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Speaker: Honourable Tom Osborne, MHA

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The House resumed at 7 p.m.

CHAIR (Warr): Order, please!

We'll continue to debate Bill 22.

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

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

I am very happy to stand this evening as we resume our day to speak to Bill 22, An Act to Amend the Revenue Administration Act No. 5. Mr. Chair, aside from us debating a number of bills where the issue, in fact, may be simply an administrative issue or it may be something much more in depth in a bill, really what we need to be looking at still, once again, and continuously is the overall issue of the budget, the budget that was brought down in April – a budget that one would have hoped would stabilize our economy, not only stabilize the economy, but also propel us forward.

Mr. Chair, this is not what this budget does. In fact, this budget destabilizes the economy. It doesn't create jobs. As a matter of fact, what it does is that it cuts jobs. Not only does it cut jobs in the public sector – which is a very unfortunate thing because at this point the role of government, in times of really difficult economic times, is to be able to stabilize the economy, to shore up the public sector, to shore up communities, to find ways so the people who are so willing to roll up their sleeves and get to work can do so.

So last week I decided that I would go over a paper that was written by Toby Sanger who is an economist. The title of his paper and his presentation was Two budgets, similar circumstances: Which would you choose? Mr. Chair, we know that we cannot control the oil industry. We cannot control the commodity market. We can't control that, but what we can control is our response to it. We can control our response to the particular economic situation and fiscal situation that we find ourselves in as a province.

Just to update folks on the presentation where I started to go through Toby's presentation – and it's great – he started by saying what are the

similarities between Alberta and Newfoundland and Labrador. We know that one of the things is that both have a lot of Newfoundlanders and Labradorians.

Alberta has a lot of really hard-working Newfoundlanders and Labradorians. Newfoundland and Labrador has a lot of really hard-working Newfoundlanders and Labradorians. Alberta has a lot of out-of-work Newfoundlanders and Labradorians right now because of what's been happening in the oil industry. Newfoundland and Labrador also has a lot of Newfoundlanders and Labradorians out of work because of what's happening in the oil industry.

I went through a number of similarities, like they both have majestic landscapes and rugged mountains. Both provinces' major energy exports are oil. Both have fantastic cultural workers and artists. Both have big chunks of moving ice. We're seeing the icebergs coming down now around our province. How fabulous is that. He said they both had, once, good hockey teams. Maybe we have a good one coming up again.

The other thing that I found interesting is that both provinces, both Alberta and Newfoundland and Labrador, have about the same number of moose. I found that interesting because I didn't know that. So the Alberta moose population is 118,000 and the Newfoundland and Labrador moose population is 115,000. Isn't that interesting?

I can't remember exactly where our moose came from. Did they come from Alberta? They came from somewhere in Canada, but I can't remember where that might be.

AN HON. MEMBER: New Brunswick.

CHAIR: Order, please!

MS. ROGERS: New Brunswick, of course. I heard somebody call them swamp donkeys the other day. Those are some of the similarities.

Now, other similarities that Mr. Toby Sanger drew, aside from some of these descriptive similarities of our two provinces – and again I want to remind people that both provinces have

hard-working Newfoundlanders and Labradorians who are ready to roll up their sleeves, who are ready to work. They want to be a part of the solution. They all want to be a part of the solution of stabilizing our economy, of propelling us forward.

They're not looking at just to be bailed out. These are people who want to work hard to be able to make things better for Newfoundland and Labrador. We know that a number of Newfoundlanders and Labradorians who have been commuting back and forth, their jobs are gone, so they're going to stay home. There are a number of Newfoundlanders and Labradorians who moved to Alberta who want to move back home too. Some have, and then with the unfortunate fires that also affects what's happening to people.

We heard tonight that there are 15,000 people who thought they would be able to move home and they can't now in Fort McMurray because their homes are not habitable. It's a really tough time.

AN HON. MEMBER: (Inaudible.)

MS. ROGERS: Sorry?

AN HON. MEMBER: There are 567 homes.

MS. ROGERS: There are 567 homes. That's a lot of homes that are completely destroyed.

What he also looked at was what really sets us apart. He said the things that are common is Newfoundland and Labrador cut income tax rates, especially for top incomes; but even with recent increases, top rate is still below the rates that were effective up until 2007. So around 2007-2008, we saw a drop in income tax for our top earners and now in this budget we see a bit of an increase, but they're still below the rates of 2007.

He said, "Then the price of oil plunged and resource royalties plummeted in both provinces." We're all very familiar with that. Those are sort of the slings and arrows we're suffering right now. Because the price of oil plunged and because our resource royalties plummeted, that's one of the big problems we're in right now.

We've seen a cut in revenue in terms of corporate income taxes and personal income taxes in Newfoundland and Labrador. That cut our revenue substantially, Mr. Chair. Now what we're doing is suffering from what we had no control over – we had control over that, but we have no control over what's happening in the oil industry and the resource market.

Again, he reminds us both elected new governments in 2015. The NDP government in Alberta and a Liberal government in Newfoundland and Labrador and – it's very interesting, here we are comparing the two provinces with some many similarities – both tabled their budgets on the same day, April 14, 2016. How coincidental is that? What's the chance of that happening? One in one million, I'd say.

He said that's where the similarities end. So now he's walking us through the differences. The different approach of the NDP government in Alberta – and we know there are differences as well between the resilience of Alberta and our particular financial resilience right now. Alberta is not in as bad a space, but the similarities are so very interesting. He said that's where the similarities end. So let's look where they end around public spending.

In Alberta, the public spending, a 2 per cent increase in overall operating spending. Stable funding for education and health – now that's Alberta. That's the choices they made on how they were going to deal with their economic crisis.

Then he said there was an increase in infrastructure funding by 23 per cent in their budget this year and by another 13 per cent next year. Those are some of the ways they're going to attack the financial crisis they're facing. They are doing an increase in overall operating spending, stable funding for education and health, and increase in infrastructure funding by 23 per cent this year and by another 13 per cent next year.

What did Newfoundland and Labrador do? What did this government do, this government that we would hope would stabilize our economy, that we hoped their budget would have propelled us forward? Newfoundland and Labrador did \$260

million cuts in public spending. The overall cuts put another \$1.3 billion into Nalcor. Even though we had all those cuts, they put \$1.3 billion into Nalcor – and we can see there are problems there – and \$100 million cuts to planned capital and repair projects.

Infrastructure; we hear governments talking about they've got some money put aside for infrastructure. That's really important because that creates jobs and the jobs are projects that are beneficial to the whole province; but, in fact, what Newfoundland and Labrador – what this government did is they actually cut their infrastructure capital and repair project by \$100 million. Economists all over the world are telling us during times of austerity, during times of budget crisis, it's not time to cut public spending nor is it time to cut infrastructure spending.

So, Mr. Chair, I can see that my time is slipping away here. I have a number of other topic areas that I'm looking forward to going through tonight, like education and health care. So I really look forward to looking at those comparisons on how Alberta dealt with theirs, how Newfoundland and Labrador dealt with theirs.

CHAIR: Order, please!

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

SOME HON. MEMBERS: Hear, hear!

CHAIR: The hon. the Member for Conception Bay East – Bell Island.

MR. BRAZIL: Thank you, Mr. Chair.

It's indeed an honour to stand tonight and speak to Bill 22, An Act to Amend the Revenue Administration Act.

For those who are watching at home, this is a bill that would allow for an increase to the tax on cigarettes. It will move up to 24.5 cents per cigarette, up 1 cent from 23.5.

Obviously, the intent here is to generate revenue. As a non-smoker, I see the benefits from two perspectives. One, hopefully that will generate

revenue. Two, from a health perspective, I would encourage people to either curb or not be smokers, but people choose to do that and that's their right. There are various reasons why people smoke and we understand that.

The issue I had, in conversations I had this past weekend at a function with an economist, was around – a lot of the things that are being implemented, a lot of the tax increases and the fee increases and that, because of the nature that there are so many and how they're divided, will probably, in some cases, generate less revenue than previously was generated under that same heading, even with an increase. Particularly, under smoking, the additional \$5.5 million that's being anticipated to be generated as additional revenues may not be realized because of the costing, and the costing around the fact there are so many other tax increases that people are going to have to make some choices.

If they make a choice not to smoke, from a healthy point of view I encourage that and I see that as a benefit. From a financial point of view for the government – who are basing all their expenditures and their budget on making sure they're going to maximize all these tax revenues and these fee increases they talked about to that level – obviously, they're doing bad accounting. The fear here is going to be around whether or not their outlined deficit is even going to be worse because of the approach they've taken.

When we look at all the fees they've tried to implement around increases, around the levy itself – which means less disposable income for the working public – we also talk about the other fee increases around insurance. People are going to make decisions around not registering as many cars if they have two cars in the family, or if a company has X number of vehicles they need to do. That's lost revenue.

They talk about the gas tax. Obviously, they're going to have to curb exactly how they operate their business. There are going to be lost revenues as part of that perspective. They're also talking – then the insurance industry themselves say we're not going to insure as many vehicles. Then that's lost revenue the companies themselves pay taxes on.

So these are just three or four right off the cuff that I think of. I've had conversations, particularly with people who have the financial background and our economists, who say there has to be a full-fledged plan around how you implement some of these taxes and how they're going to generate additional revenues. And you can do it.

Every administration has done it, where they've picked certain things. Cigarettes was one they increased, alcohol was another one. In certain times you increased registration on vehicles and certain other things that you could do, but you did it to a minimum point where you knew people would still sustain what they had. They would absorb any disposable income they had by paying those additional fees.

The problem we have with this budget – and it's being echoed to me by my constituents, by people from other parts of the province, by people outside of the province who are reading on it, particularly those who are in the know, those who have studied budgets, those who work in the finance industry, those who do it from an economic point of view who study the whole realm of budgets and implementation of tax regimes. They're seeing real faults in how this is going to be approached. Particularly the hardship it's going to impose on people, but even being able to generate the revenues that are expected by the Liberal administration to offset the deficit they're projecting.

Again, as I mentioned earlier, people are thinking the deficit would actually get to a higher level because the expectation of generating some of these revenues are going to be harder to realize for a number of other cases. There are businesses on the Mainland, companies I've dealt with who were at a point where we're encouraging them to move to, particularly, parts of my district because we have a readily available workforce. We have available land at affordable prices – that are looking at moving, either expanding their productivity or actually moving the business they have. Now they're second-guessing it because of the additional costs that are going to be incurred, because they're not quite sure if the same workforce is going to be available. People are going to have to make choices, if they can live the lifestyle here that they are accustomed to

or are going to have to move to another province.

That's the frightening part about everything that has been outlined in this budget. It's not as much about how people are going to have to dig deeper in their pockets or take some of their savings or move things there, the real fear factor that I have – and I see it in my district, and I'm seeing it on the emails I get from people around – is the impact it's going to have and the decisions people are going to have to make of whether or not they stay in this province.

People are accustomed – we've been pretty good the last decade or so. People are accustomed to a certain standard of living; not an exorbitant one, but a certain standard of living. They managed to be able to do certain things. Even those who were in a poverty level have moved up the ranks and have gotten accustomed, have more opportunities for employment, have more opportunities to make sure their kids have a better quality of education, and have a better outlook on life.

Unfortunately, what I'm being told, what I'm reading, what I'm understanding and what I believe now is that's at jeopardy, and it's at jeopardy for a number of reasons. One, it's the cost-of-living increases that are being put on people right now and it's going to be an across-the-board cost. Some can afford it, there's no doubt. Some people have enough disposable income that they can absorb that. They'll just alter their lifestyles to a certain degree.

There's a middle-class working group that are going to have to alter dramatically what they do and make some decisions. There's going to be another group of individuals, the working poor, who are dramatically going to have to look at – they wanted to move to the next level. They wanted to ensure things were going to be better for the next generation. They're going to have to make decisions, and they're making them.

I've already had three of my constituents put For Sale signs on their homes. These are not people who are losing their jobs; this is not where it is. These are people who are saying if I stay in Newfoundland and Labrador, the way things are now, my quality of life and my family's quality of life – because it's not just about the income.

It's about the services being lost. It's about the cuts to education. It's about the cuts to health care. It's about the second level of cuts that are going to come.

People are astute enough to know that the worst is yet to come. The service cuts are what are really going to have a dramatic impact on people.

When we look at our snow clearing, what impact is that going to have from an operations point of view, from a safety point of view, from being able to get to work on time? Does it mean leaving an hour or two earlier?

If there are going to be changes to ferry schedules, what does that mean for an average person who takes a ferry to get to work, who works eight hours, but we know they're doing 13 or 14 just to get to work and back, is that going to be a 16- or 18-hour day? Is it viable, then, for them to even live in those communities? Is it viable for them, depending on the income, to even go to work?

Do they then have to make a choice between spending time with their family and probably being better off being reliant on the province, than it would be for being able to get up, take 16 or 18 hours a day, have no quality of life, have no time with their family and yet, be paying taxes for no benefit to them? So everybody loses under that regime.

There has to be some real thought into where people are coming from. Somewhere along the way somebody has to give a glimmer of hope. Somebody has to say at the end of the day we're going to go back and review exactly what we've done.

We have to impose certain increases, certain fee increases, certain taxes. It's a reality. People of this province understood the fiscal challenges we had and understood government would have to make some decisions. I think they would have been supportive to that, had there been a method to the madness, as they say. A plan as to how we would get to a point where it would be minimal impact on people, it would still help grow the economy in some way, shape or form. That we would find an alternate way of providing services, not cutting services but a better, more

efficient way, a better economy of scale on the investment, how we would diversify the economy.

Because it was talked about; it was a big touted plan of the Liberal administration. We were going to diversify the economy. Part of that diversification would have been attracting businesses that traditionally would not work out of Newfoundland and Labrador. Thought it would be a great idea, thought what a way to do it.

If I had seen in this budget investments in that area where you could show we're investing \$10 million, but we know we're going to create \$100 million worth of business over the next number of years because we're attracting certain industries here that can mould their businesses around either being so close to the European market or the Mainland market or the American market; or developing a piece of technology that makes no difference where you're at when you do it, it can be shipped anywhere in the world; or if I thought they were going to do something more creative around our mineral industry, that would be more beneficial to the people of Newfoundland and Labrador, then I would have said good investment.

But no indication; cuts at every level, cuts at support levels. Being regressive in our health care, regressive in our education, regressive in our financial ability to go out and attract businesses. Doing very little to encourage citizens and give any glimmer of hope for those people who are fortunate enough, who did well over the last decade, business people, individuals who have money stashed away to be able to want to reinvest it in this province and want to be able to stay here and be confident that things can move forward.

The one thing about Newfoundlanders and Labradorians, as we all know, no matter where they go this is still home. This is the first time we're forcing people out because we're making the wrong choices. People have had to leave over the decades because the economics were what they were. The choices we're making now with this budget are forcing people to leave, and that's the wrong thing to be doing.

Thank you, Mr. Chair, and I'll have a chance to speak again later on this.

CHAIR: The hon. the Member for Mount Pearl – Southlands.

MR. LANE: Yes, thank you, Mr. Chair.

It's certainly a pleasure to rise once again and speak to Bill 22. Mr. Chair, for anyone who may be watching – and we talked about this before – this is actually the bill to increase tobacco taxes. I think everybody has already spoken to the fact that if we're going to be looking at having to raise additional revenue, this would probably be one of the preferred areas for sure.

Given that this is considered a money bill, we can utilize this opportunity to speak to the budget in general. Certainly I've been contacted by, I can't tell you how many people, but an awful lot, I can tell you that, from all throughout the province. What I keep hearing from people is that you've got to continue to speak out, we all need to continue to speak out, we all need to continue to advocate to the government to ask them to make some changes in this budget, and to use every single opportunity we can to keep this going.

Hopefully, they'll be listening, at some point in time, to what we're saying here in the House. They'll be listening to what the people are saying, whether it be through social media or emails or on the open line shows or whatever, to keep that message going that people are not in support of this budget and they want to see change.

So with that in mind, certainly it is my intent, and I'm sure my other colleagues here on this side, to keep this debate going as long as we can and to take every single opportunity to stand on our feet and talk about this budget – and this bill will be no different. Although I may not be talking about tobacco tax, per se, we will be talking about the budget. And if I can speak 10 times to this night and keep her going, that's what I'm prepared to do. We will see how it goes.

Anyway, Mr. Chair, before we took our break and I spoke the last time, one of the questions I had posed, which actually was a point that was

raised by a constituent of mine – I was actually at a function on Saturday cleaning up the Waterford River, as a matter of fact. One of the gentlemen there, a friend of mine, I've known him for a long time, posed a question about the gas tax. The question he posed was quite a good one, which, to be perfectly frank, it wasn't something that I thought about at the time but when he said it, it made a whole lot of sense.

What he had said was, basically, if we're going to put 16½ cents on a litre of gas, then we're going to tax that 16½ cents with the 15 per cent HST – well, I guess it'll be 13 per cent HST and then, come July 1, it will change to 15 per cent HST but eventually it will be 15 HST.

Well, a portion of that HST is federal tax, not provincial tax. So, basically, what would be happening here is that the federal government would be taking advantage of and gaining revenue from our austerity measures, a portion of that 15 per cent – so if 15 per cent on 16½ cents means an extra two or three cents or whatever, well maybe a cent or a cent and a half of that is actually going to go into federal coffers, not provincial coffers. So it's doing nothing to help our situation whatsoever and Ottawa is collecting additional taxation.

The thought process is: Is this really fair? Given the fact that we're only doing this because of the financial mess that we find ourselves in, if that's the only reason why we're doing this, then surely there should be some arrangement made with Ottawa, with the federal government. Particularly given the strong relationship between our provincial government and our federal government, there should be some measures to say, listen, whatever we collect here in federal tax, then you should be returning that back to the province to help us with our situation.

I didn't know what that number would be. So what I did, just a while ago, I reached out to a former Member of the House of Assembly who knows a fair bit about gas, of course. That's our own George Murphy. I reached out to George. I sent him a message. I posed that question to him: How many litres of gas did we use last year in the province? According to George's numbers – and I'm not stating this as gospel, neither is he, but based on his numbers and calculations, he's

telling me that last year we actually consumed 1.13 billion litres of gasoline.

On doing the math on the federal portion of the HST on that 16½ cents, if we were to consume the same amount of fuel again this year, according to his calculations, it would bring in \$22.4 million. In theory – again, if it stays the same as last year, according to his numbers, not mine. This is what he’s telling me, and I have a lot of respect for George and his numbers, he’s been doing it a long time – \$22.4 million that’s going to the federal government that they’re just going to collect. It’s going into their coffers on the backs of our austerity measures. That’s not doing one thing to help us in our financial situation.

When you think about \$22.4 million, I believe, and I stand to be corrected, but I believe all these library closures, I think it’s going to save a million dollars, or around a million dollars, roughly. So out of that \$22.4 million, \$1 million could save all the libraries. All the Members now on all sides who have all the libraries closing down in their districts, \$22.4 million going to Ottawa, \$1 million of that could save all the libraries.

We look at other things like the levy. We know we just received a deferral on monies owed to the federal government of – I think it was \$27 million; I think was the number, or something like that, this year of a deferral. That was going to raise the cap to \$50,000.

If we took that \$1 million off that \$22.4 million we could save all the libraries, and we still got another \$21.4 million that could go against the levy this year. It wouldn’t eliminate the whole levy, totally, but I’d say it would pretty much remove the levy for all the non-sunshine listeners. Which, quite frankly, would in terms of the people in my district – I’ve said before, I have a lot of people like nurses and teachers and firemen and RNC officers and so on, and those people are – the announcement that was made, while it was a great announcement by the federal government, that deferral to raise the cap to \$50,000 did nothing for a lot of those people.

Certainly, if we could apply this money toward the levy, a lot of those people, probably all of those people I named in those particular

occupations and so on, none of those people would have to pay a levy this year. This is not an exact number or science, but it’s rough calculations. It would seem to me that could save that.

This money could save the courthouse. There’s one in Harbour Grace and there are some other ones. I can’t remember the number, but the money we’re taking away from seniors – which I have to say, I was really blown away by that one, Mr. Chair.

I sat through Estimates and I was shocked to learn – you have seniors. Particularly, you have seniors in a nursing home or whatever and they only get \$150 a month. When it comes to some of the non-prescription medications they require, now they have to pay for those. I’m not sure what the dollar amount is we’re saving on that, but that \$22.4 million could certainly go a long way in maintaining that program. There are all kinds of other programs we can talk about that could be maintained.

I am running out of time on these 10 minutes. Hopefully I’ll have many more opportunities.

Again, I put it out there and if the numbers are wrong, fair enough. But based on the numbers, \$22.4 million going to the federal government, capitalizing on our austerity measures, I really believe that the government needs to get on the phone with the MPs and make sure that money comes back to Newfoundland.

Thank you.

CHAIR: Order, please!

I remind the hon. Member that his time has expired.

SOME HON. MEMBERS: Hear, hear!

CHAIR: The hon. the Member for St. John’s East – Quidi Vidi.

SOME HON. MEMBERS: Hear, hear!

MS. MICHAEL: Thank you very much, Mr. Chair.

I'm happy to get up and speak this evening on Bill 22 which, like a few more of the bills we'll see tonight, represents the famous budget that we're dealing with this year. The bill tonight has to do with taxation on tobacco. I have to say that I'm not opposed to taxation on tobacco. Let's hope this rise in the tax on tobacco might help more people give it up. I really do hope that.

Having said that, it's probably one of the only taxes in that budget I would say that about. This budget is a budget that's really being made on the backs of the people of the province. I've used that expression a couple of times today and I'm going to keep using it because it's so apt.

A couple of weeks ago I made allusions to the binders of messages that I have from people who are unhappy with the budget, people whose lives are going to be badly affected by the budget. I said I was going to be using these letters when I spoke. I've been doing that off and on, and I'm certainly going to continue doing it because I think it's really important for the government to hear the words of the people of the province themselves. Not me up sort of regurgitating it or standing up and saying I heard this or I saw that, but actually using, where possible, the names of the people. They want their names used, and their real stories and what they have to say about the budget and how the budget is going to affect them, because this is what I think government needs to hear.

Although, in the case of a lot of the messages that I'll be reading and alluding to – and that's certainly true of the one I'm using tonight – a lot of them have been sent to government Members. A lot of them have been written specifically to their own MHAs and then copied to the rest of the government Members, but it seems like an awful lot of the government Members haven't read these messages. Because if they have, I don't know how they could be as calm as they are over this budget.

Tonight I'm going to read one from a woman, a teacher, who has said yes, please use my name because I've used it when I have written my Member. Her name is Corina Reardon. She's originally from Goose Cove on the Northern Peninsula and currently residing in St. Anthony. Right now, she's an unemployed teacher, and as she says, she's extremely frustrated. She did

write her Member, and when she wrote her Member she also copied all the Members of the Liberal Government of Newfoundland and Labrador. So they all received it, but whether or not they read it, I have no idea.

She has an extremely interesting story. A woman of determination and a woman who has fought to get to where she is. When she was 22 years old she went to university. She had a three-year-old son at that time and brought the three-year-old son with her to university. As she says: Needless to say, my university experience was not typical. It was a trying experience and proposed many challenges. But, she's so proud today because she was the first member of her immediate family to graduate with a post-secondary degree. Her family is proud of her, and she's proud of what she has done.

She was 28 years old when she graduated with her first degree, and she went away. She and her husband moved. They lived in Alberta and worked in Alberta. This was after she'd done an internship in the province, because she did do an internship in the province. They moved to Alberta. Alberta wasn't the land of milk and honey for them, certainly not for her. In Newfoundland and Labrador during her internship, and for a short period that she'd taught here, she used to sub and really had no problems getting jobs as a substitute teacher. Something that was frustrating for her, when they were in Alberta, was that substituting there meant you were up against retired teachers, because they also were on the substitute list.

So, Mr. Chair, things didn't go well and they decided in the winter of 2011 to come back home to Newfoundland – as she says, because home is the Island. They were delighted to come back home. Once she came back she found she could sub, that she could get replacement positions and she really had no concern for a long time.

She said something very interesting in the middle of her letter, because she's going to go on and talk about the budget. She says: First, let me begin by saying that I don't believe this budget was made maliciously. On the contrary, I believe the Liberals came to power, were faced with dire financial hardships, and decided the best way to remedy these would be to make as

many cutbacks as possible while hurting the least amount of people as possible.

If I'm right – and this is why she's writing – and you didn't do it deliberately but this is why you did it, then your government has failed. This is what her message is. I'm writing this letter to inform you that due to the cutbacks you have made in education, I no longer have any hope of finding a teaching position in this province.

Now, there's quite a statement. Due to the number of positions being cut, combining of classes, and closing of smaller schools, leading to bumping of teachers, I am not hopeful that I will secure a position for September. I am now faced with a decision to either leave the teaching profession or, once again, leave Newfoundland.

This is not me making this up; this is Corina Reardon herself speaking to us in this House. This is Corina telling us her story. She remembers when they came back from Alberta. She talks about when they arrived in Port aux Basques and her son, judging by what she's been saying, he may have been around 10 or 11 at the time, the first thing he did was roll down the window of the car to smell the fresh Newfoundland air.

She talks about how much they love the province and how much they want to stay, and how much her children want to stay. However, because of the cuts being made to education, her concerns are being felt throughout the province. It's not only her who's feeling it. The first reason being that the Minister of Education and Early Childhood Development should not be the Minister of Education and Early Childhood Development if he believes that all of these cuts and combined classes will not affect students.

She says: All cuts – in bold, underlined and in capitals – in education affect students. If you cut back on teachers, school budgets and the services available in schools, it will ultimately affect the students. Schools are for students. If you reduce anything involved in the running of a school, it will affect the people it is meant to serve.

So let's try to not patronize people. This is something I've been saying. People understand what's going on and Corina is saying the same

thing. People understand that if you have a lot of children in a class with only one teacher, it is physically impossible for that teacher to be able to assist and aid all of the students in that class. Increasing class caps does nothing except ensure that more children get left behind and fall through the educational cracks. Those cracks are bursting at the seams already.

I should point out that when she did her internship, she was in a school that had combined classes. She has the experience of teaching in this province with combined classes. Her experience is that what's going to happen with the changes that have been made to the budget and with the change that have been made to the educational system because of this budget and by a minister whom she says should know better, that the children of our province are going to suffer.

That's something I don't think that this government is stopping to think about: the impact on the children of our province, the impact of not having libraries to go to, the impact of not having libraries in their schools. A lot of those libraries that are being cut were in schools. The impact of being left behind. The impact of being leftover – whether the minister likes hearing that phrase or not, that's what it is, they're being leftover.

CHAIR: Order, please!

MS. MICHAEL: Thank you very much, Mr. Chair.

I will continue the next time I can.

CHAIR: Order, please!

I remind the hon. Member that her speaking time has expired.

The hon. the Member for Topsail – Paradise.

SOME HON. MEMBERS: Hear, hear!

MR. P. DAVIS: Thank you, Mr. Chair.

You're fitting into your new role rather quickly and comfortably. You look like you've been there all your life, but you haven't. You're brand new there. Congratulations to you. You're doing

your role well, so I congratulate you on that as well.

SOME HON. MEMBERS: Hear, hear!

MR. P. DAVIS: Mr. Chair, we're here in the House this evening –

AN HON. MEMBER: Well said.

MR. P. DAVIS: Let's not overdo it now.

SOME HON. MEMBERS: Oh, oh!

MR. P. DAVIS: Let's go back to the bill, that's what we'll do. We'll go back to the bill. The bill night is Bill 22 which is An Act to Amend the Revenue Administration Act and it refers specifically to tobacco tax. So for those who are tuning in tonight, along with the budget goes a number of, what's often termed, enacting legislation.

When we do this and talk about these bills and debate these bills, they're considered to be money bills. Because they're money bills, we can essentially talk about anything that's in the purview of what's happening in government, quite often within the realm of budget, but we have the liberty then to talk about any matter of importance.

As Members rise tonight, they get to rise over and over again, for 10-minute intervals they can talk about a variety of issues. That's what's happening here tonight, if someone just happens to be tuning in – and for you too, Mr. Chair, just in case you weren't clear.

On this bill, on the revenue administration bill and on tobacco tax, there's always an interesting discussion because there are two ways about it. One is the firm belief that raising the cost of tobacco results in the decreased use of tobacco, which we all know and I'm sure we all will agree, is a good thing. It's always a good thing when we do that. It also creates more revenue.

The government is anticipating total projected revenue this year of \$5.5 million on its increases both in cigarettes and fine cut tobacco. It became effective April 5. It's a retroactive type of bill where it's effective but we still bring it before the House. Tax will go up by one cent per

cigarette and two cents per gram on fine cut tobacco. Again, as I said, \$5.5 million in revenue expected to be generated by the government.

I remember when I was on the government side of the House, one of the discussions that always take places on this, and we quite often get it from the business community, that they see a reduction in tobacco sometimes greater than the reduction of the number of people who use tobacco. What people in the business community have argued in the past is as you make tobacco prices higher, especially if it's disproportionately higher to other areas, so if one region or one jurisdiction puts it up more than the others, then it increases the likelihood of the illegal movement and sales of tobacco in the province.

I understand in some regions, in some places, in some circles, there's a very active underground market for tobacco. When you increase the price – granted, it's a small amount, total projected revenues of \$5.5 million, but it's a small amount, then that increases that underground market. That's one of the side effects of increasing costs on the people of the province.

If you add that to the other decisions and other actions involving the budget that increases the pressures on individuals and families to make ends meet, to pay for the needs of their own families, then an increase is the likelihood. If a person has an addiction to tobacco and uses tobacco on a regular basis, and feels the need – now that there's greater stress put on them, and we've heard from many, many people who are anticipating a lot more stress in their own lives because of the implications of this budget. If you have stress in your life, it's harder to give up smoking. It's harder to give up an addiction when people quite often use that as an assistance or support to their own addiction.

When you increase the pressure on people, you increase their cost overall. You increase the need for their own tobacco and then decrease the likelihood that you're going to help them quit or to stop smoking, which we would like nothing more than everyone to quit and stop smoking because I believe in the long run and in the long term there would be benefits to the province from a financial perspective. It would cause

healthier lifestyles, healthier lives, less demand on health care and all of the effects that can go with that. At the same time, as I mentioned, one of the concerns is an increase on the underground market which increases crime, criminal activity, illegal activity by people in the province and how they obtain their tobacco.

When we talk about the pressures – I know our colleague from Mount Pearl – Southlands talked about gas tax at some length. I was going to mention gas tax tonight because it's this week that gas tax is going up. So on Thursday of this week, on June 2 the 16.5 cents per litre will go on the gas tax. I reference that now because it's a good time for people to go and fill up their jerry cans and their gas cans.

I had a conversation with someone this weekend and they said –

AN HON. MEMBER: (Inaudible.)

MR. P. DAVIS: Well, jerry can was the name of the can, not in reference to the Member of the House. Yes, I know.

Gas cans, and someone said this weekend: Well, I could go around the neighbourhood, go to my neighbour and say, can I borrow your gas can? Can I borrow your gas can? Go out and pick up all your gas cans, fill them up now, and when your neighbour comes back in a couple of weeks and says I need my gas can back. You say, well as soon as I use that gas you can get your gas can back. You can save yourself at least 16½ cents a litre, plus the 13 per cent HST on the 16½ cents.

I say 13 per cent only until July 1 when, of course, the HST increases by 2 per cent to 15 per cent. Then that HST goes on the 16½ per cent increase. Essentially what's happening is the gas tax is being doubled. I referenced this in the House before; when I've spoken in the House before.

I've talked to taxi drivers. I've talked to three different taxi drivers who I have had in-depth conversations with and a couple of others besides. The Member for Mount Pearl – Southlands referenced the former Member for St. John's Centre, Mr. George Murphy. I've even talked to him about it as well.

Taxi driving is not a high-income business – it's not. They have a fair bit of overhead: the vehicle, the operation of the vehicle, insurance and, of course, fuel. These are all aspects of increased costs for taxi drivers.

Fuel is going to go up 16½ cents plus HST, when it goes on to 15 per cent HST in July. It's probably upwards of a 19- or 20-cent increase on the price of gas per litre; a significant increase. With the price of gas today, I've looked at the charts – I don't have it here in front of me, I've looked at the charts – we're kind of in the upper end to the middle of the pack right now. If you're in around the middle of the pack, there's not a big difference. But this gas tax increase will put us disproportionately higher than the rest of the country, almost out to a rank all on our own.

That's going to impact taxi drivers. They have insurance costs that are high because of the business they're in, the work they do, the frequency and how many miles they drive. That's going to go up by 15 per cent. Their repairs and maintenance costs are going to go up by 15 per cent.

AN HON. MEMBER: (Inaudible.)

MR. P. DAVIS: What was that?

AN HON. MEMBER: Two extra per cent on the repairs.

MR. P. DAVIS: That's right, two extra cents on repairs as well. That's all going to go up. Their insurance goes up. Their gas goes up. One of the hard parts for taxi drivers is they don't have the ability just to say we're going to charge more.

When the cost of groceries start to get impacted by the increase in taxes –

SOME HON. MEMBERS: Oh, oh!

CHAIR: Order, please!

SOME HON. MEMBERS: Oh, oh!

CHAIR: Order, please!

MR. P. DAVIS: When the taxes go up and that causes an increase in the cost of groceries –

because groceries will go up, Mr. Chair. Groceries will be impacted by the tax increases that this government is bringing in. That will go up and that will go on your bottom dollar. The hard part for taxis is they can't pass that on because they don't have the ability to tune their meters and charge more for their taxi run. It comes directly out of their pockets.

One taxi driver I spoke to earns about \$25,000 a year. He believes it will be more than \$4,000 – somewhere between \$4,000 and \$5,000, depending on the year that he has – extra cost to him because of the changes in taxation this year. So that's a 20 to 25 per cent increase in his costs for his operations this year and that's significant. It may be a little bit less than that, depending on the year and the costs he has.

Mr. Chair, the point of it is that makes an impact on people's lives. If you cut someone's income or salary by 10 per cent, because they've now got extra costs, extra taxation, more money they have to spend just to go about their day-to-day lives, then that's money they'll have to spend at a grocery store, in maintaining their vehicle, their business operations, taking their children places, or registering them for different programs or services. It's going to have an impact on all of those families.

Mr. Chair, I think we're going to have a late night tonight and I look forward to the opportunity to rise and further debate this bill that's before the House in Committee tonight.

Thank you.

CHAIR: The hon. the Member for Mount Pearl North.

MR. KENT: Thank you, Mr. Chair.

It's great to have an opportunity once again to speak to this bill at the Committee stage. I think I'd like to pick up on some of the comments made by the Leader of the Opposition in the last 10 minutes or so.

A number of speakers this evening have done a good job of highlighting some of the broad concerns we have with this budget and the impact it will have on average citizens in Newfoundland and Labrador. You can look at

any individual point within the budget and debate whether it's good or whether it's bad, or debate the degree to which it will impact people, but when you look at the impact of this budget in its totality, it's costing most families in this province thousands of dollars, and that's not by any stretch an exaggeration.

If you punch the numbers into either calculator, except the government one, but if you punch your own numbers into either of the other calculators I think you'll find that the budget impact for most citizens is significant.

AN HON. MEMBER: (Inaudible.)

MR. KENT: Pardon me?

AN HON. MEMBER: I would like the NDP (inaudible).

MR. KENT: Yes, the NDP one is not bad. I would argue that Bradley Russell's calculator is far superior having played with them both, but I commend the NDP for coming out with one. I thought it was a good idea. I think the one that a private citizen has come out with shows the power of open data, which is something I hope government won't shelve completely as it moves forward.

I do want to talk about some other elements in this budget and why it is a concern for people, and just to remind people of some of the things that have been cut and eliminated in this budget. Because it's not just about the levy, which has been a major bone of contention and a major focal point, it's much bigger than that.

One thing, of course, that we've heard talked about in this House is the 2 per cent increase to HST. That was something the previous administration talked about doing. We felt it was going to be necessary just based on where we were fiscally. The Liberal's while campaigning, said: No way, it's a job killer. We can't raise the HST. Now they're going to do exactly what we said we were going to do. So that's rather unfortunate but, nonetheless, HST is going up for all of us. There's a personal income tax increase, and I suspect over the next number of days in this House we'll have a chance to talk some more about that.

There have been a number of cuts to health care in Newfoundland and Labrador. One that's been highlighted a number of times in this House – and I know the Member for Fortune Bay – Cape La Hune has spoken to it quite eloquently and passionately – is cuts to breast cancer screening. I've heard the minister's arguments and, based on my prior role, I'm aware of some of the arguments that he's making; but, ultimately, I don't believe that the cuts that are being made in the budget to the program are the right ones.

Gas tax is a big one. The cost of gasoline is going up significantly. As of this week, I believe June 2, we're going to see a major increase at the pumps. And there's tax on tax because the HST is also applied, so it's going to drive the cost of gasoline for the average consumer quite significantly as well.

One thing that I don't think there has been discussion on so far is the increases to insurance. A 15 per cent hit on insurance tax is substantial. For many people, for many households, the cost, the impact of that is hundreds of dollars a year. That can't be underestimated as well.

Tonight, I think we have an opportunity to talk about other things in the budget that have been cut and have been impacted by the budget decisions by the Liberals. Let's just talk about a number of departments as a starting point and, hopefully, I'll have a number of times to get to speak to this bill and others as they go through the Committee stage.

We've seen AES offices close in various communities and regions in the province. The real issue there is rural access. It's not to say that the services can't technically be done in another location, but it's about access for the citizens in those regions. That's the big issue here. Obviously, there are going to be jobs lost from given communities if offices close, even if those jobs are relocated elsewhere. That impacts people, but the fact that people in rural communities will no longer have the same level of access to services is a legitimate concern that's being expressed by people in multiple regions in Newfoundland and Labrador.

There have been changes to medical transportation benefits, and that's a program that's been a challenge for some time. Many

would argue that the program was under resourced to begin with, despite the fact that it's one of the better programs in the country when it comes to medical transportation. Yet, there have been some impacts as a result of this budget.

We had made a commitment to move from student loans to needs-based grants. This government is now backing away from that commitment, so there's going to be an impact on post-secondary students in our province. There's been an elimination of apprenticeship scholarships in this budget, which is not something we've heard a whole lot about. I know that there are many challenges facing apprentices in our province and they're complex challenges, but I would say that having scholarships available to attract more apprentices to the trades is a positive thing. To see those eliminated in this budget, I think, is rather unfortunate.

Back to student aid for a moment where what we're seeing in this budget is the grant portion of the student financial assistance for Newfoundland and Labrador students is being reduced and the loan portion is being increased. That applies to our medical students as well. We've seen cuts to youth services funding and student services funding. The operational grant for Memorial University has been cut.

Let me talk about one of the departments that I'm critic for: Business, Tourism, Culture and Rural Development. I hope that most of the things you'll hear me say about that department in the months and years ahead will be positive because I believe there are lots of good things happening in that department. There are lots of initiatives that I'll be the first to stand and support, but there are a number of cuts within Business, Tourism, Culture and Rural Development in this budget that haven't received a lot of attention or discussion during the budget debate so far.

There's funding being eliminated for the Collaborative Applied Research in Economics Initiative, the CARE Initiative. There's a reduction in funding for the Season Extension Program. There's reduced funding for our provincial and regional Visitor Information Centres.

The cuts to tourism are particularly frustrating because I believe, and I know the minister believes as well, that there's incredible growth potential within our tourism sector. It's a billion-dollar industry for Newfoundland and Labrador. The investments in the sector over the last number of years have really paid off. It's not just about the award-winning advertising campaign, which I think has contributed greatly to the success, but beyond that, there's been lots of work done on the ground to help the sector grow, develop and reach its full potential. In a time of economic downturn, where tourism still has such growth potential despite that downturn, any cuts to tourism don't make a whole lot of sense.

Also in Business, Tourism, Culture and Rural Development there is a reduction in the Regional Development Fund; reduced funding for our Research & Development Corporation, which will foster innovation in our province and encourage economic activity.

The grants for the Newfoundland and Labrador Film Development Corporation have been cut, grants that support general operations and also programming, perhaps more importantly. The grant for the Heritage Foundation of Newfoundland and Labrador has been reduced as well.

The Newfoundland and Labrador Arts Council was also affected. The Labrador Cultural Outreach Office and Travel Fund were eliminated. Now, I understand that there are some efforts being made to address some of those needs through other programs. I guess time will tell whether that's successful and effective or not. But the fact remains that the funding for the Labrador Cultural Outreach Office and Travel Fund as part of the Newfoundland and Labrador Arts Council has been eliminated.

Speaking of Labrador, the Air Foodlift Subsidy Program has been discontinued. Now, I understand again that there's a portion of that funding that's being reinvested in a new program that will promote nutritional and artistic endeavours in Labrador, but there still have been cuts.

Mr. Chair, I see I'm out of time, so I'll have to rise again later and speak further.

Thank you.

CHAIR: The hon. the Minister of Education and Early Childhood Development.

MR. KIRBY: Thank you, Mr. Chair.

It's a pleasure for me to get up and speak on this bill. As we've said, the bill is primarily about increasing the tobacco tax. As a reformed smoker myself, I certainly endorse any measures to reduce rates of smoking in the province. I wanted to pick up on one thing the Member for Mount Pearl just said; he talked about the cuts to the Newfoundland and Labrador Film Development Corporation. I read in the newspaper about that particular reduction, and I actually was fortunate enough to sit in on the Treasury Board presentation from NIFCO.

The reason why the budget for NIFCO was cut, I understand it from them and from reading in the newspaper, is that there was an equity stake that was going to be purchased by government in a production and the production company – the *Republic of Doyle* – independently reduced the cost of production because the production ended and so there was not any need for the expenditure on the production.

To somehow decry that as a terrible thing, I guess we all didn't like to see the end of the *Republic of Doyle* but to suggest somehow that this was a nefarious cut to NIFCO on behalf of the Government of Newfoundland and Labrador is nothing but hogwash.

Mr. Chair, we hear nothing but doom and gloom from the Opposition day in and day out. Before the budget was released we were encouraged by the Opposition to stop talking about the difficult situation the province finds itself in and stop talking about doom and gloom. We have doom and we have gloom on a daily basis here, and it isn't all doom and gloom.

I think people get up and they talk about, how dare you say Newfoundlanders and Labradorians ought to go away and get work experience in other provinces? How dare you do that? It's a complete ignorance of the fact or purposeful

avoidance of the fact that Newfoundlanders and Labradorians have always gone away to work. Newfoundlanders and Labradorians went to work on the Labrador fishery. Newfoundlanders and Labradorians went to work in sealing outside of their communities. Newfoundlanders and Labradorians went and built some of the tallest skyscrapers in the United States, in Boston, New York and other American cities. When we joined Confederation, Newfoundlanders and Labradorians went and worked on the mainland of Canada.

My father went to work for one year in 1967 for Labatt Brewery in London, Ontario. I myself went out of the province to study and work for a period of time for the Ontario government in a public service capacity. Many of us have worked outside the province and we have benefited from that. We go get experience elsewhere and it's a benefit to the province when people come back and contribute gainfully to the economy using the experience and skill they have gained elsewhere. So the glass is either half full or the glass is either half empty. It really depends on how we look at the glass, I guess.

The other thing is the budget does include quite a good number of positive measures. In Transportation, \$226 million for priority projects. That's a huge investment in infrastructure; \$63.7 million for widening and paving of the Trans-Labrador Highway; \$62 million for the Provincial Roads Program and brush clearing – quite a number of people in the province will gain employment through that; \$5 million for heavy equipment replacement; \$23 million for continuation of the Team Gushue Highway – quite an important infrastructure project for the City of St. John's and metro, period.

AN HON. MEMBER: And Mount Pearl.

MR. KIRBY: And Mount Pearl; \$8.13 million for renovations to wharves and ferry terminals; \$730,000 to continue the travel subsidy for Labrador teams and individuals to participate in athletic events on the Island – quite an important program that's continuing; \$351,000 for the Labrador Transportation Grooming Subsidy to otherwise isolated communities through an extensive winter trail system.

We also have significant investments in our communities: \$344 million over four years for new and existing municipal infrastructure projects which will leverage \$146.4 million in federal funding. With municipal contributions included, we're looking at \$625 million total investment in municipal infrastructure. That's 950 full-time equivalent positions per year.

AN HON. MEMBER: (Inaudible.)

MR. KIRBY: It's not a slush fund at all. If providing good infrastructure and investing in our communities is a slush fund, then you can call it that but I don't call it a slush fund. It's important investment in community infrastructure in the province.

There's \$18.4 million for revenue sharing and other ventures as part of the Community Sustainability Partnership. There's \$22 million for Municipal Operating Grants so that they can remain at current levels. I think MNL and a lot of our municipal partners have been quite vocal in supporting that; \$5 million for improvements to provincial buildings, including upgrades for accessibility at a number of the Arts and Culture Centres that sorely needed the upgrades to provide greater accessibility; \$1.46 million to continue the remediation at the former American radar site in Hopedale, cleaning up environmental problems that we have in that part of Labrador.

There's also a \$530,000 grant there for funding for repair to the Terra Nova bridge to ensure there is not a significant problem with the T' Railway Provincial Park, and to begin engineering assessments for other bridges in the park.

The provincial government is also providing \$1 million over the next two years for new renovations to the Family Court in St. John's to increase capacity and lessen hardship on families and those individuals going through court processes.

There is also \$100,000 in funding for an external review of the Office of the Chief Medical Examiner. As we know from news we saw earlier, there is significant need for a review of that office.

In the Department of Education and Early Childhood Development there are significant investments in school infrastructure to address capacity issues, planning and replacement of school infrastructure that's aging. We have quite a bit of aging school infrastructure in the province. We can't repair it all this year; we can't repair it all in a couple of years. But as we go along what we can afford and what we see that we need to do, we're doing. There's \$88 million to continue projects and over \$16 million for repairs and maintenance.

We've got over \$73 million for school projects, six of them: a Conception Bay South school; a Gander four to six school; a Paradise school, the Octagon Pond school, that's where students are currently attending at the former site of the School for the Deaf. Portugal Cove-St. Philip's will be getting a new school, albeit on a delayed schedule in comparison to what the previous administration had promised. Likewise, Torbay will be getting a new school, a needed middle school.

We're also going to finish the Virginia Park school, something that's been tied up for a significant period of time, and then also completing the promised extension and renovation to St. Peter's Junior High. There's over \$4.8 million in the budget for an extension and renovation to St. Peter's Primary, also in Mount Pearl; an extension to Mobile Central High School; a modular classroom for École des Grands-Vents in St. John's; and continued planning for the new Gander K to three – well, a refurbishment.

In terms of post-secondary education, there's \$3.2 million for Memorial University for priority infrastructure projects. There's \$1.9 million in infrastructure funding for College of the North Atlantic for priority infrastructure projects there. There's a new investment of \$350,000 for planning future infrastructure priorities.

I'll be happy to get up throughout the evening and continue to point out the obvious which is that there's quite a lot of spending, new initiatives, positive initiatives, good investments in communities, in municipal infrastructure, in education infrastructure, in health care infrastructure and so on. I'm pleased to stand as

many times as I can this evening to point some of these things out.

Thank you.

SOME HON. MEMBERS: Hear, hear!

CHAIR: The hon. the Member for Mount Pearl – Southlands.

MR. LANE: Yes, thank you, Mr. Chair.

It's certainly a pleasure to get up one more time and speak to Bill 22. Once again, while this is about raising the tax on tobacco, where it's a money bill we can speak to whatever we decide we want to speak on.

I was just listening to the Minister of Education. I agree with the Minister of Education, there are good spends in the budget. Certainly it should be, given the fact we're actually spending more money this year than we did last year in an austerity budget which some people have told me they kind of got a bit of trouble trying to figure out how that works, how on the one hand we're taxing people and taxing people and taxing people but we're actually going to spend more money than we did last year.

I don't mean to be critical of what the minister is saying. I mean there are things there, but, Mr. Chair, I've talked about this before. When we're talking about all these things, we could all get a list. I understand what the minister is trying to do. He's trying to find some positive here, but we can all get a list and talk about, okay, we spent money on this school, we spent money on that school; we paved this road, we paved that road; we're going to do the Team Gushue Highway; we're going to do some extensions on St. Peter's Junior High; we're going to do some renovations and extension on St. Peter's Primary and so on.

Those are all good things. I'm not going to say they're bad things, they're good things. They're needed things. At the end of the day, isn't that what we expect anyway? If I'm paying taxes, if people are paying taxes they're expecting services. We expect the hospitals to be open. We expect the hospitals to be fit to go in. We expect the schools to be open and have teachers, and the right amount of teachers. We expect it to be

fit for our children to go in. We expect the roads to be fit to drive on and so on.

While I understand what the minister is saying, that it's not all doom and gloom and there are things getting done, but at the end of the day we pay taxes for it. That's what we expect. So it's not like we need to take a special opportunity to pat ourselves on the back for actually spending our money that we're paying for to do what we expect to be done.

It's like me saying to the council in Mount Pearl – they do a great job, a fabulous city council, but it's like saying thank you so much for collecting my garbage. I paid all this money in taxes, probably like \$3,000 a year or whatever it is, we get great services, but thank you so much for picking up my garbage. Thank you so much for keeping the water on. Thank you so much. It's not belittling what they're doing, but it's what we expect. So to somehow try to turn that into something over and above, simply doing what we expect anyway, I do find it a little strange.

One thing people do expect though is that whatever services are going to be provided and so on, we expect it to be done as cost effectively as possible, as efficiently as possible and we expect it to be affordable. We expect it to be affordable to people who have to pay for all these things. That's why sometimes people have questioned, in a time when we're taxing, taxing, taxing, we're actually spending more money than we did before. I just put that out there, Mr. Chair.

I just want to spend the next five minutes or so to talk about the economic piece. As I've said here in this House before, I'm no economist. I don't pretend to be, but I do find it strange, and people have raised this, numerous people have raised this: How is it that four months ago, increasing the HST by 2 per cent was a job killer? Four months ago it was a job killer, 2 per cent on HST.

Fast forward to now, and we're going to go 2 per cent on the HST. We're going to increase income tax. We're going to impose a levy. We're going to increase gasoline. We're going to increase all the fees. We're going to charge 15 per cent on insurance, but somehow that's okay.

MR. LETTO: (Inaudible) \$1.8 billion in the hole.

MR. LANE: Somehow that's not a job killer.

I say to the Member for Lab West, who said we're still \$1.8 billion in the hole, we all understand that. Everyone understands that. I'm not talking about where we're in the hole. I'm just talking about what people are questioning. I know they've questioned you as well and other Members. How is it that it's a job killer today, with just a 2 per cent increase, but the cumulative effect of all this taxation four months later, that's not a job killer?

Again, I don't know. I'm not an economist, I don't know. That's my honest answer. I don't know. I can't figure it out. I really can't figure it out, how it would be, because when you think about it – all of this has been said but we're going to continue saying it. I know it sounds repetitive but the people want us to continue saying it. That as we look at all these taxes and the cumulative effect on it, people are not going to have money to spend. They're not going to have that money to invest in the economy. That expendable income is going to be gone.

Now, in some cases it's going to hit different people to different degrees. There are some people who have told me – and I can only go by what they're telling me. I don't know their personal finances and their situation. I can only go by the emails I'm getting. Some people tell me it's going to break them financially, that they are afraid they're going to actually lose their home. Now, that's what they're telling me. I'm not going to say it's not true. I'm only going by what people are telling me.

There are other people that are saying it's going to drastically impact their ability to live. They're going to have to start cutting an awful lot of stuff that they do now. They're going to have to cut in order to pay for it.

There are other people who are perhaps a little bit better off financially and so on. A lot of the people who are in my district, and they would say, yeah, I can absorb it, but what it means for me, I'm not going to lose my house, we're not going to have to eat Kraft Dinner for every meal of the day, but it has taken away my expendable

income. That means that myself and my wife on a Friday afternoon or whatever, we get off work, let's go unwind. Let's go down on George Street or something and have a couple of drinks, listen to some music, have a meal or whatever, that's gone now. Taking the kids out to a movie or whatever, that's gone or that's compromised.

Taking a vacation, or even a staycation – I think I mentioned when I spoke one time before, someone I was talking to who talked about going to the Terra Nova – Eastport area. A very popular spot, beautiful spot in the summertime. That's going to impact their trip, their vacation to Terra Nova – Glovertown – Traytown or wherever they stay. If they can't go there, that's money that's not getting injected into that local economy. Now if the money is not getting injected into that local economy, how are the businesses going to stay open? How are they going to keep their staff employed? If the staff aren't employed and they don't have a job and they're not making money, then they got no money to spend on other services and so on in the area.

So it would seem to me that there would be a trickle-down effect with all of this. If the money is taken away from people, their expendable income, they cannot spend it, they cannot put it into the economy, the economy can't grow. Not only can it not grow, it can't even maintain itself. Because what's going to happen is that the economy is going to actually contract. The economy will contract, people will end up losing their jobs, businesses are going to close down, in theory. Some of them will, not all of them. I'm not trying to preach this doom and gloom, that everything is going to be destroyed overnight and every business is going to close down. Of course, there are going to be businesses that will survive, but there will be a number of them that won't survive. There will be a number of impacts on people, in terms of their employment, that will be impacted by that. If they don't have money, then they can't spend their money either. Like I said, it's an ongoing trickle-down effect.

Again, not being an economist, people are asking me, and I really don't have the answer, how one day HST is a job killer and the next day all this isn't.

Thank you, Mr. Chair.

CHAIR (Dempster): Seeing no further speakers, we'll call the bill.

A bill, "An Act To Amend The Revenue Administration Act No. 5." (Bill 22)

CLERK (Ms. Murphy): Clause 1.

CHAIR: Shall clause 1 carry?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: All those against?

Carried.

On motion, clause 1 carried.

CLERK: Clause 2.

CHAIR: Shall clause 2 carry?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: All those against?

SOME HON. MEMBERS: Nay.

CHAIR: Carried.

On motion, clause 2 carried.

CLERK: Be it enacted by the Lieutenant Governor and House of Assembly in Legislative Session convened, as follows.

CHAIR: Shall the enacting clause carry?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: All those against?

Carried.

On motion, enacting clause carried.

CLERK: A bill, An Act To Amend The Revenue Administration Act No. 5.

CHAIR: Shall the long title carry?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: All those against?

Carried.

On motion, title carried.

CHAIR: Order, please!

Shall I report Bill 22 carried without amendment?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: All those against?

Carried.

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

CHAIR: Order, please!

We are now considering Bill 32 and the related resolution.

Resolution

“That it is expedient to bring in a measure to authorize the raising from time to time by way of loan on the credit of the province, in addition to the sum of money already voted, a sum of money not exceeding \$1,800,000,000.”

CHAIR: Shall the resolution carry?

The hon. the Minister of Finance and President of Treasury Board.

MS. C. BENNETT: Thank you, Madam Chair.

I'm happy to stand in the House tonight and speak to Bill 32 and the resolution as it was read earlier. Our government recognizes that we have

significant borrowing requirements, borrowing requirements that are to the tune of \$3.4 billion for this fiscal year as set out in *Budget 2016*. Bill 32 is a bill to amend the *Loan Act, 2016*, which was discussed in this House earlier this session.

In order to allow provincial borrowing activity to continue through the early part of the fiscal year leading up to the passage of *Budget 2016*, an interim loan bill was drafted and passed by the House of Assembly on April 29, 2016, and this bill that was passed on the 29th of April established interim borrowing authority for \$1.6 billion.

Budget 2016 set out a borrowing requirement of \$3.4 billion for the fiscal year 2016-2017. In order to align the legislative authority with the borrowing requirements set out in the budget, a new loan act will be required and this will take the form of an amendment to the *Loan Act, 2016*.

Madam Chair, term borrowing completed thus far in the fiscal year stands at \$1.625 billion, which was borrowed under the authority of the *Financial Administration Act* and a loan bill of 2016. Thus, additional borrowing of \$1.775 billion will be required to meet the budgetary requirement.

This \$1.625 billion has been borrowed through three bond issues this fiscal year: one of \$500 million, one of \$450 million and, most recently, one of \$675 million. This bill will see the *Loan Act, 2016* be amended to increase the authorized borrowing authority from \$1.6 billion to \$3.4 billion, as I said earlier, which is consistent with the budgetary requirements.

Madam Chair, our government has had success in the long-term market in spite of the challenges that we've been facing – this province and many provinces as well – in the long-term bond market. These challenges have been a result of the sharp fall in oil prices and the result and impact on provincial finances, as well as the uncertainty leading into the election of November 30, as well as potential negative downgrades from rating agencies' negative watch.

A further challenging fiscal situation in the province was outlined at mid-year. Under the

previous administration borrowing was very slow from April to December, with only \$400 million being able to be secured. Since January, this government has been able to secure seven market issues totalling \$3.11 billion.

It is clear that our government's commitment to action to deal with the fiscal situation is allowing Newfoundland and Labrador to secure long-term borrowing in the market domestically, and in *Budget 2016* government laid out a fiscal plan that allows our province to regain control of government finances.

Madam Chair, as we have said, repeatedly, the choices we have made were not easy, but necessary to deal with the lack of planning and the mismanagement of the former administration. That, coupled with their inability to manage a financial plan, has left our province to deal with an unprecedented deficit, unprecedented borrowing requirements and unprecedented fiscal pressures.

Our government is working very hard to continue to have a good relationship with the rating agencies and our investors in the face of a tremendously difficult fiscal situation. We intend to continue to present to them and the people of the province a credible plan forward which will see our province get back into a surplus position.

The success this government has seen in the long-term market in the last six months is a testament to the fact that the Premier has been having many conversations over the last months, as I have, with our financial advisors. We are certainly giving them the confidence that we did the due diligence and the evidence-based analysis we needed to do as part of *Budget 2016*. We believe the markets are reacting in a way that we hope continues.

With that, Madam Chair, I will take my seat and look forward to continuing to discuss this government's financial plan to reshape Newfoundland and Labrador's fiscal future and, sadly, a bill that requires this government to borrow the most amount of money ever borrowed in our history in one single year.

Thank you.

SOME HON. MEMBERS: Hear, hear!

CHAIR: The Chair recognizes the hon. the Member for Ferryland.

SOME HON. MEMBERS: Hear, hear!

MR. HUTCHINGS: Thank you, Madam Chair.

I'm glad to rise and speak to Bill 32, An Act to Amend the Loan Act which, as the minister has indicated, certainly references increasing loan capacity, increased the maximum cap, I guess, to \$3.4 billion. We had some previous debates in the Legislature in regard to this in April, I do believe. At that time, the Lieutenant Governor in Council was approved to borrow up to \$1.6 billion. Now what we're talking about here is a cap to be increased again for future possible borrowing to \$3.4 billion.

That would help with the borrowing program for this year in terms of meeting our requirements. Obviously, this flows into the budget and discussions we had for the past number of weeks since the budget came down. There is over \$8.4 billion roughly this year in terms of budget requirements of the province to meet our programs and services, look at things like infrastructure and assistance for various programs from an economic perspective. Although we haven't seen a lot from this government yet in terms of diversification and what they are going to do, but we hope to see that sometime soon in regard to the programs and services, how they're going to drive that. We heard last fall about great ideas, great lines, great one-liners in terms of what they do and how they could do it, but to date, as I said, it has been very limited.

At a time like this in the economy, certainly in various jurisdictions across Canada, in a commodity market like ours, we've seen significant slowdown. At that point in time, it's important that we – the key indicators in the economy – pay close attention to and make sure our economy still moves along. Even though in some respects it can be slowing, like I said, related to the commodities and oil. We've seen it in the mining sector, and various jurisdictions in Canada have seen it as well.

Some of the things we've seen in this budget are extremely concerning and have been expressed here in the House and expressed across the province in regard to the amount of consumer confidence. The amount of money that's been taken out of people's pockets and what that's going to mean in terms of continuing to drive the economy and stabilize the economy.

As we know, it's very basic to our economy. Free enterprise is that people have the ability to spend, whether that's in basic retail for small business, whether it's larger purchases, whether it's driving larger economic activity. All of that drives our economy. We need that. So there are huge concerns with this budget and the level of taxation.

I think we all recognize there are choices to be made, but we continue to repeat it's the choices. It's the decisions that were made and what the choices were that are of concern to Newfoundlanders and Labradorians. We've seen so many protests and petitions written and people voicing their concern in regard to direction. There's no plan laid out here in the long term. So to do what we're going to do today, what benefit is that tomorrow and how does that move us forward? That's very limited in this budget and what's trying to be achieved.

I did notice the Minister of Finance referenced borrowing capacity and long-term borrowing capacity. She indicated that – even last February, I think it was, there was some confusion from the Premier when he indicated we weren't able to borrow long term. We asked for clarification on that and the fact of what he meant. He said there were lending institutions out there that turned us down for long-term borrowing. We asked who they were; they weren't identified. I think it was even them who suggested we weren't able to raise long-term borrowing, the last administration, which, in fact, wasn't accurate. There was over \$400 million raised in long-term borrowing.

Due to various times during the year when you can go to market, sometimes it's receptive in long-term borrowing and sometimes it's not. Based on that, when you go to the market there could be higher fees in terms of borrowing. So obviously at that point in time you wouldn't borrow, you'd wait.

Back a number of years ago the lending institutions often required sinking funds, where they'd require – when you'd go to market, it would be based on interest but also based on a requirement to – as you borrowed and as you moved forward past that borrowing date, you put aside actual dollars into a sinking fund so when that borrowing matured, the dollars through there and you could pay it off. There are many reasons when you go to the market of why it may not be receptive at a point in time to access that long-term borrowing.

We never did get clarification when the Premier said we didn't borrow long term last year, which was incorrect, and who the institutions were that apparently wouldn't give us long-term borrowing. It was never identified. Yet, this evening, again, the minister confirms they were able to borrow, I think, over \$3 billion. Inconsistencies, not really sure what's happening there, but we asked the questions and never received the answers; so just a point in regard to that into the borrowing.

This is required in terms of the bill in terms of operations for the province as we move forward. Overall, from a budget perspective, we do have concerns in regard to the outline of this budget. We have an opportunity, a number of bills left. We haven't voted on the main motion of the budget yet.

As we move forward over the next number of days, maybe weeks, I guess, as we continue the budget debate, we'll all have to rise here and continue to vote on the enabling legislation, which is tied to the budget, whether that's the levy. I think there's one on automobile tax and a number of those that are required as parts of decisions that were made for revenue generators. They'll be part of the overall process as we move forward in concluding the process with the budget.

There are a number of areas of concern for me. I represent my district, the Ferryland District. We've seen a lot of growth in the Northern part of the district closer to St. John's, from Bauline to Bay Bulls. Last year, we had announced a new middle school for the region because of the number of young children we have and kids we have in the area.

St. Bernard's in Witless Bay from K to six, the past number of years we've built on two classroom extensions to the building, three portables, with the goal of moving forward to build a middle school. As well, Mobile Central High, a new school that was built and opened in 2007 from grades seven to 12. We're seeing a lot of two-stream classrooms in Witless Bay, even getting into the third stream in some of the grades because of the increase in population.

As those children move through, go to Mobile Central High, there's a need to be able to accommodate those. The middle school from, say, possibly grade five to seven would allow that. It would take pressure off St. Bernard's, as well as take pressure off Mobile Central High, which is much needed for the region. Unfortunately, in *Budget 2016* it wasn't deferred, it was cancelled. We're not going to do it for the region. The families for the region, it's certainly devastating news for the region.

We look at the growth we're having in moving forward and what we need to accommodate it. It's all tied to economic and social development to any part of our province. You need to have the economics where you want to live because you make a living but you also need the social enhancements, whether that's access to health care services, whether it's access to recreation, whether it's access to education facilities. People want a certain standard, and it's unfortunate that these decisions were made by this government.

There's also a reference now to building on to Mobile Central High in regard to some classrooms there. The point there – and we've spent money on consultants over the past year that looked at what's the benefit of building on to maybe St. Bernard's or building on to Mobile Central High or building a new middle school. The conclusion was the middle school was the way to go in terms of cost. In terms of service delivery, that was the way to go.

The decision was made for whatever reason that we're not going to do the middle school. We'll continue to work and advocate with the people of the region that that needs to be built. Hopefully, our friends on the other side will see the light and that will be done. As I said, in the past number of years as we've seen continued growth, we've worked towards enhancing

school infrastructure. We'll continue to work towards making that a reality because it's needed and certainly justified for the region.

The other huge issue for the district is the cancellation of a significant piece of highway infrastructure. The Robert E. Howlett, one of the major thoroughfares to the Southern Avalon. A tremendous amount of traffic, north and south, related to being adjacent to St. John's; a lot of commercial development.

We have the port in Bay Bulls, an offshore supply base for the offshore. We have a number of crab plants, in terms of transporting of resource back and forth the Southern Shore Highway, and thousands and thousands of vehicles now each day coming out Route 10, Southern Shore Highway. That route travels right by one of the biggest water supplies for the City of St. John's, Bay Bulls Big Pond. This route goes right adjacent to Bay Bulls Big Pond. A couple of years ago we had a vehicle go into the watershed and concerns in regard to pollutants.

So this proposal, as it was designed, would take it away from that water supply. About a 9.6 kilometre highway, take it up over the ridge on Bay Bulls Big Pond to the left, drop it down into Bay Bulls and allow that flow of traffic to be enhanced. Again, a decision was made not to defer that, it was to cancel it. I'm not sure on that.

I mentioned earlier not much talk of this government of economic development or diversification, but here you have a region that's growing and developing, but we're not going to build the infrastructure to meet the needs of the region. As I said, further down the shore, Fermeuse, we've had opportunities again and done work with the port down there in regard to the type of port it is, the depth of water, the available land that sometime in the future again could be used for things like offshore development. So there are great opportunities.

The tourism sector on the Southern Shore is huge. It continued to grow in terms of the amount of traffic we had, either daytime trips out of St. John's or even further down the shore right through to Trepassey, right along the shore, right adjacent in the district, certainly adjacent to

St. John's, Petty Harbour-Maddox Cove. Then you go on to Bay Bulls, Witless Bay with the bird sanctuaries, all the boat tours further down.

We have the Avalon wilderness area, adjacent as part of the district. You have a place like the Colony of Avalon, anywhere from 15,000-20,000 visitors a year. Lighthouse picnics – award-winning entrepreneur there, in terms of developing that and what it is. On down through Renew's, Calvert, on down through, and then on the way up to Portugal Cove South, where we're hopefully getting some very good news in regard to UNESCO designation and that being approved this year in July.

So we've also seen an investment in Trepassey with the hotel there – I know the operator there. So they're looking forward in terms of the opportunities in what it is going to build. Having said all that, you need the infrastructure; you've got to build the infrastructure. You can't do anything in isolation. So you've got to build that road and infrastructure I talked about. It's all about economic development, driving opportunities, small business, and that's what we get, collectively. So tourism is huge, huge for the area.

Cape Race is there. We've seen a lot of increase in that, along with the interpretation centre in Portugal Cove South, and that continues to grow. Obviously La Manche Park, one of the busiest summer parks in Newfoundland, is very well used, very well utilized. So a lot of reasons to continue to build that infrastructure, and we can only hope this government will see that and invest.

I've been in touch with the local MP. We've heard great news, or so-called news about the amount of infrastructure that's available to the federal government; advocated to MP O'Regan in regard to the possibilities for that; haven't heard anything back on that, but there are huge opportunities there to assist with that infrastructure with those monies that are available.

So, Madam Chair, I'm certainly pleased to speak to this loan bill – it is a money bill, so it gives you wide parameters in terms of talking about various issues in regard to the bill itself, the budget and other things that are relevant in all of

our districts that we like to talk about and let people know what's happening with them.

With that, Madam Chair, I'll take my seat, but I certainly appreciate the time to take a few minutes and have some discussion and hopefully we'll have further chats later in the night.

Thank you very much.

SOME HON. MEMBERS: Hear, hear!

CHAIR: The Chair recognizes the hon. the Member for St. John's Centre.

MS. ROGERS: Thank you very much, Madam Chair.

I'm happy to stand and speak to this bill. Once again, what I would like to do is – we can speak to a number of bills that really only deal with a very, very small portion of the budget. We really need to continue to look at the big picture. Because, otherwise, all we're doing is just what the minister responsible for Finance said, where she said she went line by line by line through the budget.

Then she had people in every department going line by line by line, basically just doing the job of an accountant rather than a Minister of Finance who is to look at the larger picture, including the Premier as well, to look at the larger picture and say: How can we weather this storm? How can we harness the energy of our workers? How can we harness the energy of our people who want to be part of creating a solution? Not just having the life squeezed out of them and not to see that the province just gets choked by this austerity budget, but, really, what we needed them to do was to lift their gaze from their line-by-line activities and look at the larger picture, not just look at the deficit but also look at what can we do together as a province to create employment, to stimulate the economy, not to destabilize the economy.

Because this is not stabilizing the economy; this budget is cutting jobs. What happens when you cut jobs? We get unemployment. We get further unemployment and that actually destabilizes the economy and doesn't propel us forward.

So, once again, I would like to continue to look at Toby Sanger, the economist, and what he did once again in comparing the way Alberta and Newfoundland and Labrador handled their crisis. Again, I know it's not comparing apples to apples entirely. I do know, and we all know in this House, that Alberta is in a position to have a little more, or perhaps even much more economic resilience because they weren't carrying the same level of debt as Newfoundland and Labrador are carrying right now. But the commonalities, the similarities, are so incredibly strong. Again, that we have hard-working Newfoundlanders and Labradorians in Alberta and we have lots of hard-working Newfoundlanders and Labradorians in Newfoundland and Labrador.

What the NDP government in Alberta decided to do was look at ways of getting people to work. Their budget was about jobs. What the government here in Newfoundland and Labrador has decided to do is cut jobs and pick people's pockets. That's their P3s plan so far. Who knows what else they're going to do with P3s, but right now their P3 plan is to pick people's pockets.

I've already talked a little bit about some of the different topic areas that this government addressed in the budget, looking at how Alberta has approached it. So now I'm going to continue, looking at some of the issues that the economist Toby Sanger looked at comparing Newfoundland and Labrador's approach to Alberta's approach.

In the area of education, Madam Chair, what Alberta did, in terms of dealing with education in their budget, was stable funding for kindergarten to grade 12 to fully fund enrolment growth. What we're seeing are cuts to our education program, so we're not fully funding employment growth.

I spent the weekend in Gambo, in the wonderful area of Central Newfoundland and Labrador. I don't know if people realize, I went there for my grandson's second birthday. What a treat to be able to do that. Two years ago, there were 28 children born in Gambo – 28 children. For Gambo, that's a population explosion. That's a full grade right there.

They had about 24 boys and four girls. I'm not quite sure how that happened, but it did happen. Last year they had quite a few babies born as well. But imagine, just in that small community, 28 children born. Those children are going to be heading into the educational system. We can see in some of the different parts of our province – in Paradise, in Whitbourne – a growth in population just in these little pockets. We're not seeing an overall population growth in the entire province, but we're seeing a few pockets of activity.

The other thing that Alberta did for education – and this is Premier Notley's NDP government, how they dealt with education during their time of economic crisis – is that they committed capital funding for 200 new school and modernization projects. That's great. That's infrastructure spending. That's putting people to work.

That's the role of government. In times of economic crisis like this, the role of government is to help us weather the storm, to keep us stable, to keep people working, to keep taxes going, to keep people spending and to make sure everybody is okay. People don't want to be unemployed. Newfoundlanders and Labradorians want to work. The Government of Newfoundland and Labrador has not addressed that issue.

The other thing they have done is stable funding to post-secondary education. So they are funding for a tuition freeze. That's what Alberta is doing. Now Newfoundland and Labrador, in contrast they've increased class sizes for grade four to 12 and cuts to teachers. It makes no sense, cuts to teachers.

In a time of economic crisis – and we can see this economic crisis is going to be ahead of us for a while – you want as many people well educated as you possibly can. You want to invest in people, you want to invest in your educational system, you want to invest in infrastructure because it pays off in the long run. That's what you want. You want investments. You don't want expenses, you want investments. There's a difference. Expenses mean you spend your money, it's gone. Investments mean you spend your money and there's something positive in the outcome. Investing in our people,

investing in our infrastructure, investing in jobs. That is what's going to stabilize our economy, not what the government has done.

The other thing that Newfoundland and Labrador government – what this government has done in this budget is a \$34 million cut to Advanced Education and Skills, with a \$25 million cut to MUN. How could that be? How could that be to our primary post-secondary education facility, a \$25 million cut to MUN? In fact, what we need to do is we need to make sure we have centres of excellence in our education. We have to have centres of excellence and we have to invest in our people so they can do innovative work, they can do creative work, they can do work that stabilizes our economy.

It's almost like cutting your nose off to spite your face. It's a mystery to me how government could see that kind of cut would be beneficial. It's the same thing as when you cut jobs, what you get is unemployment. You get people who are unemployed. It impoverishes our people.

The cuts to our education system impoverishes our education system. It doesn't propel us forward. It's not an investment. As a matter of fact, it diminishes what we can do in our education system. The other thing that happened here in our education is government cut 18 per cent to student financial assistance and there was no commitment to a tuition freeze.

In the area of learning: Alberta, no tax on books. Alberta, the Notley government committed a new \$37 million for community public libraries. What did Newfoundland and Labrador do? What did this budget do to its people? Again, this is about impoverishing our people. They closed 54 community libraries. They closed over half the community libraries, over half of our libraries. People are reeling from it all across the country and in North America – closing libraries.

Alberta has committed an extra \$37 million for community public libraries. Why? Because they know how valuable it is to invest in people, to invest in education, to invest in literacy. What does that all end up meaning? That all ends up meaning employment. You have people who are more employable. You have people who can contribute to the economy.

Alberta did increased funding for adult learning. Newfoundland and Labrador was the only province to impose tax on books; the only province in the country to impose tax on books. What else did we do in the area of learning? This government closed eight Advanced Education and Skills offices. Impoverishing Newfoundland and Labrador, impoverishing the people of Newfoundland and Labrador. This is not a plan for economic growth and sustainability. This is killing rural Newfoundland and Labrador.

CHAIR: Order, please!

I remind the hon. Member her time for speaking has expired.

MS. ROGERS: Thank you very much, Madam Chair.

SOME HON. MEMBERS: Hear, hear!

CHAIR: Order, please!

The hon. the Minister of Business, Tourism, Culture and Rural Development.

SOME HON. MEMBERS: Hear, hear!

MR. MITCHELMORE: Thank you, Madam Chair.

I stand to speak to Bill 32, An Act to Amend the Loan Act, which is basically a loan to allow us to have the ability to borrow additional sums to pay for excessive spending that needs to happen because of all the mismanagement that's happened on the other side for years and years and years.

Now, you look at the Member opposite who's talking about ways in which we need to spend more and more dollars, which we don't have that type of revenue. This is why the *Loan Act* needs to be amended to borrow.

My colleague opposite, the Member for Mount Pearl North, got up to speak. He talked about cuts that were made to the Department of Business, Tourism, Culture and Rural Development. We had a very good discussion on the Department of Business, Tourism, Culture and Rural Development in Estimates. He had all

the opportunities to ask the questions on these matters.

When we talk about the CARE Initiative, \$25,000 was reduced. This was an initiative that was funded for collaborative research, but we have a policy department within the Department of Business, Tourism, Culture and Rural Development that can do great work. These researchers that are at MUN, and Dr. Wade Locke, can reach out into the community and do research through MUN. This seems like a reason of which we could find savings.

When we look at the Season Extension Program, we understand the importance of extending the visitor season. We look at that through the value and the impact of recreation, like snowmobiling, on the province. We look at it through works and ways of which we can expand skiing and other wellness activities, and through festival activities like the Mid-Winter Bivver that happens in Grand Falls-Windsor, and a number of other activities.

Some of these festivals and events that we've been investing in are getting quite mature. They have been more financially sustainable and they've been reaching out and achieving other funding. So this will not have an impact on the projects that we fund.

When we look at our Visitor Information Centres, we have maintained all of our provincial Visitor Information Centres. When we look at our Regional Development Fund, we have \$8.5 million to invest in regional economic development. That is more than what was appropriated in previous years beyond the one-time transfer of \$3 million. We also have \$2 million that will be put for broadband Internet. So in total that's \$10.5 million. RDC, as well, continues to have \$18.9 million. The Newfoundland and Labrador Film Development Corporation remains their core equity program.

I'm glad the Member opposite for Mount Pearl North asked a number of questions when it comes to the arts and when it comes to culture and heritage events. The Members from the Third Party didn't ask one question in Estimates on anything relating to the arts, heritage and culture.

When we look at the Heritage Foundation, they put forward their proposals. They have sufficient funding to deal with the structural and the programs from the application base that comes forward. The Newfoundland and Labrador Arts Council, when it comes to the travel program what we've done, through Labrador Affairs and the Department of Business, Tourism, Culture and Rural Development, we will work collaboratively on arts programming. Labrador Affairs has a new program for travel for artists, so they will pick up that matter.

SOME HON. MEMBERS: Oh, oh!

CHAIR: Order, please!

MR. MITCHELMORE: If we look at the Newfoundland and Labrador Arts Council, I've been working very closely with them. We've had a number of supportive programs for the arts here in Newfoundland and Labrador. Our party supports the arts tremendously. The Arts Council continues to have their funding and their applications. The program that was put forward was not a core program. So these were all about finding efficiencies.

The Member opposite talks about the book tax, but one of the things that we do is we support our publishers to grow the local industry and to produce books here in Newfoundland and Labrador to the tune of \$200,000 to support our five publishers here. They generate about \$2 million in local sales of books. That's what the revenues are. We're going to work with them to continue to grow those revenues, to try and ensure we have enhanced local content and that books they sell reach as many people as absolutely possible.

When it comes to looking at economic development and economic diversification, we have a tremendous amount in our budget. We have \$18.5 million when it comes to culture and heritage in the arts. We have \$13 million for tourism marketing. I'm quite excited that this is Tourism Awareness Week and we're seeing our operators excited, talking about how numbers and bookings are up, talking about their season, how they're excited about the tourism season. And we all should be promoting every nook, cove, cranny, and the city here. We have to be

promoting all of our assets and all of our opportunities.

We also need to be looking at our agricultural sector. I am quite pleased that we've planted our first canola field, looking at the economic diversification here in the province. We've also seen success with winter wheat, bringing down the cost of production.

When I was in Nashville, I had met with a number of people involved in the agricultural sector and looking at those opportunities, looking at our forest sector and the diversification. We're also looking at various forms of investment when it comes to looking at innovation and developing a new innovation strategy. There is a tremendous amount of opportunity when we look at maintaining our small business tax at 3 per cent, keeping us the third most competitive in the country when it comes to small business tax. This is extremely positive. There's \$570 million when it comes to infrastructure here in the budget.

When we look at opportunities for our oceans, we're using some really high tech – and we have some very high-tech companies that have signed deals. We look at one company that just recently signed a deal with Brazil and other South American countries. Another company had done business in Israel. So we do have true international reach.

When we look at the export value of Newfoundland and Labrador, look at just to the US market alone, \$6.2 billion in exports last year; that's a significant account for our overall GDP and what's produced here in Newfoundland and Labrador.

Look, we have a lot of work to do here as a government. We acknowledge that. We have a lot to clean up from the past actions of the previous government. The Third Party continues to put forward: Oh, well, this is what Alberta's doing. Well, Alberta got downgraded. Alberta has a little more flexibility in terms of borrowing because they have very limited debt. They have that flexibility. They have a higher credit rating and they can borrow. But at the rate they're going, they're going to accumulate \$60 billion in debt, basically, in that short term of the current Government of Alberta.

That's not somewhere where we have the flexibility to go, nor would we want to pass that burden on to our young Newfoundlanders and Labradorians and the future generation. We have to do things right now and be responsible so that we can grow the economy and we can continue so that –

AN HON. MEMBER: They couldn't care less about the debt.

MR. MITCHELMORE: Certainly, it seems like the debt is an afterthought – borrow, borrow, borrow. The previous administration accumulated more debt and had significant oil wealth and oil royalties that the debt is now much more than what it was when they started and they had \$25 billion to work with. It's unbelievable for them to try and lecture us here on this side after 12 years of what we've just been through.

Thank you, Madam Chair.

SOME HON. MEMBERS: Hear, hear!

CHAIR: The Chair recognizes the hon. Member for Mount Pearl North.

SOME HON. MEMBERS: Hear, hear!

MR. KENT: Thank you, Madam Chair.

Good evening, once again. I'm only going to respond for a few minutes, but I was so –

SOME HON. MEMBERS: Oh, oh!

MR. KENT: You're disappointed? Well, I'll talk for longer then. Thank you for the encouragement.

CHAIR: Order, please!

MR. KENT: They're a happy bunch tonight, Madam Chair, but after the day they've had, I'm surprised. I have to say, I'm surprised.

I'm a bit surprised by the criticism from the Minister of Business, Tourism, Culture and Rural Development. He's not the first minister to do this. For some reason, it must be in the talking points. The Member for Mount Pearl – Southlands has predicted some of the talking

points recently. I think he's been pretty on the mark, but this notion that hey, you had a chance in Estimates to ask questions about the budget and, therefore, you shouldn't ask any more is a ridiculous notion.

The budget debate in this Legislature is 75 hours and Estimates is a portion of that. Estimates were a productive session. We had an opportunity to talk about some of the issues related to Business, Tourism, Culture and Rural Development. We talked about the Forestry and Agrifoods Agency. We talked about The Rooms. We talked about the Research & Development Corporation. Both the Member for St. John's Centre and I asked lots of questions and we had a reasonable conversation. There were a few times when I had hoped the minister would give us a little bit more information, but I have to acknowledge that it was a productive conversation.

To suggest tonight that because we had a conversation weeks ago in Estimates that we're no longer allowed to raise questions about this budget, that's outrageous. One of the reasons it's outrageous, Madam Chair, is that people across the province are outraged about this budget. Since our Estimates meetings, we've been receiving dozens and dozens of emails a day, receiving dozens of calls a day, receiving letters from constituents. We've attended dozens of protests around the province. There are a lot of people who have questions. There are a lot of people who have concerns.

So just because in a three-hour Estimates meeting we didn't get to cover every single issue related to Business, Tourism, Culture and Rural Development that's not a reason to not come here to the floor of this House of Assembly and raise issues and ask questions that need to be asked. I've tried to do so, particularly in my dealings with Business, Tourism, Culture and Rural Development, I've tried to do so in a productive and constructive way because, as I've said, I support a lot of the work that the department is doing. I support a lot of the work that our Forestry and Agrifoods Agency is doing.

AN HON. MEMBER: (Inaudible.)

MR. KENT: The minister wants to make jokes about bees again, Madam Chair. It's unfortunate that he's challenging our right and our responsibility to raise questions about this budget.

I'll acknowledge there are good things happening, there's no doubt about it, but I also need to point out the deficiencies in this budget and the gaps. One of the biggest challenges overall that faces this government, beyond some of the immediate ones that have surfaced in recent days in this House and in the media, is the lack of a plan when it comes to our economy.

The minister, in his remarks, just then talked about economic diversification and the funds that are in the budget. Well yes, for a number of years, there have been significant dollars in our budget to support advances in economic diversification, whether it's been in tourism or aquaculture, or ocean technology or telecommunications. I mean, there are all kinds of areas where we have seen growth and we have seen diversification. That said, though, what we were promised back in the fall is a new way forward and a new plan. There was the big LEAP tour, where the captains of industry toured the province last summer and promised a plan by September.

The political momentum going into the election campaign, everybody will acknowledge, was clearly in the favour of the Liberals. They did not need to make dozens and dozens of irresponsible promises to get themselves elected, I don't think.

Anyway, in September we waited to see if this magical LEAP plan would emerge and it did not. Then we thought going into the election campaign, well, surely in the red book that LEAP plan will be revealed. It will be a major election announcement. That seemed logical. Wait a number of weeks and make it a campaign announcement. From a political perspective, that seems to make a lot of sense. Well, that never happened either.

The red book came out containing all kinds of promises, some references to economic diversification, which the Premier and others like to talk about, but still no plan. Now we find ourselves in a situation with a devastating

budget that's going to grind our economy to a halt in this province, and still no plan. No new investments in the budget.

So, yes, there's money in Business, Tourism, Culture and Rural Development for various economic development initiatives that have been ongoing for some time prior to the Liberal administration, but nothing new. No new ideas, no new commitments, no plan.

AN HON. MEMBER: (Inaudible.)

MR. KENT: Now the minister is heckling about canola crops. I'm glad to see he's taking this all very seriously.

The other thing I find offensive about his comments related to Estimates is the suggestion that somehow the New Democratic Party didn't do their job. Now they're quite capable of defending themselves, but I sat next to them through several Estimates meetings and I know lots of issues were raised during the Estimates sessions by the New Democratic Party, just as there were lots of questions and issues raised by our party as well.

In fact, on the day in question we worked together to ensure there was lots of discussion during the Estimates debate about culture and heritage and the arts. There were lots of questions asked and, in fairness to the minister, there were some answers provided. We don't necessarily agree with all of the answers. I would have liked more information on a number of topics but at least the questions were asked and some answers were provided.

It's frustrating to see ministers of the Crown suggest that, well, because you had a chance during Estimates to ask a few questions you shouldn't raise issues and ask questions further related to this devastating budget. That's a cop out, Madam Chair. I won't stand for it. I don't believe there are other Members on this side of the House that will stand for it either.

SOME HON. MEMBERS: Hear, hear!

MR. KENT: And this is a crew that promised openness and transparency on a whole new level. They've grinded the Open Government Action Plan to a halt. That's buried. We were

told in Estimates there would be several initiatives coming this month. Well, it's May 30, so I guess maybe tomorrow is going to be a big day. But it would be very ironic if the government spends a lot of time tomorrow talking about openness and transparency in light of the week they've had so far. To suggest that somehow we're not allowed to ask questions: that's crazy. We have a job to do and it's one we take very seriously. So I'll continue to raise concerns that have been expressed about this budget.

One other comment I want to pick up on from the minister, he talked about how happy the book publishers are with this budget. That's outrageous. They're upset about the book tax. The book tax is having a negative impact on their businesses and it's going to have a negative impact on their industry. Some of them have been very public in expressing their concerns. For the minister to suggest that all is well, I think is irresponsible.

I'll tell you something else they're all unhappy about, Madam Chair, they're unhappy with libraries closing in communities around this province. There is a better way. That's not to say there aren't some adjustments needed to the structure of libraries in this province. No doubt the systems have to change and evolve over time. But to close half our libraries in communities – more than half, sorry – just doesn't make sense, especially when some of these centres are hubs of community activity. They're more than just traditional libraries; they're gathering places. They're places where all kinds of community programs and services are offered. That needs to be taken into consideration as well.

In communities large and small, community spaces are really important. They contribute a great deal to our life in our communities socially, economically and culturally. Many of our libraries fall in this category. Were there some sites that maybe needed to close at some point? Quite possibly, these are things that government has no choice but to examine. But to make the drastic, devastating cuts that this government has made in the absence of a plan is just simply irresponsible.

I hadn't planned to speak so quickly again in this debate, but I had no choice but to respond to some of the comments made by the Minister of Business, Tourism, Culture and Rural Development. I thank you for the opportunity to do so, Madam Chair.

SOME HON. MEMBERS: Hear, hear!

CHAIR: The Chair recognizes the hon. Member for Fortune Bay – Cape La Hune.

SOME HON. MEMBERS: Hear, hear!

MS. PERRY: Thank you, Madam Chair.

I'm certainly happy to be rising in the House again tonight to raise the concerns on behalf of the people of rural Newfoundland and Labrador regarding *Budget 2016*. Madam Chair, the one thing we have clearly heard over and over and over again from the people of this great province is that this budget is an attack on rural Newfoundland and Labrador, it's an attack on women, it's an attack on seniors.

I was delighted to listen to the words of wisdom from my colleagues on this side of the House here tonight, and frustrated with some of the commentary from ministers opposite, Madam Chair, which is a position I find myself in quite often these last few weeks here in the House.

Earlier this evening the Minister of Education got up and listed infrastructure projects. He read out this long list of infrastructure projects, and he said he has a long list of infrastructure projects to read out again when he rises to his feet a second time. Madam Chair, in the same breath, almost, his colleague next to him got up and said well, all the infrastructure money that was spent by the Conservative government was a waste of money. So what is it? Is infrastructure an investment or is it a waste of money?

It's really hard to follow the train of thought that comes from Members opposite. I guess that's why we see the poll numbers where they are today. I truly hope the people of Newfoundland and Labrador really don't have to wait until 2019 before we can correct the situation we are in, because there's no doubt in my mind that the grinding halt this government is bringing our economy to, we can't withstand for 3½ years.

We really need to bring back to the people the choice of who they want to govern. I truly believe – and as we all know, they're not pleased with what we have seen so far in terms of the promises made versus the actions that have been delivered.

Let's talk about where strategic investment lies versus money that you probably don't have to spend at this point in time. Madam Chair, I'm going to bring up the study on the tunnel for Labrador. I will say again, no doubt a very good investment. In times of prosperity, I absolutely would stand behind it 110 per cent. But for that amount of money, we can keep libraries open.

Let's say, hypothetically, that this time the study recommended a tunnel be built. Now, we have lots of studies on the shelves that don't recommend it, but let's say, hypothetically, it did. Where would the money come from? There is no money to build it. So at this point in time is that really a strategic decision to make? I would say, Madam Chair, in my opinion it borders more on the lines of what they would define as wastage when they were sitting in Opposition, but they seem to have changed their tune.

Let's talk about as well, Madam Chair, the \$30 million that's been set aside as, we call it, a slush fund, but Members opposite like to say it's set aside in case of emergencies. Well, there are tweaks that can be made to improve this budget to make it better for the people of Newfoundland and Labrador, and one of them could be reallocating that number from \$30 million to \$29 million and keep some of the libraries open.

In this budget, there's also a lot of money that's being spent in interest on payments because our credit rating was downgraded. Shortly after the election, when the new government took place, we received a credit rating downgrade. The Premier himself said – and I believe it was an interview on CTV – that the bond agencies probably would have viewed them more favourably if they had a plan. Well, we're all still waiting for that plan, Madam Chair. In the meantime, that downgrade in the credit rating is costing the taxpayers of Newfoundland and Labrador, because of the Liberal's lack of a plan, hundreds and hundreds of thousands of dollars, which is quite unfortunate.

The other thing that doesn't get talked about a whole lot is how they've actually increased the day-to-day bottom line expenditures; all-day kindergarten being one of them. How can you introduce a new expenditure year over year of \$30 million on one hand and, on the other hand, you cut and rip from the basic services such as health care and libraries in rural Newfoundland and Labrador, and you tax seniors and you tax low-income people to the point where they're really not sure how they're going to survive in this province?

These are all things that have taken up half of my time and I haven't even begun to talk about some of the issues that I really wanted to speak to tonight. What I'm starting to see is a pattern of regionalization, and they refer to their library cuts. I have no idea how the Minister of Education sleeps at night, with the way he is ripping apart the libraries and the education system in Newfoundland and Labrador. Because it will be the worst it has ever been under his management, Madam Chair.

Let's look at libraries and regionalization. In my district – and I'll use my district as an example, and I'm sure all of the Members opposite if they could get up and speak about what devastating impacts this budget is having on their rural communities, they would have the same commentary, I have no doubt. We have, in my area, 22 communities; one community as a result of this regionalization plan will have access to a library. Three libraries are being closed down. None of the other communities are within a half an hour driving distance.

In fact, the next closest community would be Hermitage which is a 45-minute drive, and that's on a good day. You talk about women being disadvantaged by this budget. Many of the people who work in these libraries are young professional women; great job opportunities are being pulled from them. Can somebody explain to me how a single mother of a young child can afford – especially with all these tax increases and gas increases that we have had – to take their child to story time, drive an hour to get to the library and another hour to get back from the library? It is absolutely unbelievable what this government is doing, Madam Chair.

Then you look as well at the expectations that the federal government is placing on rural communities. Let's look at EI. We know as a result of this budget the number of people that will be filing for EI is going to increase dramatically because the job losses will both be in the public sector and the private sector. It's going to happen because businesses will not be able to withstand the cumulative impact of all these tax hikes that we are receiving, Madam Chair. It's going to be just absolutely devastating.

We look at geography in an area like mine; an hour's drive to an hour and a half from the Bay d'Espoir portion of my district, which has about 4,000 people, to the site of the library that they're going to keep open in Harbour Breton – and that is on a good day and in good weather, Madam Chair. I notice that the Member for St. Barbe – L'Anse aux Meadows, not one library – not one library is closing in his district, if someone can explain that to me, I'm not sure why.

The only thing that comes to my mind is geography. What I would say to that, Madam Chair, is the Coast of Bays region is more geographically challenged than St. Barbe – L'Anse aux Meadows. We have a mountainous terrain. We have treacherous weather conditions for at least six months of the year. In the summertime, we can see fog for weeks and weeks on end and, in the wintertime, there are times when that highway is literally shut down. You can't drive over the high country because of the snow tunnels and the drifts that are up there. You are two and three days stranded on either side, Madam Chair, and this is what they call regionalization.

It is absolutely astounding at the lack of knowledge that they have surrounding what rural Newfoundland is really all about and the geography of rural Newfoundland. I'm sure that some of their real Liberal colleagues must be astounded that their libraries are closing when, in St. Barbe, they're all staying open, whatever that's all about, Madam Chair. Maybe we'll receive some sort of an explanation for that as the budget debate continues.

Going back to what I saying, access to the Internet – how are people going to file for EI?

There are going to be no libraries. They're not going to have any money to be able to afford Internet in their own homes. They're not going to be able to have enough money to buy groceries or pay their heat and light with some of these tax implications that are in this budget, Madam Chair.

I'm only just getting started. I would be pleased to get up and speak again to how this budget is going to totally devastate Newfoundland and Labrador. I truly hope that Members opposite implore the executive of their government to make some changes. Madam Chair, \$29 million instead of \$30 million for a slush fund can solve the library problem right there. Postpone the study on the Labrador tunnel and keep some of your clinics open is another solution right there. We can have a lot of solutions. I truly hope that the Members opposite consider some of these solutions.

Thank you very much.

SOME HON. MEMBERS: Hear, hear!

CHAIR: The Chair recognizes the hon. the Minister of Education and Early Childhood Development.

MR. KIRBY: Thank you, Madam Chair.

I'm happy to get up. I'll see how happy I'm going to be about it after. I'm happy to get up and say another few words about this budget.

It was interesting to listen to the Member for Fortune Bay – Cape La Hune decrying regionalization of library services. I understand it must have been a busy news week the weekend because VOXM was reporting that former Finance Minister Charlene Johnson was in the news by virtue of her Facebook post talking about the solution to government's problems. It was regionalization of services she said. We need more regionalization of services and so on and so forth.

There were a lot of other things in there that didn't make a whole lot of sense. One thing she said is you had to get rid of night sittings of the House of Assembly, like the one we're doing now, to try to get through government's budget bills and other bills that are important and

necessary for the province. But she said more or less in addition to regionalization, we could solve a lot of our problems if we didn't have night sittings of the House of Assembly and other business in the House of Assembly.

Someone kindly pointed out that if you basically eliminated the House of Assembly's work, you'd save a total of \$16 million. I'm not sure how far that goes to resolving our remaining \$1.83 billion deficit problem that was dug down into a deep, dark crevasse by the people who raided the Treasury of the province and now assume somehow that we are all responsible for finding solutions.

I have some notes here and, hopefully, I'll have some time to talk about economic diversification and the previous government's record on economic diversification, which is nothing short of dismal, of course, because we were reliant so heavily on commodities and really not much more than anything else.

Before I get to that, I'll just talk a little bit more about what I was talking about earlier, which are the good-news items that we have in the budget this year. There are quite a number of them. There's quite a bit of spending still that's happening because there were quite a lot of thoughtful deliberations around Treasury Board and Cabinet and caucus and committees about how we ought not to just pull the plug entirely and have massive cutbacks in government spending and short-circuit the economy.

There's no question, we have lots of economic challenges ahead. I think there was a recognition that creating our own cod moratorium scenario by laying off thousands of civil servants, such as the Official Opposition has alluded that we somehow ought to do in the days leading up to the budget and since. I have quotes here from Members opposite indicating doing just that. That they would be cutting far more civil service positions, firing or laying off or pensioning off or buying out or somehow getting rid of many of our public servants as a pathway to prosperity. I don't think you can lay off and fire and buy your way to prosperity in that way, or fire your way to prosperity, or lay off your way to prosperity, and you also can't borrow your way to prosperity either.

Now, you certainly can't tax your way to prosperity either, but cutting taxes in the fashion the previous administration did – I believe it was about \$4 billion worth of tax cuts that were made over a period of time when oil was trading as high as it was. Those tax cuts went to the highest income earners in the province. When there was an opportunity to provide some tax relief to people, it didn't go to the people in the lowest income brackets. That's sort of their record on economic development, broadly speaking, and why we're in the mess we're in today in part.

This budget, thankfully, provides a lot of the things people need in Newfoundland and Labrador with respect to health and community services. This budget has a lot of initiatives to promote healthy living, to promote active living, and to support and sustain necessary health delivery.

There's \$5.9 million for community-based organizations and agencies that deliver programs and services to encourage healthy living. There's \$2.6 million for the Newfoundland and Labrador Prescription Drug Program for coverage of a variety of new drug therapies that weren't previously covered or will be covered from now on. There's \$1.84 million in there for programs and projects focused on recreation, physical activity and wellness.

I think one of the Members talked about how it was terrible that the government decided to stop funding the Canadian Tire Jumpstart program. I think the Canadian Tire Jumpstart program is a great community program that should be funded by Canadian Tire because it's a branding exercise done by Canadian Tire. They recognize that as part of their community outreach.

When we're in times of economic difficulty, such as we are now, do we focus on core programming for recreation, for sport, for healthy living or do we subsidize a program that bolsters one company's brand over another? In this budget, we decided not to continue to do that because it was the right thing to do, and maintain core funding for recreation, for physical activity and for wellness in our communities. Over \$1 million to support initiatives dedicated to encouraging healthy

living and increased physical activity in school-aged children.

In the fall, we'll have continued adoption of active living programs in our schools, because we have a lot of schools in the province where gymnasiums are too small. Those problems were not addressed over the previous 12 years that the last administration was in power.

There are many children who don't have access to even smaller spaces for physical activity. There's going to be a renewed emphasis on getting children up and active and out of their desks and making sure there are opportunities for them to go outside when the weather is fine. Maybe when the weather is good and it's reasonable to go outside, you can bundle up, even in the winter, and participate in winter sport.

Madam Chair, I was up in your district in January, in Mary's Harbour –

CHAIR: February.

MR. KIRBY: In February, sorry.

There were school children of all ages out participating in winter sport activity, having a boil up just down on the river. We can take advantage of our environment for physical activity. You just have to be creative about it. You have to be safe. It needs to be done in an organized fashion. I understand the English School District is going to be putting a lot of focus on that in the coming year, and that's a good thing. We need that to happen.

There's approximately \$500,000 for programs which focus on healthy eating, physical activity and mental health promotion. There's also an additional \$350,000 – it's ironic that we're talking about this now – to support new and expanded programs and services to help people quit smoking. So there's a whole renewed emphasis, and we're going to see that being rolled out, new emphasis or new programming in the area of supporting people who are trying to quit smoking.

There's also funding in the budget for continued planning and design of the Western Memorial Regional Hospital, something that's been

promised and promised and promised. I think one of the Members said at one point it was the largest, publicly subsidized dog park in Newfoundland and Labrador because it's more or less just a green space with perhaps some plumbing worked in there. Not a whole lot else has been done to develop that site. Of course, that was done in advance of an election and promised time and again. I commend the Member for Bay of Islands for continually raising that matter in the House of Assembly and ensuring that it got some attention in this budget.

There's also funding in the budget to continue planning and design for the replacement for the Waterford Hospital. Something I think all the Members of the House of Assembly agree needs to be done. We may have some differences over how it ought to be done and how it will be built but hopefully with these funds that are allocated in this year's budget there'll be some opportunity to move that work forward.

Likewise, the long-term care facilities in the Western and Central regions, there's \$2 million set aside in the budget to plan for that. We know we have an aging population. More and more seniors who are looking for housing in their elder years and looking for support for supported living arrangements where they can be healthy and get the desired level of care they need in their elder years.

There's funding in the budget for select individuals to receive enhanced care in personal care homes. There's \$3.5 million in the budget for that. We'll also be establishing a new seniors' advocate office. I know one of the Members suggested that would be a luxury to have that. We don't think it's a luxury to have an advocate for seniors in Newfoundland and Labrador today, so we're going to do that.

There's also \$300,000 in there for the Seniors Resource Centre to help them enhance in their information and referral system –

CHAIR: Order, please!

MR. KIRBY: I could go on, Madam Chair, but thank you. I appreciate the time.

CHAIR: I remind the hon. Member his time for speaking has expired.

The Chair recognizes the Member for St. John's East – Quidi Vidi.

MS. MICHAEL: Thank you very much, Madam Chair.

I'm very pleased to be able to stand again this evening and speak to aspects of the budget. Because basically that's what all these bills are about that we're discussing tonight, different aspects of the budget.

When I stood the last time I was speaking from a letter that was written actually by a woman, Corina Reardon, who lives in St. Anthony. It was written to her Member for St. Barbe – L'Anse aux Meadows, and to all of the Members of the Liberal Government of Newfoundland and Labrador.

As I said earlier, Ms. Reardon is a teacher, and she and her family returned to Newfoundland and Labrador. In this letter she shared with her Member and with all the Members of his caucus her concerns about the budget and how it's affecting her and her family. Not only her and her family, but the community as well.

One of the things I want to refer to now, I think I mentioned the fact that when she did her internship, back around 2008, she had the experience of working in combined classes. So she has grave concerns about the way in which this budget is forcing the combining of classes. I think it would be worthwhile for the Members who obviously must not have read her letter when she sent it, to listen to what Ms. Reardon has to say.

She says: In regard to combining classes, this will also be detrimental to the students' success in the classroom. If you remember, this is what she was really pressing on: the effect on the children. Multigrade classes can work really well in small schools with low student populations – and I think that's how she had operated when she taught in them – and with trained teachers who are equipped with the knowledge to be able to teach multiple grade level curriculums to multiple learners in a classroom. This is a trained teacher and she knows what she's talking about.

Placing students new to multigrade in classes with teachers who are not equipped with the understanding required to run a multigrade is a recipe for disaster. As we've been told, there will be no professional development training – I think it's one day they are going to get – for these teachers. So the government is basically placing the teachers and students in a sink or swim situation.

She goes on: Having school administration choose which students are placed into these new combined classes will aid in creating an openly hostile community school relationship. Parents will not be responsive to these changes, but it will be the teachers and administrations who will take the brunt of the blame for them while government gets to sit comfortably behind the desks away from the spotlight.

And that's what we're seeing. We're seeing that it isn't the government that has to face the people for the decisions that boards are having to make because of the government's budget. Whether it's the English-speaking school board, whether it's the board of trustees for the libraries in the province, the administrators in schools, as Ms. Reardon is pointing out, others have to make the terrible, nasty decisions and face people with those decisions.

Ms. Reardon offered a challenge to the government, and here's her challenge: If you have the knowledge and understanding of how little these cutbacks will effect students in this province, go to the schools and talk to the teachers and the students – something which the Members of the government side loathe to do. A couple of them sort of dipped their toes in when their schools were being affected and then pulled their feet out pretty quickly. Their constituents are looking for them, so go and speak.

Meet the students who are frustrated with school because they are placed in classes without the services they need to be able to succeed. Meet the students who require speech language, IRT or other specialist services who can't get the help they require because of the lack of funding to provide them. Meet with the teachers to see how burnt out they are in trying to get through the jam-packed curriculums, even before the budget changes come into play.

Lastly, speak to the families of the students and teachers; the families who struggle to help their kids because they aren't getting the services or amount of instructional time they need. Or speak to the teachers' families and ask about the amount of time mom or dad spends doing work at home because it isn't possible to get it all done during the school day.

She's inviting you to go meet with them, go meet with the students, meet with the families and meet with the teachers. She didn't even get an answer to her letter from you. Let alone go out and meet the people in the community, you didn't even bother to answer her letter.

Despite what a large number of people assume, the majority of teachers work long, unpaid overtime hours and are constantly trying to find different ways to help the various learners in their classes. Many become consumed with this amount of work, taking away from their family time. When you increase the workload of the teacher, which is what's happening, you negatively affect every student in that class, their families and the teacher's family as well.

This is a very dedicated person here, a very dedicated teacher, well trained, knows what she's talking about. She's writing this letter as a plea to the government. She quotes the Minister of Education and Early Childhood Development who said: "The decisions that had to be made during Budget 2016 were difficult, but focus on the long-term goal of fiscal sustainability for our province."

Here's what she says back: I'm sure that this is the belief of the government, but when you have to sustain a province fiscally by hurting the people who live there by making them make tough financial decisions, and often forcing them to move, you are not sustaining the provincial population – and I would add, therefore, you're not sustaining the economy because that's what she means.

She goes on: Making it too expensive to live here by creating levies – and you've made changes but, believe me, people are saying to us that was a small part and the changes mean nothing to them – and additional taxes, cutting jobs and making education even less of a priority than previously only ensures that the

population will decrease, leaving behind those that can't afford to leave or pay the exorbitant amounts of money to live here.

Then she pleads with you. She pleads with her MHA, the Member for St. Barbe – L'Anse aux Meadows. She pleads with his colleagues in the Cabinet and in caucus. She says to her MHA: As our representative, the person chosen by the people to voice their concerns and put their best interests first, to vote against this budget.

You're not going to, I know you're not going to because it's your budget and you all stand behind it. The only reason you made changes to the levy – she makes reference to the levy. This was written before you made the change. The only reason you made the changes was because literally thousands of people were marching in the province. Just on the doorstep of this building alone there were over 3,000 at one. And there were hundreds in groups all over the province, on the Island, in Labrador, everywhere.

So the only reason you made the changes wasn't because you cared about the people, because if you cared about people you wouldn't have had the levy in there in the first place. If you had cared about people you wouldn't have had people under incomes of \$50,000 paying anything. You haven't made it a progressive tax. It shouldn't be there. If you need money, do a more progressive income tax system.

You didn't care in the first place; you made the changes because of protest. But we all know it's limited how many changes you can make to your own budget. Although you seem to be making decisions, I'm starting to wonder where the decisions are coming from with regard to the budget because the math is not working out.

The math around the closure of the libraries, for example, is not working out. We're not really sure how you've done the math around that one. Even the math around the levy, combined with the \$27 million you're not going to have to pay a year because of the deferred payment of the loan to the federal government, that's not working out either. That's math we can't figure out.

We're going to start seeing maybe that \$30 million is going to get used up pretty quickly.

You don't seem to know what you're going to be using it for, but the way you're doing things, I think, we do know what you're going to be using it for.

It's very frustrating, Mr. Chair, extremely frustrating, to read something so well written, so well put together as this woman's letter, with an excellent analysis based on her experience with a wonderful education, having started from a very small community, Goose Cove, and to think that she didn't even get an answer to her letter. So if you really cared, if this government really cared, then you would take time to see that somebody like this was given the respect of writing a response. That's one of the things people want. They want to know you really care. If you really cared, then you would respond to their messages.

CHAIR (Warr): Order, please!

MS. MICHAEL: Thank you very much, Mr. Chair.

CHAIR: Order, please!

I recognize the hon. the Minister of Municipal Affairs and Service NL.

SOME HON. MEMBERS: Hear, hear!

MR. JOYCE: Thank you, Mr. Chair.

I'll only spend a few minutes. I was listening to the Member opposite, the co-leader of the Third Party. It's not very often I get too upset in this House of Assembly. I listened to her lecturing us about people.

I can tell you this is the same Member that I worked with the Opposition when they were in government to secure a deal for the mill in Corner Brook. When we were securing a deal I have to give Jerome Kennedy, I have to give the former premier and Tom Marshall credit. Myself and the premier were involved. We worked hand in hand.

I stood in this House on three different days when this Member stood up and asked questions to try to scuttle the deal because the union members wanted to know. I went out and I called the three union members. I said tell me

now, are you speaking to this Member? Do you know what they said? Not one of them spoke to her – not one of them spoke to her.

And this Member is up trying to give us a lecture on how to treat people. Trying to scuttle the deal in Corner Brook in the Corner Brook Pulp and Paper – scuttle the deal. Shut the mill down, ruin the workers, cancel the pension that they had and she is over there laughing. She is over there laughing at it.

I went out and I called the three union members. I have to give the government credit. That's when the government stepped up and we worked together. The Opposition, the Members who are over there, we stepped up because we worked together as a team. We worked together as a team to work for Corner Brook Pulp and Paper.

So when the co-leader of the Third Party wants to stand up and give a lecture, remember what you tried to do to the people of Corner Brook, the people of the mill and the pensioners of the mill, what you personally tried to do. She's over there laughing. Stand up if I'm saying anything wrong. Stand up.

Don't go lecturing about how people should be treated because you almost scuttled that deal. I called the union. I can give you the three names that I called – three names. They never spoke to you once about asking a question.

Mr. Chair, that's the kind of stuff that you have to be asking for –

CHAIR: Order, please!

MS. MICHAEL: Point of order.

It is a practice that we do not name each other, we do not speak to each other in the House. I feel I'm being attacked by the Member who keeps speaking at me and using personal pronouns at me. It goes against the practice of the House.

MR. JOYCE: Mr. Chair, if she feels that, I apologize.

Mr. Chair, can you tell the co-leader of the Third Party that she almost scuttled that deal in Corner Book. Can you please pass that on to the co-

leader of the Third Party that the three union members that she stood up in this House and said she was speaking to, never spoke to one of them. Can you please pass that on?

How does she think the people of the mill at the time felt? How does she think the pensioners felt? How does she think they felt? Mr. Chair, you could ask her. How do you think they felt when she was up here asking questions on a daily basis and never even spoke to them?

She's over there laughing. Mr. Chair, can you ask her to stop laughing because that was a serious issue.

CHAIR: Order, please!

MR. JOYCE: That was a very serious issue, Mr. Chair. She knows I'm right, because I walked out in front of that media and I asked her to deny what I – and she couldn't even deny it. So don't lecture, I say to her, because I know how she treated the people of Corner Brook. I know how she treated the people of the mill.

The Opposition, who were the government at the time, I've got to give them credit. We worked well together at the time. That shows how government and Opposition can work together, Mr. Chair.

I always gave Jerome Kennedy and I always gave Tom Marshall credit for that, for helping to save the mill in Corner Brook and save the pensioners. I always did that, and I'll give it every day that I possibly can. We worked together to do it. We did not try to scuttle the deal. We did not ask frivolous questions, Mr. Chair, just to try to prove a point; you want to get in the media, because I wasn't part of the story.

I could see why, because no one can trust the Third Party, no one can trust to give the information, Mr. Chair. That's what you talk about unions – then you stand up defending all the unions? How about the unions in the mill? Did they matter? Did unions in the mill matter? Of course they mattered.

AN HON. MEMBER: Just like Coley's Point Primary.

MR. JOYCE: Just like the Coley's Point Primary matter. Yeah, I got the appointment with him.

When I stood up, Mr. Chair, I stood up out in the meeting and they brought up the school; that the school was ready to go to tender. I said it was absolutely, categorically false. What did they come out in the media? After stating that Coley's Point Primary land was bought and paid for, the design was ready to go, do you know what the Member came up and said? We're moving along.

But just before the election, the last two years, it was ready to go. I stood up right in front of 45 people and I said there was no design going for that school. Absolutely there was no design ready. And they said, well, the minister of Transportation said it and the former Member. Guess what? No design.

What did the former Member say? I thought we bought the land. We were moving ahead with it; I thought we bought the land. They expropriated. The land was never paid for. There was never a design. And they were picking on the Member here saying, why don't you vote against the budget? How many times did Glenn Littlejohn vote against the budget after you promised the school? That's how hypocritical it is.

I know the former minister of Transportation and Works is over there laughing. Why don't you go to Coley's Point and laugh? Go out in Coley's Point. Why didn't you come to the meeting we had the other night?

SOME HON. MEMBERS: Oh, oh!

CHAIR: Order, please!

MR. JOYCE: Why don't you come out and say to the people, listen, there was a tender called? Go out and show them the tender.

You have access to your Cabinet documents. Go up on the 11th floor, get out your Cabinet documents and show them a design was done. That's what I'd challenge you to do. Guess what? You won't do it because it was never done.

For those Members to attack the Member here and say you're voting against the school in Coley's Point, you're voting not to put it in, when for four years they had it, they made a commitment, a design was done, they promised the land was done, and Glenn Littlejohn stood every time in his seat and voted for the budget, knowing full well that Coley's Point wasn't in it. All off a sudden, he's picking on people up here saying oh, you are bad. You're going against the budget.

What would you call that, Mr. Chair? I'd call that hypocritical. Would you? I would. I'd call that hypocritical. I have no problem – there's stuff in the budget. It's a tough budget. I'd be the first to admit it. It's a tough budget.

I hear Members opposite: What are you doing for the economy? Mr. Chair, do you know what committee we have set up right now? Just one part of it, there is a lot, but do you know the one we have set up? It's with the minister of industry and trade and we have the Minister of Environment. We have now thousands of hectares of land that we're putting aside and going to work on to put aside for farming in Newfoundland and Labrador, something that was never done before, Mr. Chair.

SOME HON. MEMBERS: Hear, hear!

MR. JOYCE: I know four farmers. Do you know why they never set up? They couldn't get through the Crown Lands process. They couldn't get no one in government to give them the land, to sell the land, to lease them the land, couldn't do it.

We're after having two or three meetings already, Mr. Chair. You'd be surprised how much land right now we're looking to put aside for people in Newfoundland so we would be self-sustained in the Province of Newfoundland and Labrador. That's one thing we're doing. Guess what? Five months and we already have the action moving. Do you want to talk about diversification? There's a prime example.

I heard the Member for St. John's Centre talk about a \$20 million slush fund we had. Guess what? There's \$20 million that just came back with Ottawa – the province, \$24 million going to be spent in Newfoundland and Labrador. She's

over there and she has no idea of what's going on in rural Newfoundland and Labrador, while she's the defender of rural Newfoundland, making a mockery of rural Newfoundland and Labrador. It's shameful.

Mr. Chair, right now in Ottawa there's another \$20 million waiting to be approved.

SOME HON. MEMBERS: Oh, oh!

CHAIR: Order, please!

MR. JOYCE: Another \$20 million waiting to be approved up in Ottawa.

We're up here doing a list. I was speaking to Members opposite, all across, Mr. Chair, about some funding for water and sewer for rural Newfoundland and Labrador. I ask anybody to stand up and say there shouldn't be funding put in rural Newfoundland and Labrador – over \$300 million.

Does anybody here want to stand up, Members opposite stand up? St. John's Centre may stand up because she doesn't know anything about rural Newfoundland and Labrador. All she wants to do is criticize the \$20 million slush fund which is going to bring in money from Ottawa to help rural Newfoundland and Labrador.

I have to say when the Member for Ferryland was there, he treated people fair. When Kevin O'Brien was in his seat, he treated people fair, Mr. Chair. That's what we have to try to do, not stand up just because you see a \$20 million – well, it was a slush fund.

Think about rural Newfoundland and Labrador. When you stand on your feet and you want to be pontificating on everybody in rural Newfoundland and Labrador, think about what you're saying. You don't need, you don't want water and sewer. You don't need any improvements for tourism. Because I live in St. John's Centre you shouldn't get it and that's only a slush fund. It's shameful.

I'll even ask the Member for St. John's Centre to stand up and tell me which one of the projects in rural Newfoundland and Labrador from the government opposite, opposite Members or government that you wouldn't approve to help

tourism, give people proper drinking water. Stand up on your feet and tell us which one it will be. Here's your opportunity, I'll sit down.

Like I thought, Mr. Chair, she wouldn't stand up. Do you know why? Because it helps rural Newfoundland and Labrador –

CHAIR: Order, please!

MR. JOYCE: This government here, we're standing up for rural Newfoundland and Labrador.

SOME HON. MEMBERS: Hear, hear!

CHAIR: Order, please!

I remind the hon. minister –

MR. JOYCE: Take \$20 million, we'll do it, Mr. Chair.

SOME HON. MEMBERS: Hear, hear!

CHAIR: The hon. the Member for Cape St. Francis.

MR. K. PARSONS: Mr. Chair, it was interesting listening to the speaker that time. I've listened to ministers get up tonight and talk and give reasons why they believe in this budget and the good things in the budget. There are some good things in the budget. No doubt, infrastructure spending is good right across the province.

But when we did it, it was a complete waste of money. We squandered money in districts all over the place. When we built fire departments, built new schools – I think there are 10 new schools built in the last five or six years.

AN HON. MEMBER: It's 15.

MR. K. PARSONS: Fifteen new schools – that was squandering money. So when we did it, we squandered money; when they did the investment, it's something that's good for Newfoundland and Labrador.

There's no doubt water and sewer is an important part of Newfoundland and Labrador. It's an important part for everybody. Everyone

should have safe, clean drinking water. I have issues in my district and I've been advocating to the minister, just like I did with ministers on my own side. I hope that ministers do listen to us when we do advocate because we're here for a reason. We're here to represent the people that elected us.

I listened to the Minister of Education get up and he mentioned doom and gloom and everything else. The thing that I can't understand about this whole process that we're doing – and I look to the other side – I don't understand why you're not listening to the people of Newfoundland and Labrador, why you're not listening to people in your districts.

I've been here eight years and I've never seen this before. I've never seen so much discontent in every part of the province, no matter where you go to. This weekend, everyone was lining up getting gas. They all know that the price of gas is going up – and you talk to people, the devastation and the effect that is going to have on businesses, it is going to have on families, it is going to have on middle-income families and it is going to have on everybody in this province. It's a huge, huge factor.

You're just not listening to the people in the province. You're not listening to your constituents. I presented a petition today and I'm going to talk a little bit about that now in a second. I look at some of the petitions that have been presented over there by your own party. Now if I got up and I presented a petition – the Member for St. George's – Humber presented one today. I just noticed there were a lot of sheets there, so there must have been an awful lot of names on that petition.

Those are constituents of yours who are saying: How can you vote for this budget when you're going to close our library? They're the people that elected you. So to present a petition is great, but I presented a petition and I'm not listening to them.

The Member for Fogo Island – Cape Freels got up last week and he said he had 1,050 names on a petition from part of his district. My God, that's huge – 1,050 names from people who are your constituents, your bosses. As far as I'm concerned, the people that elected you are your

bosses. So you had 1,050 names on a petition that came to you and said, listen here, get this to your government; we can't have this clinic – I think it was a clinic last week that he was talking about. We can't have that clinic closed in our district. Now you go represent us. Present this petition to your government and tell them that that can't happen.

Okay, I'll take the petition and I'll go and present it, but I'm still going to vote for that budget. Now how they can do this I do not know. If you're listening to your constituents and 1,050 of them are telling you we do not want this. We do not want you to vote for it. No, I'll present it, but I'm still going to vote for that budget.

We had the Member for Harbour Grace – Port de Grave; she's after getting up twice in this House and presenting. Listen, the pressure on her in her district I can understand it. The courthouse, there's after being all kinds of protests out there with the courthouse and everything else. Those constituents of hers are after asking her and saying, listen, can you please take this to your colleagues in the House of Assembly – can you please take this petition and tell them that we do not want our courthouse closed down, and she did it. I applaud her for doing it, but is there anybody over there listening?

How can you vote for a budget when your constituents – your constituents are the people that elected you, your constituents are the ones you're going to have to go back to and knock on the doors in four years' time, or three years' time, whenever it is, and they're going to say to you: Well, I asked you to vote against a budget. I asked you to stand up in the House and say there's no way I'm putting up with that courthouse closing; there's no way I'm putting up with that library closed; there's no way I'm going to put up with that clinic closed; there's no way I'm going to put up with taxes on books; there's no way I'm going to do this; yet, you do it.

Now, we heard from ministers tonight. All the ministers got up tonight. I never heard from one person on the back row tonight, but the Minister of Education was up twice.

We just heard another great speech by the Minister of Municipal Affairs. He gets up and kind of does a show that he got on, and he does it every time he gets up. It's basically the same speech, calling down the different people that are here, but he makes his points and he goes back. He got a great history in the House of Assembly. He does his job, just like I'm doing mine right now.

I look at the Member for Terra Nova, he got up here a couple of weeks ago and talked about going to an island and how welcomed he was on that island. People are having a little bit of a hard time with this budget but they're understanding it. Well, I looked at the petition they sent him and the comments on the petition. There was nothing even close to what he said here in the House of Assembly. How can he represent those people? They're the people that elected you and they're asking you to take a petition to your colleagues, to the Minister of Finance, to the Minister of Education.

Now these are who we heard tonight. We only heard ministers get up tonight. They asked you to represent them and vote against their library getting closed, or vote against their offices getting closed. I know the Member for Bonavista is after hearing it from all his constituents. There's a lady who put an RV right across the door out there and didn't want the AES offices closed.

When are you going to listen to the people of the province? You're in here and you talk like everything is hunky-dory and everything else, but it's not. You have to be listening to the people. When you go to your functions – I go to my functions and I hear it all the time, people are not happy.

I'm not in a Liberal district; I'm in a PC district. I can only imagine the stress that's on some of you people when you go to your districts. These are your friends. These are people who worked on your campaigns. These are people you had come out and probably put signs in the ground for you, made phone calls for you and everything else. They're the ones that are signing these petitions. They said, listen, I supported you. I went and marked that X for you like you asked me to. So here's a petition.

We're not talking two or three names on a petition. I saw the Member get up today and I noticed the petition that he had. I said, wow, there are a lot of names on that.

I got up today and presented a petition. I presented a petition that wasn't in my district. A lady called me. I represented a part of Stavanger Drive area which covered a good part of where the school, Mary Queen of Peace, is. Over the last six years I had a good rapport with some people in the area, as you would. When I became a politician, I didn't know many people when I started, but I got to meet people. People called me up and I make a point always to return my calls.

That lady today – they had a meeting, they said they contacted a couple of their Members – was wondering if I'd present a petition for them. You know, there are over 500 names from Mary Queen of Peace today that wants – and what they're asking for, they're saying in these financial times we find ourselves, how about putting off full-day kindergarten. Just put it off until we get our finances straight.

That's a reasonable request. I bet everyone over there, everyone on that backbench can tell me they've heard that. Don't tell me you haven't heard it because that's what people are talking about. We hear it in the news. Everybody is talking about it.

That request from these 500 people – they're not my constituents, they're your constituents. They're saying go back and revisit some of these education cuts. The lady tells me it's going to mean that grades three and four are going to be combined. They're losing three teacher units. Grades five and six are going to be combined.

There are 700 children in the school. There are going to be 14 children left out of Intensive Core French because of the cuts. Fourteen children weren't lucky enough to have their name pulled out of a hat.

We heard from all you ministers tonight. You are the ones that made this budget. You are the ones that sat in and did this budget. I think it's time for the backbenchers – and the people that elected you, that asked you to represent them. I think it's time for you to get up and speak for the

constituents in your districts, speak for the people that elected you.

AN HON. MEMBER: (Inaudible) give up lecturing us.

MR. K. PARSONS: I'm not lecturing you. No, Sir, I'm not lecturing you at all.

CHAIR: Order, please!

MR. K. PARSONS: What I'm telling you is there are people that elected you in your district. You can turn back on to me all you like, but they're the people that elected you and they're the people you should be listening to. That's who you should be listening to, are the people in Newfoundland and Labrador. The people in Newfoundland and Labrador are speaking loudly about this budget, so it's time to listen to them.

CHAIR: Order, please!

MR. K. PARSONS: Thank you very much, Mr. Chair.

SOME HON. MEMBERS: Hear, hear!

CHAIR: The hon. the Member for St. John's Centre.

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

I am happy to stand again and speak to this bill. What we really need to be doing, as we've seen here tonight, is not speaking to just corollary issues, but we are speaking to the budget as a whole and how the budget as a whole affects the people of the province, how it affects the people of the province currently, how it will affect the people of the province in a year from now, how it will affect the people of the province two years from now and three years from now.

We all understand and we all are very much aware of the financial situation the province is in. We also know that what we have to do is keep a steady hand, that we have to be able to navigate our way through this crisis, and it is a crisis. Some of it came upon quite quickly, beyond our control. We have absolutely no control over the price of oil; however, what government did have control over – the past

administration – was the way taxes were administered and they did deep tax cuts to personal income tax for high earners and also to corporations. So that's part of the revenue loss that has gotten us into this situation.

So, Mr. Chair, once again we cannot control what is beyond the control of this House or of government. Example being, the price of oil, the price of commodities, what's happening globally also in the mining industry. What we do have control over, or what government does have control over is how they're going to deal with that and how they're going to help navigate through this storm.

Mr. Chair, the last few times I have stood, I've spoken specifically about a comparison that the economist, Toby Sanger – he's a great economist – the comparison he has been making between Alberta and Newfoundland and Labrador. Just sort of to update people, before looking at some of the differences, some of the comparisons are: both provinces have experienced a sharp and sudden decline in the price of oil and gas. The oil was a key source of revenue for both provinces. Both provinces have hard-working Newfoundlanders and Labradorians, both in Alberta and in Newfoundland and Labrador, and in both provinces they have hard-working Newfoundlanders and Labradorians who are willing to roll up their sleeves, to work to help get their respective provinces out of this crisis.

There are Newfoundlanders and Labradorians in Alberta who have lost their jobs and who have come home, or who want to come home. There are Newfoundlanders and Labradorians who are working in Alberta back and forth and no longer going to Alberta because they've lost those jobs. And we have folks, Newfoundlanders and Labradorians, here at home who were working at home and lost their jobs because of the downturn in the oil industry and in the mining industry, as we can so clearly see what's been happening up in Labrador.

Mr. Chair, once again it's how differently the two governments – Alberta had an election this year and they voted for Premier Notley for an NDP government. Newfoundland and Labrador had an election this year and voted for a Liberal government. Alberta chose one way, and the

interesting thing is both provinces came down on the same day – their budgets came down on the same day, April 14, which is kind of interesting. It's very, very interesting that both budgets came down exactly on the same day.

Now I'm also aware, as I've qualified the two times I got up and spoke about, there are differences; we're not comparing completely apples to apples. Newfoundland and Labrador has had a great debt. Alberta has much more resiliency in their economy. They don't have the same great level of debt. They had a fund. They banked some of the money, some of the royalties that they have made, but they also are hurting. They've had 60,000 jobs cut quickly that disappeared in the oil industry and collateral jobs as well.

So, again, what we're looking at is: What are the differences? We've seen some of the similarities. What are some of the differences in the way Alberta is dealing with their crisis and the way that Newfoundland and Labrador government is dealing with their crisis?

Now we're going to look at health care. We've looked at education, we've looked at learning, we've looked at a number of issues, now health care. Alberta; their decision was stable funding for health care including mental health. No cuts to their health care; a 2.5 per cent annual increase in health care spending over the next three years. Not only are they not cutting in their health care, they're actually increasing their spending in health care. We know that good, solid public services that serve the people and provide stable, well-paying jobs in communities all over the province and also provide good, stable supports and services to the people of the province.

The other thing that they've done is investments in hospitals and health care facilities, \$3.5 billion over five years. So that's some of their infrastructure spending. The reason they're doing that is those services are needed. Also, we know that infrastructure spending creates jobs.

What our government is doing here is cutting jobs. Cutting jobs simply leads to unemployment. Unemployment means that people don't have jobs; they don't have money to spend. Then the corollary, the roll off is that

we see even further job losses. So what we see is that what our government is doing, in fact, is destabilizing the economy by cutting jobs.

What has this government done in the area of health care? A \$50 million cut to health care and over 100 job cuts. Those are jobs that are across the province, some in smaller communities, in rural communities. So we've lost these well-paying, stable jobs – communities have lost those – as well as we see devolution of health care services to people across the province. This is a direct slap to rural Newfoundland and Labrador. We know that.

We see cuts to mental health. We see a closure of clinics instead of increases to mental health. We know when times are tough economically we see an increase in problems in the area of mental health. The stress of not knowing whether – if you have a job, the stress of not knowing if your job is going to be there in a few months.

With this budget, they're doing a one-two punch. The Minister of Finance has warned us the next part of the budget is coming in six months. People don't know if they have their jobs, they're sitting on their wallets. They're full of stress because they don't know what's going to happen.

Also, we've seen a \$7.9 million cut to home support, which again, is cutting your nose off to spite your face. Home support is about keeping seniors and other individuals out of expensive institutions so they can stay at home if that's where they want to be. In fact, what this is – this is an expense, it's not an investment. It's actually placing more strain on our already strained hospital system.

Mr. Chair, I don't know why they would do that again. It's counterintuitive. It doesn't stabilize the economy. It does the exact opposite.

The removal of the over-the-counter drug subsidy affects predominately our seniors. We have the highest percentage of seniors living on OAS and GIS. Mr. Chair, they're living below the poverty line. We have the highest percentage of seniors in the whole country living below the poverty line. What we have here now is that some of the over-the-counter drugs – which are

really important – things like laxatives, things like special lotions, particularly for people who have any kind of chronic disease, they cannot afford it.

We've had letters, we've had emails, we've had phone calls from seniors who are saying: I'm going to have to decide whether I'm going to pay my rent or pay my heat or pay my food –

SOME HON. MEMBERS: Oh, oh!

CHAIR: Order, please!

MS. ROGERS: – or buy the over-the-counter drugs I need in order to be able to maintain my health. Mr. Chair, that is not a decision; that is an investment. That's a decision that creates further health care complications, which then, in the long run, costs more money as well.

It's interesting that what some of these measures may mean to some of these folks who made the decisions they say, oh, well, that's a minor thing. You know what's happened is that, already, seniors who are in personal care homes have \$150 a month for their personal items. Out of that will have to come if they have to take iron medications, if they have to take vitamins, if they have to take calcium, if they have to take vitamin D, their shampoo, their lotions, their potions – there's no way. Some of these movements are actually, Mr. Chair, impoverishing our people.

CHAIR: Order, please!

MS. ROGERS: Imagine working all your life and it coming to this.

Thank you very much, Mr. Chair.

CHAIR: The Chair recognizes the hon. the Member for Stephenville – Port au Port.

SOME HON. MEMBERS: Hear, hear!

MR. FINN: Thank you very much, Mr. Chair.

It's always a pleasure to rise and speak here in this great House. Tonight we're speaking about Bill 32. That somewhere got lost, I think, through a number of speakers throughout the evening. Bill 32 is an Act to Amend the Loan

Act. I'd like to read exactly what Bill 32 is about for the record so we can try and put some things back in context here, specifically with reference to some of the comments from the Member for St. John's Centre.

The Explanatory Note here on the bill – and all of the Members on our side as well as Members opposite would certainly have this bill in front of them this evening: "This Bill would authorize the Lieutenant-Governor in Council to increase the amount of money raised under the *Loan Act, 2016* from a maximum of '\$1,600,000,000' to a maximum amount of '\$3,400,000,000.' "

AN HON. MEMBER: How much?

MR. FINN: We're going to increase the maximum amount that we'll borrow from \$1.6 billion to \$3.4 billion. It's important to note exactly those figures. Billions of dollars certainly is not something easy to grasp when you're talking that high figure. But it's important to note that because we're here this evening talking about many of the things we've done and we could have done or we should have done and what the Members opposite would have done differently – I haven't heard any suggestions this evening at all, in fact, as to what the Members opposite would have done differently.

This is the highest amount of money our province has ever requested to borrow. In the history of our province, this is the highest amount of money we have ever requested to borrow. For the Member for St. John's Centre to get up and compare us now borrowing \$3.4 billion this year, to compare us to Alberta is apples and oranges, Mr. Chair. It's apples and oranges.

The estimated revenue that they'll generate this year in the Province of Alberta is \$41.14 billion. That's the expected revenue that Alberta is going to generate. The Province of Alberta, by the way, for the Member for St. John's Centre, has over 4.2 million souls and we're here with less than half a million, or just over half a million people. So it's completely apples and oranges to talk about the Alberta budget and the measures they've taken.

By the way, as well, over the next three years the Government of Alberta is anticipating \$28.9 billion in deficit – \$28.9 billion in deficit. So for a province with four million people and revenue of \$41 billion, absolutely, they have every ability to go into deficit to that magnitude based on the revenue they're expected to generate. Unfortunately, we're not in that position here. We're not in that position here in this province.

Newfoundland and Labrador is starting from two completely different places, there's no doubt. We have no ability to be in any position that the Province of Alberta is in. I'm tired of hearing about the Province of Alberta's budget and the Notley budget, and everything that the NDP has done in Alberta. It is apples and oranges when you're talking about 525,000 people in the Province of Newfoundland, over four million there and revenue gaps to \$30-odd billion. It's insurmountable to even think about.

Now, there are a few things I wanted to talk about this evening but the Members opposite have gotten me on a completely different track. We're here talking about the amount of money we're going to borrow and the tough decisions we've made. Looking back into some of the records, it was interesting to go back, research and see what some of the Members opposite said, in particular, with respect to their budget of 2015.

I'm going to read just a few quotes and I'll flick through them quickly. I know I only have a few minutes here, four or five minutes to speak this evening. The Member for Mount Pearl North, the minister of Health and Community Services and the deputy premier at the time – and on the record this is early January, I guess, as they were going into a budget process. The Member for Mount Pearl North said, and I quote: We're going into a budget process that is clearly a tough budget process, given the financial situation that we face – sounds like something we're saying right about now. That is going to require tough decisions. It means we're going to have to make tough decisions.

We'll go further: Clearly, we're going to have to do things differently. Our level of spending around health care in this province is not sustainable; 40 cents of every dollar is being spent on the delivery of health care services in

Newfoundland and Labrador. This is the Member of Mount Pearl North last year in January. I'll fast forward for the Member. I'm only fast-forwarding to further comments, but I'm only reminding him –

SOME HON. MEMBERS: Oh, oh!

CHAIR: Order, please!

MR. FINN: – as these are some of the same statements that we're making here now. So it's one thing to get up last year during your budget process and make some of these comments, and then to get up and claim that we're going to bring the economy to a halt. We're not on any track of mind or any different thinking than you were last year; however, we've chosen to stand by our decisions, and we've chosen to accept the difficult choices that we've had to make.

May 5 – so this is just over a year ago last year – the Member for Mount Pearl North, the Leader of the Opposition – referring to us at the time – refers to what we are doing as cuts, and I'm obviously not surprised to hear him categorize it in that way. What we are doing is finding efficiencies. We are streamlining services. There is an opportunity to do things better. There is an opportunity to do things more efficiently.

That was on May 5 of last year. Here we go, May 20; this is a great one: The Liberal idea seems to be, let's avoid tough choices; let's make the popular choices. Let's say whatever we think the public wants to hear. Let's borrow, let's borrow, let's borrow. I'll come back to that, because the Liberal government certainly took every opportunity to make the tough choices, but there are some more interesting ones from the Member for Topsail – Paradise.

The Member for Topsail – Paradise: I would say if we lined up at the door of the House of Assembly or in government today down over the steps of Confederation Building – because it is a long line; we had a big line of people who received funding from our government – and we said, come in now and tell us what you think about reducing our budget, every one of them, I would suggest, Mr. Speaker, will have a reason why yes, you should reduce the budget; but do not touch me, do not reduce mine and here is why you should not reduce mine. That's the

former premier speaking last year with respect to their budget.

Mr. Speaker – and this is another for the Leader of the Official Opposition last year in June – there are three options: you reduce services, you increase borrowing or you increase your revenue. What we sought out was balanced choices.

Now, that's just a few quotes to put into context what the Members opposite were stating this time last year, but now over there boldly stating that we're over here with some new rhetoric, new rhetoric and we cannot stand, and the Liberal idea was not to make tough choices, and the Liberal government was only going to make popular choices. Well, we've made a lot of very unpopular choices, and I believe that our government is on the record as simply stating –

SOME HON. MEMBERS: Oh, oh!

MR. FINN: Oh, laugh right now, laugh right now –

CHAIR: Order, please!

MR. FINN: Oh, laugh right now. Were you laughing in 2007, 2008 and 2010 – and the Member for Ferryland was present and opposite at the time and so was the Member for Cape St. Francis. Were you laughing then when you decreased taxes to the highest earners in our province year over year over year and decreased the HST at the same time? And for that matter, the same insurance tax that you're over there referring to now, Mr. Chair –

SOME HON. MEMBERS: Oh, oh!

CHAIR: Order, please!

MR. FINN: – that we now have 15 per cent –

SOME HON. MEMBERS: Oh, oh!

CHAIR: Order, please!

MR. FINN: – you took it away in 2008.

SOME HON. MEMBERS: Hear, hear!

MR. FINN: You took it away at the same time you decreased the taxes to the highest earners in the province. Now you're over here saying that we're going to grind the economy to a halt. Well, if you had some vision and you looked at a sustainable plan, we wouldn't be here right now, and we might be able to look at the Member for St. John's Centre's lovely plan of taking on an Alberta fantasy of going into deficit.

We cannot go any further into debt than we are today. We cannot do it. We simply cannot. We're spending more on debt servicing than we are on education. That's something that's unacceptable right now.

You talk about unpopular decisions, I'll tell you one thing: The Minister of Transportation and Works put it best there about a week ago. He put it best when he said, you know what, we certainly made some unpopular decisions, but this is not a popularity contest. He is exactly right, this is not. This is not about popularity, it's not about fame. It's about protecting our future. Right now, we've had to make some very, very difficult choices, all of which we're aware, none of which are lost on me or my colleagues here in the House of Assembly.

For you guys over there with the nerve to get up and say the things you've been saying, when I've just read right into the record – I can table the document if you'd like – everything that you said last year when you defended your budget, it's unacceptable.

SOME HON. MEMBERS: Oh, oh!

CHAIR: Order, please!

MR. FINN: It's absolutely unacceptable.

Thank you very much for your time today, Mr. Chair.

CHAIR: Order, please!

SOME HON. MEMBERS: Hear, hear!

CHAIR: Order, please!

I remind all hon. Members that it's a privilege here to talk in the House. We should respect each other's opportunity to speak.

I recognize the hon. the Member for Mount Pearl – Southlands.

MR. LANE: Thank you, Mr. Chair.

It certainly is a pleasure to speak to Bill 32 for the first time. Of course what we're talking about here is it's giving us the ability to go from a maximum \$1.6 billion loan to \$3.4 billion.

I will agree with the Member opposite, that is significant. It's significant money. It's more money than, I think it's been said, we've ever had to borrow. I don't think that should be lost on anybody. It's certainly not lost on me. It never was lost on me and it's not lost on the people either.

As I've said now a number of times, I've spoken to many, many people in my district by phone, by email, by Facebook. I met them up at Sobeys or Dominion or whatever the case might be, had the conversations. I've also received a ton of emails, Facebook messages, phone calls and so on from people all over this province, all over Newfoundland and Labrador. I've received emails and calls even from people who are working up in Fort McMurray and so on, commuting back and forth. I've gotten calls from them.

Nobody that I've spoken to, or certainly the vast majority of people I've spoken to, all recognize this. They all recognize that – I don't know if they knew we were going to be borrowing \$3.4 billion.

AN HON. MEMBER: That's a lot of money.

MR. LANE: It is a lot of money. Absolutely, it's a lot of money.

But they realize we're in a tough financial circumstance. Everybody gets that. Nobody has stood up – I can't say nobody stood up, but I certainly – and you can go through Hansard if you like. I don't recall ever standing up and saying we were not in a tough financial circumstance or the people I've spoken to, the vast majority of them, do not get that, because they absolutely do get it.

I think it's fair to say everybody expected, without a doubt – everybody expected, including

me, Mr. Chair – this was going to be a tough budget; that taxes were going to increase and efficiencies would have to be made. We all get that. I totally get it. I totally understand it. I think most people understand it. I know they do.

Though, the problem we have – and I'm not saying anything that everybody doesn't know. We all know that. Everybody over here knows it. We're getting a bit of rhetoric now on both sides and so on. We all know that. That's part of the political game, the jousting and all that kind of stuff.

We're seeing exaggeration on both sides of the House. We see all that stuff happening, a bit of grandstanding, all that happens. We all know how that works on all sides, but people understand and expected we were going to have to pay taxes and we'll have to pay more taxes but it's a matter of degrees, Mr. Chair. Everybody knows that's true. In talking to people, people are willing to pay what they can. They understand the situation they're in, but people feel we've gone too far. That's the issue; it's gone too far, the cumulative effect.

I was sitting on the other side at the time and I can remember doing the consultations, the independent review commission – or the independent review process, I forget the terminology now – that was happening around the province. There were ministers and the Office of Public Engagement were facilitating these meetings, asking for feedback from people.

I did one in my own district; I did it on my own in my district. Some other Members did them in their district on their own as well, in addition to the regional ones. There's no doubt there was probably a person or a couple of people who said, you know what, I think we should increase gas tax, that's a way to bring in some revenue. That happened. Absolutely, it happened. There were people who said maybe we should increase income tax. That's a way to bring in some revenue, we can increase income tax.

I don't recall ever hearing anyone talk about the insurance tax, but maybe at one of the sessions that I wasn't at, someone might have said insurance tax. I know for a fact that the sessions I had, the one that I had – and I attended one by

the Member for St. John's West, the minister. She had one, and I went around to some of the tables and people definitely talked about increasing fees. That was another way, especially the sin taxes, liquor and cigarettes, which you see happen all the time.

All of those things happened. Now I don't ever recall a levy. I have to be honest with you, I never. As a matter of fact, until this budget I never even heard of levy. I did hear of a Newfoundland surtax that used to be in place years ago and it got removed and so on. I guess the levy is kind of like the Newfoundland surtax, it's very similar, that we had at one point in history that got removed.

The point is at none of the sessions – or the sessions I attended at least – I never heard anybody say I want you to do all of it at once, increase the fees, do the insurance tax, do the gas tax, do the HST, do it all. Do it all at the one time and dump it on everybody at once. I never heard that. I challenge anybody, any Member in this House, to stand and say that they went to a public engagement session where somebody stood up, or a number of people stood up, and said: Take all these taxes and do it all; do it all at once. It didn't happen. I don't believe it. I really don't believe it.

So really what we're hearing, and we're all hearing, is it's a case of going too far. It's a case of too much, too fast. I really believe –

MR. JOYCE: (Inaudible) here now.

CHAIR: Order, please!

MR. LANE: I say to the Minister of Municipal Affairs, I never said a word when he was up speaking. I've been respectful every time I've gotten up and spoken. So if he wants to heckle me – maybe he can get up and heckle away – he's only doing a disservice to himself, not to me.

But I would just say that at no point in time did I hear anybody say we wanted to do all these things together at the one time. That's the point. When you look at the impact it's going to have on people, it's going to have various impacts, depending on where you're in your life financially.

There's no doubt – and I want to put the facts out there. There's no doubt that there are going to be benefits from federal. There are going to be federal tax breaks, thanks to the Trudeau government, that's going to offset the income tax. That's a fact. There are going to be some increased benefits for people with children that are going to offset some of the cost. That's a fact.

In this budget – well, up until the announcement last week they were going to put in money, and they still are, to help seniors, the very bottom, the very low-income seniors. That's a fact. Some of them will be better off and that's a great thing. But the point is there are still an awful lot of people – certainly in my district there are an awful lot of people who, when you combine all of these taxes and fees and so on, it's going to cost them a heck of a lot of money. Maybe \$4,000 or \$5,000 or \$6,000, it depends on who you ask. Some people will say even more.

That's going to have an impact on the economy. It's going to have an impact, more importantly, on those families and their ability to provide for their families, for their kids, extracurricular activities. In some cases, just the ability just for the basics, just to pay the bills, it's going to be a challenge for a lot of people.

I don't think for one second that's what those consultation sessions said to do. I really don't think there's anybody who wants to do it on either side of the House. I know they don't.

All I would be asking for, all I've ever asked for, all that people are asking for is to go back, have another look and make some adjustments. There are things that money is being spent on that you could not do this year and make some changes. Reasonable changes; that's all anybody is asking for. And I think the people would live with it if you did that.

Thank you.

CHAIR: Order, please!

The hon. the Member for St. John's East – Quidi Vidi.

MS. MICHAEL: Thank you very much, Mr. Chair.

I want to continue on a point I was making the last time I stood up. I probably won't even use my whole 10 minutes this time for it, but it's so important because I've been inundated with messages with regard to what's happening in the education system.

I read one letter which had quite a bit about that, but one of the points that letter was making was the point of the multigrade classes. I have another letter here and I want to read it, because I learned something from it that I didn't know and I think it would be good for all of us to hear it. The letter comes from Ms. Patricia Beason. Now when she wrote her message she wrote it to the Premier. She also included the Minister of Education and Early Childhood Development. She included the Minister of Finance. She included the Leader of the Official Opposition, myself and I think maybe also her MHA. Yes, I'm sure it was her MHA. Ms. Beason is also quite upset about some of the issues that I had raised earlier from the email I had received from St. Barbe – L'Anse aux Meadows.

She talks about the multigrade class. Her child is going to be affected by this. She said: I just received notice from my child's school that the one-room classroom effect will be implemented next year. She wonders: How are the children to understand this process when all they know when this happens is that they're not with their friends. They're not even in the same grade as their friends. They're being ridiculed for having to return to a grade they just did, because that's what it looks like to them. That's what it looks like to their chums. And expect this to work because it will save our wonderful government money. She says: You all should be ashamed of yourselves for the decisions you have made as you play Russian roulette at the expense of our children.

You can do what you like to us as taxpayers; you've done that anyway. But to play with the livelihood of our children, and not giving them the opportunity of enhancing their education that they are so entitled to, is downright disgusting.

She goes on – and this is the part that was something I learned from her. She goes on and quotes from the English School District's website. It's a frequently asked question with the answer to the frequently asked question. It's

about combined-classroom teaching. The question on the website says: "Will my child be successful in this class?" Here's the answer on the English School District website: "Research results demonstrate that multi-grade education has a positive effect on students" –

SOME HON. MEMBERS: Oh, oh!

CHAIR: Order, please!

MS. MICHAEL: Thank you, Mr. Chair.

"Research results demonstrate that multi-grade education has a positive effect on students, particularly with respect to 'such things as social development and mental development'" She points out that there are two studies that are quoted: One study from 1986 and another study from 2002. As she says, this research that said multigrade education has a positive effect is based on research done 30 years ago. The other study that she refers to, the research was done 14 years ago.

She says, as a parent, she knows that technology has changed a lot since this research, and so have the number of students in certain areas demographically. This research isn't even up to date and we're expected to be okay with it and let the system work for our children. Then she puts a question to the Minister of Education: I ask you to do your homework on this.

The people are out there and they know what they're talking about. They know what the impact is. Parents are so upset over what's happening to their children. The Russian roulette has to do not only with the multigrade classes and you have some children – this whole thing of having so many grade fives and two children who are too many for that class and two will have to go into another class. I heard the Minister of Education get really upset because they were referred to as leftovers. Well, they are leftovers. They're leftovers from their own class. They're not going to be able to stay with their own group. They don't even get a choice. The Russian roulette is it gets decided by draw what children are in which classroom.

The same thing is happening with the Intensive Core French. On this day, which was the Francophonie Day, I think it's a good night for

me to bring this up because a number of the emails I've had over the last two weeks in particular are about this. Of course why it's happening is because the draws are happening. That's why we're getting the emails, because people are starting to feel the effect because the administrators have to set up the classrooms and their schools for next September. So people are starting to feel the effect of the decisions that have been brought down on them.

Two schools in particular that I've been getting a lot of emails from: one is Roncalli, which is, I think, in the District of the Minister of Finance; and then also from Beachy Cove. I think that's an area that is of interest to the Minister of Education.

I'll quote from just one, from Ms. Budgell: My daughter will be going to grade six at Roncalli Elementary in September but we don't know if she will be doing English or French – they may know by now – and we don't know if she will be in grade five or six. Now that's wonderful, a child not knowing if she's doing the English or French and not knowing if she's going to be in the grade five or six room. She's stressed, I'm stressed, her teachers are stressed. Is that a way to treat the people that voted for you?

In her group of grade fives there will be – and this is language used by the parent, not by the head of the NLTA or not by me – four leftover kids. That's the language used by the parent. They will be left in a grade five classroom. The Minister of Education refers to this as multigrading, but what it really is, is four leftover kids being thrown in with a bunch of grade fives. How will they select those four unfortunate kids?

The Minister of Finance – she mentions the name, I won't do that – as my MHA, I really need your help. I don't have another MHA. If this is a conflict of interest, maybe you could appoint someone else to address my concerns.

She feels completely alone and left out because the Minister of Finance, her MHA, has abandoned her. She feels there is nobody she can turn to.

I need answers, and I want someone to talk to me about this as soon as possible. And she ends with: imagine if this was your child.

When the demonstration of parents and teachers and children was out here on the doorstep quarter to six last week, I met many of these parents. They were at that demonstration, parents who had kids. Several of them came to me about the Intensive Core French. I had several of them who came to me about the leftover kids. This is a reality. This is disgraceful. It's absolutely unbelievable. I feel like I'm in some kind of a strange movie, that this kind of thing – that's not multigrading. This is pure disgrace.

I can't believe that a Minister of Education who says he knows education and has taught at university, et cetera, that he would see this as something reasonable. I can't believe that anybody sitting across from me sees this as reasonable. It's disgraceful.

There's no plan. The administrators are being left with a mess. The administrators have no control over the decisions that are being made and they're the ones who have to deal with this.

This thing of the leftover children, we didn't make this up. This is exactly what it is. The children don't fit into that classroom. The two or three, they're left over. They can't fit in there and they're going to be put into another group with another grade and calling it multigrading. That is nonsense. It's disgraceful, and I can't believe we're living through it.

Thank you very much, Madam Chair.

CHAIR (Dempster): The hon. the Member for Terra Nova.

MR. HOLLOWAY: Thanks for the opportunity to stand up here tonight and speak to some of the things that have been said in this House.

I have to tell you, the time has come for an education in this House. It's been said time and time again that we have been afraid to go out in our districts; we've been afraid to go out and listen to the people; that we're not listening; that we haven't received the emails; that we haven't talked to people.

Well, I can tell you, I'm in this House from Monday until Thursday evening, but after that I go to my district. I go to my district Thursday night. I am in my district on Friday. I am in my district on Saturday. I'm in my district on Sunday. I am going to events and I'm hearing what people have to say.

I'm going to go back a little bit and talk about that we have been listening to the people of this province for a number of months. We went out with the Government Renewal Initiative and we asked people three important questions, because we knew the significant issue we had with the deficit and the need to continue with programs and services in this province and we needed advice from the people. So we went out and we asked them.

If anybody thinks that I don't know about the process we used, I can tell you I worked in it for 15 years. I know exactly what the process was around the consultation and the engagement. Is the consultation and engagement process we used legitimate? Absolutely! I can tell you I've had experience of doing about 140 sessions like that and looking at the key themes.

So we asked people: Thinking of all the things government spends your money on to provide residents of the province with services, what are the three things that could be stopped in order to save money? We also asked them: Given the fiscal challenges facing our province, what three things do you think government could do to raise money to increase revenue? The third question we asked them is: How can government be more innovative or efficient to provide quality services to lower costs?

Well, I can tell you this document came out in March and it had a series of themes that came from the discussions and the engagements we did around the province. The Member for Mount Pearl – Southlands said he can't remember any of the things that came out in this budget. He didn't hear it in any of the sessions that he was part of.

Well, I can tell you, here are the things that came out of the sessions. It talked about themes like regionalization, county system, regional governance structures. It talked about amalgamating communities and shared services.

It talked about tax and it eliminates local service districts. When it talked about rural considerations, it talked about resettlement and the need for rural services.

On the theme of technology; of course, in this budget we have allocated \$2 million to go toward broadband; use information and communication technology to reduce travel needs; open source technologies; use a digital form and signatures internally; online services. Those are things that came out in this budget.

In terms of the private sector; talking about workforce, talking about reductions. We have said it is our preferred option to use attrition. That is still the option we will use. The fear mongering that has gone on in this province is unreal. To say we're going to be laying off thousands of people in this province, I can tell you that is not the preferred option of this government. Attrition has been the preferred option.

SOME HON. MEMBERS: Hear, hear!

MR. HOLLOWAY: The themes go on. It talks about departmental and board mergers. I can tell you some of those efficiencies we're finding in departments, we will see that as we go forward into this year.

We talked about wages. They talked about alternative work arrangements and retirement incentives. How can we help downsize the public service in the right way without creating fear in the public service?

Pension reform; all these themes, Madam Chair, came forward from the discussions and the engagement we did in this province.

Crown land; the Minister of Municipal Affairs talked tonight about Crown land and agricultural development. We're opening up Crown land so that we can be more sustainable in food security in this province.

SOME HON. MEMBERS: Hear, hear!

MR. HOLLOWAY: My lord, what more do you want us to be doing?

In terms of health care; money in terms of helping our population become healthier, including our kids in our schools.

AN HON. MEMBER: Especially in rural Newfoundland.

MR. HOLLOWAY: Especially in rural Newfoundland.

SOME HON. MEMBERS: Hear, hear!

MR. HOLLOWAY: Talking about energy, and, of course, Muskrat Falls and oil and wind power.

Economic diversification; I was in Gander today, Madam Chair. This is Tourism Awareness Week. I was proud to be there to talk about the wonderful tourism industry that we have in this province, how we continue to invest money in this province and in tourism. There were a lot of people in the room and they were very happy about the investments we're making.

Reduced barriers to start-ups and small businesses; last week I had the ability to meet some great level II students who were interested in excelling in math and science, and technology and engineering who will be going to MIT and the University of Toronto, and will be exploring the Arctic this summer.

Those are investments we've made through the Research & Development Corporation. These are the things that people told us. So for Members opposite to say we haven't been listening, I can tell you the proof is here in the budget, because this document told us what we needed to do.

The Member opposite said he didn't hear anything about fees. We shouldn't be putting up fees. Well, I can tell you in this document it talks about fees. It talks about putting in tolls. It talks about ferry rates. Of course, yes, I spoke about the ferry to St. Brendan's, but I also said that ferry was being subsidized at 98 per cent. That is happening across our province.

Tuitions, other fees, taxes – oh my, we weren't told to put up taxes. Well, lo and behold, it's here. HST; participants suggest increasing the Harmonized Sales Tax. Well, could you imagine

that? We were told to do it. Tobacco and alcohol tax, we talked about that bill here earlier tonight.

So for someone to say we haven't been told, we haven't been asked to do these things – another one, an elastic gas tax. I can tell you for sure, Madam Chair, that in my constituency office in Clarendville I had constituents who walked in when we were consulting and saying will you put up the gas. Increase the gas, that's an idea. You can increase it. At least you'll be able to control it when you need to bring it down. Sure enough, it is a temporary measure that we will bring back down as the price of oil goes up.

AN HON. MEMBER: Temporary.

MR. HOLLOWAY: Temporary. Temporary measures; just like the levy, temporary measures. We've been able to mitigate that with some help from our friends in Ottawa. So to tell us we have not been listening to the people is absolutely false.

Now, the Members opposite talk about we're driving all these people out of the province. Well, I can tell you, let's do some comparisons, shall we, about the taxes. If someone is making \$20,000, I can tell you now in Newfoundland and Labrador they're going to pay \$233. In Nova Scotia they're going to pay \$858. In New Brunswick they're going to pay \$355, and in PEI they're going to pay \$859. So we're driving people out into other Atlantic provinces because it's more expensive to live over there. Yes, more expensive to live here.

Madam Chair, \$70,000 as an income, we're going to be paying \$7,441 here in Newfoundland. In Nova Scotia you'll be paying \$7,775. Now, in New Brunswick, yes, it's a little bit better at \$7,009. But I can tell you in PEI it's going to be \$7,429.

Let's go a little bit higher now, Madam Chair, and let's talk about a hundred thousand-dollar income. It would be \$12,477 to be paid in taxes. In Nova Scotia it will be \$12,834; in New Brunswick, yes, a little bit better again, \$11,779. Yes, about \$500 cheaper on a year, certainly competitive. In PEI it's going to be \$12,439. For Members opposite to say that we're driving people out of this province because of the taxes is not true, Madam Chair. We are certainly

competitive to any other Atlantic province when it comes to taxes.

The last thing I'll talk – well, I'm running out of time. I'm going to be back, I can tell you this.

When I come back I'm going to talk about that we do have a plan. It's built on a vision. We've been at it for 10 years and the Members opposite who were in government did not listen. I'll talk about that when I get up again.

SOME HON. MEMBERS: Hear, hear!

CHAIR: The hon. the Member for Conception Bay South.

MR. PETTEN: Thank you, Madam Chair.

I was hoping we were going to be gone by now, but it seems like everyone is getting warmed up. Everybody is getting right excited trying to talk about the budget. I guess that includes me, Madam Chair.

SOME HON. MEMBERS: Oh, oh!

CHAIR: Order, please!

SOME HON. MEMBERS: Oh, oh!

CHAIR: Order, please!

I ask Members for their co-operation to keep the noise down.

Thank you.

MR. PETTEN: Thank you, Madam Chair.

I was just sitting back, taking in and listening to some of the commentary being made. It's kind of interesting actually. I know the Member for – I struggle with the district names, but – Stephenville – Port au Port gave a very passionate speech on what we did, what the former government did. I was not part of it in this level. He said it's terrible. It's cherry-picking I guess too. It's talking about the tax cuts for the high-income earners.

Tax adjustments from 2004-2014, seeing you only concentrated on high-income earners – in budget 2004 was the introduction of a low-

income tax reduction for the 2005 tax year; indexation of the Newfoundland and Labrador Child Benefit for low-income and the Seniors' Benefit; enhancement of the Mother Baby Nutrition Supplement.

Budget 2005: enhanced the Newfoundland and Labrador Child Benefit by increasing first-child benefit rate by \$5 a month; there was a liquor licence levy reduction. In 2006, there was the elimination or reduction of 34 fees. In 2007, there was elimination of the surtax; indexation of low-income tax reduction enhancement.

I could go down through every one of these budgets. I know we all tend to sometimes, as I like to use the term, cherry-pick; it sounds great to get up and go on your tangent. These tax adjustments, if you talk about hurting an economy, they put actually over \$4 billion back in our economy, and I don't think there is anyone going to apologize on this side of the House for putting \$4 billion back into taxpayers' pockets. At least I won't be apologizing for it, Madam Chair.

I could down through more of them, but there are a few other things I'd like to touch on with my time. The Member for Terra Nova there went into a lot of stuff that I could care less to go into, some of it; but one thing, now our tax rates are where the rest of Atlantic Canada is, according to your numbers, so that's a good thing. Is that a good thing? I question that comment because prior to this budget, we had the lowest tax rates in Atlantic Canada. Wasn't that a good thing, or was that a bad thing?

SOME HON. MEMBERS: Oh, oh!

CHAIR: Order, please!

Order, please!

MR. PETTEN: Now you're up telling us how wonderful it is that we pay the same tax as the rest of Atlantic Canada. What is it? Do you want us to apologize for having low tax rates? Please, I mean –

SOME HON. MEMBERS: Oh, oh!

CHAIR: Order, please!

MR. PETTEN: – don't insult intelligence in the House here. I know we're not as smart as everyone on the other side, but don't go insulting our intelligence on those commentaries. That doesn't wash with me, I'm sorry. That doesn't wash. Just because now we're going back to where we were, we're regressive, we're going backwards, it's a good thing? I caution you it's not, Madam Chair.

Another point I'd like to get to, because I'm going to try to hit a few things that I sit back and I absorb and I hear we all talk about the levy and there are changes made to the levy that I want to add that we never got money for it. It was an out for the government to get it because you don't have to pay the money now; you can pay it in 10 years' time or eight, what is it, six years' time when you return to surplus, 2022. But there's no money in our pockets –

SOME HON. MEMBERS: Oh, oh!

CHAIR: Order, please!

MR. PETTEN: You don't have to pay your bill now; you pay it later. That's not money coming in from the federal government. That's just I'll pay you later. I'll take it on the tick. In the community I come from it's a very common term: You're on the tick. Well, I guess they're on the tick with Ottawa.

Others are getting real money. We're getting, okay, you can pay us back later on. It's a great relationship they got. I hope the federal government would play the same game no matter – I heard commentary last week and it made a lot of sense, talking about your relationship with your federal cousins.

It's an NDP government in Alberta and Saskatchewan got the Saskatchewan Party. The question is: Would they be treated differently because they're not the same stripe as the federal government? If that's the case, it's a sad state of affairs of politics in the country. It's a sad state of the federal government.

Yet, the provincial government can get there and the Premier of this province can stand in front of the microphone and boast about the great relationship we have with Ottawa. So I wonder would Premier Notley or Premier Wall say the

same thing because they're not the same stripe and they obviously don't share the same beliefs. You do it because you're part of the Federation. You're a part of Canada. Not because you're the same stripe.

SOME HON. MEMBERS: Hear, hear!

MR. HOLLOWAY: A point of order, Madam Chair.

CHAIR: Order, please!

The Chair recognizes the Member for Terra Nova on a point of order.

MR. HOLLOWAY: I believe I heard the Member opposite curse in this House.

AN HON. MEMBER: (Inaudible) Standing Orders 49.

MR. HOLLOWAY: Standing Order 49.

I thought he used the F-word, Madam Chair.

CHAIR: The Chair did not hear the Member (inaudible).

The hon. the Member for Conception Bay South.

MR. PETTEN: You know, Madam Chair, I will point something out. Clearly, I did not and I take great offence that he would play small-time politics in this House to say I did that. I know what I say. If you want me to swear, we'll do so outside this House. Not while I'm in this House. To play small games like that is totally disrespectful.

SOME HON. MEMBERS: Hear, hear!

MR. PETTEN: That's low, Madam Chair, and he knows it, with his grin on his face.

MR. LETTO: (Inaudible.)

MR. PETTEN: No, my blood pressure is great – the Member for Lab West is asking me.

CHAIR: Order, please!

It's getting late into the evening, but I ask all hon. Members when a person is on their feet,

please keep the noise levels down. The Chair is having trouble hearing the speaker.

Thank you.

The hon. the Member for Conception Bay South.

MR. PETTEN: Thank you, Madam Chair.

This is difficult. I thought I was going to be home watching the third period of the hockey game. I didn't anticipate this.

Madam Chair, in my last few minutes – if I don't get interrupted again – I'd like to talk about the levy. There is a reduction on the levy. No doubt, there's a reduction. When it was implemented, you had a \$20,000 to \$50,000 range where you had to pay a levy. I guess one of the sobering thoughts that hit me was that 74 per cent of our residents make less than \$50,000. So the adjustment was made for that percentage of people. It was one of the most –

SOME HON. MEMBERS: Oh, oh!

MR. PETTEN: Madam Chair, I'm having trouble hearing myself speak, let alone anyone else –

CHAIR: Order, please!

MR. PETTEN: That was one startling amount. Members opposite, I've talked to them privately. We've talked about it. You hear it in the House, we read it in documents, and I heard Members get up and speak on it. The levy is based on your taxation, on your line 236 if I'm not mistaken.

If you look at the income, you are looking at probably in the vicinity of \$12 an hour on the old system. So now we are gone up to the \$50,000 range. They still boast about the 236 as being the amount that you are taxed on, on your net income on line 236. The deductions in that – that is not your income tax. People think your basic, your EI, your CPP, there are other deductions and everyone does not qualify for those deductions.

The levy has been talked about and talked about. It will be talked more when the bill is introduced in this House. There have been adjustments, which I won't say is a bad thing, but I will say

that any form of a levy no matter what income level, it's insulting to people of this province. That's about the best way to describe it.

I talked to people and they tell me it's galling. June 2, they are going to have to go to the gas pumps now – I mean, as my colleague for Cape St. Francis stated, they are lining up at gas stations now trying to save on what they'll be nailed with 16½ cents Wednesday.

Members can get up on that side of the House – I know it's a bit of politicking and they are trying to save face; I get all of that. I understand the dilemma, to be honest with you, and I've never once got up and said that I don't understand the dilemma. But to get up and to be bantering about how wonderful everything is and how much we don't understand. We fully understand. We get it. We understand where you are coming from. We do.

But it galls me to sit here and listen to the theatrics of getting up and making it seem like all is well. Because I tell you, all is not well in this province. All is not well with this budget. The people are not happy. If you don't believe that, you're not listening to the same people we are because what we hear and I hear it daily, no matter where I go, no matter who I speak to, it is a conversation and none of our districts are different. The faces change, but the people are the same. They have the same issues. I don't think there is anyone in this House can dispute that.

Thank you, Madam Chair.

SOME HON. MEMBERS: Hear, hear!

CHAIR: The hon. the Member for Bonavista.

MR. KING: Thank you, Madam Chair.

I'd like to start off by (inaudible) and the Member for Cape St. Francis, I like the Member as a person but some of the stuff he said last week and tonight, it is, as the Member for CBS pointed out, small-time politics.

He got up last week and said all the government Members – the Member for Terra Nova brought this up – are afraid to go back to your districts. Well, Madam Chair, I've been back to my

district every weekend since this budget has come out. I have held public consultations; I have met with groups and organizations. I'm not afraid. I have never backed down from anything in my life and I don't plan on backing down from anything now.

SOME HON. MEMBERS: Hear, hear!

MR. KING: For the Member for Mount Pearl North, he's pretty good on the Twitter and the Facebook but he won't say anything to your face, though. He said I'm not going to be intimidated by the Member for Bonavista yelling at me across the way. Well, you know what, I used some unparliamentary language last week and I apologized to this hon. House for saying it. But, I'm a very passionate person when it comes to my district, such as all the Members on the government House side, and I'm sure all the Members on the Opposition side as well.

When the Member for Mount Pearl North says he's not going to be intimidated by me yelling across the aisle, well I'm not going to be intimidated by him posting on Facebook, posting on Twitter negative things about me.

SOME HON. MEMBERS: Hear, hear!

MR. KING: I will speak for my district as I have since I got elected and I'll continue to do so.

AN HON. MEMBER: It's bullying.

MR. KING: It is bullying (inaudible).

CHAIR: Order, please!

MR. KENT: A point of order, Madam Chair.

CHAIR: The Member for Mount Pearl North on a point of order.

MR. KENT: Standing Order 49, the Minister of Natural Resources and the Member for Harbour Grace – Port de Grave just accused me of bullying. That's very unparliamentary, and I'd ask them both to stand and withdraw their comments.

CHAIR: Order, please!

There is no point of order.

The hon. the Member for Bonavista.

MR. KING: Thank you, Madam Chair.

SOME HON. MEMBERS: Oh, oh!

CHAIR: The Chair did not hear the comment. I'm sorry, I can't respond if I did not hear –

SOME HON. MEMBERS: Oh, oh!

MR. KING: If I could get to speak, Madam Chair, I might get to my points.

CHAIR: Order, please!

MR. KING: I've got seven-and-a-half minutes left and I plan on using each of them.

CHAIR: Order, please!

When the Chair is speaking, I ask for respect in this hon. House to acknowledge the Chair.

The Chair did not hear the comments.

The hon. the Member for Bonavista.

MR. KING: Thank you, Madam Chair.

So we're talking about small-time politics, and the Member for Cape St. Francis has gotten up and said you're afraid to go out in your districts, or none of the backbenchers will get up to speak on this motion here tonight. I think quite a few of us have actually gotten up here to speak tonight.

I said I'd like to have another opportunity to speak on the budget, and I didn't realize my second time had been utilized. So I want to talk a little bit about the fishery. The fishery is a big part of the District of Bonavista. We have a very good fishery. We have a big crab fishery in the District of Bonavista. Our largest supplier is in the Town of Bonavista at the OCI plant, who employs about 370 people as seasonal workers. That is a big employer, but we'll talk what's in the budget for diversification.

I'm going to quote, Madam Chair, what's in the budget for the fishery. "... \$2 million in a new

Seafood and Aquaculture Innovation and Transition Program supporting technology and innovation in harvesting.”

Madam Chair, that’s very good for the District of Bonavista. “... \$100,000 to establish a Fisheries Advisory Council to provide industry stakeholders with the opportunity to offer advice on present or emerging issues in the fishing industry. The Council will play a key role in the creation of a strategic action plan on cod revitalization.”

Currently, I talked about the plant in Bonavista. They had phase one of their plant renovations done recently. They’re waiting for phase two right now. So this relates back to the groundfish. As we see the shrimp stocks and crab stocks go down, we’re seeing an increase in the cod.

This phase two that will take place at OCI, they don’t know what they’re going to do yet, but this Advisory Council, this funding can help them set up, get ready for the groundfish when it comes back in full force. It’s no secret that the District of Bonavista – the old Bonavista South, the old Trinity North district – was devastated in 1992 with the closure of the Northern cod fishery. We had 1,400 people employed at the FPI plant in Port Union. We had another 700 in Trouty; we had another 700 in Charleston. So to lose that number of jobs in the cod fishery is devastating for this area. To see investments like that coming back to the District of Bonavista is hopeful. It is good news.

I want to talk a little bit more about infrastructure. The Third Party, the NDP talk about a \$20 million slush fund. Let me talk about what else the NDP has done.

AN HON. MEMBER: It’s \$30 million.

MR. KING: Sorry, \$30 million.

AN HON. MEMBER: It’s gone up now.

MR. KING: They’re gone up, all right. I’ll make that note.

AN HON. MEMBER: Inflation.

MR. KING: Inflation.

Anyway, what they’ve also done is fear mongered. Them and their buddies at the unions have fear mongered, putting out misinformation to the general public. I had one fellow come up to me when I was in my district and say: My poor old mother, she’s going to lose her \$1,000 she gets in October. I said: My son, your mother is not going to lose her \$1,000. She’s going to get roughly \$1,000 in October, plus she’s going to get \$455 more in January. She’s going to get another \$455 in April. She’s going to get another \$455 in July.

Fear mongering; I lived with an NDP government in Nova Scotia and that’s a stink you can’t wash off.

Getting back to infrastructure and the \$30 million. We’ve got projects where the \$30 million slush fund is going to actually benefit the District of Bonavista. The neck in George’s Brook –

SOME HON. MEMBERS: Oh, oh!

CHAIR: Order, please!

MR. KING: – the 4.3 kilometres of pavement there, that’s going to be partially funded by our Building Canada Fund.

Also, the water project in Milton-George’s Brook, Milton has had water issues for the last three or four years. That project is currently with the federal government right now to get approved so they can get a stable water source. I’d argue, that’s good infrastructure spending. People actually have reliable water. I think that’s a good thing.

We’re able to leverage money for the Bonavista water tower, the bar bridge in Trinity Bay North; all good things. We’re spending \$226 million for transportation infrastructure; \$344 million in municipal infrastructure. So if that’s not good investments, not good diversification, I don’t know what is. That’s going to create jobs, shovel-ready jobs in the District of Bonavista. I think that’s a good investment. So when you talk about losing jobs, that’s creating jobs, good-paying jobs.

I have about a minute and 15 seconds left, so I’m going to talk about tourism. Tourism is the

largest industry in my district. It's the third largest tourism hub in the province. It was second. Last year it went to my friend for Fogo Island – Cape Freels, but we're hoping to get that back. This year, tourism numbers are up in the District of Bonavista. You can't tell me that it is not going to be good for our area. It is more jobs, more money coming to the district.

Do you know what? The Minister of Business, Tourism, Culture and Rural Development, and his department, is investing \$13 million in tourism marketing. That is going to get people out into the district; another \$18.5 million to support culture and heritage initiatives. So, Madam Chair, I think that is good for the District of Bonavista.

My time is winding down, so I'd like to thank this hon. House for the opportunity to speak. I took the opportunity to speak, I was challenged to speak and I wanted to speak, so I did. Thank you for the opportunity to do so.

SOME HON. MEMBERS: Hear, hear!

CHAIR: The hon. the Member for Terra Nova.

MR. HOLLOWAY: Thank you, Madam Chair.

I want to continue on from the last time I got up and spoke and just to talk a little bit about – and I'll do it a bit calmer now this time – this trend of we have been engaging the people of this province. I just want to talk about that, tonight, we are discussing the fact that we needed to increase our borrowing to the tune of \$3.4 billion and why have we had to do that. Well, we needed to continue with the investment in a number of programs and services in this province. It's all about getting this province back into sustainability.

I just want to reference, Madam Chair, that sustainability means keeping our communities alive and supporting them into the future. How do we get to that? Well, go back to about more than 10 years ago and I was involved in a piece of work that set a vision for this province. What's a vision you might ask? Well, a vision is a glimpse of what potential lies ahead for this region, for the province, and it is based on sustainability pillars that look at demographics, they look at the private sector investment, the

delivery of public services and programs and they look at infrastructure and skill development.

So when I look at what was contained in the vision – and you'll see that in this budget, there are number of things that we talked about 10 years ago in terms of making a region and the province sustainable, that those investments need to be had. There was co-operation and collaboration between and within communities. It was something that we saw, so certainly there's money in this budget and I'll speak to it.

It talks about regional co-operation, in terms of investments in agriculture and in tourism. There were investments in public transport and broadband. These were the things we were seeing 10 years ago that we needed to try to achieve to make us sustainable.

Road infrastructure needed to have some investments; investments in healthy, active living. Also, the one thing that there has been a lot of discussion about over the last number of days is full-day kindergarten. It talked about changes to the education delivery in the K to 12 system that allowed for a new focus on education quality and the quest for excellence. That was 10 years ago that we talked about as we would get to 2020, this was a kind of province that we all wanted to live in.

Tonight we're talking about the need to raise our borrowing ability so that we can continue with those programs and services. Well, I can tell you that when you think about sustainable development, Madam Chair, sustainable development must be rooted in a holistic and attainable vision for the future. They just talked about a vision, so it was based on the things that we were hearing people were telling us. It was based on a plan.

I've heard the Leader of the Opposition talk about there's no plan for this province; we've had no plan as a government. I've heard Members opposite talk about that we have no plan. I can tell you that we've had a tremendous plan that's guided this budget. The things we've talked about have certainly been around meeting basic needs, tackling poverty and promoting equity; a sense of place and physical and cultural identity; intergenerational equity; talk about

governance and participation by our citizens; talk about integrated social and economic factors. These are all the things that are going to support our sustainability in this province.

What have we done around that? I can tell you that in the budget we talked about \$5.9 million for community-based organizations and agencies to deliver programs and services to encourage healthy living. That was in a vision of 10 years ago. Now we've put it in part of our plan for the investments that we've made in this budget. Again, why we've needed to raise our lending ability and, therefore, our budget itself is \$8.34 billion this year. We're going to continue because we need to make these investments.

It also talks about \$1.84 million for programs and services; focus on recreation, physical activity and wellness; \$300,000 for age-friendly transportation services. There's a great one that's happening in my district in Clarendville, when it came about in 2013, one of the first in the province. Of course, we're continuing to invest in those kinds of projects in this budget; \$100,000 to support continued development of age-friendly communities throughout Newfoundland and Labrador.

They've done tremendous work, Madam Chair, in terms of helping seniors learn how to use computers, to engage with our young people, to be out into the community and utilizing our College of the North Atlantic. Those are all the things that we talked about. Roads and ferries; the K-12 system itself, the Minister of Education has talked about; and community investment, \$72.7 million for projects under multi-year capital works, municipal capital works.

These are all the things that are based on a plan, a vision that was identified some 10 years ago and now we've identified in this budget. So I'm glad I was able to stand, speak and talk about the budget that we put together. It is based on a sound plan.

Thank you, Madam Chair.

SOME HON. MEMBERS: Hear, hear!

CHAIR: Seeing no further speakers, we'll call the vote.

Shall the resolution carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, resolution carried.

A bill, "An Act To Amend The Loan Act, 2016." (Bill 32)

CLERK (Ms. Barnes): Clause 1.

CHAIR: Shall clause 1 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

CLERK: Be it enacted by the Lieutenant Governor and House of Assembly in Legislative Session convened, as follows.

CHAIR: Shall the enacting clause carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, enacting clause carried.

CLERK: An Act To Amend The Loan Act, 2016.

CHAIR: Shall the long title carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, title carried.

CHAIR: Shall I report Bill 32 carried without amendment?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

Motion, that the Committee report having passed the resolution and a bill consequent thereto, carried.

CHAIR: The hon. the Government House Leader.

MR. A. PARSONS: Madam Chair, I move that that the Committee rise, report the resolutions in Bills 22 and 32 carried without amendment.

CHAIR: The motion is that the Committee rise and report the resolution in Bills 22 and 32 carried without amendment?

Is it the pleasure of the Committee to adopt the motion?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

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

MR. SPEAKER: The hon. the Deputy Speaker.

MS. DEMPSTER: Mr. Speaker, the Committee of Ways and Means have considered the matters to them referred and have directed me to report that they have adopted certain resolutions and recommend that bills be introduced to give effect to the same.

MR. SPEAKER: The Chair of the Committee of Ways and Means reports that the Committee have considered the matters to them referred and have adopted certain resolutions and recommend that bills be introduced to give effect to the same.

When shall the reports be received?

MR. A. PARSONS: Now.

MR. SPEAKER: Now.

On motion, report received and adopted.

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

MR. A. PARSONS: Mr. Speaker, I move, seconded by the Minister of Finance and President of Treasury Board, that a resolution respecting the imposition of taxes on tobacco, Bill 22, be now read the first time.

MR. SPEAKER: It is moved and seconded that the resolution be now read a first time.

Is it the pleasure of the House to adopt the motion?

All those in favour?

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against?

Carried.

CLERK: "That it is expedient to bring in a measure respecting the imposition of taxes on tobacco."

On motion, resolution read a first time.

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

MR. A. PARSONS: Mr. Speaker, I move, seconded by the Minister of Finance and President of Treasury Board, that the resolution be now read the second time.

MR. SPEAKER: It is moved and seconded that this resolution be now read a second time.

Is it the pleasure of the House to adopt the motion?

All those in favour?

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Those against?

Carried.

CLERK: "That it is expedient to bring in a measure respecting the imposition of taxes on tobacco."

On motion, resolution read a second time.

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

MR. A. PARSONS: Mr. Speaker, I move, seconded by the Minister of Finance and President of Treasury Board, for leave to introduce a bill entitled, An Act To Amend The Revenue Administration Act No. 5, Bill 22, and I further move that the said bill be now read the first time.

MR. SPEAKER: It is moved and seconded by the hon. the Government House Leader that he shall have leave to introduce Bill 22 and that the bill be now read a first time.

Is it the pleasure of the House to adopt the motion?

All those in favour?

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Those against?

Carried.

Motion, the hon. the Minister of Finance and President of Treasury Board to introduce a bill, "An Act To Amend The Revenue Administration Act No. 5," carried. (Bill 22)

CLERK: A bill, An Act To Amend The Revenue Administration Act No. 5. (Bill 22)

On motion, Bill 22 read a first time.

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

MR. A. PARSONS: Mr. Speaker, I move, seconded by the Minister of Finance and President of Treasury Board, that Bill 22 be now read a second time.

MR. SPEAKER: It is moved and seconded that Bill 22 be now read a second time.

Is it the pleasure of the House to adopt the motion?

All those in favour?

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Those against?

Carried.

CLERK: A bill, An Act To Amend The Revenue Administration Act No. 5. (Bill 22)

On motion, Bill 22 read a second time.

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

MR. A. PARSONS: Mr. Speaker, I move, seconded by the Minister of Finance and President of Treasury Board, that Bill 22 be now read a third time.

MR. SPEAKER: It is moved and seconded that Bill 22 be now read a third time.

Is it the pleasure of the House to adopt the motion?

All those in favour?

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Those against?

Carried.

CLERK: A bill, An Act To Amend The Revenue Administration Act No. 5. (Bill 22)

MR. SPEAKER: This bill has now been read a third time, it is ordered that the bill do pass and its title be as on the Order Paper.

On motion, a bill, "An Act To Amend the Revenue Administration Act No. 5," read a third time, ordered passed and its title be as on the Order Paper. (Bill 22)

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

MR. A. PARSONS: Mr. Speaker, I move, seconded by the Minister of Finance and President of Treasury Board, that a resolution relating to the raising of loans by the province, Bill 32, be now read a first time.

MR. SPEAKER: It is moved and seconded that this resolution be read a first time.

Is it the pleasure of the House to adopt the motion?

All those in favour?

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Those against?

Carried.

CLERK: "That it is expedient to bring in a measure to authorize the raising from time to time by way of loan on the credit of the province, in addition to the sum of money already voted, a sum of money not exceeding \$1,800,000,000."

On motion, resolution read a first time.

MR. SPEAKER: It is moved and seconded that this resolution be now read a second time.

I'm sorry, the hon. the Government House Leader.

MR. A. PARSONS: Thank you, Mr. Speaker.

Mr. Speaker, I move, seconded by the Minister of Finance and President of Treasury Board, that the resolution be now read a second time.

MR. SPEAKER: It is moved and seconded that this resolution be now read a second time.

Is it the pleasure of the House to adopt the motion?

All those in favour?

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Those against?

Carried.

CLERK: Second reading of the resolution.

On motion, resolution read a second time.

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

MR. A. PARSONS: Mr. Speaker, I move, seconded by the Minister of Finance and President of Treasury Board, for leave to introduce a bill entitled, An Act To Amend The Loan Act, 2016, Bill 32, and I further move that the said bill be now read a first time.

MR. SPEAKER: It is moved and seconded by the hon. Government House Leader that he shall have leave to introduce Bill 32 and that the bill shall now be read a first time.

Is it the pleasure of the House to adopt the motion?

All those in favour?

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Those against?

Carried.

Motion, the hon. the Minister of Finance and President of Treasury Board to introduce a bill, "An Act To Amend The Loan Act, 2016," carried. (Bill 32)

CLERK: A bill, An Act To Amend The Loan Act, 2016. (Bill 32)

On motion, Bill 32 read a first time.

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

MR. A. PARSONS: Mr. Speaker, I move, seconded by the Minister of Finance and President of Treasury Board, that Bill 32 be now read a second time.

MR. SPEAKER: It is moved and seconded that Bill 32 be now read a second time.

Is it the pleasure of the House to adopt the motion?

All those in favour?

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against?

Carried.

CLERK: A bill, An Act To Amend The Loan Act, 2016. (Bill 32)

On motion, Bill 32 read a second time.

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

MR. A. PARSONS: Mr. Speaker, I move, seconded by the Minister of Finance and President of Treasury Board, that Bill 32 be now read a third time.

MR. SPEAKER: It is moved and seconded that Bill 32 be now read a third time.

Is it the pleasure of the House to adopt the motion?

All those in favour?

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against?

Carried.

CLERK: A bill, An Act To Amend The Loan Act, 2016. (Bill 32)

MR. SPEAKER: This bill has now been read a third time and it is ordered that the bill do pass and its title be as on the Order Paper.

On motion, a bill, “An Act To Amend The Loan Act, 2016,” read a third time, ordered passed and its title be as on the Order Paper. (Bill 32)

MR. SPEAKER: The hon. the Minister of Natural Resources.

MS. COADY: Thank you, Mr. Speaker.

It has come to my attention this evening that in response to a question asked by the Member for Ferryland on May 25 concerning the termination agreement, Hansard reflects that I said at the end of my response “contract agreement” instead of termination agreement. Please let the record show, I meant, as the Member for Ferryland said, termination agreement.

Thank you, Mr. Speaker.

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

MR. A. PARSONS: Mr. Speaker, given the hour of the day, I would move, seconded by the Member for Placentia West – Bellevue, that the House do now adjourn.

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

All those in favour?

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Those against?

Carried.

On motion, the House at its rising adjourned until tomorrow, Tuesday, at 1:30 p.m.