-highest income at \$929 next to Alberta. Well, I would like to see the statistic of how much of that is actually earned from Alberta or as part of the commuter economy because that is what is sustaining the Straits region of my district and many other parts. So many are part of the commuter economy. They are doing this fly-in, fly-out where they are earning high wages. There has been more income than ever before in my district.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. MITCHELMORE: We need to look at how this money is being distributed into the economy and if we are getting best productive value when it comes to how government is investing money in areas. You can have a high level of income on average by a small percentage of people, but is this money being

spent in the local economy if people are actually living away for the bulk of that year and if they are keeping dual properties going? It would be much better in the economy if that money was actually earned here, and not all of it is. So that is something that needs to be looked at.

One of the things I see that in this Youth Retention and Attraction Strategy of 2009, in November, it had a lot of promises. I had forty-one initiatives. Since that time, a number of initiatives have not materialized and some of them have been cut. That was a three-year plan. In November 2012, that would have looked at concluding. It said that in this whole plan and in the whole document that was there they were going to post public reports on the progress. The minister's committee, and interdepartmental committee, would be meeting and discussing on how it would move forward. These things are not made public. They are not available.

So that sends a lot of questions around youth, but government really set this expectation that there would be jobs and that there would be opportunity for young people in Newfoundland and Labrador. Now, with a number of people who are going to be new graduates with hiring freezes placed in the public sector, what is that going to mean when we do the review on the regional health authorities and when we look at Memorial University and the College of the North Atlantic? What is that going to mean for these people who are studying to be a health professional?

We saw that the Minister of Health and Community Services cut a number of specialists in health prevention. There are people who have come forward and they have been graduated in things like being a dietician and cannot get jobs. They have to leave the Province.

We are losing some of our best and brightest. That has a big impact because the government wants to have a population growth strategy and actually attract young people to have families in that climate here. Yet the job opportunities are far more limited and housing prices are extremely high. Not all the programs and services that are available in other provinces are

available here. Things like affordable daycare or child care is not available here in Newfoundland and Labrador for the working families who are at a higher level of income. They do not qualify for any type of subsidy, and then people are paying hundreds of dollars a month for child care. That can be quite an expensive task. These are types of things that need to be considered when we are looking at trying to build an economy and trying to build a future for younger people, looking forward.

Instead of the Youth Retention and Attraction Strategy, we are more looking at SOYA – Sending Our Youth Away. That is quite disheartening that we are going to lose maybe a generation, because we lost a generation with the collapse of our cod fishery, where we created a commuter economy, where we sent so many people away, and we have lost nearly 80,000 people since that time. We do need younger people; it has a significant impact on how our economy is going to move forward.

I think we see some of this contraction by a Budget that creates a lot of instability, that really, without appropriate consultation, without looking at the impacts of some of these cuts, it is going to have far-reaching implication on how we move forward. It is up to all of us, as elected officials, to bring forward these viewpoints and try to make sure that what we do as Newfoundlanders and Labradorians are in the best interests of the people of this Province, so that future generations like myself – I am a young person, hope to have a young family –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. MITCHELMORE: – hope to stay in Newfoundland and Labrador, but with regressive policies that are put forward in a Budget like 2013, it is certainly going to direct more people to leave.

I have not had the full opportunity to question the Estimates of the Department of Innovation, Business and Rural Development, but with the cutbacks to the Regional Economic

Development Boards and what they actually meant on the ground, the grassroots, and what they were looking at doing, in terms of advancing community, advancing an economy. I said in my own district the Nordic Economic Development Board completely administered in their office \$13.5 million, besides everything else that they had done in projects and proposals, but that is a net benefit directly of almost \$10 million into the local economy. That certainly has to count for something.

Now, there is money in this year's Budget for regional economic development services of about \$1.1 million, and for community economic development of \$12.5 million. That is \$13.6 million, but we do not know what this is going to mean to the organizations, how it is going to be administered. There are not very many details on this. If we look at that we do not have the key organizations on the ground, and many of the small towns cannot afford to hire economic development officers, we have lost capacity.

Last year, there was \$2.7 million spent when we look at regional economic development in the Estimates of a \$9.1 million budget. Even though there is a lot of money budgeted for regional and community economic development in the Estimates, there is no indication that money is going to be spent.

Like last year, the Department of IBRD had \$84 million in its budget and it spent \$58 million. This year, it has increased its budget to \$93 million. Yet, it has cut at the core what it really means to many rural communities across Newfoundland and Labrador when they lost their RED Boards.

I have not had the opportunity yet to question the Minister of Fisheries and Aquaculture. I will have that opportunity, but there was a 33 per cent cut to his department. That is quite significant when you are cutting 33 per cent of the budget from an industry that employs 20,000 people in every nook and cranny basically of the Province. Somebody is impacted.

We saw that the government decided this year that they would look at taking from the processors, from the buyers, and from the operators who require the licences. Some of the increases are 150 per cent or higher. They are planning on generating \$450,000 in revenue from these licences. That is up from \$260,000 last year. That whole section of Estimates is planning on making a profit of \$18,600, whereas last year it cost nearly \$400,000.

There are less fish plants this year to process, there are less buyers, and there is less competition. How is this going to be achieved? It is on the backs of a few. That cost of increase to operation ultimately needs to be passed on or will be passed on indirectly to the harvester or to the consumer of the fish product. That makes us less and less and less competitive. That is something that we need to really look at.

How can we see how accurate Estimates and these numbers are being? There are great variances. There were great variances in the Budget, and not too much has changed. It almost seems like we have come up with a number of \$1.6 billion deficit out of nowhere, and then that evaporated.

So, I really would like to see if there was a similar investment made this year as last year when we are looking at moving forward on the overall economy for our fishery and how we are going to achieve the things that we need to do for small communities. We do not see funding directly listed for co-operatives and for co-operative funding.

I have one of the oldest co-ops in Newfoundland and Labrador, and even in the country, through the Grenfell Memorial Co-op. What Grenfell did in the process of creating sawmill co-operatives, of creating a fishery co-operatives, agricultural co-operatives, craft co-operatives, it certainly means a lot as to how that developed into an administrative hub, an incredible economy, and they developed it as a health care administrative centre.

Unfortunately, right now, the hospital is being cut back, the investment is not being made that

should be made to provide the services to the people of that region, and the region has been greatly downgraded with the harsh decision of removing the air ambulance from that area. When it comes to looking at equipment sitting on the shelf at the hospital and not being put into use, we see how government has pulled back on health care in my region, how they have pulled back on education, post-secondary education.

We look at cuts to the College of the North Atlantic – quite significant when it comes to looking at the ABE program and how it was the only one offered on the Great Northern Peninsula, and how the transition program of CAS and what that meant, and how people would transition then into other programs. It was quite the feeder program. To cut the first year Engineering Technology program, when this year there was quite a number of applicants applying. There is potential to make small campuses work and adapt and use technology, but we are not seeing that.

The Minister of Environment and Conservation cut interpretation at Burnt Cape as an ecological reserve. At that centre there is one of the rarest plants – it is only found on the Great Northern Peninsula – there are 300 rare species, and it was one of the only ecological reserves that was fast-tracked because it had the approval of all stakeholders. The Nature Conservancy of Canada put in money for a gift to help with this process when it comes to developing ecological reserves, protecting the environment, and education. That was a commitment provided on behalf of the people and on behalf of the government, and how the act states.

Yet pulling back on education and cutting things like the Nature's Classroom has an impact and it certainly does not say much for the way this government feels about protecting the environment and some of our most precious species. It cut fish and wildlife enforcement officers –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. MITCHELMORE: – opening up the gate for poaching on the Great Northern Peninsula, leaving one active position right now. Hopefully there will be more positions filled because it is such a vast area. You have a number of entities. You have a big snowmobile trail there and ATVs. They deal with salmon fishing recovery.

When you look at the outfitters and making sure it is a multi-million dollar industry in my district. It is certainly recognized that they have faced challenges. Out of the 1,500 cuts to moose licences, 1,250 of them happened on the Great Northern Peninsula. That is quite significant when it comes to what we need to do to look at conserving and protecting our environment, and still being able to sustain the economy.

Seniors in my district and a number of low-income families were looking at the Residential Energy Efficiency Program. That was announced in January of every year, but no, it was held back until April this year. Now the program has been cut by half so only half the people are going to be able to use it. Because of that, it slows down and it delays the process. When people need to get work done outside or get the contracting work done, it may not match up to when they are going to be able to get the skilled labour to pair with the construction season. Was that a good decision?

You talk about the investment in infrastructure. I have a road in my district, Route 434, that had stumps growing out, and several of them, after the road was graded by the Department of Transportation and Works. Do you know what? They went back and they covered it up. They covered it over. They did not take it out.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. MITCHELMORE: We can actually see how we are looking after people, and looking after people in small rural communities, who need services as well. They deserve to have a road that is accessible and should not have to

drive over tree stumps. It is quite unacceptable in today's society. There have been so many things the Budget has impacted when it comes to transportation and not having an advanced transportation strategy.

The cutbacks are quite significant to tourism and the tourism marketing. There are so many things in this Budget as to why I cannot support it. We have not really seen the new ideas that are going to bring forward the revenues so that we can advance our economy in Newfoundland and Labrador so our future generations will be able to thrive and prosper here. I really fear that our rural economies are really set for a backward approach with Budget 2013.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Government House Leader.

MR. KING: Thank you, Mr. Speaker.

On that note, I move, seconded by the Minister of Innovation, Business and Rural Development, that the House do now adjourn.

MR. SPEAKER: It has been moved and seconded that the House do now adjourn.

All those in favour, 'aye'.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against, 'nay'.

Motion carried.

Tomorrow being Wednesday, Private Members' Day, this House stands adjourned until 2:00 p.m.

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