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Speaker: Honourable Tom Osborne, MHA

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29 May 2017

The House met at 1:30 p.m.

MR. SPEAKER (Osborne): Order, please!

Admit strangers.

Today I welcome to the Speaker's gallery Mary-Ann Nolan Reid, a student from St. John Bosco, who is job shadowing me today.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: As well, in the public galleries, we have the grade nine social studies class from St. John Bosco, along with their teacher Mike Dooling.

Welcome.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: We also have today, in the public galleries, members of the Association of Early Childhood Educators of Newfoundland and Labrador who are subject of a Ministerial Statement.

SOME HON. MEMBERS: Hear, hear!

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

MR. A. PARSONS: Mr. Speaker, I rise on a point of privilege. The subject of this point of privilege is the Member for Mount Pearl North, as I believe he is in contempt of this Legislature.

On May 16, 2017, the Member for Mount Pearl North made unparliamentary remarks about the Minister of Finance. When asked to apologize for those remarks, the Member refused to apologize, resulting in his ejection from this House.

After having been ejected from the House, the Member for Mount Pearl North took to social media with a highly edited video of the exact events that led to the ejection, and posted comments that unfairly called into question the integrity of the Minister of Finance. Not only was the politically motivated attack upon the minister a skewed representation of what occurred in the House on May 16, 2017, it was

also a display of complete disregard for the rules this House operates under.

The Member for Mount Pearl North was aware of his inappropriate conduct, as he had been ejected from the House. He very obviously was not deterred by this sanction, as he proceeded to widely distribute a doctored version of the events of May 16, 2017, along with a reproduction of his comments about the minister.

The precedent is clear, so I need not refer you to authorities. The conduct is unbecoming of a Member of this House of Assembly. Not only is the conduct unbecoming, the disregard for a Speaker's ruling is reprehensible. This is particularly egregious as the Member for Mount Pearl North is more than aware of the importance of decorum and adherence to Speaker's rulings.

I quote the Member from his time spent in the Chair in June of 2012: "Unparliamentary language, at any point in time, is not acceptable, whether you are standing on your feet and you have been recognized or whether you are shouting from your chair.

"I ask all hon. members of this House to always keep that in mind."

The Member for Mount Pearl North's hypocrisy on this point underscores the necessity for deterrence. He's been asked to apologize. He refused. He was then ejected from this Legislature, which was undeterred to him as he continued this assault on the minister via social media. Again, to use the Member's own words: Unparliamentary language at any time is not acceptable.

While not directly analogous, in the realm of criminal law the objective of deterrence as a factor will normally result in the offender being punished more severely. Not necessarily because he or she deserves it, but because the court decides to send a message to others who may be inclined to engage in similar activity.

Mr. Speaker, you're in a similar position to that of a trial judge in the sentencing. In these circumstances, deterrence ought to be kept at top of mind. It is absolutely unfortunate that I am

forced to stand here and make this motion today, but I do so in the hopes that it will prevent future misconduct on the part of the Member for Mount Pearl North and on the part of all Members of this House, so that we can do the work we were elected to do instead of the political sideshows.

This is the people's House, this is where our laws are made and we are meant to be held to a higher standard. The conduct by the Member opposite falls well short of the standards we are all expected to maintain and, for that, he should be ashamed.

Given the Member's intentional disregard for previous decisions from the Chair of this House, I ask that you investigate the contempt of the Member for Mount Pearl North and refer the matter accordingly.

Thank you, Mr. Speaker.

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

MR. HUTCHINGS: Thank you, Mr. Speaker.

Mr. Speaker, to the point of privilege, my understanding is the issue was brought forward to this House; it was dealt with by the Chair at that particular time. A remedy was given. The remedy was followed. In regard to particular authenticity of video of the Chamber, my understanding is that is a legitimate take of what happened in Hansard and in video. So I don't know if we're questioning the integrity of that.

I do notice, too, the hon. Member did use the word hypocrisy. I'm not sure if that's unparliamentary. If it is, I'd certainly ask him to withdraw it.

Thank you, Mr. Speaker.

MR. SPEAKER: I will take the issue under advisement. I will report back perhaps tomorrow after having an opportunity to review the information and any prima facie cases from elsewhere and provide a ruling tomorrow.

Statements by Members

MR. SPEAKER: For Members' statements today, we have the Members for the Districts of Baie Verte – Green Bay, Placentia West – Bellevue, Cape St. Francis, Mount Pearl North, Bonavista, and Mount Pearl – Southlands.

The hon. the Member for Baie Verte – Green Bay.

SOME HON. MEMBERS: Hear, hear!

MR. WARR: Thank you, Mr. Speaker.

I rise in this hon. House to commend the Springdale chapter of the Salvation Army on its 100th anniversary. Anyone who knows members of the Salvation Army knows that this means a full century of good works, faith and fellowship in the community. Members of this congregation give so much back, without any expectation of material reward.

Newfoundland and Labrador is fortunate to have a thriving faith community of Salvation Army members in every region, as they are some of the most engaged and committed volunteers you will find anywhere. They also meet the material and spiritual needs of less fortunate among us with a longstanding mission of community outreach and ministry.

Mr. Speaker, 100 years is a significant milestone and well worth celebrating. The Salvation Army in Springdale as demonstrated an ongoing track record of great work in the community over the past century, and I have no doubt they will continue the same exemplary fashion for the next one.

I ask all Members of this hon. House to join me in congratulating the Springdale Salvation Army for its 100th anniversary.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Placentia West – Bellevue.

MR. BROWNE: Mr. Speaker, I rise today to congratulate a man whose name has become

synonymous with volunteering and sport on the Burin Peninsula, and indeed all of Newfoundland and Labrador.

Shane Dunphy has been a player, an official, a coach, a soccer dad, but perhaps most notably, a key organizer of sport for many years. He is the long-time president of the Burin Peninsula Soccer Association, chairman of the Soccer Hall of Fame Committee, has made many contributions to the Challenge Cup and local tournaments and has served at the executive level provincially.

To recognize his longstanding efforts, Shane was recently named Volunteer of the Year for Sport NL and the Newfoundland and Labrador Soccer Association. Both on and off the pitch, Shane has always showed his commitment to promoting the sport, but more importantly, involving young people in it. In his own words: It's not about me, it's about the kids.

I ask all hon. Members to join me in sending our congratulations to Shane and best wishes for another successful soccer season this summer.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Cape St. Francis.

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

Mr. Speaker, I rise today to recognize the winners of the Torbay Business Awards which were presented in late April at the Kinsmen Centre in Torbay. This has been the eighth annual award ceremony and I was pleased to join members of the local business community, residents and the town council of Torbay at the presentation.

The winner of the New Business of the Year is The Traditional Coffee House and Deli owned by Tina Ricketts. Consumer Commitment Award was presented to Torbay Unisex Hairstyling, one of Torbay's longest operating businesses. Entrepreneur of the Year was awarded to Andrew Scammell and Beverly Hillier, owners of East End Taxi Services which

have been providing taxi service in the area since 2008. The final award of the evening was the Business of the Year Award. This award was presented to EDGE Beauty Bar which is owned by Kate Porter who won the New Business award in 2016.

Mr. Speaker, being a successful business takes a great deal of hard work and commitment. I ask all hon. Members to join with me in congratulating the winners of the Torbay Business Awards and wishing them the best in their future endeavours.

SOME HON. MEMBERS: Hear, hear!

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

MR. KENT: Thank you, Mr. Speaker

Good afternoon to all.

I rise in this hon. House today to recognize Beclin Business Park. May 10, I attended a celebration in honour of Beclin Business Park becoming the first LEED registered business park in Newfoundland and Labrador.

The prestigious Leadership in Energy and Environmental Design certification is a rating system recognizing environmental excellence in over 160 countries. LEED works because it recognizes that sustainability should be at the heart of all buildings – in their design, construction and operation.

Since 2004, the Canada Green Building Council has certified over 2,800 LEED buildings in Canada and registered over 5,000 – with the second-highest number of LEED projects anywhere in the world.

The buildings in Beclin Business Park are designed with natural lighting so that most operations can be carried out without the need for artificial light, saving both energy and money and making them more pleasant places to work. The business park is designed to reflect the appearance of traditional row houses. The spaces are adaptable to many diverse uses with loading door and racking dimensions built for efficiency.

Mr. Speaker, I ask that all Members of this House join me in recognizing Beclin Business Park and the chairman of East Port Properties, Mr. John Lindsay, for this great accomplishment.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

MR. KING: Thank you, Mr. Speaker.

On May 13, I attended the 64th annual ceremonial review of #84 RCSCC Golden Hind. At 1400 hours sharp, Reviewing Officer and Retired Army Captain Garry Blackmore received the General Salute and inspected the corps before a packed gymnasium at Catalina Elementary.

The Sea Cadets dazzled the audience with their dress and deportment, precision drill and musical talent. The Colour Party kicked off the displays, which was followed by musical performances by the corps' glockenspiel members. Next up, was a black-light drum routine, followed by the immaculate drill maneuvers provided by the Guard. Finally, the Golden Hind band put on a musical display that was second to none.

To close the afternoon, the awards ceremony honoured cadets across a variety of categories including Petty Officer Second Class Kiley Mackey who received the Cadet of the Year Award. Four cadets age out this year and I recognized their service with my MHA certificate. They are: Chief Petty Officer First Class Jordon Dalton-Pittman; Petty Officer First Class Adam Cullimore; Petty Officer First Class Amy Ford and Petty Officer First Class Raven Rittman.

The Navy has an expression with a job well done and with the support of their officers, civilian instructors and volunteers under the command of Lieutenant Wanda Tremblett, I am proud to say to the cadets: Bravo Zulu.

SOME HON. MEMBERS: Hear, hear!

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

MR. LANE: Mr. Speaker, it gives me great pleasure of rise in this hon House to recognize several outstanding young people in my community. The 2017 Mount Pearl Focus on Youth Awards was a tremendous success and highlighted the great talent, athleticism and intellectual ability possessed by some very amazing youth.

These individuals included: Mount Pearl Female Youth of the Year, Andie Winsor; Male Youth of the Year, Patrick Breen; Youth Volunteer of the Year, Emily Garlie; Male Youth Athlete of the Year, Evan Knight; Female Youth Athlete of the Year, Keeley Cox; Youth Team of the Year, Mount Pearl Senior High Female Grade 9 Volleyball Team; RNC Youth In Service Award winner, Cassidy Rose; S.T.E.M. Award winner, Joel Hatcher; Youth Group of the Year, Mount Pearl Senior High Causes for Concern; Performing Arts Individual Award winner, Jack Thistle and Hunter Madden; Visual Arts Award winner, Sarah Hiscock; and Literacy Arts Award winner, Hunter Richardson.

There were also performing arts recognition awards presented to: Conway, Mount Pearl Senior High Drama Club, O'Donel High Jazz Band, Mount Pearl Senior High Jazz Band, O'Donel's *High School Musical* and Mount Pearl Senior High's Traditional Band.

I ask all Members to join me in congratulating these amazing young people on their accomplishments.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Statements by Ministers.

Statements by Ministers

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

I rise in this hon. House today to acknowledge the efforts of those who responded to the serious situation in Mud Lake over the past few weeks,

but also to recognize the efforts that are still underway to assist residents in getting their lives back together.

Our government is committed to helping the people of Mud Lake as they deal with the terrible effects of this flood.

During the initial flooding event and immediately afterwards, local residents, emergency management partners and all levels of government came together quickly and appropriately to support those who were impacted.

I would like to thank the many organizations and departments who worked around the clock to ensure the safety of the people of Mud Lake.

This includes individuals like Mario Berthiaume of the Department of Municipal Affairs and Environment, staff at the Emergency Operations Centre, Judy Bond and everyone at the Canadian Red Cross-Newfoundland and Labrador, the Salvation Army, Newfoundland and Labrador Division, officials with the Department of Advanced Skills, Education and Labour, the SPCA, the Department of Transportation and Works and the Department of National Defence.

Mr. Speaker, I would also like to recognize the staff of the Intergovernmental and Indigenous Affairs Secretariat at Happy Valley-Goose Bay, the Labrador Friendship Centre, the Town of Happy Valley-Goose Bay and everyone else who pulled together to help in any way they could.

No gesture was too small, I can assure you.

I visited the community last week, along with the Minister of Municipal Affairs and Environment and the MHA for Lake Melville, as we implemented early roll-out of applications for the disaster financial assistance.

This visit also provided an opportunity to explain to resident in person how multiple departments were working to assist them – both during the initial event, but also as we moved into the recovery phase.

Mr. Speaker, we will be actively engaging the federal government in leveraging all available federal funding to help the people of Mud Lake.

I'm also pleased to thank Public Safety Canada and the Department of National Defence for granting our request to assist with options of housing for those who will need longer term accommodations.

Questions raised about the cause of this never-in-a-lifetime event are shared by this government.

We need answers in the form of an independent assessment. We have started that process and are committed to getting answers to fully understand the situation that occurred.

Mr. Speaker, this government will continue to assist where we can and make it safe for people as they return to their homes and to help them access accommodations, insurance and disaster relief in their time of need.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

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

I thank the Premier for an advance copy of his statement today. We join with government in thanking and recognizing the efforts of so many people who have assisted during this difficult time.

Mr. Speaker, I think I can say without reservation that all of us in this province, and especially here in the House of Assembly, take great pride in the fact that Newfoundlanders and Labradorians always come together in times of tragedy, in times when pressure and stress and assistance is needed. The co-operation and good will that happens so often in our province goes a long way to ease the burden of those most deeply impacted.

We know, Mr. Speaker, while much has been done, we know the province is working with the federal government and we urge them to

continue to do so because we do know that the disaster assistance available through the federal government can be slow and difficult at times, especially for the people of Labrador at this point in time.

We have a lot of questions unanswered, Mr. Speaker, and we'll be looking for answers from the government as the days and weeks go on. Why has Nalcor changed their position? Where has the CEO of Nalcor been during this whole event? What will the parameters be for an assessment and so on? We have many questions and we look forward to answers from the government.

Again, we join with the government in recognizing those who have helped out the people of Mud Lake.

SOME HON. MEMBERS: Hear, hear!

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

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

I, too, thank the Premier for the advance copy of his statement. I express my best wishes to the people of Mud Lake and join the Premier and the Leader of the Official Opposition in thanking the first responders and officials who have been helping those residents.

It is understandable that they connect the recent flooding with the Muskrat Falls Project. They deserve a full and independent investigation of what happened, and I urge the Premier to see that that happens. After all, it is their homes, their lives and their community at stake.

I also urge the Premier to get the people of Mud Lake the financial assistance he has promised. I know he will do it, but I urge him to get it in a very, very timely manner so that they can rebuild their lives.

Thank you very much, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. KIRBY: Thank you, Mr. Speaker.

I rise today to recognize May 28 to June 3 as Early Childhood Educators' Week. It was a pleasure to join members of the Association of Early Childhood Educators of Newfoundland and Labrador earlier today to sign the official proclamation.

This week presents a valuable opportunity to acknowledge and celebrate the crucial role our early childhood educators play in the lives of our children. They are critical to the provision of quality child care. Their knowledge and expertise guide children's early learning and development through play-based learning, and they provide essential support for families.

As a government, we remain committed to supporting the important work of early childhood educators. *Budget 2017* included a \$1.3 million increase to the annual Early Learning and Child Care Supplement to enhance financial support for regulated child care services. In fact we just recently concluded consultations with sector shareholders to find out how the increase can be best administered, and will provide an update in the near future on this. *Budget 2017* also added \$2 million to the Child Care Subsidy program to make child care more affordable for families.

We have approximately 2,200 certified early childhood educators in this province. Every day, these individuals work in child care centres, family child care homes, family resource centres, educational institutions, businesses and not-for-profit organizations to help our children learn and grow.

While there is special acknowledgement of early childhood educators during Early Childhood Educators' Week, we should recognize their dedication and hard work every week of the year. I ask Members of this hon. House, and all Newfoundlanders and Labradorians, to join me in recognizing the outstanding work of early childhood educators in communities throughout our province.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

MR. BRAZIL: Thank you, Mr. Speaker.

I thank the minister for an advance copy of his statement. There is no doubt that early childhood educators are instrumental to the well-being of our children as well as the role they play in our society.

The 2,200 certified early childhood educators in our province are indeed dedicated and hard-working individuals who are in many ways the backbone of our communities. I'm pleased to know the Liberal government has concluded their consultations and was eager to see the results and recommendation.

This side of the House very much hopes that the minister will be more upfront and transparent with these recommendations than they were with the recently related library report. The value of the early childhood educator is immense and it is a pleasure to recognize May 8 to June 3 as Early Childhood Educators' Week.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. Member for St. John's East – Quidi Vidi.

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

I, too, thank the minister for the advance copy of his statement. I commend all the early childhood educators working in child care settings around the province, giving our children a good start in life.

Highly trained early childhood educators are essential to quality programming and they deserve the increase in the supplement that the minister spoke of. It is good to see that government consulted about how to distribute it. I now urge the minister to ensure that early childhood educators who make the effort to train for higher certification will be fairly compensated.

Thank you very much, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Further statements by ministers?

Oral Questions.

Oral Questions

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

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

Mr. Speaker, the government has guaranteed a letter of credit for Corner Brook Pulp and Paper valued at \$88 million.

I ask the Premier today to give details to this House of Assembly of what this \$88 million fund will be used for?

MR. SPEAKER: The hon. the Minister of Service NL.

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

As this hon. House knows, yesterday, along with my colleagues, we announced a very unique arrangement that frankly puts the pensioners, some 1,300 active and retired individuals who have worked at the Corner Brook Pulp and Paper Limited, in a much better position than they were before this arrangement was secured.

SOME HON. MEMBERS: Hear, hear!

MR. TRIMPER: What we've done is built on an arrangement that the previous administration concluded in 2014, which is, in exchange for a loan, assets were secured with the power assets. What we've done is – and I would suggest in a very clever and a very unique way in the country – we put those assets in a place where they can best be used to ensure that those in this pension plan right now will not have to face a potential underfunded situation.

Thank you very much.

SOME HON. MEMBERS: Hear, hear!

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

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

I thank the minister for the information. We do have more questions, obviously, on this matter. I'm sure he's prepared to answer them for us.

Of the \$88 million letter of credit, we understand that only \$29 million of it will be used to fund a pension plan.

I'll ask the Premier again: What will the extra \$59 million be used for?

MR. SPEAKER: The hon. the Minister of Service NL.

MR. TRIMPER: Mr. Speaker, the way the arrangement is secured and what makes it unique is that it's a long-term arrangement, if in the event this most important industry in Western Newfoundland has to cease operations. That's the beauty of the deal.

What we've done is, through the arrangement, secured that up to \$88 million will be available, if it's needed, to fund what's known as the solvency components of the pension plans. The going concern right now is sufficiently funded, but if in the event that the company has to cease operations and money is needed to support those two pension plans, it will be available.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

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

Our understanding is the \$29 million portion of the \$88 million makes the pension plan solvent. It looks after that unfunded liability that existed on the pension plan.

I'll ask the minister again to explain to this hon. House: The balance, \$59 million, what is that intended to be used for?

MR. SPEAKER: The hon. the Minister of Service NL.

MR. TRIMPER: Mr. Speaker, the question, it actually needs to be broken in a couple of a pieces. It relates to the evaluation that was secured by the previous administration in terms of the current price. Should the mill close now, the power assets would be worth some \$150 million. There's a \$110 million loan that's outstanding that the company will start making payments on in 2019.

Over time, one year from now, the value of those assets increase by \$25 million and then finally, in the subsequent year, to \$200 million. Depending on and God forbid if the plant does have to cease operations, that's when we would understand exactly how much money might be needed to fund those two pension plans.

SOME HON. MEMBERS: Hear, hear!

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

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

Officials advised us that the answer is \$29 million; that's what makes the plan solvent.

The minister has referenced the loan provided \$110 million in 2014, so I ask the minister this: Since that agreement was reached in February 2014, has Corner Brook Pulp and Paper made any special payments into their pension plan?

MR. SPEAKER: The hon. the Minister of Service NL.

MR. TRIMPER: In reference to the Member's question, yes, the company has been making payments in the vicinity of about \$6 million per year. Nevertheless, there is a shortfall in the solvency components of the pension plan, so the going concern again is sufficiently funded.

So that folks understand exactly what this means: If the plant has to cease operations, we need to know how much money will be available to all those involved, all 1,300 approximately retired and active workers. That calculation changes over time. It's based on a variety of factors, but suffice it to say the

situation and the agreement that we've put in place will more than cover the current situation.

SOME HON. MEMBERS: Hear, hear!

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

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

The indications that we have and the information we have from officials says that \$29 million of that \$88 million makes the pension plan solvent. The minister has also said that Corner Brook Pulp and Paper has made payments since 2014. So, Minister, if the pension plan is solvent, then pensioners are now protected if the operation was to wind up or if the plan had to wind up.

Again, I want to go back to the \$59 million. Are you saying that's not going to be used for any other purpose, it's just going to be held in case the pension plan needs it? Is that what you're telling us today?

MR. SPEAKER: The hon. the Minister of Service NL.

MR. TRIMPER: Thank you, Mr. Speaker.

Let's see if we can walk through the story here. Currently – and for the Member's information – there is some \$25 million approximately that is underfunded into the plan. In addition, there's an additional \$39 million. So, in fact, to wind up the pension plan, if we had to right now, we are looking at a need of about \$65 million.

So setting this at an \$88 million limit in terms of the security and with the assets and the arrangement that we've set in place, we feel that we are in a much better place for these 1,300 workers and retired pensioners.

SOME HON. MEMBERS: Hear, hear!

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

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

Maybe the minister can provide us with further more details on that because the numbers seem to be different from what was provided by

officials earlier and I'd be glad to talk to him a little bit later again this afternoon.

Mr. Speaker, taxpayers are on the hook now with a guarantee on a letter of credit for \$88 million.

I ask the minister: Is the government a secured creditor for that \$88 million?

MR. SPEAKER: The hon. the Minister of Service NL.

MR. TRIMPER: Mr. Speaker, I must take strong exception to what I just heard. In terms of the taxpayers being on the hook, this was a deal that his administration set together in 2014. They provided a \$110 million loan, moved to secure power assets and water rights agreement, but what they forgot to do was to think about the pensioners.

What we've managed to do is to take the security of those assets and ensure that the pensioners, those people who worked very hard all their lives, are going to be first in line given the eventual situation that the mill has to close.

We've moved them to the front, not to the back.

SOME HON. MEMBERS: Hear, hear!

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

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

I really don't want to get in a match with the minister here today, but I can assure him that the \$110 million was going to secure the pension plan for the people of Corner Brook who work at the mill and who were pensioned from the mill. That was the plan. There was a 10-year agreement in place. The members of the pension plan voted for it, we accepted it. There was a plan put in place to make the pension plan solvent through that process. That's what part of the \$110 million loan was for in 2014.

Mr. Speaker, I ask the minister: If the operation in Corner Brook was to wind up, who would be responsible for environmental liabilities?

MR. SPEAKER: The hon. the Minister of Service NL.

MR. TRIMPER: I would like to just address the preamble if I may, Mr. Speaker. In terms of the money that is set aside, that \$88 million, it will be there in sufficient amount to cover both the missing payments and the wind up requirements.

In terms of the environmental liability, Mr. Speaker, the arrangement is that some \$2 million has been set aside for the cleanup, as occurred with the Abitibi Price mill when that was taken over by the previous administration. The estimated cost of that was about \$1.5 million, so we feel that's a reasonable estimate.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

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

The financial deal that the government has reached with Corner Brook Pulp and Paper will – we know and we're hearing – secure pensions for hardworking Newfoundlanders and Labradorians, those who work at the mill and those who worked there in the past

I ask the minister: Will you extend the same deal and opportunity to other businesses in Newfoundland and Labrador who have pensions that are at risk?

MR. SPEAKER: The hon. the Minister of Service NL.

MR. TRIMPER: Mr. Speaker, the success of this deal was frankly because we had a very co-operative corporation and that we had assets which clearly had a strong value and bringing those two elements together.

I refer to the situation that we inherited 48 hours after yours truly was sworn into government, into Cabinet, when I had to join the Premier and other ministers in a room and look at the difficult and very frustrating situation we found with Wabush Mines and those pensioners. In

that situation we had a corporation that fled this province, went to Quebec, sought bankruptcy protection in a Quebec court, had left us with no assets, no options. Unfortunately, we've had pensioners right now who are severely underfunded.

We have made six significant moves since we've assumed government to try to address that problem and we will continue to do what we can. But right now, we are not getting a lot of co-operation out of that company.

SOME HON. MEMBERS: Hear, hear!

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

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

The question to the minister was if other companies in the province who have pension plans at risk – is the minister telling us that government would be willing to do the same kind of deal for any other business in the province who has a pension plan which is struggling?

MR. SPEAKER: The hon. the Minister of Service NL.

MR. TRIMPER: As I mentioned in my first remarks in the last answer, Mr. Speaker, the difference here is we had a corporation that was co-operating and they had an asset that we could secure and ensure that the pensioners were going to be first in line, not last in line.

Again, I refer back to my example. Frankly, I see the beauty and the success of what was secured yesterday and announced in Corner Brook hopefully as providing precedent, but obviously we need to ensure that we have a co-operating corporation and we have an asset that we can put together and support the pensioners of this province.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

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

That's exactly what I'm asking him. For other businesses there are numerous pension plans in the province. Many of them, we know, are struggling, have pension struggles within their own pension plans.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

The hon. the Leader of the Opposition.

MR. P. DAVIS: They have challenges and struggles and they also have assets. I'm sure they're looking for support, assistance and ways to support those plans to make sure they stay solvent.

That particular question wasn't about Wabush Mines. I was going to ask a question about Wabush Mines, but my question to the minister is very simple. If a company comes to him and says we have a similar kind of challenge, we want to work with you, are you saying that you would provide the same benefits to private businesses throughout Newfoundland and Labrador?

MR. SPEAKER: The hon. the Minister of Service NL.

MR. TRIMPER: Mr. Speaker, it's very important to understand here that in 2014 the previous administration set up a deal, a loan that entitled the Province of Newfoundland and Labrador to acquire those assets should the company stop. That was the legal obligation.

What we did is we took it a step further. We wanted to make sure that those pensioners would always be protected so we've come up with this arrangement, unique in the country. I thank the support of the Minister of Finance and other departments and a lot of other hard work by my staff to come up with a unique arrangement that's going to satisfy the pensioners, the company and the government obligation that that crowd set up for us two, three years ago.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

MR. P. DAVIS: Yes, Mr. Speaker, and this crowd did a good thing for Corner Brook Pulp and Paper and did a good thing for the pensioners and people who work at Corner Brook Pulp and Paper.

SOME HON. MEMBERS: Hear, hear!

MR. P. DAVIS: Mr. Speaker, I'll ask the minister about Wabush Mines. Because we know the people who used to work at Wabush Mines are left in limbo; we know pensioners have a loss in benefits.

Knowing now that you've been able to make an arrangement with Corner Brook Pulp and Paper: What do you have to say to the people impacted by Wabush Mines?

MR. SPEAKER: The hon. the Minister of Municipal Affairs and Environment.

MR. JOYCE: Thank you, Mr. Speaker.

I just find it kind of odd that the Leader of the Opposition is standing here and trying to criticize the deal we just struck with the pensioners and the people who are working Corner Brook Pulp and Paper right now.

One thing I got to remind them. In 2015, he met with the pensioners and the union workers. Do you know what he said? We will work on the deal. That's what the Leader of the Opposition, met with them during the election – another election promise.

Mr. Speaker, I have to say that when the Member was the minister of Service NL, responsible for pensioners, the pension liability for Corner Brook Pulp and Paper went up by \$10 million in that year. So we had to protect the pension.

So when the Member is standing up here and criticizing Corner Brook Pulp and Paper, you signed the deal, we're using the money that they had (inaudible).

MR. SPEAKER: Order, please!

SOME HON. MEMBERS: Hear, hear!

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

MR. HUTCHINGS: Thank you, Mr. Speaker.

Mr. Speaker, we're not questioning anything about the agreement. We're just asking some questions and asking for some clarity. There's certainly nothing wrong with that.

Minister, last week you indicated a change in the royalty regime was possible. This morning you announced the sanctioning of the West White Rose extension.

Have you changed the royalty regime previously agreed to for this project?

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

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

It was a great announcement this morning –

SOME HON. MEMBERS: Hear, hear!

MS. COADY: – that the West White Rose extension and wellhead project are moving forward. It will mean a tremendous amount of economic activity for the province.

As I said previously in this House and I will say again to the Member opposite, the financing arrangements, the fiscal arrangements, the royalty arrangements were done when the West White Rose Project was put in place in 2007, and they have not changed.

SOME HON. MEMBERS: Hear, hear!

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

MR. HUTCHINGS: I thank the minister for her answer. In 2014, the West White Rose extension was put on hold. This morning a senior VP with Husky Oil indicated that the business case has improved.

Minister: What, if any, concessions were made from that time to today?

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

MS. COADY: Thank you, Mr. Speaker, for the opportunity to say once again how incredibly positive it is for this province to have this project move forward, and it is wonderful to have Husky and their partners, Suncor and Nalcor, moving forward on this project.

It is a big day for the Province of Newfoundland and Labrador, and one of the largest oil and gas developments to move forward in the country so far this year, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MS. COADY: That speaks tremendously to our oil and gas industry.

To the Member's point, Mr. Speaker, I know in the last number of years that Husky has been working very hard to re-engineer the project, to ensure that they brought down their costs as best as possible. There are tremendous benefits occurring to the province, as we know, as well as over \$3 billion in royalties and taxes.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. HUTCHINGS: Thank you, Mr. Speaker.

To the minister, we're delighted certainly again with the announcement today and to build on the work that we've done over the past decade in building the oil and gas sector and building Nalcor to get the returns for decades to come, Mr. Speaker.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. HUTCHINGS: Mr. Speaker, this morning's announcement did not mention at all about the topside module. So why is an

undisclosed, preferred bidder building topside modules in Texas rather than Bull Arm or Marystown?

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

MS. COADY: Thank you, Mr. Speaker.

As was announced this morning, I will go through the benefits that were announced this morning with Husky's announcement that they will be moving forward with this project, one of the only projects to move forward this year, Mr. Speaker, of such magnitude.

The accommodation module will be built in this province, the flare boom will be built in this province, the life boat stations will be built in this province and, most importantly, the CGS, a concrete gravity-based structure, will be built in Argentina. Husky has put in \$100 million graving dock to do so. And the increase in employment, Mr. Speaker – he talked about the agreement that was signed in 2013 with Husky. There is 10 million person-hours of employment. At the time they announced it, it was 72 per cent less than that.

SOME HON. MEMBERS: Hear, hear!

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

MR. HUTCHINGS: Thank you, Mr. Speaker.

I'll ask the hon. Member: What modules are not being built in the province?

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

MS. COADY: Thank you, Mr. Speaker.

The hon. Member will recall that the topsides have never been built in this province. He understands that I'm sure from the 2013 agreement.

I believe, Mr. Speaker, he's trying to confuse the people of this province. The accommodation module is being built in this province, the flare boom, the helipad – the accommodation module,

I've already mentioned, as well as the life boat stations and the CGS.

I believe that the Member opposite is asking about work that will be going outside of the province. As with all of these projects, some work will be done outside of this province, just like Newfoundlanders and Labradorians work outside of this province all over the world as well.

SOME HON. MEMBERS: Hear, hear!

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

MR. HUTCHINGS: Thank you, Mr. Speaker.

We're delighted we heard the list of what was going to be built within the province and with the tremendous workforce we have in the province, that's great, the developed experience. But what I specifically asked the minister was: What modules, what work will be done out of province?

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

MS. COADY: Mr. Speaker, I think he's trying to get to one particular point, and I'll get to that in a moment. I just want to say there's more work being done – I believe, on a percentage basis, more work is being done in the province than there was on the Hebron Project.

But I believe he's trying to get to the facility services module, the facilities control module that he's talking about which he believes was part of the accommodation module. I think he's trying to get to that. That is, with an engineering design, going to be built with the topsides, Mr. Speaker.

But I will repeat the accommodation module, flare boom, life boat stations, helipad and, most importantly, the concrete gravity-based structure will all be built in this province. We have 72 per cent more person-hours of employment. That represents about 5,000 person-years of employment.

MR. SPEAKER: Order, please!

SOME HON. MEMBERS: Hear, hear!

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

MR. HUTCHINGS: Mr. Speaker, we have spent three answers of the minister telling me what's being built in the province. All I asked was: What's not being built in this province based on what was sanctioned this morning? It's a straightforward question. We still don't have it.

Mr. Speaker, this project will have to pay a carbon tax based on the federal government's 2018 timeline. Who's going to pay this tax for the project?

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

MS. COADY: Thank you, Mr. Speaker.

The carbon tax, I know my colleague is working very hard and working well with the federal government. It will be a made-in-Newfoundland-and-Labrador solution on the carbon tax, Mr. Speaker.

As we move forward, I'm sure that the offshore oil and gas industry will be consulted and involved in the decisions around the carbon tax, should it proceed as we move forward. I know my colleague is working very hard to ensure the continuing competitiveness of this province.

SOME HON. MEMBERS: Hear, hear!

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

MR. HUTCHINGS: Mr. Speaker, the minister referenced before \$3 billion in royalties, but through this process there were no discussions about a mandated carbon tax by the federal government for this industry and who's going to pay it and how it affects the royalties for this province.

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

Well, first of all, I want to just reiterate the confidence that he has in the federal Liberal win in the next federal election because the Conservative leader that was elected just a few days ago had said clearly that he was elected, if Andrew Scheer was elected, he would be doing away with the carbon tax. So I appreciate the vote of confidence for our federal colleague, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

PREMIER BALL: Secondly, Mr. Speaker, we all know that the carbon tax is part of operations, but the beauty about the deal that we have signed on behalf of the impact of carbon tax – and we know it's difficult when you get offshore. This government has struck a deal that the carbon tax can be used at the discretion of this government.

If we want to work with industry, we will work with industry, Mr. Speaker. I appreciate the confidence in our federal leader, Justin Trudeau, Mr. Speaker, and the fact that he's suggesting that Andrew Scheer cannot win the next election.

SOME HON. MEMBERS: Hear, hear!

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

MR. HUTCHINGS: Mr. Speaker, I wasn't elected to be concerned with Andrew Scheer, I've been elected to be concerned with the people of Newfoundland and Labrador –

SOME HON. MEMBERS: Hear, hear!

MR. HUTCHINGS: – and the royalties from these projects that the Premier just told us he hasn't even factored in the carbon tax and sanctioned this project. That's what he just said.

Mr. Speaker, the Premier committed to an independent review of Mud Lake flooding. Premier, who will be doing the review and what are the parameters of that review?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

We have made a commitment to the people of Mud Lake to do an independent assessment of what occurred. During the recent visit there a week ago there was certainly a lot of fear and people asking questions of what actually happened. They needed those questions answered. We've made a commitment that we will get this done.

Mr. Speaker, right now we have inspectors on the ground. We are focused on getting Mud Lake and the area of Happy Valley-Goose Bay, getting that stable, getting people back in their own homes as quickly as possible. The work has started on who would do this independent assessment.

Mr. Speaker, when we're in a position to be able to announce this, the commitment that we've made, we will get this work done so we can let the people of Mud Lake and Happy Valley-Goose Bay, give them the answers that they need to prevent this from happening again.

SOME HON. MEMBERS: Hear, hear!

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

MR. HUTCHINGS: Thank you, Mr. Speaker.

I ask the Premier: Do you have to set a timeline to have this report finished and available?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

Putting a timeline on an independent assessment would not properly do justice. Mr. Speaker, what the people of Mud Lake and Happy Valley-Goose Bay have asked us to do is a thorough review of what happened.

Mr. Speaker, if I was to put a timeline and say you must do this in two weeks, two months, that would not be fair. We have made a commitment to get back to the people of Mud Lake and Happy Valley-Goose Bay when this assessment is done.

Mr. Speaker, what's key to this, too – and we've made a commitment to do this – is to use traditional knowledge in assessing the impact;

people that have lived in that area, people that have walked those grounds, to let them have their say. The very people that felt they've been shut out by the previous administration when this particular project was sanctioned in the beginning.

SOME HON. MEMBERS: Hear, hear!

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

MR. HUTCHINGS: Thank you, Mr. Speaker.

Mr. Speaker, I ask the Premier: Have you met with the CEO of Nalcor to get an explanation on Nalcor's position on the Mud Lake flooding as that position has changed in the past number of days?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

Officials from Nalcor were on the ground in Happy Valley-Goose Bay last Sunday. They had public meetings there with the people of Mud Lake. The reception and the response that we had was very good, a response from that meeting; but, Mr. Speaker, let's be very clear here, let's be very clear. I am on record as directing Nalcor that they have – this is not about Nalcor. This is about individuals on the ground there. They will be participating with the information that they have. The CEO knows this, the vice-presidents know this, every single person in the executive level at Nalcor is aware of this.

It will be an independent assessment exclusive of Nalcor, but they will be participating with the information that they would have. Mr. Speaker, we will also be using people with the traditional knowledge in that area to be inclusive of this assessment.

SOME HON. MEMBERS: Hear, hear!

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

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

It's good to see government take steps to secure the pensions of current and former employees of Corner Brook Pulp and Paper. Some clarification of the terms of this agreement would be helpful. The Minister of Service NL has said CBPP put \$6 million into the pension fund last year.

I ask the Premier: Does this new agreement include a holiday on pension contributions by the company and, if so, for what period of time?

MR. SPEAKER: The hon. the Minister of Service NL.

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

In reference to the question, absolutely not. The company is obligated to continue its payments and they will do so. We certainly will be watching them very closely.

Mr. Speaker, we've also set up, government has set up an oversight committee that comprises and is led by the Minister of Fisheries and Land Resources. It includes other departments, so we will be keeping an eye on both the pension contributions, on the quality and integrity of those assets and do what we can to support the operation of the mill.

Thank you very much.

SOME HON. MEMBERS: Hear, hear!

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

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

We'll be looking forward to reports from that oversight committee in that case.

Mr. Speaker, yesterday's Corner Brook Pulp and Paper announcement triggered media reports questioning if there's a link between corporate financial contributions to the governing party and subsequent government funding decisions.

I ask the Premier to address public skepticism generated by these media reports: Will be immediately – I ask the Premier, will be

immediately create an all-party committee on democratic reform instead of waiting until next year?

MR. SPEAKER: The hon. the Minister of Municipal Affairs and Environment.

MR. JOYCE: I find it very strange that the co-leader of the Third Party, Mr. Speaker, is up now concerned about the workers at Corner Brook Pulp and Paper, when the PC government was over here trying to work out an arrangement in the 2014 deal, when myself and the Premier of the province worked with Jerome Kennedy to get this deal, that leader, co-leader of the Third Party, was asking questions on behalf of the union. I contacted four union members, do you know what they said? We haven't even spoken to the lady.

So now all of a sudden she's standing up in this House asking about political contributions. I'll tell you what sparked this, Mr. Speaker. It's a letter that I wrote back in April – and it is done through the freedom of information – April 2016 telling them they have to start making payments to the pension fund. This is how this deal started. It was putting pressure on Corner Brook Pulp and Paper, not giving them any breaks.

SOME HON. MEMBERS: Hear, hear!

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

MS. MICHAEL: Thank you, Mr. Speaker.

I'm glad they had a gift to give them, since they got a gift back from them. So now Corner Brook Pulp and Paper looks good because they started putting into the pension plan – information we didn't have earlier.

Mr. Speaker, Husky will build a fixed wellhead platform for their West White Rose project to maximize their resource recovery, to use their words. The Natural Resources Minister has said the province's preference is to maximize employment and benefits to the province.

I ask the Premier: Will he confirm where the drilling module required for the West White Rose wellhead platform will be built?

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

MS. COADY: Thank you, Mr. Speaker.

Again, I'm pleased to speak to this huge announcement this morning and pleased to say that our oil and gas industry is growing in this province.

Mr. Speaker, to again outline the benefits of this announcement this morning, a concrete gravity-based structure will be built in this province. The increase and scope of that design has increased significantly since the 2013 arrangements by the former government, the PC government, and it is now 72 per cent more person hours of employment.

SOME HON. MEMBERS: Hear, hear!

MS. COADY: That translates to 5,000 person years.

Mr. Speaker, when it was announced it was at 2,800. It's now approximately 5,000 person-years of employment. The accommodations module will be built in this province. The flare boom, the lifeboats and the helipad will all be built here in this province, Mr. Speaker, and we're looking forward to the opportunity (inaudible).

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

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

We still don't know where the drilling module is going to be built.

Mr. Speaker, the Hibernia, Terra Nova and Hebron projects were built at Bull Arm. The site is now ready for a new project.

So I ask the Premier: Will government ensure this facility is used for fabrication and construction work for the West White Road project?

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

MS. COADY: Thank you, Mr. Speaker.

As has been discussed in this province for quite a number of years, Argentina has been very interested in getting work on this project. They have worked very hard to secure Husky and they have done so; \$100 million has been put into the grading dock. The Husky White wellhead project will be built in Argentina to the benefit of the people of this province and most specifically to the benefit of the people of the Placentia area, and we're very pleased with that.

Regarding the Bull Arm site, Mr. Speaker; I've advised this House over the last number of months that Nalcor has gone out and looked for expressions of interest on the use of the Bull Arm site which is currently being used for Hebron and they have gotten some great, I understand some great applications and interest under that expressions of interest. It's being reviewed, Mr. Speaker, and we'll have more news as this moves forward.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The time for Question Period has expired.

The hon. the Government House Leader.

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

I stand again on a point of privilege which is in relation to the one that I made in this House just 30 minutes ago.

I hesitate to stand here again, since the last 30 minutes, but unfortunately it has come to my understanding, my awareness that the Member for Mount Pearl North has committed the same contemptuous behaviour in the last 30 minutes via social media that forced me to bring the same point of privilege here in this House 30 minutes ago.

I would submit that – again, using the same analogy of a criminal court – this is an individual that's been charged, that's been let out on conditions and has since breached those conditions.

Mr. Speaker, Standing Order 34 says:
“Whenever any matter of privilege arises, it shall be taken into consideration immediately.”

Now, I was certainly fine and understanding of the Speaker’s need to take time to consider this matter, but given the fact that the Member for Mount Pearl North cannot restrain himself from conducting himself with the same behaviour that we find is contempt of this House, I would ask that you recess this House until you’ve made your ruling to determine whether the Member is in breach of privilege of this House.

Thank you.

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

MR. KENT: Mr. Speaker, the Government House Leader is making a mockery of this House. It’s ridiculous that he continues to draw attention to an issue that was previously dealt with in this hon. Legislature. A ruling was given. I left the House as instructed by the person who was in the Chair at that time, respecting the Chair’s decision at that point in time.

Retweeting, Mr. Speaker, is not a crime as the Member suggests; further, earlier today the Member used the word hypocrisy which is in direct contravention of parliamentary practice.

I rise on a point of order to once again call out that kind of behaviour, Mr. Speaker, which hasn’t been ruled on in this House. It’s inappropriate, it’s unacceptable and we have more important issues to deal with in this hon. House.

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

MR. A. PARSONS: Thank you.

I’m only going to respond to the last part of the Member’s comments there as it relates to the use of my word hypocrisy. The fact is our comments – have found that it is not directly unparliamentary. In many cases it’s been found to be perfectly acceptable, depending on the context in which it is used and the statement is made.

Again, I would just put that out there, but I’m looking forward to a statement being made by the Speaker on the conduct of the Member opposite.

Thank you.

MR. SPEAKER: I’m going to draw this to a close very soon. I will recognize the hon. the Leader of the Opposition, and if the Third Party wishes to make a comment, and I’m going to shut it down. I believe I’ve heard enough evidence on both sides of the House.

The hon. the Leader of the Opposition.

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

I know you’ve heard arguments back and forth, but what I want to draw your attention to is comments made by the Government House Leader just a few moments ago when he drew a parallel between a Member of this hon. House here today who he is lodging a complaint with and a person charged with an offence. He said it’s akin to a person charged with an offence and then being released on conditions. As if a person were facing a criminal charge or a criminal court where you appear before a judge, you want to be released from custody and then the court releases you on conditions.

I find it appalling, Mr. Speaker, that the Government House Leader would be allowed to stand and make such a parallel or such a suggestion. That’s why I find it highly offensive for him to use such language, to draw such a parallel. Above all else that’s been happening here today, on top of the use of the word hypocrisy, he should be made to withdraw and apologize for those comments as well.

Thank you.

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

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

I’m not going to enter into the argument that’s going on between the other two sides.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MS. MICHAEL: I would like to make one point in your deliberations, and I'm sure I don't have to tell you to look up past experiences and precedents, but I myself experienced a ruling of the Speaker of the House for something I said outside of the House after a ruling was made in the House.

So there is precedence for what we say in the media outside of the House after a ruling of the Speaker. I myself had that ruling made to me. That's the only point I'm going to make.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Order, please!

I am going to take a brief recess on the point of order raised by the Member for Mount Pearl North, as well as the point of privilege raised by the Government House Leader.

We will recess and reconvene as quickly as possible.

Recess

MR. SPEAKER: Are the House Leaders ready?

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

There are two issues that I'm going to rule on today. Before I rule on the first, I will say that a point of order is generally not entertained while a point of privilege is on the floor but in this particular case I will rule on the point of order raised by the Member for Mount Pearl North against the Member for Burgeo – La Poile who used the word hypocrisy.

I will ask the Member for Burgeo – La Poile to apologize.

MR. A. PARSONS: I retract the statement and apologize unequivocally.

Thank you.

MR. SPEAKER: I have to say at the outset of this and before I give my ruling on the point of privilege, I find it both ironic and extremely disappointing that the Member for Mount Pearl North who can refuse to apologize for using words like dishonest, deceit and unethical can demand another Member apologize for the use of the word hypocrisy.

With respect to the point of privilege that has been raised in this House by the Member for Burgeo – La Poile regarding an edited video placed online by the Member for Mount Pearl North, I have reviewed the circumstances and listened to Members speak on the issue.

I will point out that my role as Speaker in this matter is laid out in O'Brien and Bosc at page 145, "... the issue put before the Speaker is not a finding of fact, it is simply whether on first impression the issue that is before the House warrants priority consideration over all other matters, all other orders of the day that are before the House ..."

And in a decision on June 19, 2012, by Speaker Wiseman indicated "... it is for this House to decide what course of action will be taken when that happens"

In Maingot, on page 227 in quoting the UK select committee on Parliamentary Privileges "... Does the act complained of appear at first sight to be a breach of privilege... or to put it shortly, has the member an arguable point?" And in this case I do believe he does.

I find that this issue is not about a breach of Standing Order 49, as put forward by the Opposition House Leader. That issue had been dealt with previously and issues against Standing Order 49 should be raised as it happens in this House. That issue has been dealt with and it is done.

This House should also be aware that the Member for Mount Pearl North knows the purpose of that Standing Order. It is aimed at preventing the use of offensive language that might disrupt civil debate in this Chamber. He, himself, was a presiding Officer in 2012 and I quote: "... I would like to provide a reminder to all hon. members of this House. Unparliamentary language, at any point in time,

is not acceptable” There have been a number of cases where the Member for Mount Pearl North had made rulings against unparliamentary language.

Also, this is not about the editing or manipulation of a video in such a way as to change the tenor of the actual proceeding that was recorded. For that, I will be asking the Standing Orders Committee to consider how audio and video recordings of this House can and cannot be used in the future.

The question of parliamentary privilege before us is that the Member for Mount Pearl North created and broadcast online the very unparliamentary language for which he was reprimanded, refused to apologize and was ejected from this House. To make matters worse, while seated in this House today, the Member for Mount Pearl North retweeted the very same video using the same unparliamentary language that was ruled against and is now the subject of a point of privilege.

Maingot at pages 254 and 255 states: “Language spoken during a parliamentary proceeding that impugns the integrity of Members would be unparliamentary and a breach of order contrary to the Standing Orders, but not a breach of privilege. Spoken outside the House by a Member,” – and I interpret this to include stating the same words on video or other recorded or electronic means – “the same language reflecting on the Member’s parliamentary capacity would be considered contempt of the House”

The Member for St. John’s East – Quidi Vidi is correct when she stated earlier that a very similar issue arose for her in June of 2012. However, despite much Speaker commentary on contempt, she was given the benefit of the doubt for words used outside the House, and the Member did the right thing when she was asked to apologize. She did so honourably.

The Member for Mount Pearl North was a presiding Officer of this House at the time Speaker Wiseman outlined contempt and said “... contempt, can be found against a Member ... even if the comments were made outside the House.”

The Member for Mount Pearl North was given the opportunity to apologize and had gone further by posting the unparliamentary language on the very video produced by this House of Assembly.

The Member’s behaviour has been much more egregious and, considering all of this, I find there is a prima facie breach of privilege by way of contempt. I now ask the Government House Leader to move his motion.

The hon. the Government House Leader.

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

I move, seconded by the Member for St. John’s West, that the matters raised as a question of privilege by myself earlier today and the responses made be referred to the Standing Committee on Privileges and Elections, and that the Committee submit its report no later than two weeks after the commencement of the next sitting of the House of Assembly.

Thank you.

MR. SPEAKER: Seeing no further speakers, I move that we proceed with Presenting Reports by Standing – the hon. the Member for Mount Pearl North.

MR. KENT: Mr. Speaker, sorry, we didn’t realize that there was an opportunity to respond. If there is an opportunity to respond, then there may be Members on this side of the House who wish to respond.

I’m asking for your ruling. Is it acceptable for us to do so?

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

MR. KENT: Mr. Speaker, I don’t have anything to add at this point in time. I respect the role of the Chair. I don’t feel I’ve done anything wrong. If we end up in some kind of debate, then I’m happy to have that debate, but I have nothing to add at this point in time.

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

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

The matter that's at debate here this afternoon has become a very important matter. I think it's a serious matter that's been brought forward by the Government House Leader. I think it's worthy of me having a few moments to discuss and debate and speak to his motion that this be sent to a committee and then to report back many months from now.

Mr. Speaker, by way of background, if I may take a few minutes to do so, last week there was a debate here in the House of Assembly involving the budget. We know that the Member for Mount Pearl North had become frustrated, as I can say I was as well, in being challenged to try and obtain answers to questions in a Committee here that were placed to the hon. the Minister of Finance.

At the time that it took place, Mr. Speaker, there were several times a question asked and –

MR. A. PARSONS: Mr. Speaker, if I could stand on a point of order.

MR. SPEAKER: Order, please!

I will recognize the hon. the Government House Leader on a point of order.

MR. A. PARSONS: I refer to the section of Standing Orders on Relevance, and I believe that the Member opposite is speaking to the content which led to the original motion for contempt as opposed to the motion that I made right here, which is to refer this to the Standing Committee on Privileges and Elections.

I would certainly welcome debate on the motion, but I don't believe debate on the issues that led to the original contempt should be debated here now. That's been done and the Speaker has ruled.

Thank you.

MR. SPEAKER: Order, please!

On an oversight as well by myself, there was a motion and a seconder – and I will hear comments, but then we will put the motion to a vote of the House.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

I have made a ruling. I will recognize the hon. the Opposition Leader.

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

If I may, on a point of order, just for clarification and then allow you to rule on the point of order. Just to be clear in understanding the process that happens here now, we are now allowed, permitted – any Member can now speak to the motion before the House. Would that be correct?

MR. SPEAKER: Without a challenge of the Speaker's ruling, I will allow some discussion back and forth on the issue that is going to be put forward to the Standing Committee.

The hon. the Leader of the Opposition.

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

Mr. Speaker, as I was saying what happened to give rise to this matter was that questions were being asked and answers were being sought. The question was asked about the Lieutenant Governor's private secretary and no less than three different distinct answers had been provided which led to frustration, I can tell you, Mr. Speaker, on this side of the House.

I'm not going to repeat the comments that occurred, but on the very next day the Speaker ruled that the comments by my colleague were out of order. The Member was ejected after refusing to apologize or withdraw the comments.

Now today, the Government House Leader has risen twice during proceedings this afternoon and suggested that the Member for Mount Pearl North has committed a breach of privilege by posting a video, which he referred to as a –

MR. SPEAKER: Order, please!

I've provided a ruling on this and I've put it to the Government House Leader to put forward a motion, as he did. I ask the Member, the Leader of the Opposition, are you questioning the ruling on the matter of privilege?

MR. P. DAVIS: No, Mr. Speaker, I'm not questioning the ruling –

MR. SPEAKER: The hon. the Opposition Leader.

MR. P. DAVIS: – I'm simply providing background information as I did for what transpired in the House which led to the ejection of my colleague here.

So, Mr. Speaker, you did rule on that. The Government House Leader suggested today that the video, which was compiled by House of Assembly video, and his point was on an edited video.

Now, Mr. Speaker, what's being asked now is that the conduct here in the House by my colleague is at question and how should that Member be dealt with, his conduct be dealt with. That's what the motion for the Government House Leader is about and that's what I want to speak to.

Mr. Speaker, Newfoundlanders and Labradorians, reporters, people from the media, politicians and others, they view the House of Assembly webcast on a regular basis. They use them for their own purposes. The media daily will take video, edit it to make it part of their evening news cast. They edit clips for their own reporting purposes. People post clips of videos that happened in the House of Assembly through social media. They use Twitter and Facebook to post them as well. Mr. Speaker, political parties use the same type of clips for political purposes.

MR. A. PARSONS: Point of order, Mr. Speaker.

MR. SPEAKER: Order, please!

The hon. Government House Leader, on a point of order.

MR. A. PARSONS: Again, using Standing Order 48, which deals with Relevance, the motion that I've made is that the matters we've discussed today be referred to a committee who will then meet to discuss that. The Member opposite is questioning – he is not speaking to the motion on what we should do to deal with this; he's discussing again the behaviour that

lead to it, which I believe has been ruled on quite clearly.

Again, I would ask that if there is to be debate, it be on the motion on whether we should support this or vote against it. That's what the debate should be on, not about what has led up to this. That has been ruled on, quite clearly. And I believe now, after two points of order, any further commentary on this should be seen as a challenge to the ruling by the Speaker.

MR. SPEAKER: Order, please!

On the point of order, the hon. the Leader of the Opposition.

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

I can assure you I don't have any intent to question or to challenge the Chair this afternoon. I'm simply using an opportunity to put in perspective the commentary and the conclusions and suggestions that I'm going to make regarding the Member opposite's recommendation here before the House. I think that I should be afforded the opportunity as a Member of this House to do so and, so far, you've ruled twice for me to continue and allow me to do that and I appreciate that.

If the Member opposite is going to continue to object on the same grounds when I haven't changed my speaking lines in any way, then this is going to only obstruct this whole process.

MR. SPEAKER: Order, please!

On the point of order, I will allow the Leader of the Opposition to continue. I will listen very carefully to the words spoken by all Members of the Legislature. I understand there has to be some discussion of the events leading up to this if it is to go to a Standing Committee. I will give some lenience.

The hon. the Leader of the Opposition.

MR. P. DAVIS: Thank you, Mr. Speaker. I appreciate your ruling.

Mr. Speaker, the point I was making is that the videos produced and broadcast by the House of Assembly are used by many for many different

purposes. Members of this House have used videos and happenings in the House. It's common for everyone to do that. Every party has done it; the Independent Member has done it and so on.

I'd suggest even that this matter is not new for any legislature in Canada where parliament, provinces throughout our country, even municipalities, broadcast proceedings and people utilize it. If there's an issue with how they're utilized, then the Speaker deals with that as you have done earlier today.

Mr. Speaker, the point of privilege raised by the minister is for this matter to be sent to a committee, left to sit stale for a lengthy period of time to review or to discuss what would be appropriate in this particular case. What he's asking for, I believe, goes beyond what needs to happen in this House. There are current Standing Orders in place. There are rules in place. We also have in place what is an overarching piece of legislation that impacts us all by federal legislation in the Constitution.

Mr. Speaker, what the minister opposite is asking for is this matter to be referred to another process to determine what should take place. You've ruled that the Member's conduct was not in order, that he shouldn't have done what he has done. I'm not questioning the ruling on that. But to take this somewhere else and create a new set of rules or to create a sanction contrary to what may already be in place, the Constitution is quite clear and deals with a person's rights and freedoms. The Government House Leader opposite wants us to take this to a process to determine sanction when the House of Assembly and the Speaker can rule and deal with it here.

I believe the House of Assembly is where this matter has been given rise, where it came up; it's where it's been talked about. Now we're going to move to a process to determine what the Member opposite wants, a Committee to determine how video can be used. Is that going to apply to just Members of the House? Would that apply to members of the media or the general public? Would it apply to Members inside the House and outside the House? Because the Constitution is quite clear. Members opposite said you shouldn't do through the backdoor what you can't do through the front

door. Mr. Speaker, we have rules here in the House of Assembly, and I suggest that they end at the door.

When the Constitution itself, the Constitution of Canada, under section 15 –

MR. SPEAKER: Order, please!

Order, please!

The Speaker doesn't often interject into the course of debate. In this particular case I would say to the Leader of the Opposition, the rules around this procedure are clear. The way it is rolling out is clear, that when the Speaker rules that there is enough evidence to refer this to a Committee, the motion has to be put by a Member of the Legislature. The ruling has been made. I am satisfied with the motion that is put before the House. It is the proper procedure.

I ask the hon. the Leader of the Opposition to respect the rules that have been in place under the British Parliamentary System for a considerable period of time.

The hon. the Leader of the Opposition.

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

I fully respect and wish to respect the Speaker and the rules of this House.

I know there are a number of issues which are delicate and contentious and discussing this entire matter. My point that I'm trying to achieve here and reach here is that this is a matter that occurred here in the House. It's a matter that's happened amongst Members of the House of Assembly, including yourself as Speaker, and I believe should be decided and heard here in the House of Assembly. Not by Committee, but should be heard here in the public House, in the public Chamber of the House of Assembly, and the decision should be made here.

Mr. Speaker, that's the point I'm trying to reach here. That's the point I'm trying to reach. We're all familiar with the Constitution. The only reason why I refer to it is to differentiate between what goes on inside the House and what goes outside the House.

The only reason why I raise it, Mr. Speaker, is that instead of a Committee determining what anyone or who will be limited to the use of social media, well let's do that here in the House of Assembly. Let's do this in the public House. It's the public House that gave rise to this matter, and my suggestion is that we do it here in the House instead of referring it to a Committee.

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

MR. LANE: Thank you, Mr. Speaker.

I'm just looking for some clarification, to be honest with you. This is a new process to me and I just want to understand the process.

My understanding is we have a motion to the floor to bring this matter before a Standing Committee. I'm wondering if this Standing Committee is going to be looking at rules around social media and posting videos or if the Standing Committee – as I understood it to be, and I'm getting this from listening to the Leader of the Opposition. Is this Standing Committee to look at, I guess, the actions of the Member in question, and what sanctions would be against that Member? I want to understand which it is because if I'm expected to vote on it then, obviously, I would want to know exactly what it is I'm voting on.

I would also like to know, if it is a Standing Committee, then who would be on that Committee? Would it be a majority of government Members, for example? Because tying into what the Leader of the Opposition said, if it came before the House of Assembly and it was dealt with by you, Mr. Speaker, well you're an impartial person. But if it's a Standing Committee and the majority of the Members are government Members, then obviously they could try to take some serious sanctions against the Member, in theory, and would be out voted and there could be some bias there.

I just want to understand what it is I'm voting for, because quite frankly, Mr. Speaker, I don't understand what it is I am voting for at this point.

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

MR. A. PARSONS: Mr. Speaker, again, I'll sit down if you want to explain how the Standing Committees work. I will say that the membership of the Committees is posted outside there, and it's been posted there for the last six years that I've been here.

AN HON. MEMBER: (Inaudible.)

MR. A. PARSONS: Again, I'm speaking to – this is debate to the motion I believe.

SOME HON. MEMBERS: Oh, oh!

MR. A. PARSONS: I'm speaking to the motion.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

There's a very serious issue before the floor of the House. I presented to Members of this Legislature, just prior to the constituency week break, that I had been very disappointed at the way the House had operated and I will not allow any Members to take the House on their back.

I will say for clarification – I understand the Member for Burgeo – La Poile has already spoken. I wasn't sure if he was on a point of order or not.

I will say that the Standing Committee has been in place for several decades on this, and each new Legislature the Standing Committee is put in place. The Standing Committee on Elections and Privilege is posted outside my office door for all Members to see who is on that Committee. The motion for that Committee was put before this House at the beginning of the General Assembly. It's the first time I'd seen the Standing Order on Elections and Privileges being used because we don't often have a breach that is put to a vote and referred to the Standing Committee on Elections and Privileges.

I hope I'm not asked to intervene in this debate any further. This debate is amongst Members of the Legislature. I will preside over the debate, but I do ask, especially considering the serious

nature of what is before the House today, that at least today we can practice order and decorum.

The hon. the Member for Mount Pearl – Southlands, I believe has already spoken. Is this a point of order?

MR. LANE: Mr. Speaker, again I'm seeking clarification. The minister said that the Standing Order committee is posted on the wall. I understand that.

I've been here for six years, Mr. Speaker, I have never been on a standing committee ever, on any standing committee. So I'm just seeking – if I'm going to be asked to vote for something, I just want to understand exactly what it is that the standing committee will be looking at. Are they going to be looking at, in general, the issue around video and so on or are they looking at sanctioning the hon. Member for Mount Pearl North? Is that exactly what this Committee is going to meet about?

I'm just wondering how that process would work, and to ensure there is input from all sides and that it's not outweighed one way or the other. That's all I'm asking. If I'm asked to vote on something, I'm not going to vote on something I don't know what I'm voting for.

Thank you.

MR. SPEAKER: The hon. the Leader of the Opposition, are you standing on a point of order?

MR. P. DAVIS: Yes, Mr. Speaker.

I'm looking for – much like other colleagues, other Members of the House – clarification on the process because it is a very rarely followed process.

My understanding of a prima facie case, Mr. Speaker, is that when a prima facie case, or the Speaker rules on a prima facie case has been – thank you, Mr. Speaker.

My understanding, or what I had understood was when a prima facie case has been established, it establishes that the Speaker has ruled that on first look into a matter, if you feel there may be some substance to a case and then there would

be a process to determine if the case is being proven or not, or if there are grounds to prove the case or not. That's my understanding of a prima facie case.

MR. SPEAKER: Order, please!

I ask the Member to quickly get to his point of order, and any Member of your caucus, I would submit, can speak if you have other questions.

MR. P. DAVIS: Thank you

I will, Mr. Speaker, very quickly.

My point of order being if you determine a prima facie case exists, there should be a hearing and then I believe the rules would follow that the hearing happen here in the House of assembly.

MR. SPEAKER: I ask again: Is the Leader of the Opposition questioning the ruling before the House today?

MR. P. DAVIS: No, Mr. Speaker. I'm not questioning your ruling in determining that a prima facie case exists. What I'm discussing is what happens next.

MR. SPEAKER: I've asked the Member for Burgeo – La Poile to put his motion. The motion is before the House. It is a debatable motion.

Are there any other Members who wish to speak to the motion?

Seeing no further Members, is the House ready for the question?

SOME HON. MEMBERS: Yes.

MR. SPEAKER: All those in favour of the motion?

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Those against the motion?

SOME HON. MEMBERS: Nay.

MR. SPEAKER: The motion has been approved.

AN HON. MEMBER: Division, Mr. Speaker.

MR. SPEAKER: Division has been called.

Call in the Members.

Division

MR. SPEAKER: Are the Whips ready?

All those in favour of the motion, please rise.

CLERK (Barnes): Mr. Andrew Parsons, Ms. Coady, Mr. Joyce, Mr. Hawkins, Mr. Crocker, Ms. Cathy Bennett, Mr. Kirby, Mr. Trimper, Mr. Warr, Ms. Dempster, Mr. Browne, Mr. Mitchelmore, Mr. Edmunds, Mr. Letto, Ms. Haley, Mr. Derek Bennett, Mr. Holloway, Ms. Parsley, Ms. Pam Parsons, Mr. Bragg, Mr. Reid, Mr. King.

MR. SPEAKER: All those against the motion, please rise.

CLERK: Mr. Paul Davis, Mr. Hutchings, Mr. Kent, Mr. Brazil, Mr. Kevin Parsons, Mr. Petten, Ms. Michael, Ms. Rogers, Mr. Lane.

Mr. Speaker, the ayes: 22; the nays: nine.

MR. SPEAKER: I declare the motion approved.

Presenting Reports by Standing and Select Committees.

Tabling of Documents.

Tabling of Documents

MR. SPEAKER: In accordance with section 19(5)(a) of the *House of Assembly Accountability, Integrity and Administration Act* I hereby table the minutes of the House of Assembly Management Commission meeting held on March 15, 2017.

In accordance with subsection 273(1)(h) of the *Elections Act, 1991* I hereby table the 2015 provincial general election report on election finances by the Office of the Chief Electoral Officer.

Notices of Motion.

Notices of Motion

MR. SPEAKER: The hon. the Minister of Service NL.

MR. TRIMPER: Mr. Speaker, I give notice that I will ask leave to introduce a bill entitled, An Act To Amend The Highway Traffic Act, Bill 13.

MR. SPEAKER: Further notices of motion?

The hon. the Deputy Speaker.

MS. DEMPSTER: Thank you, Mr. Speaker.

I move, seconded by the Member for Bonavista, that I give notice the following private Member's motion:

WHEREAS last year Marine Atlantic experienced its first year-over-year increase in passenger traffic for 20 years; and

WHEREAS traffic on the Labrador Straits ferry increased during May to October 2016, with the number of passengers and passenger-related vehicles increasing 6 and 5 per cent respectively over 2015 levels; and

WHEREAS last year, St. John's Airport had the busiest summer in its history and the Airport Authority stated that the strong tourism product offered by our province contributed to its success; and

WHEREAS summer 2016 was the busiest ever at the Deer Lake Regional Airport, with August 2016 being the busiest month in the airport's history; and

WHEREAS the number of visitors to Red Bay and the Point Amour Lighthouse increased by 26.2 per cent and 12.1 per cent respectively from the previous year, and the Pinware provincial park saw an increase of 29.1 per cent in the number of registered camping units from the previous year; and

WHEREAS the 2016 cruise season saw an increase of 9.2 per cent in cruise visitors compared to the previous season; and

WHEREAS government has been working in partnership and consultation with private tourism businesses, non-profit operators, municipalities, regional and other tourism sector organizations, destination management organizations, Hospitality Newfoundland and Labrador, the Atlantic Canada Opportunities Agency, Parks Canada and many other tourism, culture and transportation partners;

THEREFORE BE IT RESOLVED that this House supports government's commitment in *The Way Forward* that, by 2020, Newfoundland and Labrador's annual tourism spending by residents and non-residents will double 2009 levels.

SOME HON. MEMBERS: Hear, hear!

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

MR. A. PARSONS: Yes, Mr. Speaker, pursuant to Standing Order 63(3), the private Members' resolution entered by the Member for Cartwright L'Anse au Clair shall be the one to be debated this Wednesday.

MR. SPEAKER: Further notices of motion?

Answers to Questions for which Notice has been Given.

Petitions.

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

MR. A. PARSONS: Yes, Mr. Speaker, if I can, I'm going to move to Orders of the Day.

MR. SPEAKER: Orders of the Day.

Orders of the Day

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

MR. A. PARSONS: Yes, thank you.

Mr. Speaker, I'd like to call from the Order Paper, Motion 2. I would move pursuant to provisional Standing Order 11(1) that the House

not adjourn at today at 5:30 p.m., Monday, May 29, 2017.

MR. SPEAKER: It has been moved and seconded that the House do not adjourn at 5:30 today.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

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

Carried.

The hon. the Government House Leader.

MR. A. PARSONS: Yes, thank you, Mr. Speaker.

I would move, seconded by the Minister of Natural Resources, that the House resolve itself into a Committee of the Whole to consider Bill 7.

MR. SPEAKER: The motion is that the House resolve itself into a Committee of the Whole to debate Bill 7.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

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

Carried.

On motion, that the House resolve itself into a Committee of the Whole, the Speaker left the Chair.

Committee of the Whole

CHAIR (Dempster): Order, please!

We are now considering Bill 7, An Act To Amend The Public Service Pensions Act, 1991.

A bill, "An Act To Amend The Public Service Pensions Act, 1991." (Bill 7)

CLERK: Clause 1.

CHAIR: Shall clause 1 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, clause 1 carried.

CLERK: Clauses 2, 3 and 4.

CHAIR: Shall clauses 2, 3 and 4 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye

CHAIR: All those against, 'nay.'

Carried.

On motion, clauses 2, 3 and 4 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 Public Service Pensions Act, 1991.

CHAIR: Shall the 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 7 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 bill without amendment, carried.

CHAIR: The hon. the Deputy House Leader.

MS. COADY: That happened so fast, Madam Chair, I just have to find my – I move, Madam Chair, that the Committee rise and report Bill 7.

CHAIR: The motion is that the Committee rise and report Bill 7.

Shall the motion carry?

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, the Speaker returned to the Chair.

MR. SPEAKER (Warr): The hon. the Deputy Speaker.

MS. DEMPSTER: Thank you, Mr. Speaker.

The Committee of the Whole have considered the matters to them referred and have directed me to report Bill 7 carried without amendment.

MR. SPEAKER: The Deputy Speaker reports that the Committee have considered the matters to them referred and have directed her to report Bill 7 carried without amendment.

When shall the report be received?

MS. COADY: Now.

MR. SPEAKER: Now.

When shall the bill be read a third time?

MS. COADY: Now.

MR. SPEAKER: Now.

On motion, report received and adopted. Bill ordered read a third time presently, by leave.

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

MS. COADY: Mr. Speaker, Order 7, third reading of Bill – sorry, I better make sure I have the right Order number.

Bill 9, Order – just give me a moment, Mr. Speaker, this is moving very quickly.

Order 4, third reading of Bill 7.

Thank you.

MR. SPEAKER: It is moved and seconded that the said bill now be 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 Public Service Pensions Act, 1991. (Bill 7)

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 Public Service Pensions Act, 1991,” read a third time, ordered passed and its title be as on the Order Paper. (Bill 7)

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

MS. COADY: Thank you, Mr. Speaker.

I move, seconded by the Minister of Education and Early Childhood Development, that the House resolve itself into a Committee of the Whole to consider Bill 9.

MR. SPEAKER: It is moved and seconded that I do now leave the Chair for the House to resolve itself into a Committee of the Whole to consider the said bills.

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

All those in favour, ‘aye.’

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against, ‘nay.’

Carried.

On motion, that the House resolve itself into a Committee of the Whole, the Speaker left the Chair.

Committee of the Whole

CHAIR (Dempster): Order, please!

We are now considering Bill 9, An Act To Amend The Revenue Administration Act.

A bill, “An Act To Amend The Revenue Administration Act.” (Bill 9)

CLERK: Clause 1.

CHAIR: Shall clause 1 carry?

The hon. the Member for Cape St. Francis.

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

It’s indeed a privilege to get up here today and to speak to Bill 9. I believe it’s very important legislation. This bill we’ve debated already in the House but I think there’s more discussion that needs to be had here today.

While I am pleased to see there is going to be a reduction in the gas tax of 8.5 cents now in June

1. I'm sure that most people are waiting in the next couple of days and really looking forward to the reduction in the gas tax because right now we're paying, I think it's one of the highest in all of Canada when it comes to the amount we pay for gas in this province.

It's also important to realize the situation our province finds ourselves in today. There are a lot of people out there that are hurting. There are a lot of people out there that look at the gas tax as really distraught and really put a dent into a lot of plans; a lot of concerns when it comes to people with the amount of money they have to spend on things like renovations, buying new cars, purchasing appliances, purchasing things for their homes. The amount of income they have once the gas tax went in – last year when it went in, it was said it was at 16 cents per litre. Well, in actual fact, it was almost 20 cents per litre. The effect that has had on our economy is unbelievable.

We look today at what happened in last year's budget where there was over 300 increases in fees to normal Newfoundlanders and Labradorians, and people found it very difficult. There was also 50 new fees that were added on and people found that very difficult.

While the reduction in the gas tax I'm sure will be met on June 1 by a lot of people knowing they're going to go and the price per litre of gas is going to go down. It's not far enough. The amount of stress and the amount of pressure that has been put on our economy is unbelievable. We all see it. We see it in every one of our districts. We see what's happening in our construction industry. We see what's happening at our local restaurants.

Last year, I know the Minister of Finance made comments in her Budget Speech that she had to reach into the pockets of Newfoundlanders and Labradorians. Last year, I believe we reached into the pockets and we went too deep. We went way too deep. The average home in Newfoundland and Labrador had to come up with \$6,000 extra to pay for all these 300 fees and the 50 new fees that we implemented in last year's budget.

I said it last year and I said it while we debated this year on the budget, we all understand the

fiscal restraints we do have in this province. Most Newfoundlanders and Labradorians are willing to pay their way because that's the way we operate and there is no doubt about it, everyone realizes it. But to make such an attack on everyone from seniors to young families, to students to the average Newfoundlanders and Labradorians, this is way too much.

While I say I'm happy to see that there's 8.5 cents coming off, I believe that the whole 16 cents and other reductions too – we really went too far when we look at what we've done with regard to insurance. We're the only province in Canada right now that's paying taxes on our insurance. People on fixed incomes, hard-working Newfoundlanders and Labradorians and families are really finding it difficult. They're finding it so difficult that we can see what's happening in our economy. Our economy is after slowing down so much, it's unbelievable.

When you look at what's happening in my area – I spoke last night – I was a Girl Guide function. I happened to be sitting with the town clerk in one of my towns. She said: Kevin, it's unbelievable. We have one housing start so far this year. She said everything, even when it comes to doing renovations on people's homes, applications are down all over this province. The reason being, people just can't afford to do it.

They can't afford to go and spend the extra dollars that have been taken away from them because they don't have it any more. They don't have it to spend it. So these renovations, home starts, even people paying their municipal taxes are finding it really difficult. They're slow on paying their taxes because the money isn't there anymore. That's a result of all the extra fees and the extra amount of money that they needed to put their hand in their pocket and take out.

Again, that has a real snowball effect on our whole economy because we all know – and when the government party were on this side, they it was a job killer. They said the one thing you can't do, you can't increase taxes; it will kill the economy. They said it over here every day. Yet, when they got in government, nobody has ever seen anything like it in this province. Nobody has ever seen anybody do the amount of damage that this government has done to Newfoundlanders and Labradorians.

While this year's budget, they touted no, no increases, no tax increases this year. My God, they couldn't do any more than what they did last year. I guess they couldn't find any more, because last year was just so hard on the people of this province.

I call on government to really reconsider all these taxes. I look at the insurance tax. Again, I speak to people in my district all the time. I speak to a lot of seniors and that's the one thing that they tell me about. All these taxes, when you're on a fixed income and you know what your monthly income is going to be, then all of a sudden there's an increase in the gas that it causes you to go back and forth from my district, back and forth to St. John's, it could be doctors' appointments, it could be groceries, it could be anything like that, but then you have to come up with that extra money.

Then if you look at what happened to the insurance, again, most people live from day to day. I'm sure most people in this province do a budget and say, okay, this is what I've got to do; this is how I spend my money.

My father, when I was very young, always used to say to me you can't make \$400 and spend \$500; you'll never survive. That's what is happening in this province today. We have more bankruptcies than ever before because people can't find that money. They don't know where the money is coming from. They are finding it difficult to pay their light bills. They're finding it difficult to put groceries on the table. There are choices to be made between the light bill and the grocery bill. That's a difficult choice. It's a difficult choice whether you want to live in your house that is cold or do you want to decide what you're going to have to eat for supper that evening.

It's unfortunate and, again, nobody is doubting the financial situation that we find our province in today. But the thing that people do worry about is where that money is going to come from to be able to provide for your family, to make sure that your children are warm or to make sure that there's enough food on the table so no one is hungry.

As much as that sounds like – people might say, oh, it's scare mongering or whatever, but I'm

sure there are a lot of families in this province in that boat today. When you look at what's happening when it comes to bankruptcies in this province, it's the highest ever. Never before, the rates are triple what they normally are because people are finding it difficult. The choices that were made, weren't the choices that should be made.

We're over here on this side from election right on through, we always said about a plan. What kind of plan do you have. The plan this government has had is to put people in bankruptcy, is to make people decide what they're going to do, how they're going to pay their light bills.

I'd say every Member in this House has spoken to residents and their constituents and realized that people are in a difficult time. Again, just speaking to different companies that in are in my district, I have three or four of them that are home builders. Right now, nobody's hired back because the construction of new homes is down so much.

It's a great time if you're going to be building a house. It'd be a great time if you're going to do some renovations, because it's a dog-eat-dog situation out there right now. It's to the point now that it's only going to be the fittest and the people who got a little bit of revenue and if they kept something for a few years ago when the economy was booming that they can survive. The regular business out there today, small businesses in this province are in dire straits because people are not spending money, because they don't have the money to spend.

Again, while I say – and I like to see the 8.5 cents taxes, I like the reduction, but there's too much more. There are so many more other things that can help our economy grow, that can help young people in the province be able to start a home and be able to build a home.

Last year, a big issue in my district, and I spoke to a lot of seniors about it, was the point that they have to pay over-the-counter drugs. Now, while some people might say that's only small items, it's five, six, seven dollars, but that adds up. If you talk to people that have to go now and pay for over-the-counter drugs that they were used to getting for years and years and all of a

sudden that person has to pay an extra \$20 or \$30 a month, over a year that adds up. That's \$400 or \$500 more they got to come up with.

Again, last year's budget is no different than this year's budget. The same increases are still there. In this province we saw people stand up before, we saw them stand up and protest here on the steps of the Confederation Building because they didn't like what was happening.

Now meanwhile, government did draw its horns in on a few things. We looked at the libraries, what happened with the libraries. They agreed to keep the libraries open after we debated here and filibustered in the House and read out emails from all over the province. They did come back, but all they did on the report that came up, they basically just downloaded to the municipalities. Again, it's more money that's going to have to come out of municipalities in this province to pay to keep libraries open. It's an important part of who we are as a province. It's important to small communities in the province.

Madam Chair, while I look at this today and understand it's good to have the 8.5 cents reduction and another 4.5 in December, but again I ask government to really reconsider what they're doing to the people of the province; reconsider the effects this is having on our economy. We're going to see more families – a big issue in my district now, and I'm after seeing it over the last number of months, people can't get work. Young families, real young families are moving away. It's heart wrenching when you hear of a young man or a young lady that has to leave their homes and go elsewhere to find work because there's nothing here. Our economy is on such a down (inaudible) now.

I look at people that are doing the trades. We encouraged our young people to get a trade. It's the way to go, get your plumbing, get your electrical, get your instrumentation. It's what we encouraged people to do. We've told them all to go out there and get this, but most of these people are just going to leave our province because like I said, the building trades itself has just reduced so much that people are not – people just haven't got the money to spend. When you take \$6,000 out of a household income, it's so difficult for people to be able

come up with the extra money to be able to do what they have to do.

Once you create a job and once you create work for people in the trades that has a snowball effect. That increases the amount of spending they do. It increases the amount of spending they'll do at the local grocery store. It will increase the amount of spending they'll do at the supermarkets, whatever. At the end of the day, once the spending gets spent people will hire people. That's how the economy works, but once you take all this money out and people do not do renovations, do not go and spend their money like they should, it's a real hard effect that it has on everybody in this province.

Again, Madam Chair, I applaud government for taking 8.5 but I really want them to look at all the bills.

Thank you very much.

CHAIR: The Chair recognizes the Minister of Tourism, Culture, Industry and Innovation.

MR. MITCHELMORE: Thank you, Madam Chair.

It's a pleasure to get up and speak to this bill which is going to be lowering the gas tax, which is good for the economy and good for consumers in Newfoundland and Labrador.

I'm listening to the Member opposite and I don't know who does their research or where they get their facts, but we've had to clarify time and time again they don't understand how the economy works. They don't understand the budgeting process. They have a poor process when it comes to PC math and when it comes to how they run the economy.

We have a very clear process as to how we will – after all their mess and all their poor decision making – get the province back on track and get back to surplus.

SOME HON. MEMBERS: Hear, hear!

MR. MITCHELMORE: When it comes to removing 8½ cents of the gas tax, that is going to have a great positive impact, plus the HST on

that, so that's a total of 9.8 cents that will be reflected at the pumps.

But when the Member opposite gets up and talks about how this has created perils to the economy, it's nothing further from the truth. You have to look at the president of the board of trade was on the real estate show this afternoon talking about how retail sales spending has remained stable. If you look at car and truck sales in the province, there was a record quarter this past quarter – way up – and even the bigger trucks that are gas guzzlers are being purchased. These are types of things that are actually happening in the economy that are being reported, Madam Chair.

SOME HON. MEMBERS: Oh, oh!

CHAIR: Order, please!

MR. MITCHELMORE: They are saying one thing, but they don't have the facts. They just want to put out alternative facts and they just hope people will believe.

The fact is that we are doing things to get the province back on track. If you look at the impact on the economy last year, Madam Chair, you just entered in a private Member's resolution talking about how last year was the busiest year in summer – the busiest year in the St. John's airport history. They saw 837,000 people from May to September, driven primarily by the demand for tourism visitation.

When you talk about the operators saying we have issues in the fact that there are so many people coming to Newfoundland and Labrador that there are limitations as to how much taxi service and public transportation – there's opportunity for more car rentals, for growth in tours. There's ability here where more business opportunities can happen. We're doing things to benefit people and the province back on track.

This piece of legislation – I don't know why Members opposite are reluctantly not wanting to support giving back 8.5 cents per litre when it comes to a reduction in gas tax.

I wanted to set the record straight when it comes to what the Member for Cape St. Francis is putting out there because it's simply not the

facts, it's not true, it's inaccurate and we have to correct the record when Members opposite are putting out complete alternative facts in this Legislature.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

MR. BRAZIL: Thank you, Madam Chair.

It's an honour again to get up and have open debate here when it comes to relevance to particularly the increases, but in this case we, on this side, agree that the gas tax should be eliminated completely. It's a positive sign that it's being eliminated by 8.5 cents right now and another 4 cents later on, but our contentious issue was prior to that, this time last year – this is where the big debate comes around and I have to clarify the hon. Members who have spoken before about some of the real data that's out there.

The issue was in 2016 when we were most vulnerable and wanted to try to stimulate the economy, the plan by the administration across the floor here was to tax everybody out of prosperity, and that's what happened. We taxed people into moving out of the province. We taxed organizations from not being able to fund their programs and services. We taxed organizations and businesses into laying off people. We taxed our institutions here into having to come up with additional revenue. So one of the other taxes that were part and parcel of that was the gas tax and it did have, as my colleague for Cape St. Francis noted, an impact on a number of things: housing development; it had an impact on car sales.

Contrary to popular belief – and I know the Minister of Justice the last time I spoke before the break cherry-picked what was relevant, but we're talking about 2016. We now know things have picked up because you've already announced it in advance. People knew what was coming. People knew the layoffs that were planned in budget two didn't happen, so people came back and had an understanding.

Let's just talk about the real facts: car sales, Department of Finance 2016, down by 4 per cent. I can table that if you like. They are your notices here. These are your tax, sales down –

AN HON. MEMBER: (Inaudible.)

MR. BRAZIL: This quarter, yes, but it makes sense because you've reversed everything. The flip-flop process started to happen here.

SOME HON. MEMBERS: Oh, oh!

CHAIR: Order, please!

MR. BRAZIL: So now people are saying we better take advantage of what's happening now and go out and buy our few amenities and our few supports because, at the end of the day, we have no idea what this administration is going to do in the future to hurt the economy again, so we have to take advantage. So that's what they done here.

So 4 per cent down in 2016, that was an indication obviously that the economy had done. Again, as my colleague had mentioned earlier, record bankruptcies; companies laying off; highest unemployment rates than we've seen in years; companies not expanding; people leaving Newfoundland and Labrador. So these are all indicators that the economy has stalled. Things are not moving forward. The plan is not working.

One of the indicators here is – and again, the only light at the end of the tunnel here is that the Liberal government has seen, at the end of it, the error of their ways, and the error of their ways was we have to start reversing some of the backward, regressive taxes that were put in play. It makes sense, and that's fair enough. I compliment you guys for identifying that. I would have liked for you to have done it earlier, would have liked for you to have had a different plan at the beginning, but you can't dismiss the fact that it had an impact on the economy.

Madam Chair, 2016 was devastating for the people of Newfoundland and Labrador, devastating for the people who left here, devastating for the families. We all received the emails, the emails from people who were packing up. They couldn't live in this

environment here from a financial point of view. They didn't feel there was any stability here and they were terrified. They were terrified about what it meant for the next generation so they said, look, while they love Newfoundland and Labrador, it's where they want to raise their families and that, but those who have left have said and noted they want to come back when it's a brighter time, when there's a better plan, when you're not taxed to the point where you have to leave here.

That's where we've come to at this point, so let's not be delusional about the issue here and the issue was people were overtaxed last year. There's nobody in this House who can't admit that. You don't have 300 plus taxes and not think people are not going to considering the fact that they're overtaxed. That's a reality. Between taxes and fee increases, people were hit dramatically.

There was more money coming out of people's pockets in a six-month period last year I'd say than in the last 16 years. That's a reality. That's the reality that you talk to those who deal with small businesses, those who fund small businesses, those who deal with bankruptcies, have all assessed the situation and it had a dire impact on the economy in Newfoundland and Labrador.

Small businesses will tell you, in most cases, their sales were down. The one bright light was that tourism stayed up. Tourism stayed up for a number of reasons, no doubt. People weren't aware, when the lot of tourism – I'm not saying internal tourism; I'm saying out-of-province tourists came here. They weren't aware of the dramatic increases in taxes and fees until they got here.

I'd had people come to me after and say: Brazil, I never understood why would we have to pay for this, what is this extra tax here, and why is this so high. You had to try to explain well, it's a revenue generating – you're trying to be coherent to everybody across the board that this is just a process that it has to go through. But the impact that it had, the negativity when it went back, people like – I give credit, some of the people in the tourism industry realized that because we have such a great reputation here, maybe we can weather this storm.

But what's happening here is that the negativity is going to be passed on to the next group that wants to come and have to do their budgeting and saying now be careful, make sure you take extra money because there could be taxes on stuff that you've never seen. Look at your gas tax down there. Well, we realize that the further you go east there might be an additional cost for transportation and that, but there's a difference between 2, 3, 4 and 5 per cent and going 15, 20, 30 and 40 per cent in some cases.

So that became a deterrent for some people. What we're saying here is good, good; you're taking this part of it off. We would prefer if you took it all off right now, but that's the debate we're having here. The debate is around, again, it was shown that taxation at that level, that extreme level, hasn't worked. You haven't generated the revenue you'd hoped; you've stalled the economy in a number of areas. And the economists have told us that; everybody has told us. I'd be flabbergasted to see a full sector come up and say every tax that was implemented here were a benefit to that industry. It doesn't happen that way.

Even the Minister of Justice last time almost inferred to a point – and I'll give him credit, maybe it was just that he was on his flow and he was on his rant – that the gas tax actually almost was a positive; it increased sales. I've never ever seen any tax that would increase sales of anything or any service. It doesn't work that way.

Now, are taxes necessary evils? Of course they are. Are they necessary to generate proper revenue? Is there a proper stream that you do? You've seen our income taxes over the years that we've upped it a per cent when we needed to generate more revenue; we've downed it a per cent or two. Sometimes when we're really fortunate, we'll down it 3, 4 or 5 per cent to stimulate the economy to get people to invest more.

Every now and then, you may have to reach for that extra per cent and a half or 2 per cent, like in an HST proposal that was put forth by our administration at the beginning, but then was touted as being regressive by the Liberal administration. Then, only a couple of months later, put in play exactly as we had proposed.

The only difference would have been people were aware of what was coming, that would have generated enough revenue so you could have kept some of the other taxes down, the regressive tax that people are having to now adjust their standard of living.

That's what we're saying here. The regressive tax regime has changed people's standard of living. It's not about just money coming out of people's pockets, but it's literally people's standard of living has changed dramatically. To the point where some residents of this province have decided we can't do it anymore; we have to leave. When you're at that point, that shows that the tax regime is regressive. Tax regimes are supposed to be incentives, because everybody knows you pay your taxes. As citizens, you have a responsibility, as they say, taxes and debt, people have a responsibility. But the taxes have to be in line with what people can afford and what's going to continue where your revenue generating streams are. That's how you have to do it.

So you have to have a balance. Sometimes you can increase them. There are certain revenue things you can do, and it could be around lotteries, it could be around alcohol, it could be around tobacco, it could be around income tax. Whatever it is, it could be changing the categories for those who have the most disposable income and for those who have the ability to do it. It could be on certain commodities that you now know you can generate because you kept taxes at a low level, because at the time you wanted people, you wanted that commodity to be here, or to be an uptake on it, or something that we were just trying to develop a particular industry.

That's fair. I'm not talking about the iceberg industry where we can add 5,000 or 6,000 or 8,000 per cent tax increase. I'm not talking about that; I'm talking about the standard stuff where you start off with a 4 per cent or 5 per cent tax and you may have to go to an 8 or 10 per cent, but over a progressive period of time it makes sense. It doesn't stall the economy. It doesn't shut down those particular businesses. It doesn't prevent people from availing of those particular services and it keeps the economy going on a level keel.

The level keel, as you know, every administration – and I understand that the Minister of Finance has a challenging job – has to be able to set benchmarks of where they want to go to generate particular revenue. The balance between generating revenue from a tax base but also generating then from stimulating the economy has to be a balance.

To have that balance, you have to have a plan. Sometimes if the plan is not thought out, you go to one extreme on one end that does damage on the other end. It was our contention here and the majority of the general public that the gas tax did exactly that; it was regressive. That it slowed down particular parts of the economy and particular sectors as a result.

Now that it's gone, I give credit. It doesn't take much in Newfoundland and Labrador to get us upbeat because we're naturally an upbeat group of individuals. So when it was noted that it was going to come down – and it is substantial when you're down 8.5 cents and you know there's another 4 cents to come in December, you can start planning and say I want to stimulate the economy, I'll buy these commodities, I'll buy these trucks, I'll buy these cars and do things.

CHAIR: Order, please!

MR. BRAZIL: Madam Chair, I'll have a chance to speak to this again.

Thank you.

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

The Chair recognizes the Member for Conception Bay South.

MR. PETTEN: Thank you, Madam Chair.

It's a pleasure as well to get up and speak on Bill 9 as we're in Committee stage. My two colleagues have expressed a lot of the same concerns that I myself have been dealing with over the last year, when this gas tax was originally introduced in July of 2016.

Basically, Madam Chair, this is one of those taxes that have been difficult on a lot of people, but I guess the forgotten group that's in our

society today is the middle class. Higher income individuals, sure, everyone finds an impact of any extra additional costs, but when you're in the middle-income bracket and you have a young family, every tax has an impact. As we've said many times before, it is the 300 taxes and fees that were implemented in 2016 that people are still – it's a burden on all individuals today in the province, and especially I will stress the middle-income earners.

I like to use examples. I had a constituent of mine there last weekend, I had a great conversation with her and she's a single mom of three. She surviving and paying her bills. She's working. She is keeping things going, but she's finding it incredibly difficult. Like I said, with the 300 taxes and fees from licensing your vehicle to – not only at the gas pump, it's just right across the board. The problem with the gas tax in general – like my colleagues have stated and we've all stated in second reading, any reduction to that is a good thing.

We argued that it was going to have a negative impact on the economy because as the adage goes: You don't tax yourself to prosperity. I spoke about it before and my colleague for Conception Bay East – Bell Island mentioned about the insurance tax, another tough tax. Those taxes really, really have a serious impact on our middle class.

My conversation with the lady was basically trying to find some avenues of assistance to help her with her young family, to see what programs that may be available within the community, within the town, within the provincial government, even the federal government. After having a long conversation with her, she singles out a couple of those things I just said, insurance tax and gas tax. She's found incredibly difficult on top of all the other taxes and fees from licensing your vehicle, for argument's sake, to renewing your licence. We can go down the list of fees.

Those, in my opinion, are the forgotten about group. Another group in my constituency I deal with, for instance, are the low-income earners, the \$32,500 threshold for different programs with Newfoundland and Labrador Housing, certain programs within Health, needs-based assessments are done. If you fall below that

\$32,500 threshold, there are some programs there available for those people, which is good. It's a good thing. I'm glad they're there and those people appreciate them when they're available.

You have a working poor bracket between the \$32,500 and upwards to probably around the \$50,000 range in today's economy. Because \$50,000 today, based on the cost of everything for a single family, that's not a lot of survive on. There is very little in the way for assistance for those people caught in that bracket.

I refer to them – and it's not partisan politics or anything. I said it long before I ever got elected. They are like the forgotten about group. They're working hard. They're paying their own way. They pay their rent. They pay their bills. They get no assistance from government in Income Support or what have you, unemployment, anything. They are the working poor. They're proud people. They raise their families and they try to do with what they have and stretch their dollar as far as they can stretch it.

When I go back to this gas tax and insurance tax and the other fees, it has really had an impact on their dollars when they have no extra dollars to start with. Their incomes have not increased. If anything, there's probably been a decrease.

On that note, this past weekend I was talking to a lady, actually I talked to a couple of people in my constituency, that I find – I'll stress again, I find those are the best, I get a better feel. This lady works at a convenient store and deli. Her husband is the main breadwinner but she works out there. They have a cut in hours. This is a very busy – I know the store, it's always a beehive of activity.

Their business has slowed. They've noticed a big slowdown in their business; therefore, there's been a cutback on all their hours. They're getting less hours across the board. There was a time when she was crying for a day off. Now they're getting nervous that their hours are going to be cut and it's going to make it not feasible for her to stay working there. That's just one example.

I like to bring up this one because I know everyone can identify with Tim Hortons. Tim

Hortons in my own district and he also owns Tim Hortons in St. John's, a very credible guy. He told me his income level, his profitability dropped almost parallel when the gas tax was introduced.

This is a guy who I have immense respect for, and I don't even know what stripe the man is, but as a business owner he said the biggest single impact on him was the gas tax. As I also stated about insurance tax, he didn't mention insurance tax. He mentioned gas tax individually. That tells me a lot about the impacts of this tax.

It's great, it is a really good thing to see the gas tax being reduced by 8.5. I think that's great, but I guess the question I have is: Is this somewhere where any government that brought in a tax like this should be applauding themselves and taking credit for a very controversial tax to start with?

You look for whatever means to find good news, I get that. I understand that game, but basically this is righting a wrong and it's only halfway there because as we know, it won't be fully eliminated. It has had a serious impact. I think we'd all be remiss if we never stressed that, to be on record of stating that, because I think it will go down as one of the more tougher taxes, that and insurance tax in the last budget. Out of the 300 new taxes and fees, I think those two rates up there on top of the list.

The Minister of Tourism got up earlier and praised the good things happening in the province and whatnot, but I'd like to point out one thing, and I said this recently when I spoke in second reading and I'll say it again. I had an opportunity to spend some time in tourism, and through great enjoyment. There's a lot of great staff in that department and they do great work.

Our tourism industry, the Find Yourself campaign that was started by the former administration has been a huge success. It won hundreds of awards; it will win many more. I can't say enough good things about our tourism campaign that was initiated by the former administration.

The current administration has followed up with it, which is a good thing, but 2016 numbers reflect 2015 investments. It's always a year later.

So the 2016 budget, we'll see the results of the 2016 budget after this 2017 tourism season. You also need to break out your resident spending, which is the people in this province, our own people, how much spending they're doing because that makes up roughly around 50-55 per cent of our tourism spending. How much spending has resident tourism done?

Non-residents that come into the province, they're planning a trip. They're coming in, they have a different mindset. They're coming and they want to see some of our UNESCO sites. They want to visit Gros Morne. They want to come to see Newfoundland. They are reading our ads and they're seeing our ads, they want to see the place.

Resident travel; Newfoundlanders and Labradorians that are travelling within the province, that makes up a big part of our tourism spending. It's fine to say all our airport travel has been record numbers and we've had – that's all good, but that's based on 2015. I would like to see 2017 numbers, because that will be the result of 2016.

Also, in those 2017 numbers, I'd like to see what resident travel was because that will even be a truer indicator. Non-resident travel will not have the same impact as resident travel which makes up, like I said, in the vicinity of 50 per cent at least – probably more, it fluctuates – of our tourism spending in the province as a whole.

If the minister might want to get up and do another back patting exercise next year if he can show the 2017 resident tourism spending was on par or above any other year, we'll that's fair game, but right now he's basing it on 2015 tourism dollars, or spending based on 2015 investments which were done by this administration not that one.

Thank you very much, Madam Chair.

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

SOME HON. MEMBERS: Hear, hear!

MR. KIRBY: Thank you, Madam Chair.

It's great to have an opportunity to stand in my place and say a few words about this money bill that's on the floor. I understand from listening to the Members, they speak fairly freely from what I just listened to. So I'm pleased to have a few words.

It was interesting listening to the last couple of PC party caucus Members because it's like they have no recollection at all of what happened when they were in office or the charges they racked up while they were in there. It's like your teenager or somebody had the credit card and they went out and racked it up and now mother and father says: Where did all these charges come from? I don't know, I had nothing to do with it. It was nothing to do with me.

When actually the reality was when this government came into office in 2015, it was apparent that the previous administration, the PC party government, had done everything it could to conceal the true nature of the fiscal disaster they had created. The public Treasury was obviously rated in a way that we have not seen in this province in our entire history.

The budget deficit that was sort of promised to the people, at least I think when we produce documents in the Legislature and put things on the record, that is a promise to the people of Newfoundland and Labrador. What had been assured to them was absolutely not the case. Instead of having a \$1.1 billion deficit, which was bad enough, we were steering down a \$2.7 billion-or-so deficit. So it's interesting to listen to people talk about the fiscal situation of the province, as if they were asleep, not paying attention or deliberately ignorant of the situation.

This particular issue on the floor here is about the reduction of the gas tax which is good news. The hon. the Minister of Finance and President of Treasury Board has done an admirable job at wrestling these fiscal issues to the floor. We have to remember, initially when this government started to look for avenues for borrowing to keep public sector workers paid, to keep health care provided in the province, to ensure that teachers were paid and children had everything they needed to have schooling and people who were on income support continued to receive those benefits and so on and so forth,

that initially the government could not even do any long-term borrowing.

The only thing in the previous administration strategy appeared to be availing of short-term T-bills for 60 and 90 days before they had to be renewed at an exorbitant amount of interest to the taxpayer of the province. The Minister of Finance and officials with Treasury had to do an awful lot of work to try and get longer term borrowing because the previous administration was living for the moment rather than the future of the province.

We know that young people, and people of all ages in the province, are relying on us to not live for the next 30 or 60 or 90 days, but to be looking down the road and trying to be providing for their future. That was not what was being done and of course put us in a very difficult situation.

Now, there were a lot of reductions in the budget last year, there's no doubt about it. The Opposition continues to want to debate the budget of last year. I visited 60-odd schools since January 1 of this year and I can honestly report back to Members of the House of Assembly on both sides of the aisles that, for one, full-day kindergarten is being applauded by teachers all across the province, from Labrador City to the tip of the Burin Peninsula in Lamaline.

The combined grades that were brought in and kept at 18 students, I was in a number of schools on the Burin Peninsula in Members' districts last week and they had nothing but good to say about combined grades, about how it was going. I spoke to one teacher. It was a teacher of combined grades, thought it was going well and actually had a child that was in combined grades and was saying how great that her child was doing in school as a result of that. So, yes, there were difficult decisions made but there were a lot of good things that came out of it as well.

If you look at the glass as if it's half empty, that's going to be your outlook on life, the province and our future. But if you look at the glass as if it is half full, I think you'll have a whole new perspective. I understand the position of the Opposition is to criticize government and, dare I say, discredit government. I sat in

Opposition and I understand how it goes, but I do think we do have a responsibility.

As the Member for Bay of Islands said so many times when he sat over in Opposition: I will give credit where credit is due. If the government does something that's well thought out, we'll give credit to that. If the government does something that's not well thought out, then we'll point that out as well.

I also wanted to comment that in Question Period today the Member for Conception Bay East – Bell Island, the PC Party Opposition Education critic, made a backhanded comment about the lack of transparency in the release of the report that was commissioned to look at the public library system in Newfoundland and Labrador. There had not been a comprehensive review of the public library and information services in this province for no less than 24 years. Two-and-a-half decades went by without anybody providing a thorough examination of what the situation was, and that's what was being said to me by the Public Libraries Board last year.

If you look at the amount of money that's been put into public libraries over the last 25 years, it's about \$300 million. If you look at the cost of doing that comprehensive report, the first time in 2½ decades, that's about \$10,000 a year, which is less than 1 per cent of the total amount either spent on an annualized basis or over the whole period of time that there was no examination of the system done. It's an infinitesimally small amount of money in comparison to what overall the taxpayers have been putting into that system.

Now we have a good report. Even those who are opponents to having any change at all – well, most – have said at least it is comprehensive and it's the first time something like that has been done in a long time. You can look at it as being half empty or half full. That's really up to you. But I don't think that we're going to have a whole mass outcry here on the floor of the House of Assembly, come Thursday, when the gas tax is reduced substantially. I don't think we're going to see people protesting that that is happening.

This is a good-news story. To stand up and pick around the edges and try to find fault with what

is absolutely a progressive measure – I don't think anybody said last year when there were a number of different tax increases, including the temporary gas tax increase, I don't think anybody stood here and said this is really great, we like the fact that we have to do this in order to dig ourselves out of the fiscal mess that we've been left in, but something had to be done.

The only thing that I've heard the PC Party Opposition say about fixing the fiscal situation over the past year is that we ought to somehow go cap in hand to Uncle Ottawa and ask for some sort of bailout to the tune of the 1992 tags program. That is absolutely not an option. Equalization does not work like that. On the other hand, we have done great work in collaborating with federal colleagues in order to get more investment, hundreds of millions of dollars, of federal dollars, have been brought into this province since Justin Trudeau's government and Judy Foote were sitting in those seats.

So we do have other avenues but somehow demanding now that the entire equalization program be changed just to suit the Members of the PC Party who did nothing on two different occasions to actually try and change the equalization program –

CHAIR: Order, please!

MR. KIRBY: – well, that's just not an option.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

Before the Chair recognizes the next Member, I just want to remind Members of the House Bill 9, while it is An Act to Amend the Revenue Administration Act, it is not a money bill. The Chair has been lenient on both sides of the House. We have been lenient on both sides of the House this afternoon but, right now, I am asking Members to keep their points relevant to – what we're debating here this afternoon is about the reduction in gas tax this week and in December.

The hon. the Member for Mount Pearl – Southlands.

MR. LANE: Thank you, Madam Chair.

I am a little disappointed that we're going to enforce those rules now when I'm up, when it's my turn.

SOME HON. MEMBERS: Hear, hear!

MR. LANE: But anyway, I will respect the House and your wishes.

We are talking to Bill 9, the gas tax. I've said before in the House and I'll say the same thing again, that especially based on some of the commentary I just heard from the Minister of Education, as one Member, I am not saying that this is a bad thing. I've said from the beginning that I support this. I believe everyone has said they support it. I didn't hear anybody say that they're not supporting this. I haven't heard a soul saying that they're not supporting it. I think everybody is supporting it and, of course, we're glad to see this 8½-cent reduction, with a further 4 cents to come, that will be 12½ cents of the 16½ cents, plus HST.

I will consistent. Although, I have to say that the Minister of Tourism in particular comes to mind, he wasn't consistent because when I was talking about the 16½ cents was really closer to 20 cents when you added in the HST, he didn't want to hear it. No, it's only 16½ cents. But when we're taking the tax off, we're going to throw in the HST; we're really taking off more. So make the number seem bigger when you're taking it off, but make it seem smaller when you're adding it. It's a nice little trick, I suppose.

I'm going to be consistent and say it's 16½ cents plus tax was put on, and 8½ cents, plus 4 cents, and HST is coming off. So to be accurate, that's what is going to happen. I'm glad to see that happening and I do support it.

Oh, I'm glad to see I still have 10 minutes left. A little error there, but I guess I'll take advantage of that.

Anyway, that's what's happening. Everybody, I believe, as I said, is going to support this. I guess the problem that some Members have on

this side, I suppose fundamentally, is when you're trying to take credit for taking it off and not acknowledging that you're the one who put it on. It's like create a problem and then solve your own problem, then expect people to be jumping up and down and excited about the fact that you corrected your own problem that you created.

That's why people are not as excited about this announcement. Had there had been a problem created by somebody else and you fixed it, then people could say, yes, that's a great thing; but, when you're the one who created it and you're solving your own problems, it's harder for people to get excited about it and say, wow, that's a great job. That's really I think what's happening.

Of course, the gas tax, Mr. Chair, is part of a suite of taxes, and that's one of the other issues. While this is a good thing, I think if you asked people in general, they feel that the combined taxes was the issue. I didn't have too many people – I've had some people who pointed to, they were upset about the gas tax. An awful lot of people were upset about the levy. Probably the biggest one at the time was the levy, but people talked about the levy. They talked about the gas tax. They talked about different things, but it was really the combined effect was what I think people had the issue with.

This is going to resolve a part of it, and that's a good thing. Everybody here I think is going to support it. It's true when the government says we were in a tough financial situation and that's why they had to take the measures they did. I agree with them. I totally agree with them. I think everybody understands that we were in a tough situation and looking at a major deficit and so on, and action had to be taken. I think everybody acknowledges that and everybody understands that.

I think, not just in this House, but I think people in general, I think the public in general understood that some action had to be taken. The only thing that we're debating, to my mind at least, is degrees. That's it. That's all I'm debating. I'm not standing up here and saying we shouldn't have implemented any taxes. I'm not going to be foolish enough to say that because we all know we had to do something,

but what you heard was too much, too fast, from people. That was the only issue.

For me, at least, and I'm sure everybody for the most part, it was just a matter of degrees. That was really the issue at hand was a matter of degrees. Speaking specifically to the gas tax I guess to keep on track, the gas tax has had an impact. It has had an impact on a number of businesses.

You take the taxi industry just as an example. If you're a taxi driver, you got hit with the insurance tax and then the insurance rates, because the insurance rates are absolutely ridiculous, gone through the roof. I'm really glad and I will give the government full credit for meeting with the taxi drivers and committing to work with them to look at the insurance system and try to come up with a fair way to implement insurance and get their rates down.

That's a good thing. I compliment government on doing that. There's no doubt that the combination of that, plus the insurance tax, plus the gas tax, plus the 2 per cent they have to pay on all their repairs and if they go buy certain things, that all of those things combined have had an impact on the taxi industry.

I know it's been thrown out there that it's having an impact on tourism. I do acknowledge the Minister of Tourism has said our numbers are up and that's a great thing. I think, obviously, it's people coming from away. I think that speaks to the fact that we've done –

AN HON. MEMBER: *Come From Away.*

MR. LANE: *Come From Away, there you go.*

I think it speaks to the fact that this administration and the past administration have done a good job over the years with these tourism videos and so on. It's played, I think, a role in attracting people here to the province. There are a lot of people coming here for conferences.

I think the St. John's airport is seeing a lot of traffic because of the St. John's Convention Centre. Now they've got an expanded Convention Centre, and all that is good and is going to bring in tourists.

When we say the gas tax is having a negative impact on tourism, I'm not sure that's true, to be honest with you, not in a big way. I tend to agree that the gas tax, in terms of tourism, hasn't had a huge impact.

In terms of local tourism, in terms of people on a staycation if you will, someone on a staycation, I'm sure it's had an impact on them. I've had constituents I've talked to who, whether it be to go for a few days or something around Newfoundland or whether it be, as I think I said when I spoke about this one time before, the elderly couple who goes for a drive out to Bay Roberts on a Sunday afternoon. It's had an impact on them. It's the local people, especially the lower income and the fixed-income people. That's the people it's really had the biggest impact on. There's no doubt about it.

Some people are able to absorb it more than other people; not everybody can but some have. So that's had an impact on some of those people, there's no doubt. I don't think there's one Member here that would deny that this hasn't impacted anyone in their district, because we've all heard from people. I know we have, and nobody wanted to do it. I get that, too. Nobody wanted to implement all these taxes, I get that.

I'm sure every Member would say, they've said it, in the budget in 2016 they all stood up themselves for the most part and said I don't like the budget. I don't like parts of this budget. Everyone agreed with that, but obviously government felt they had no choice but do it. That's their position, and obviously it's the position of people on this side of the House that you had to do something but you went too far. That's what I've heard at least. That's what I hear from people in my district.

The gas tax is, as I said, just part of that. It's just part of that. It's important, as I said, that we – now as we've seen oil royalties increase, which is a good thing, albeit it's nowhere near where we want it to be, but now that oil royalties have increased and things are starting to look up a little bit from where they were – we're still in a tough situation, no doubt about it. It's good to see that we're at least going to alleviate some of the burden placed on people and hopefully that's going to help stimulate the economy.

Hopefully, it's going to cause people to spend a little more money, to travel a little bit more around the province, perhaps buy that new car and so on. Hopefully, as we see some of these taxes and hopefully this is the start and we see more happening as time goes on, that people are going to be able to get back on track and it's going to help the economy.

With that said, this is obviously a piece of good news. It is something the people of the province and certainly I guess more than wanting to see happen for sure.

The only concern I hear – I've heard it – is I don't know where we're going with this carbon tax. That's a concern that people have is, as we roll back the gas tax, do we see a carbon tax at some point in time that is just going to basically undo what is being done now. That's a concern. I don't know if that's true or not. I don't know if that's actually going to happen or how it will happen. Maybe the Minister of Service NL, he knows more about this than I do at this point, but that is a concern that people have and I think it's a legitimate concern, Mr. Chair.

I guess, from an overall point of view, before I conclude, because I only have a couple of seconds left, I will be supporting this bill because it does alleviate some of the burden. Does it go far enough in terms of all the other taxes combined? I don't believe it does. I hope that sooner rather than later we see more reductions in more of the taxes and fees because of the impact it is having on people in our province. But, as I said, I will be supporting it.

Thank you.

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

MR. KENT: Thank you, Mr. Chair.

Good evening, it's always a privilege to have a chance to speak in this hon. House of Assembly. Sometimes I say things that other Members don't like, but that's our right in a democracy. Freedom of speech is something that's very important. It's great to have a chance, on a bill that's related to the budget, to stand up and speak once again on the impact of these kinds of measures on people in Newfoundland and

Labrador. So that's a responsibility I take very seriously and it's one that I know Members on all sides of this House take very seriously as well.

I was not surprised to hear the Minister of Education say, when he spoke a few minutes ago, that this is a good-news story. Well, I suppose that technically a reduction in taxation for most people, yeah, that in itself, could be considered a good-news story, but what needs to be considered is the context here and that's really important.

The minister went as far as saying people won't protest in the streets when the gas tax goes down a bit later this week, June 1. That may also be true; however, people are hurting. People are really hurting. As a result of increases in gas tax and many other fees, as a result of other changes that were made during *Budget 2016*, and most of which, except for this one, were completed reinforced in *Budget 2017*, people in Newfoundland and Labrador are struggling.

I know many people who are now contemplating whether they should stay here. I know some people who have already moved and some people who are now pursuing some opportunities elsewhere because, sadly, they no longer feel there's a place for them here in Newfoundland and Labrador. That's not a good-news story. That's not a good-news story at all.

So what does that have to do with the gas tax? Well, in itself, this is one initiative, and I think everybody feels that the price of gas in this province is too high, and there are a lot of factors that contribute to that. The significant increase in taxation on gas that we saw as a result of last year's budget bothered most people in the province. There were other parts of last year's budget that I think affected people even more.

But you have to look at the overall picture. When I look at the impact of all of these budget decisions, including the gas tax, that has had major impact not just on low-income earners in our province, but on the middle class. On many working-class people who are now struggling significantly to make ends meet as a result of the additional cost of living here in the province.

So, yeah, people will breathe perhaps a half-sigh of relief that the gas tax is going down a bit on June 1. I'm happy to see that. That's a measure that I support. I support the reduction in gas tax. But it's only being reduced partially, and people will still be hurting after June 1, because all of the other impacts that were felt in 2016 and are now being fully felt in 2017 are still in effect.

The high rate of gas tax in this province impacts middle-class families; it impacts small business. It does have an impact on tourism. And I, too, am pleased to hear that tourism numbers are doing well, as they have been for the past decade. However, I think it would be interesting to look at patterns of travellers within the province. I bet there a lot of families in my district and other districts in the province who may hesitate to take a trip over to Gros Morne or a trip to Terra Nova this summer because of issues like the high cost of gasoline.

So some relief is a good thing, but all we're seeing is a slight reduction, a partial reduction, of one tax. There were over 300 new taxes and fees in last year's budget, and we're seeing a partial reduction of one.

MR. K. PARSONS: Fifty new ones.

MR. KENT: And 50 new ones, and there are 299 that remain in effect. New taxes and fees, increased taxes and fees, 299 remain fully in effect.

The Member for Mount Pearl – Southlands referred to it as a suite of taxes, and I guess that's really the point that we need to make in this debate this evening. I've had an opportunity on numerous occasions to speak about the implications of this budget overall, last year's and this year's. This year's was really simply an extension of last year's. We have to look at the full impact.

Yes, it's good that there's going to be a slight reduction in gas tax, but we don't believe that enough has been done to address the concerns of people in the province. We haven't addressed the book tax. We haven't addressed cuts to home care. We haven't addressed other health care cuts. We haven't addressed lots of issues that are impacting people in Newfoundland and Labrador.

The cost of living in this province is now much higher as a result of decisions that the current government has made. This issue just illustrates the overall challenge with the budgetary policies of this administration. We need to consider the full impact of the budget. We need to not only look at what happened last year but what's continued this year.

There were people who were expecting *Budget 2017* to be much worse than 2016. Frankly, I don't know how that would have been possible. The 2016 budget was devastating and 2017, while communicated differently, while packaged differently, was effectively the same, other than a handful of changes, including a partial reduction of gas tax.

This year, it was very difficult to determine what's been cut and what's not been cut. Numbers have been moved around. We've been unable to get answers to even simple questions around things like the full cost of severance, the cost of outstanding vacation leave being paid out and the cost of terminations that have happened in recent months within the civil service. That has had a major impact on the province's budget.

Through the budget process, while this issue is fairly straightforward, there are many other related issues where we haven't been able to get clear answers, either in this House of Assembly, in the budget documents, in all the hours of budget debate that have occurred. That's why this evening we want to take a little bit of time to just shine a light on this issue once again.

I'm not going to prolong it any further. I've had a chance to speak about the gas tax issue multiple times in this House and people in my district and in the province know where I stand. I want to make sure that my voice is heard, even if some people don't want to hear it.

Is this a good-news story? Well, the fact that gas tax is going down a little bit this week is good news, but it doesn't go far enough to help families that are struggling. It doesn't go far enough to affect the many people who have been negatively impacted by last year's and this year's budget.

I do support the reduction that's being proposed. I wish this current government would go further. I wish it would reflect on many of the decisions it's made over the past year that have crippled the economy and are negatively impacting families in this province and forcing many people to contemplate moving away. That's a real shame, and it's something that deserves the attention of this House.

I'm glad to have had an opportunity to speak to this for a few minutes. Mr. Chair, again, I've spoke on the issue many times so I won't prolong it this evening, but I do thank you for the opportunity to speak in this House, speak freely in this House and share my opinions on issues that matter to people, issues related to the province's finances and decisions that have been made by this government. That's a responsibility and a privilege I take very seriously.

Thank you.

CHAIR: Shall the motion carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

CLERK: Clauses 2, 3 and 4.

CHAIR: Shall clauses 2, 3 and 4 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, clauses 2, 3 and 4 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 Revenue Administration Act.

CHAIR: Shall the 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 the bill 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 bill without amendment, carried.

CHAIR: The hon. the Government House Leader.

MR. A. PARSONS: Thank you.

I move, Mr. Chair, that the Committee rise and report Bill 9.

CHAIR: The motion is that the Committee rise and report Bill 9.

Shall the motion carry?

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, the Speaker returned to the Chair.

MADAM SPEAKER (Dempster): The hon. the Deputy Chair of Committees.

MR. WARR: Madam Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report Bill 9 carried without amendment.

MADAM SPEAKER: The Chair of the Committee of the Whole reports that the Committee have considered the matters to them referred and have directed him to report Bill 9 carried without amendment.

When shall the report be received?

MR. A. PARSONS: Now.

MADAM SPEAKER: When shall the said bill be read a third time?

MR. A. PARSONS: Now.

On motion, report received and adopted. Bill ordered read a third time, presently by leave.

MADAM SPEAKER: The hon. the Government House Leader.

MR. A. PARSONS: Madam Speaker, I would call Order 5, third reading of Bill 9.

MADAM SPEAKER: The hon. the Government House Leader.

MR. A. PARSONS: Madam Speaker, I move, seconded by the Minister of Education and Early Childhood Development, that Bill 9, An Act To Amend The Revenue Administration Act, be now read a third time.

MADAM SPEAKER: It is moved and seconded that the said bill be now read a third time.

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

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

MADAM SPEAKER: All those against, 'nay.'

Carried.

CLERK: A bill, An Act To Amend The Revenue Administration Act. (Bill 9)

MADAM SPEAKER: This bill is now 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 Revenue Administration Act," read a third time, ordered passed and its title be as on the Order Paper. (Bill 9)

MADAM SPEAKER: The hon. the Government House Leader.

MR. A. PARSONS: Madam Speaker, I would call Order 2, third reading of Bill 8.

MADAM SPEAKER: The hon. Government House Leader.

MR. A. PARSONS: Madam Speaker, I move, seconded by the Minister of Education and Early Childhood Development, that Bill 8, An Act To Amend The House of Assembly Accountability, Integrity and Administration Act No. 2, be now read a third time.

MADAM SPEAKER: It is moved and seconded that the said bill be now read a third time.

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

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

MADAM SPEAKER: All those against, 'nay.'

Carried.

CLERK: A bill, An Act To Amend The House of Assembly Accountability, Integrity and Administration Act No. 2. (Bill 8)

MADAM SPEAKER: This bill is now 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 House of Assembly Accountability, Integrity and Administration Act No. 2," read a third time, ordered passed and its title be as on the Order Paper. (Bill 8)

MADAM SPEAKER: The hon. the Government House Leader.

MR. A. PARSONS: Madam Speaker, I would call Order 3, third reading of Bill 10.

MADAM SPEAKER: The hon. the Government House Leader.

MR. A. PARSONS: Madam Speaker, I move, seconded by the Minister of Fisheries and Land Resources, that Bill 10, An Act To Amend The Natural Products Marketing Act, be now read a third time.

MADAM SPEAKER: It is moved and seconded that the said bill be now read a third time.

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

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

MADAM SPEAKER: All those against, 'nay.'

Carried.

CLERK: A bill, An Act To Amend The Natural Products Marketing Act. (Bill 10)

MADAM SPEAKER: This bill is now 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 Natural Products Marketing Act," read a third

time, ordered passed and its title be as on the Order Paper. (Bill 10)

MADAM SPEAKER: The hon. the Government House Leader.

MR. A. PARSONS: Madam Speaker, I would call Order 8, second reading of Bill 11.

MADAM SPEAKER: The hon. the Government House Leader.

MR. A. PARSONS: Madam Speaker, I move, seconded by the Minister of Transportation and Works, that Bill 11, An Act to Amend the Proceedings Against the Crown Act, be now read the second time.

MADAM SPEAKER: It is moved and seconded that Bill 11 be now read a second time.

Motion, second reading of a bill, "An Act To Amend The Proceedings Against The Crown Act." (Bill 11)

MADAM SPEAKER: The Speaker recognizes the hon. the Minister of Justice and Public Safety.

MR. A. PARSONS: Yes, thank you, Madam Speaker.

I'm happy to be able to stand here today in my capacity as House Leader and speak to An Act to Amend the Proceedings Against the Crown Act, which certainly sounds like it's something that's Justice related. When you look through the bill, you'll see that in many ways it is obviously a free trade-related piece of legislation.

I would first like to thank the staff of multiple departments who have put significant time into this, who have taken the time to brief Members not only of this side but of my colleagues across the way, to ensure that any questions they had have been answered. We'll try our best during the Committee phase of this debate to answer any questions that arise.

As was announced in April this year, our government joined the federal government and all provincial and territorial governments to release the Canadian Free Trade Agreement, or

for the purposes of this debate, the CFTA. Basically, the purpose of it is designed to reduce trade barriers, to open new markets, to increase choice for consumers and create opportunities for economic growth and diversification. No doubt this is something that's been a long time in the works; it certainly hasn't been done just in the last couple of months.

Whenever you talk about – and I can speak just as it relates to work in the Department of Justice, but when you're trying to do something that involves all of the FPTs, it can be a significant amount of work. It takes some time trying to work with other governments who have their own interests, their own reasons for protection, you name it.

In this case, it's always a good thing when you can finalize a deal like this. I think a lot of credit has to go obviously to our Premier, but also to our minister of trade who's been doing a lot of work and a lot of travel related to this portfolio.

What this agreement does is it provides our businesses here in this province with access across all sectors with a fair – with access to a vast majority of procurement undertaken by governments everywhere. So this is going to have a significant, positive effect on the business community here in this province.

It's going to come into force July 1 of this year, 2017. In order for us to be ready for this, this basically requires for us to amend a number of provincial laws to ensure that we are ready.

The amendments that we are debating today will ensure that our laws are aligned with what this new agreement states. There are six pieces of legislation or associated regulations that are going to change. There's the *Labour Mobility Implementation Act*, the *Law Society Act, 1999*, the *Public Service Commission Act*, the medical regulations under the *Medical Act, 2011*, the teacher certification regulations under the *Teacher Training Act* and the *Proceedings Against The Crown Act*.

Amendments to the *Proceedings Against the Crown Act* are required to ensure the enforceability of monetary penalties that jurisdictions could face if they do not comply with this new agreement.

In our province, the maximum penalty increases from \$250,000 to \$500,000. So it's a significant jump. The monetary penalties depend on the size of your jurisdiction. In our province, it's about \$500,000. Quebec and Ontario face maximum penalties of up to \$10 million. That's a significant sum, Madam Speaker.

The other amendments that we're talking about here are simply wording changes to reflect that the Canadian Free Trade Agreement will replace the Agreement on Internal Trade, which is what we've been operating on the basis of prior to this.

To summarize, the amendments simply deal with replacing any references to the Agreement on Internal Trade in the legislation and now that will become the Canadian Free Trade Agreement. So, in many cases, this is housekeeping in nature. We're dealing with a significant agreement, but what we're dealing with here today is changing our legislation to ensure it is compliant and to ensure that it's kept up to date.

Similar amendments have been made by the previous administration in the past to accommodate changes to the previous Agreement on Internal Trade. For example, there was an amendment made to the *Proceedings Against the Crown Act* back in 2011, which would satisfy obligations under that agreement. So this is not something that's new. It's a bit more substantial, I would say, obviously we're changing from the AIT to the CFTA, but again it's the same theory or same concept.

In making the amendments proposed to this bill, we will complete work on what has been a significant provincial agreement and that's been, as I stated earlier, several years in the making. The previous administration began the CFTA negotiations in 2014, so obviously we're very pleased that we're able to finalize those negotiations this year and finalize that agreement.

The fact that this CFTA, the Canadian Free Trade Agreement, provincial businesses will benefit from, not millions, but billions of dollars in new government procurement opportunities that will be created. So this is a very good day.

This is a very good agreement and again credit has to go to – there are a lot of people, not just the ministers and the Premier, but a lot of people in these department and people who have been there for some time who did work on this. So credit has to be shared amongst many people for what is going to be of benefit to the people of this province.

The other thing – and we talk about Red Tape Reduction, this CFTA will include a process that reduces red tape. It was just today that I had a conversation, not in relation to this, but in relation to sometimes any venture that's trying to work through government. It's hard when you're dealing with bureaucracy, multiple agencies and departments, and sometimes that can be frustrating and the fact that businesses have to go through processes that can delay things, can take time, and it's difficult. So in this case we do have a Red Tape Reduction process.

Another thing that's important is that there have been protections achieved for key provincial industries. So, in conclusion, I don't need to belabour this; I have some other notes that I'll get a chance to speak to and I look forward to comments from the Members opposite.

This is good legislation. It's pretty simple in terms of the amendments. This is going to support free trade amongst the Canadian jurisdictions. It's going to benefit local businesses. Again, this is something that is the completion of a significant amount of work. I don't anticipate much in terms of concern, we'll say, by the Members opposite. I certainly hope that we have their support for this, but I look forward to their contributions during this debate.

Thank you, Madam Speaker.

MADAM SPEAKER: The Speaker recognizes the hon. Member for Ferryland.

MR. HUTCHINGS: Thank you, Madam Speaker.

I am certainly pleased tonight to rise to speak to Bill 11, *Proceedings Against the Crown Act*, as the minister said, related to the internal agreement on trade and what's transpired over the past little while, a number of months, with

regard to conclusion of the Canadian Free Trade Agreement.

The AIT, which previously was known as the Agreement on Internal Trade, was something I was familiar with in regard to my previous role as minister of Innovation, Business and Rural Development and responsible for trade. Basically, what that represents is the interprovincial and territorial exchange of goods and services in regard to import and exports of those goods and services.

There was always an effort to make sure that we could break down barriers between jurisdictions and make sure there was free flow of goods and services between those jurisdictions. With the coming into being of CETA, there was a need to certainly make sure that benefits that were accrued to that agreement to states in the EU, that those same abilities, in terms of trade, would be at home here in our various jurisdictions.

I think the Canadian Free Trade Agreement does that. This bill looks at making amendments to relevant acts which replace or have references that were in-existent in the Agreement on Internal Trade. Now they transfer over to CFTA, the Canadian Free Trade Agreement. So obviously there are language issues when you go from transferring from one agreement to another.

The bill replaces the old language that refers to AIT 1994, and upgrades reflect the new CFTA 2017 that was signed a few months ago by Canadian jurisdictions. This bill is here today to make amendments related to that. It was, I believe, announced on April 7, 2017, and is due to come into force very shortly, July 1, 2017. In terms of making these changes, obviously before it comes in, it's required to come through this Legislature of Newfoundland and Labrador to make sure we're consistent with other jurisdictions in regard to the legislation and the actual agreement.

We do need to make a number of steps – and I think the minister may have alluded to this – in order to meet Canada's obligation under the CFTA. That includes amending the *Proceedings Against the Crown Act*, which we're doing here through this, so that cost of monetary penalty

orders made by CFTA dispute panels are enforceable in the Newfoundland court.

Often in trade agreements, whether they're domestic or international, there are always dispute resolution mechanisms which often – if one signature to the agreement or others aren't abiding by those trade rules that are outlined, there's a means, if there's a dispute between two jurisdictions of how those disputes will be worked out, when they go to a panel, who would hear it. Oftentimes there are monetary penalties resulting from that.

There needs to be changes here in regard to the CFTA and the Crown act so the orders coming out of the new Canadian Free Trade Agreement dispute panels are enforceable by the Newfoundland court. It's fine to have the panels to make recommendations, but then they need to be enforceable to particular jurisdictions that have gone to seek redress, I guess, in regard to issues that come up in trade and disputes between jurisdictions.

As well, there are five other pieces of legislation or associated regulations that we need to amend to replace the references that were in the Agreement on Internal Trade which came in 1994 and with the Canadian Free Trade Agreement which will be effective July 1, 2017. There are a number of references to particular legislation and regulations. Some of those are actually in the bill and are referenced in the bill to particular changes to meet the requirements of CFTA. What it does in many cases is it brings the standards in one particular jurisdiction equivalent or equal to in other Canadian jurisdictions.

That brings that ease of transfer, whether that service is – especially certain professional services that they transfer from one jurisdiction to another, and if the legislation and regulatory framework around those professions are the same, it allows for easy flow of transfer of professional service from one jurisdiction to another. So that's an important element as well. When you look at labour mobility standards for particular occupations, that they be consistent from one jurisdiction to another, and agreements like this allow that to happen.

Some of those acts, the ones we're dealing with here, the *Proceedings Against The Crown Act*, *Labour Mobility Implementation Act*. As I mentioned for various professions, it could be health care, it could be in finance, engineering, a wide range of occupations and professional services that you get a threshold of consistency in regard to these professional services so they can transfer in and out of jurisdictions, which in some cases can happen today. That allows the smooth flow of labour mobility.

Certainly, the Law Society Act; those that are involved in that profession, there need to be six acts, and one of them is the *Law Society Act, 1999*; the *Public Service Commission Act*; the *Medical Act, 2011*, those involved in the medical profession; and then the *Teacher Training Act*, those involved with the profession of teaching. Overall, this bill simply is reflecting the language of a new agreement to make sure there's consistency across the board in regard to that.

There are some substantive changes in regard to, but are relatively minor, and relates to the *Public Service Commission Act*. The AIT disputes screeners to lead it under the CFTA, the person-to-government dispute resolution process was streamlined by removing the screener from the process. So that would have existed in the old agreement on internal trade. The reason why, my understanding is, and the information we have, and I can remember a little bit about this, is it was known to be extremely time consuming. It was to streamline the process. I know the minister, when he was up speaking, referenced red tape bureaucracy and trying to work our way through that in a leaner fashion.

This was known to be significantly time consuming. The new process mirrors a more streamlined international model with some consistency in regard to other jurisdictions, where a panel would decide if a case is frivolous at the beginning rather than going through the entire process. There's a bit of a screening or vetting upfront that looks at complaints that are made in the person-to-government dispute resolution process and it wouldn't be automatic that would flow through to an actual formalized process.

That's needed. Obviously, this streamlines it. It will decide if a case is frivolous at the beginning, rather than going through an entire process and then at the end recognizing that this should never have gone that route, should never have taken up time in regard to the person-to-government dispute resolution process.

In this, the panel that would be set up and the process to dismiss in a certain case would be robust, would be proactive and would look at the relevance of the request in those particular cases in the person-to-government dispute resolution process. The streamline process would be a much better process under this and certainly would allow appropriate time to be spent and not time wasted on the component of the person-to-government dispute resolution.

The Explanatory Note of the bill references to "amend the *Proceedings Against the Crown Act* to replace references to the Agreement on Internal Trade with references to the Canadian Free Trade Agreement." We're moving from a current piece of legislation that's in place that was amended, that was rewritten and that was done through a process of the jurisdictions in Canada, coming together to look at how we make easier the flow of goods and services through Canada and through the various provinces. It has been an issue, and in some ways been archaic in regard to being receptive to economic development and driving activities between provinces.

We always look nationally and internationally at trade agreements, but really this looks at the domestic activity in the country and how we make our provinces, our companies, our service providers in various jurisdictions more competitive, how we indeed drive our economies because that's important. Trade certainly does that. On this side, and myself, we have to be considerate of trade agreements and the opportunities they hold for provinces, countries and international activity.

When you look at some of these: "In this section, 'Canadian Free Trade Agreement' means the Canadian Free Trade Agreement, signed in 1989 by the Governments of Canada, the provinces and the territories, as amended from time to time." This is the process they go through to make those amendments.

SOME HON. MEMBERS: Oh, oh!

MADAM SPEAKER: Order, please!

MR. HUTCHINGS: Section 16.1(2) “A certified copy of an order made by a presiding body under the Canadian Free Trade Agreement that requires the Crown to pay tariff costs, additional costs or a monetary penalty, may be filed with the Trial Division and, on being filed, has the same force and effect as an order for the payment of money made by the court against the Crown.”

I referenced that earlier in regard to the dispute mechanism that’s in place and how the legislation needs to be changed to meet that mechanism in regard to dispute resolution and the cost, the monetary penalties that would be ordered by that dispute panel under CFTA. So are enforceable by the courts. This actually would allow that to occur. That’s why we make this particular change

As well, I referenced *Labour Mobility Implementation Act*, which need to be amended. That referenced the term “‘agreement’ means the Canadian Free Trade Agreement, signed in 2017 by the governments of Canada, the provinces and the territories and includes amendments to the agreement.” That just brings inline the change from the AIT to the Canada Free Trade Agreement.

“An applicable provincial regulator shall not adopt, maintain or change an occupational standard except in conformity with Article 706 of Chapter Seven of the agreement.” That makes sure there’s a process in place to look at occupational standards and looking at conformities of those standards which is important across jurisdictions in regard to, once again, the transfer of mobility and labour certification that’s been achieved. The regulatory frameworks are all very important in regard to labour mobility.

“Subsection 4(2) of the Act is repealed and the following is substituted: (2) An applicable provincial regulator, when considering an application under paragraph (1)(a), shall decide the application, and impose terms, conditions or requirements on a certification issued in response to the application, in accordance with

Article 705 of Chapter Seven of the agreement.” Again, consistency and relevancy in regard to various regulators in different provincial jurisdictions.

“Subsection (1) does not apply to a proceeding that is contemplated by Chapter Ten of the agreement.” That would go to the various chapters of any agreement and what the relevancy is to them. This amendment gives that authority to act.

There’s also reference in the bill to the Law Society. “The society shall, on an annual basis, consult with the department of the government of the province responsible for ensuring compliance with the labour mobility provisions of the Canadian Free Trade Agreement to ensure the society’s compliance with those provisions.”

So that just confirms that consultations would take place for this particular group of professionals, the society that represents them and, on an annual basis, what their obligations are in regard to CFTA, in regard to the labour mobility provisions of the Canadian Free Trade Agreement.

The bill further goes on in reference related to medical regulations published under the *Medical Act, 2011*. Those are repealed. It goes further to say: “‘Canadian Free Trade Agreement’ means the Canadian Free Trade Agreement, signed in 2017 by the governments of Canada ...” Then it goes on specifically to reference the following is substituted: “currently holds an unrestricted licence issued by a medical regulatory authority in a Canadian jurisdiction that is a party to the Canadian Free Trade Agreement and the council is satisfied that the licence held is equivalent to a full licence for primary care practice issued by the college”

So this goes back to, when we started, we talked about various professions and modernizing the reference in the AIT to the new Canadian Free Trade Agreement. This would be relevant, as is indicated in this section, particularly to the medical profession and how the medical regulatory authority works in any Canadian jurisdiction and what it means to be part of this agreement. So it’s enshrined and entrenched in this piece of legislation, the licensing for primary care practices issues by the college, and

I would assume that would be the College of Physicians, the licensing component of it.

It would further go on to say: “currently holds an unrestricted full licence for practice in a specialty of medicine issued by a medical regulatory authority in a Canadian jurisdiction that is a party to the Canadian Free Trade Agreement and the council is satisfied that the licence held is equivalent to a full licence for practice in a specialty of medicine issued by the college”

I assume what we’re looking for – it’s a practice in a specialty of medicine issued by a medical regulator in a Canadian jurisdiction and issued by the college. So, again, it’s updating the various professions within the list of acts that need to be amended as we go from AIT to CFTA. That would be the *Medical Act, 2011*. This amendment would address that, an amendment to that particular act.

The last one talked about is the teacher certification regulations. Those were repealed and the following is added: “A teaching certificate classified as Certificate IV may be issued to an applicant who does not meet the criteria in section 6 where the applicant holds a valid teaching certificate from a Canadian jurisdiction that is a party to the Canadian Free Trade Agreement.”

Once again, tied specifically to labour mobility, tied to the *Teacher Training Act*, and tied to the labour mobility of those individuals, the transfer from one jurisdiction to another so they would be under a regulatory regime that is consistent with the Canadian Free Trade Agreement and allows that transfer of individual or individuals from one jurisdiction to another in regard to gainful employment no matter where they are in Newfoundland and Labrador – whether they’re in a province or a territory – that’s the regulatory framework that allows that to happen. So this amendment entrenches that in the Canadian Free Trade Agreement.

As well, a copy of the Free Trade Agreement is on file with the registrar and may be examined and obtained during regular business hours. So that’s basically just openness and transparency in regard to the actual amendment, Bill 11, and the requirements of what that act is required.

This Bill 11, Madam Speaker, certainly is welcomed, the completion of the Canadian Free Trade Agreement. The transfer over from the Agreement on Internal Trade was outdated. I know there are other issues we have in regard to the exemption provision that exists in the new Canadian Free Trade Agreement. Some elements of it, we have concerns with, overall, especially as it relates to the export of electricity from one jurisdiction to another.

We know there is a discussion that’s entrenched in the CFTA related to a requirement for Newfoundland to have discussions with Quebec in regard to CFTA, but there is a concern that there is an exemption there that does allow any jurisdiction to opt out of a particular export of a good or service. In this particular case, it could mean opting out of allowing the transfer of electricity from east to west, which is of concern to us. We’d certainly see how that goes, but it does hold some concern in regard to moving forward and allowing us to get away from that juggernaut that’s always existed since 1949 in regard to free flow of electricity from Labrador West, which doesn’t give us the leverage in looking at current or future developments out of the Big Land in Labrador.

So we certainly would support this, Bill 11. It’s good work that’s been done. I’m happy to see it was concluded in April, and this will come into effect, the Canadian Free Trade Agreement, in July of 2017.

Thank you, Madam Speaker.

MADAM SPEAKER: The Speaker recognizes the hon. Member for St. John’s Centre.

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

I’m very happy to stand and speak to Bill 11, *Proceedings Against the Crown Act*. Once again I would like to thank the staff from the Department of Justice who gave us a very thorough, comprehensive briefing on this bill.

As my colleagues before me who have already spoken on this bill have indicated, in fact this bill is really a bit of a housekeeping bill, although the contents of it and what the bill actually does, in terms of the six pieces of

legislation that are covered by this bill, are very, very important. But in terms of what we are doing here this evening, it's a bill that makes an alignment, where we are moving to include the Canadian Free Trade Agreement.

Basically, what we are doing is that we are substituting, we are changing from the 1995 Agreement on Internal Trade – some people may know it as A-I-T, AIT – and we are substituting that now with the Canadian Free Trade Agreement. The nomenclature is really what is changing here.

We have a new Canadian Free Trade Agreement which will be incorporated into six pieces of legislation. It's about changing the name from the 1995 Agreement on Internal Trade to the new Canadian Free Trade Agreement which was announced by the internal trade ministers on April 7, 2017. That wasn't so far along.

SOME HON. MEMBERS: Oh, oh!

MADAM SPEAKER: Order, please!

The Speaker is having difficulty hearing the Member.

Thank you.

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

In fact, what we have now is that the new Canadian Free Trade Agreement – the one that has been much heralded and people have been waiting for it – will come into force on July 1, 2017. That's why we're debating this at this point, so that we are in fact ready for when the new Canadian Free Trade Agreement comes on board.

For people at home to realize that what we're doing, again, is making sure that once we do a change with our trade agreements – and we now have the Canadian Free Trade Agreement – there are six pieces of legislation that speak to that agreement. We have to make sure that those six pieces of legislation, we're not doing anything substantive to any of that legislation but, in fact, what we are doing again is substituting the name of the new trade

agreement in those six pieces of legislation. So that's what we're at here tonight.

It's a very simple matter but, again, to not ignore the fact that those six pieces of legislation are weighty pieces of legislation; they're significant pieces of legislation. We are not changing the pieces of legislation. They are not really changing in any substantive way.

The six pieces of legislation that will be effected by this are, number one, *Proceedings Against the Crown Act*; the *Labour Mobility Implementation Act*, which is an act that is very important for people in Newfoundland and Labrador as we travel across the country to work. One of the interesting things is that residency is not a requirement in terms of the *Labour Mobility Implementation Act*. That's very important.

I'm sure we all have constituents, we all have family members – many of us actually here in the House have travelled outside of Newfoundland and Labrador to work and have returned back home. Some folks come back home. Some folks don't; they carry home with them. Some of us stay away longer than others. Some of us stayed away for significant amounts of time.

The other pieces of legislation that are affected by this act are: the *Law Society Act*, the *Public Service Commission Act* – and we see a small tweak there in terms of a screener, and I'll just talk briefly about that in a little bit – the medical regulations under the *Medical Act, 2011*, so we will again change the name from the AIT to the Canadian Free Trade Agreement, and then the teacher certification regulations under the *Teacher Training Act*.

The reason for this bill is, last spring, the federal and provincial governments revealed the details of the Canadian Free Trade Agreement, which they had agreed to nine months earlier, as I had said earlier. The Canadian Free Trade Agreement will replace the Agreement on Internal Trade, which has set rules for interprovincial trade in Canada since 1995.

This vast country, these are ways that we do business with one another. These are ways that people have mobility and are able to work in

different parts of the country. We are one big country with a lot of common goals. This really is one way of helping us do our business with one another, helping us to be able to have that mobility in the work that we do.

The Canadian Free Trade Agreement commits the provinces and territories of Canada to remove all internal barriers on trade, which is a good thing, except for 144 specific exemptions claimed by one of the 14-member governments. And I guarantee you, Madam Speaker, that I will not be going through the 144 specific exemptions this evening. I don't think that would be necessary, but we do know that removing trade barriers, whether it be in fishery, whether it be in agriculture, whether it be in production, is very, very important. There are ways that we all benefit as a country when we can remove some of those trade barriers.

So the Canadian Free Trade Agreement doesn't solve all interprovincial issues, but it does completely revamp the process of government regulation, and that was the goal: to be able to revamp government regulation. Free trade is about to become the default position. That's a good thing. We're opening up doors, we're opening up avenues for trade, and we're opening up avenues for, again, the mobility of the labour force.

From now on, adding barriers to the interprovincial trade will require special negotiations. So it's an open-door kind of policy that's very progressive. This deal is all-in and covers the entire economy. All trade barriers are meant to fall unless they're specifically excluded in negative lists in the deal's annex. That annex, all of that is available to folks online, should they wish to take a look at it.

There is a contentious issue, for instance, for Newfoundland and Labrador. An example of one of the contentious issues that is not yet solved for this province's is the flow of electricity through Quebec. Now, the Premier was very non-committal on whether this long-standing issue will be resolved, but said, as part of the trade talks, this is a long-standing issue for us and it needs to be resolved. When this will be resolved is not yet sure. We don't know. It's certainly not really imminent on the horizon, but it's one that really, really affects our province.

Ottawa and the other provinces have asked that Newfoundland and Labrador and Quebec engage in talks about electricity transmission. That's a big one; electricity transmission is a big one, Madam Speaker, including what is known as wheeling rights.

The Premier has said that will happen. When that will happen, we do not know, but we do know that it needs to happen. And it's a big one. That is a big, contentious issue, particularly when we see what is happening up in Muskrat Falls and what that means for the province. We have no idea when that's going to be resolved.

But the Premier said I'm not here to prejudge what the outcome will be in terms of those negotiations on that. These are quotes from him: all I'm saying is if there's an opportunity to bring benefit to our province, we want to be at that table.

The new Canadian Free Trade Agreement comes into force July 1, 2017 – not so far away. That's just a wee bit over a month away from now. So it's a good thing we are debating this now. That's why this bill is being debated this evening. It must be on the books by July 1, again, making sure everything is in alignment.

Labour mobility is so important to our province, we all know that. Newfoundlanders and Labradorians have greatly benefited in the ability to travel to work and live in other parts of Canada. One of the things that is really important for people from Newfoundland and Labrador that residency is not a requirement in order to be able to have that labour mobility; saying that you can work in Alberta without having to take up residency in Alberta.

We have seen a lot of labour mobility here from our province. At times it used to be to Ontario; in the more recent past it's been Alberta. We've seen a downturn in the oil economy. A lot of Newfoundlanders and Labradorians were no longer going out to Alberta. We see a bit of an upswing. After all the great fires in Fort McMurray, we're seeing that labour force mobility to Alberta once again.

It will be interesting to see where else our people from Newfoundland and Labrador will be going in the next little while. Who knows, it could be

Saskatchewan. It could be up North. We do have lots of folks doing that.

The following amendments primarily address the labour mobility issues regarding licensed professionals and tradespeople. Some of our greatest exports from Newfoundland and Labrador are our licensed professionals and our tradespeople; tradespeople who have built economies, helped build economies in other provinces.

The *Financial Post* wrote an article on the Canadian Free Trade Agreement. They said: "After 150 years of squabbling over internal trade, Canadians finally have a comprehensive internal trade agreement." So that's a good news story, Mr. Speaker.

This legislation today amends provincial acts that made references to the old agreement on internal trade. Again, the proceedings against the Crown, amendments made to ensure people who benefit from judgements on tariff costs or monetary penalties for non-compliance with the new Canadian Free Trade Agreement will get paid. That's what that is. That's the *Proceedings Against the Crown Act, Labour Mobility Implementation Act*; I think I've already said quite a bit there.

The *Law Society Act, 1999* is an amendment to continue the Law Society's responsibility for ensuring compliance with labour mobility provisions. That's how the labour mobility is connected with the *Law Society Act*. We're seeing a complete alignment, but what we're doing with this bill is just aligning all that legislation.

The *Public Service Commission Act*; under the old agreement, under the old AIT, regarding the dispute resolution process, there was an agreement for both parties to appoint a screener who will decide if a complaint made by a person under the act was frivolous. It was a very time-consuming extra step in the dispute resolution process.

Now they've dropped that and there's been a new process that's replacing this, a new process that's been identified and defined by the Canadian Free Trade act. The international model has been adopted because there were

some pretty good strengths in that model, it worked, and where the process can just be deemed frivolous at the start of the proceedings rather than having the screeners on both sides. That wasn't seen as necessary.

The *Medical Regulations* under the *Medical Act, 2011*; there are changes. No regulations, it simply updates the name of the agreement which regulates them. That's number five.

Then number six, the *Teacher Certification Regulations* under the *Teacher Training Act*; this eliminates the old agreement for teachers to work in other Canadian jurisdictions and implements the new labour mobility regulations as found in the new Canadian Free Trade Agreement.

Mr. Speaker, we will be happy to support this. It's an issue of alignment. It's not insignificant. The process here is one that is simple to identify, but always keeping in mind that the six pieces of legislation which are concerned with this alignment are significant pieces of legislation. They haven't been changed in any substantive way.

That's all I have to say to this piece of legislation. I would like to thank the staff in Justice who gave us a thorough and comprehensive briefing and were available for any extra questions that we might have had after the briefing.

After this now, Mr. Speaker, I will take my seat. It was a privilege to stand and speak to this legislation.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Warr): The hon. the Member for Mount Pearl – Southlands.

MR. LANE: Thank you, Mr. Speaker.

I, too, am pleased to stand and support Bill 11, An Act to Amend the Proceedings against the Crown Act. I don't have a whole lot more to say. I think pretty much everything has been said. I think the –

AN HON. MEMBER: (Inaudible.)

MR. LANE: Flashback from the past, the Member for Gander, yeah.

I do support the bill. I think the Member for St. John's Centre very eloquently described all the various aspects of the bill. Obviously, we're trying to bring in line the – to make changes, primarily, to the Agreement on Internal Trade which currently exists and to make changes on a bunch of pieces of legislation to change it to the Canadian Free Trade Agreement.

There are people who would argue I suppose that this is really a housekeeping thing. I suppose to a certain degree it is housekeeping; however, it's important nonetheless. It deals with making it easier, reducing red tape, making it easier for us to trade with other provinces and for them to trade with us, making it easier in terms of labour mobility issues and so on. It's important. I think all provinces would have had to have done something similar to this, and we're doing it.

I suppose, Mr. Speaker, when you look at this and you talk about the whole concept of free trade amongst the provinces and trying to knock down barriers that may currently exist, depending on how you look at it I suppose, it definitely opens up a much larger marketplace for our businesses to be able to do business outside of Newfoundland and Labrador, to do business with other provinces. When you look at provinces the size of Ontario, as an example, there are lots of opportunity there with that big base to open up those markets to Newfoundland and Labrador companies.

I suppose conversely, the downside, anytime you knock down these barriers, it does work both ways because now companies outside of Newfoundland and Labrador, it would make it easier for them to do business in Newfoundland and Labrador. People would argue that it sort of flies up against this whole concept that people believe in protecting what we have here, but I think most people would agree, certainly I do – I believe everybody here does – that here in Newfoundland and Labrador we have businesses and we have very good people with great ideas, with great businesses, great entrepreneurs that can compete with anybody. I think that we

would believe that it's in our best interest to open up the doors, so to speak, to knock down the barriers and allow our Newfoundland and Labrador companies to thrive on that larger marketplace.

Anyone who would come from the outside and take advantage of opportunities in Newfoundland and Labrador, we believe that people here and the benefits to us would far outweigh any potential negative impacts when it goes the reverse.

From an overall perspective, I think it comes down to we have to believe in our businesses. We have to believe in our homegrown talent. We have to believe in the people that we have here, our entrepreneurs, that they will take advantage of these opportunities to grow their businesses and that that will far outweigh any disadvantages which would come from people trying to do business in here. That's why we're doing it. We're knocking down walls – we're not protecting things, we're opening things wide up because we believe we can compete and we can be very successful.

That's what this really is all about in knocking down these barriers that may currently exist. Personally, I think it's a good thing. I believe our business community is certainly up for the challenge that they would be on board with doing just that. I will be supporting it. I guess it's fair to say that everybody in the House will be supporting this bill.

With that said, I will be taking my seat.

Thank you.

MR. SPEAKER: If the hon. Minister of Justice and Public Safety speaks now, he will close debate.

The hon. the Minister of Justice and Public Safety.

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

I thank my colleagues across the way for their input on this and their support of this piece of legislation. I certainly don't need to belabour the point. I think we've identified the fact that this is a substantial agreement that will help

Newfoundlanders and Labradorians. It's positive. It's the conclusion of a number of years of work.

At this point, I will sit and take my seat and wait for the Committee stage of the debate.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Is the House ready for the question?

The motion is that Bill 11 now be read a second time.

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

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

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

Carried.

CLERK: A bill, An Act To Amend The Proceedings Against The Crown Act. (Bill 11)

MR. SPEAKER: This bill has now been read a second time.

When shall the bill be referred to a Committee of the Whole.

MR. A. PARSONS: Now.

MR. SPEAKER: Now.

On motion, a bill, "An Act To Amend The Proceedings Against The Crown Act," read a second time, ordered referred to a Committee of the Whole House presently, by leave. (Bill 11)

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

MR. A. PARSONS: Mr. Speaker, I move, seconded by the Minister of Natural Resources, that the House resolve itself into a Committee of the Whole to consider Bill 11.

MR. SPEAKER: It is moved and seconded that I do now leave the Chair for the House to resolve itself into a Committee of the Whole to consider the said bill.

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

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

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

Carried.

On motion, that the House resolve itself into a Committee of the Whole, the Speaker left the Chair.

Committee of the Whole

CHAIR (Dempster): Order, please!

We are now considering Bill 11, An Act To Amend The Proceedings Against The Crown Act.

A bill, "An Act To Amend The Proceedings Against The Crown Act." (Bill 11)

CLERK: Clause 1.

CHAIR: Shall clause 1 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, clause 1 carried.

CLERK: Clauses 2 through 7 inclusive.

CHAIR: Shall clauses 2 through 7 inclusive carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, clauses 2 through 7 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 Proceedings Against The Crown Act.

CHAIR: Shall the 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 the Bill 11 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 bill without amendment, carried.

CHAIR: The hon. the Government House Leader.

MR. A. PARSONS: Yes, Madam Chair, I move that the Committee rise and report Bill 11.

CHAIR: The motion is that the Committee rise and report Bill 11.

Shall the motion carry?

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, the Speaker returned to the Chair.

MR. SPEAKER (Warr): Order, please!

The Deputy Speaker.

MS. DEMPSTER: Thank you, Mr. Speaker.

The Committee of the Whole have considered the matters to them referred and have directed me to report Bill 11 carried without amendment.

MR. SPEAKER: The Deputy Speaker reports that the Committee have considered the matters to them referred and have directed her to report Bill 11 carried without amendment.

When shall the report be received?

MR. A. PARSONS: Now.

MR. SPEAKER: Now.

When shall the said bill be read a third time?

MR. A. PARSONS: Tomorrow.

MR. SPEAKER: Tomorrow.

On motion, report received and adopted. Bill ordered read a third time on tomorrow.

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

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

I would move, seconded by the Minister of Natural Resources, that the House resolve itself into a Committee to consider Bill 12, Motion 1.

MR. SPEAKER: The motion is that I do now leave the Chair for the House to resolve itself into a Committee of the Whole on Ways and Means.

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

All those in favour?

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Those against?

Carried.

On motion, that the House resolve itself into a Committee of the Whole, the Speaker left the Chair.

Committee of the Whole

CHAIR (Dempster): Order, please!

We are now debating the related resolution and Bill 12, An Act To Amend The Loan And Guarantee Act, 1957.

Resolution

“That it is expedient to bring in a measure further to amend *The Loan And Guarantee Act, 1957*, to provide for the advance of loans to and the guarantee of the repayment of bonds or debentures issued by or loans advanced to certain corporations.”

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 certainly pleased to stand tonight and speak to Bill 12, An Act to Amend the Loan and Guarantee Act. Madam Chair, periodically amendments are required to the *Loan and Guarantee Act, 1957* in order to ratify new loan guarantees, or more specifically, changes such

as increases or term extensions to existing guarantees.

Through this legislation, guarantees are provided to support the borrowings of a number of companies, both Crown owned and private. Except under established programs such as the Aquaculture Working Capital Loan Guarantee initiative or the Fisheries Loan Guarantee Program, the use of the loan guarantees to provide financial assistance to the private sector has been reduced substantially in recent years.

These few non-program guarantees still outstanding essentially represent special circumstances and have been in place for several years. Notwithstanding this, amendments to the Schedule to this act are routine in the financial administration of the province with the last amendment having been approved in this hon. House in December of 2016.

Under the act, Madam Chair, and subsequent to the approval of the Lieutenant Governor in Council, the Minister of Finance is authorized to provide guarantees to either private sector or Crown corporations covering a variety of financing requirements with the most common being guarantees of operating lines of credit. The act requires all such guarantees that are approved and issued be ratified by this hon. House through an amendment to the Schedule of the act.

Madam Chair, the provincial government is committed to protecting the interests of all residents who have a stake in the operations of Corner Brook Pulp and Paper Limited. In keeping with that commitment, the provincial government has accepted a proposal from Corner Brook Pulp and Paper Limited to address any current funding shortfalls in company pension plans.

The current bill, Madam Chair, includes one amendment to the Schedule to finalize the pension plans funding arrangement with Corner Brook Pulp and Paper Limited. In 2014, the provincial government provided a loan to this company and entered into a power assets and water rights purchase agreement whereby the province committed to purchasing certain assets, including hydro assets at Deer Lake and Watsons Brook, and the water rights from the

Corner Brook Pulp and Paper Limited for a predetermined purchase price.

Since that time, based on the existing commitments of the province under the purchase agreement, Corner Brook Pulp and Paper Limited has come to government with a proposal to address its funding obligations to its pension plan. Specifically, Corner Brook Pulp and Paper Limited would obtain an irrevocable letter of credit from a financial institution backed by a government guarantee. This letter of credit will be recognized as an asset of the pension plan and will be used to cover outstanding employer pension contributions, thus addressing the funding deficiencies in the pension plans.

The Lieutenant Governor in Council has recently approved the issuance of a guarantee of certain payment obligations of Corner Brook Pulp and Paper Limited under the letter of credit up to \$88 million, including any outstanding interest with no expiry date.

The letter of credit being guaranteed will initially be in the amount of \$38 million and will increase as Corner Brook Pulp and Paper Limited's equity increases in the power assets and the water rights being purchased by the province pursuant to the terms of the purchase agreement agreed upon in 2014. The letter of credit will automatically increase to \$63 million in February of 2018 and then \$88 million in February of 2019, but may be increased to \$88 million earlier than those dates upon the commissioning of the Maritime Link.

This arrangement does not create any extra financial obligations for the taxpayers. Madam Chair, I'll say that again. This arrangement does not create any extra financial obligations for the taxpayers. Under the purchase agreement in 2014, government had already committed to purchasing the company's power generating assets at Deer Lake and Watsons Brook if the company were to cease operations, and any payout under the guarantee by government will be offset against the purchase price under that 2014 purchase agreement. The proposal and the associated regulatory amendments have been reviewed by the superintendent of pensions and by legal counsel, and have been determined to be acceptable for this purpose.

In addition, this arrangement was made possible because of two unique conditions: Number one, an employer being willing to work with the provincial government to find a way to satisfy its pension obligations; and, number two, the company has assets with a minimum guaranteed value due to the 2014 purchase agreement entered in by the former administration that it could be used to obtain a letter of credit to address the shortfalls in the pension plan. A key benefit of this arrangement is that it satisfies the company's current pension deficit funding issue and provides a significant amount toward any shortfall in the pension plans without impeding the company's ability to satisfy its ongoing operational requirements.

Madam Chair, while to our knowledge this type of arrangement is the first of its kind in Canada, the provincial government has completed due diligence and is confident that the arrangement will satisfy the company's current obligation to the members of its pension plans. As a government, we are focused on supporting and growing economic activity that exists throughout Newfoundland and Labrador.

Corner Brook Pulp and Paper Limited generates significant employment and economic activity within the Province of Newfoundland and Labrador and is the last pulp and paper mill operating in this province. It is one of the largest private employers in the province. The company, along with its suppliers, contributes \$124 million annually to the gross domestic product. The company employs an estimated 495 full-time and casual workers: 305 in the paper mill, 165 in forest operations and 25 at the Deer Lake plant. In 2016, it spent over \$117 million on direct labour and goods and services.

Continued assistance to Corner Brook Pulp and Paper Limited will have a positive financial impact on the entire forestry industry. The paper mill, large sawmills, Crown land harvesting operations, operators: they're all independent. Each operates as its own entity; however, all are interdependent to ensure the success of the industry.

Newfoundland and Labrador's wood products industry, which includes pulp and paper, provides significant revenue, employment and diversification to the provincial economy. This

commitment, Madam Chair, will help secure the future of the industry for the benefit of the entire province.

Traditionally and currently, many, many communities rely on the forestry industry as an economic driver. In light of the significant challenges facing the pulp and paper industry globally, the parent company Kruger having demonstrated a commitment to keep the company operational in this province despite those challenge, and the economic significance of the company in the region, it is incumbent upon our government to take action that protected the economic interests of pensioners and workers and by extension, the health of the provincial economy.

This government is not showing preferential treatment to Corner Brook Pulp and Paper Limited, but in fact is taking advantage of a unique circumstance and working with an employer to protect every resident with a stake in that company. Our focus, Madam Chair, at all times is to protect the economic well-being of residents and grow the economy of Newfoundland and Labrador. The act requires that all such guarantees that are approved and issued be ratified by this hon. House through an amendment to the Schedule to the act.

Thank you, Madam Chair.

CHAIR: The hon. Minister of Municipal Affairs and Environment.

MR. JOYCE: Thank you, Madam Chair.

I'm just going to speak for a few minutes on this deal struck between Corner Brook Pulp and Paper, Madam Chair. I know today we're getting a lot of questions and criticism from the Opposition and the NDP, the Third Party.

Madam Chair, I just have to bring this into perspective. It's very strange and, actually, I couldn't believe what I heard today when I heard the Leader of the Opposition, the Member for Topsail, who was the premier of the Province of Newfoundland and Labrador, who was a Cabinet minister in the government, I want to read *Hansard*. This is the Leader of the Opposition: I really don't want to get into a match with the minister here today, but I can

assure him that the \$110 million was going to secure the pension plan for the people of Corner Brook at the mill who were pensioned from the mill.

Obviously, he signed a \$110 million deal that he had no idea what he was talking about; absolutely no idea what he was talking about when he made that statement in this House. That is actually shameful that he stood in this House today and made those statements after signing a \$110 million deal on behalf of the Province of Newfoundland and Labrador and made that statement to secure the pensions. It's just not true. It's just absolutely not true.

If you go through what was the \$110 million loan payment was for, it was to refinance some debt, do some work up on the penstocks up in Deer Lake and do some work in the mill. It had nothing to do with the pensions; absolutely nothing to do – I think the Leader of the Opposition, it's kind of shameful when the former premier of this province stands up and tries to criticize a great-news story that the pensioners, the workers at the mill, the former workers at the mill who we met yesterday, agrees with this, agrees with what was done and trying to make some political hay, makes a statement which is factually incorrect which he sat around the Cabinet table and he approved. It's just shameful. I just hope the pensioners out in the Corner Brook area and the current workers will listen to that today. I hope they listen to that because it's shameful.

I'll go through the background on all this. When the \$110 million loan guarantee – myself and the Premier, we were in Opposition at the time and we helped the government at the time with the \$110 million loan guarantee. We actually helped them to get it through. Tom Marshall, at that time, he recognized us at the announcement for our support in that deal.

But a part of that deal was already pre-arranged, a pre-arranged amount, about the amount that was going to be paid out. The government themselves put that out there and worked out the deal with the Corner Brook Pulp and Paper on the assets and the cost of the assets.

Here's the value: February 19, 2017, it was \$150 million; February 19, 2018, \$175 million;

February 19, 2019, \$200 million; and post Maritime Link, the greater value of assets of \$200 million – \$200 million.

So what happened, the deal that we struck – and the co-leader of the Third Party, the Member for Signal Hill – Quidi Vidi, I can't leave you out of this because I remember when we were trying to get this deal and you stood up on three or four different occasions and you asked questions. You said the union are asking questions. You asked these questions and you kept asking the government at the time, which the Leader of the Opposition was a part of at the time, asking questions about it and why is the union – I've been in contact and I was the liaison with the union for the government at the time, that's how much we supported this to keep the mill going, myself and the Premier of the province, Madam Chair.

She continued to ask questions. I went out and I made the call. I got four of the boys in the room. I said: Who is speaking to the Leader of the NDP? I said: I want to know; I've had enough of this. Do you know what I was told? No one, absolutely no one was speaking to her. Absolutely no one, not one of those union leaders from Corner Brook spoke to the Leader of the NDP as she stood in this House – and if I'm saying something wrong, you stand up and say the name. I give permission for you to say the name from any of them. Here's your opportunity. You're over there laughing at it. It's all right for you, trying to ruin the deal in Corner Brook. It's all right, Madam Chair.

MS. MICHAEL: Point of order.

CHAIR: Order, please!

The Chair recognizes the hon. the Member for St. John's East – Quidi Vidi on a point of order.

MS. MICHAEL: Thank you.

Under our Standing Orders, I don't think it's proper for any one of us to be addressing directly another Member in this House, as the Minister for Municipal Affairs and Environment is doing.

CHAIR: Order, please!

I remind the hon. minister to direct his comments to the Chair.

MR. JOYCE: I tell you, it was absolutely disgusting, Madam Chair, when I spoke to the four union people out in Corner Brook that I was dealing with to help with this deal, and not one of them said they spoke to the Leader of the Third Party – not one.

And for her to stand up today, Madam Chair, to stand in this hon. House today and talk about the deal, that we're giving money to Corner Brook Pulp and Paper, she has no understanding, absolutely no understanding of what was happening here today and what happened yesterday – absolutely no understanding.

SOME HON. MEMBERS: Oh, oh!

CHAIR: Order, please!

MR. JOYCE: I can tell you what they did; I can tell you what happened. When the government signed this \$110 million deal, they set up the cost of the power plant.

SOME HON. MEMBERS: Oh, oh!

CHAIR: Order, please!

All Members are aware of what happened this afternoon and the time lost in debate because Members did not conduct themselves in a parliamentary manner. If I have to stand again, I will name Members and you need not stand to speak anymore for the remainder of the evening.

The hon. the Minister of Municipal Affairs and Environment.

MR. JOYCE: I can understand that because people now are getting confronted. I was there; I was over on that side when I helped them with this and I can see them being upset. I can see the co-leader of the Third Party who went and tried to scuttle the deal of the \$110 million and, today, standing in the House and talking about the money going in Kruger's pocket.

Here's what happened. There was \$110 million; the price was already set out in the agreement of what it would cost, what they would pay for the mill if it closed. The letter that I wrote back in

April said you have to make your payments. Enough of that, you have to make your payments. You have to come through with your payments. I remember the meeting very well. They came to the table and they said we can't make the payments but we have an option, and here's the option. Here's the way it works.

They were going the first year, \$150 million; \$110 will go towards the loan guarantee that was committed. There would be \$2 million taken out for environmental liabilities to the mill. The other \$38 million, and this is the line of credit where the Leader of the Third Party and the Leader of the Opposition who was the premier when he signed this, making statements today about \$29 million – we will give you another briefing. I'll ask you to go out and meet with the pensioners so they can explain it to you.

The rest of that money that's left in that \$38 million is the first guarantee, is the deficit in the pension plan. That's what we signed. That's the letter of credit we gave to the bank, this government. We took that fund; we gave a letter of credit. We'll pay off the \$110 million; \$2 million liability; the other \$38 million, before any creditor can get at it, is taken and put in the pension plan. That is what's done out on the West Coast.

For the Leader of the Opposition to stand up today – because I phoned Gerald Parsons. I phoned Gerald Parsons today. I said: Gerald, when did you met with the government? He said during the election they walked out and we brought all the unions and met with the leader who was the premier at the time and they asked him and he said we'll look at that. The only difference is we did it. We did it because what we did –

SOME HON. MEMBERS: Hear, hear!

MR. JOYCE: On February 19, 2018, here's the way the deal works: February 19, 2018 is \$175 million; \$110 will go towards the loan guarantee. There will be \$2 million gone towards the pension liability, and the rest of the funds will be taken – first credit is the Government of Newfoundland and Labrador because we would own that power plant. Before Kruger gets one cent, we will take that money

and put it in the pension plan. That's what the deal is.

In February 2019, or if the Maritime Link is secured, there's \$200 million. If there was no payment made on the \$110 million – here's the deal, here is the deal. Is that the \$110 million will be taken and paid back to the government, the loan, taking the \$2 million out for the liabilities, and \$88 million, if necessary, will be taken and put in the pension plan. That's what's being done.

So for the leader of the Third Party to stand today and say we're signing this big deal and giving money to Corner Brook Pulp and Paper, what we're doing, is before Corner Brook Pulp and Paper gets one cent of this \$88 million – one cent – they have to put it into the pension plan to cover off the liabilities of the pension plan. That's the loan guarantee that we gave to the banks. That's what it's all about.

What the government did – the government at the time, the PC government – they took the \$110 million and gave it to them, and they set a price that they negotiated. I'm assuming they would know it because they were in Cabinet. They didn't know about this deal, the Leader of the Opposition, who was premier, didn't even know about the deal, but I'm assuming they negotiated a price and it was a fair price. However they calculated the price on that, I don't know.

I can tell you what we did today, what we did yesterday and what we're trying to do in this House of Assembly. Instead of having the pension plan in a deficit of up to \$60 million, \$70 million, \$80 million and Kruger, if they went bankrupt tomorrow, they would get in line for the creditors. That's what would happen. What we did was take the money that Kruger would have gotten from this sale, we took this money and we said, no, no, no, before you get one penny, put it into the pension plan.

That's why the pensioners and the people working at the mill are so happy about this deal. It doesn't matter now. If they go bankrupt, they're going to get, we know as of now, \$150 million, they'll get \$38 million put in their pension plan. Instead of going into Kruger's pocket, it's going in the pension plan. That's

what we did. For the leader of the Third Party, the co-leader, to try to scuttle the \$110 million first, it's shameful. To stand today in this hon. House and talk about money going to Corner Brook Pulp and Paper, Madam Chair, is shameful.

For the Leader of the Opposition to make a statement, who was premier of the province, who sat around the Cabinet table, worked out this deal and stand up today and say the pension plan was secure is absolutely, categorically, positively false. It is false. I can tell you, for the Leader of the Opposition, to be premier of the province, to go and meet with the pensioners in Corner Brook, sit down and didn't even know what he signed and stand and make that statement today, it shows lack of respect to every worker who worked at Corner Brook Pulp and Paper and every worker who's working there now.

Instead of standing up like I did, Madam Chair – and I know the premier of the province, who is Leader of the Opposition, do you know what we did? When they needed support for the \$110 million, take a guess who was the liaison with the union members. It was me. They couldn't get along with the union members because they didn't trust them. Do you know who the liaison was? Do you know who was asked to go out on many occasions and sell this deal to the union members? It was me. I was in Opposition.

Madam Chair, I have to say one thing. That's where I have to give Jerome Kennedy credit. Him and Tom Marshall at the time, they asked us to get involved. Jerome Kennedy to that day, he trusted me and the premier, and we trusted him. Four of us together worked out this \$110 million deal. Do you know why? It was right for the people who worked in Corner Brook Pulp and Paper for longevity of the mill.

The other thing this does, and I'm sure the leader of the – Madam Chair, the leader of the Third Party doesn't even understand this because you haven't even looked at it.

AN HON. MEMBER: Co-leader.

MR. JOYCE: The co-leader, sorry.

It frees up money for Corner Brook Pulp and Paper to reinvest in the mill. It frees up money for the longevity of the mill. They're going to be around for a long while for this.

I can tell you, if anybody out there wants to go and meet with the pensioners and say this is not a good deal, fill your boots. Go out and fill your boots with it, because when you have a \$110 million, when you have \$200 million and there's \$88 million –

CHAIR: Order, please!

MR. JOYCE: – can go to Corner Brook Pulp and Paper or put in a pension plan, what would you do?

CHAIR: Order, please!

MR. JOYCE: As a government, we're putting it in an unfunded liability of the pension plan and I stand by it.

CHAIR: Order, please!

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

SOME HON. MEMBERS: Hear, hear!

CHAIR: The Chair recognizes the hon. Member for Topsail – Paradise.

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

The first thing I want to do is apologize to the Minister of Service NL because I had indicated across the floor to him that he could go ahead next. Then the Minister of Municipal Affairs got up – and I intend to let him go next – but after the despicable display by the Member opposite, I couldn't resist but to get up and respond to him.

There are a number of factually incorrect matters that the minister stood on his feet this evening and spoke to. The first I want to speak to, which I think should not be allowed in this House, Madam Chair. It should not be allowed. It happens continuously, is the disrespect the Minister of the Crown shows for the Member of the Third Party over here. She can speak for

herself, but I can't let it go any longer. I can't let it go.

He gets up and demeans her by referring to her such as the co-leader of the Third Party. Madam Chair, I don't ever remember seeing anywhere in any of our parliamentary status or our positions a co-leader. For him to refer to her as a co-leader is simply disrespectful and it goes beyond what should be permitted in this hon. House. It's terrible for him to do it.

A minister of the government, a minister of the Crown who should rise about all that, lowers himself to continually refer to her as a co-leader just because he wants to speak down to her, Madam Chair. He wants to talk down to her. He wants to make her look bad. He wants to make her feel like she's being judged wrongfully. That's what he does. That's the only reason why he does it. He does it in this House all the time. I've stood before and spoke about his behaviour in the House and I cannot sit here and not speak to it again today. I cannot speak to it again today.

He wants to stand here and say today that I criticized this deal. We never criticized this deal. We never criticized this deal at all. We asked questions about the deal, Madam Chair. Again, he's factually incorrect. I'll choose my words carefully. He's factually incorrect.

What he likes to get up with is rhetoric in the House here, have his little displays and his little rants. He thinks he's smart over there, doing a great job. I think he's an embarrassment to the government if you ask me. The way he gets on and treats people quite often – he treats people in this House is despicable. It's despicable, and he should be ashamed of himself. He should do better than that as a minister of the government.

He did it here in Opposition. Yes, you expect him to get up on his rants sometimes in Opposition and do all those kinds of things. I remember him getting up talking back in 2013 about the number of people who lost their jobs through our efforts to try and reduce the cost of government. He got up: 800 people lost their jobs. The next day it was 900 people. The next thing he was up to 2,000 or 3,000 people lost their jobs. He used to change the number at will. Well now he's a minister of the Crown and he

should be more respectful to his position and his role here in the House. People expect better from ministers of the government.

He spoke today saying that we criticized him. We never criticized him, we asked questions. Everybody in this House was elected. Everybody who comes to this House was elected. Depending where you sit, you have a role to do. If that means asking questions of the government about the decisions they made and how they operate, that's our job to do that. That's our job, but for him to somehow spin that into us criticizing the government for the decision they made, absolutely false, Madam Chair, absolutely false. No one over here I heard today, none in our party, in the Opposition, criticized the government today for what they did, for the decision they made and what they did.

I don't need any lectures from him over there about Corner Brook. I lived in Corner Brook. I asked to move to Corner Brook. He finds that funny over there, Madam Chair. He has his head down over there now. He finds that humorous somehow, but I asked to go to Corner Brook. I have a lot of good friends in Corner Brook and I have a lot of friends who work in the mill. Not as many as he does. He's lived there all his life. He should probably know them all. He probably does know most of them.

I have a lot of good friends who work in the mill. I know a lot of people who are pensioned who used to work at the mill. I know lots about the history of the mill and the background and what happened in the past with the mill as well. Not like he does, but for him to get up and say we are somehow opposed to it, when that's factually incorrect, it's just not the case, it's simply not the case, is wrong. I'm not going to sit down and allow him to do that without me correcting him.

He said what we did yesterday. Well, the minister should know they didn't do anything yesterday only they filled in the people on what they did. The decision was made two weeks ago. They didn't do it yesterday. The decision was made on May 15, is when Cabinet made the decision to do this. He only chose to wait until yesterday before he informed his constituents and the people of the mill. The decision was

actually done on May 15, the order-in-council is dated, is when Cabinet passed it and made the decision. So it wasn't really done yesterday.

So we can pick holes, Madam Chair. My point is we can pick holes in every little thing that the minister says because he's not without error and he's not without faults. That's really not what I had planned to speak to here tonight. I planned to speak to the bill, the importance of it, and I planned to ask the minister to provide some clarification further to what we talked about in Question Period today. But of course, as quite often happens in this House, it gets derailed by the displays by the Minister of Municipal Affairs over there.

Luckily, we can get up – and he can get up again if he wants. I'm sure he will because he likes to get up and have his little –

AN HON. MEMBER: (Inaudible.)

MR. P. DAVIS: Yeah, you can get up. When I'm finished, you can get up and have your say, there's no two ways about it. You certainly have a right to do that, I say to the minister, but saying that we're critical and criticizing and so on is wrong. We're asking questions, Madam Chair, and we're going to ask questions.

Back in 2014 was a good day for the people of Corner Brook and good day for the mill. It was, back in February 2014, when the \$110 million loan guarantee was done. Yes, that was about pensions and it was about improvements and it was about Corner Brook Pulp and Paper and Mr. Kruger being able to pay off some of their debts and to manage their finances in a better way. They did that. Almost \$40 million was paid on their pension; \$39 million. That's the \$39 million number that the Member opposite said oh, he doesn't know what he's talking about, b'y, \$39 million. Well, I do. Thirty-nine million dollars was paid into – that's what officials told us this morning, Madam Chair. It was \$39 million of the \$110 million was actually paid on the pensions.

There were other improvements needed and they've spent money on that. We got the briefing and the numbers on it. The minister went through some of those today. They're consistent with some of the information that we have.

Madam Chair, the government has provided – it was \$90 million in balance less \$2 million for the environmental liabilities. It leaves \$88 million. Twenty-nine million dollars of that was put into pension plans to make them solvent. That's the information that we have from the officials. The plan is fully funded on a going concern. There are two actuarial methods used on pension plans. It's fully funded on the ongoing concern but on a solvency valuation, it was underfunded by \$29 million.

What that means is that if the mill was to cease operation there and they looked at all their debts they have to pay out, they're \$29 million short. That's what that means; they're \$29 million short. So the \$29 million was going to make the plan solvent. If you take the \$29 million from the \$88 million, that leaves you with a sizeable chunk of change. It leaves you with another \$59 million.

The question I had for the minister today – and I'm sure he's going to speak, he has more time now to speak to it and explain it tonight and I look forward to him doing that – is what happens to the other \$59 million? How does the other \$59 million factor into all of this? He mentioned today it will be used for pensions. I believe it's probably going to be used for other matters such as financing, facility improvements, capital investments and so on. Maybe it's not going to be used, it's going to be held in abeyance if the pension plan fails again in the future and then needs to be updated further or it becomes further behind.

We know that what the minister said today and indicated today was that they've made payments. Officials have told us that Corner Brook Pulp and Paper made payments since 2014. I think \$6 million a year is the number that we have. So they've got \$39 million paid on their pension plan from the loan in 2014, they have \$6 million a year paid since then – I'm not sure what the total would be and how they would assess that – and then the balance is the \$29 million insolvency.

We know the markets have improved for pensions, so that would have alleviated some of their issues as well. We have \$29 million paid to make it solvent. We can get up again in Committee, and I plan to do that, but I'd ask the

minister to take some time to explain to us the \$88 million. You need \$29 million for the solvency to make the plan whole, to make it solvent. If you could give us an explanation on the balance, the \$59 million that exists under the loan guarantee and how the mill plans to utilize that.

Thank you, Madam Chair.

CHAIR: The hon. the Minister of Service NL.

MR. TRIMPER: Thank you very much, Madam Chair.

It's a great honour to stand and rise on what is a very exciting day to speak to this bill. As my colleague for Humber – Bay of Islands and my other colleague for St. George's – Humber, we were in Corner Brook yesterday and had an excellent discussion, first of all, with the leadership teams of the two plans – one is the management plan, the other is the union plan – and then we had a broader audience with folks who are working in the mill and folks who have retired.

They were a small portion, frankly, of the some 1,300 individuals that we are estimating right now that are involved in this plan. As I indicated today, the arrangement is actually very clever. It does build on what was agreed to in 2014, but actually it makes sure that there is security for those pensioners.

What is happening with the plans is that with the low interest rate, plus other factors that are influencing how the solvency portion of these pension plans are calculated, Corner Brook Pulp and Paper has been struggling to keep up with what's called the solvency portion. There are two aspects. When you're talking about a plan and a pension plan, there's what is known as a going concern, and that means do you have sufficient assets in the pension plan such that you can make all of your regular payments to those who've retired at any one time.

In terms of solvency, what you need to understand is do you have enough money there if in the eventuality – and that hopefully will never happen in our lifetime – where Corner Brook Pulp and Paper would actually close, cease operations and then had to make sure that

there was sufficient financial resources to support all those entitlements through the plans until each of those plan members frankly had passed on.

In terms of the going concern, right now the plans are actually doing very well. It's the solvency issue that has been the issue. The arrangement that we announced yesterday in Corner Brook relates to the solvency portion.

If I could just share some numbers, in terms of the union plan right now there's –

SOME HON. MEMBERS: Oh, oh!

CHAIR: Order, please!

MR. TRIMPER: – a little over \$37 million in terms of a projected shortfall. In terms of the non-union plan, which is a Defined Benefit situation, there is about \$1.4 million shy. So that's actually \$39 million shy right now in terms of the forecast. These actuaries will actually look at the plan on a regular basis and, based on a variety of factors, calculate what that number is.

So again, right now we're \$39 million shy in terms of the forecast, but also, it's important to note, that there's about \$25 million that is short in terms of payments that Corner Brook Pulp and Paper should have been making, were unable to make, and that was where the situation came when my colleague just spoke to this about how he and now the Premier met with the representatives of the pension plans and they said can you help us out here, can we find a way to perhaps use this deal to give us some more security.

So it was great yesterday to have actually at the end of, I would say, a very challenging discussion – it's interesting, when you get into a room with people who really know the topic and you're cross-examined and you're questioned in great detail by people who are very knowledgeable, it's quite an exercise to get through it.

I must say and I would like to compliment people like Chris Hawkins and Gerald Parsons and all the folks in the leadership teams that we met with yesterday. They do know their stuff,

they care and, frankly, what was fascinating in the discussion is that they don't only care about their pension plans but, of course, they also equally care about the operation of this mill. There are some hundreds of people right now who are directly employed. You can just imagine how much GDP in Western Newfoundland is related to this single operation, and frankly, for that case, in the entire province. This is an extremely important – it's one of our largest private sector employers.

So back to the situation and around the \$88 million, that number comes about because in the way the arrangement's set up, the way it was done is to you see an escalating value of these assets over time, and the idea is to encourage the company to keep operating for as long as possible. The longer they operate, the more the value of these assets the government would acquire if they were to cease operations.

So right now, it's valued at \$150 million. As my colleague indicated, it rises to \$175 million, and then finally by 2019 it gets to \$200 million. The way the arrangement is set up is that if and when the Maritime Link actually comes into effect, the greater the value of \$200 million or an assessed value of those assets when the Maritime Link is available, because that will be a mechanism by which those 139 megawatts of power can be exported, so it will be the greater of those two amounts.

So you start with the \$200 million, you subtract from it the \$110 million, plus the \$2 million for the environmental liability and that leaves you \$88 million. Why the number floats is because it would depend on, for example, and under that worst-case scenario, if the company were to cease operations. If they do it now, it will be much less than the \$88 million. If it's done after it reaches that \$200 million point, what government is doing is guaranteeing that there would at least be \$88 million available to the pensioners.

I did want to – and I always like to do this because I find that in government I am constantly surrounded by good people. The last few weeks the staff have worked so hard. I want to point out in particular Julian McCarthy, who is the assistant deputy minister of Regulatory Affairs in Service NL. He has been one of the

key go-to people in this government around pensions. It's a very demanding, very technically challenging portfolio and responsibility.

Mr. McCarthy, I hope you're watching because you and the people around you, my ADM Sean Dutton, comms people and so on all have come together and have done a brilliant job. You had to be creative; we had to find something unique. We also were supported by Neil Pittman with McInnes Cooper who provided us legal advice over the last few days.

This deal is unique in the country. It has been evaluated from a legal perspective, from a regulatory perspective and so on. As I've been saying, I like to use the word "clever" because frankly, Madam Chair, it is a clever deal. It's one that puts the priorities squarely where it needs to be, on the workers of this province, but it also – and in terms of the workers of the province, not just those that have retired, but those who are working now and generations to come.

I was very pleased to be there yesterday. I think, with that, I'm going to sit down. I look forward to any questions that one may have about some of the financial details. I'll do my best to try to answer them. If not, I'll certainly be able to report back to the House.

With that, Madam Chair, I thank you very much.

CHAIR: The Chair recognizes the hon. Member for Labrador West.

MR. LETTO: Thank you, Madam Chair.

I guess it's with mixed emotions that I rise and speak to this bill tonight. When I see what happened to the pensioners in Wabush because of the lack of action and having something in place to protect the pension plans and I see this today, this is a positive move toward protecting the people who built those industries, who made those industries profitable, who worked their lives and their careers for those industries. To see them protected is the right thing to do.

I just wish that the administration of the day that was in place when Wabush pension plan was known to be in trouble had taken some action to

protect the pensioners of Wabush, they would not be in the situation that they're in today.

SOME HON. MEMBERS: Hear, hear!

MR. LETTO: When I see pensioners, Madam Chair, who have lost their pensions, 25 per cent of their pensions and 21 per cent of their pensions, just because the parent company decided to close up shop, walk away, run away actually and seek protection in another province under the CCAA and to leave the people of Wabush in the conditions that they left them in is nothing short of shameful, and I tell you this company should be held accountable for the actions that they've taken or the inactions.

Madam Chair, when I see what our government is doing and having the foresight to protect pension plans, it is the right thing to do. It is the right thing to do. Unfortunately, it was too late for us when we came into power to be able to have something in place to protect the people of Wabush. The first piece of business I had to do after being sworn in in this government was myself and the Minister of Municipal Affairs and Environment, who was the Minister of Service NL at the time, headed to Wabush to terminate their pension plans.

I tell you, it was the week before Christmas and I'll never forget that day because it's a day that's been entrenched in my mind to walk into the church basement and tell those pensioners that their pension plans were being terminated and there was a fear that they would lose 25, 20 per cent of their pension plan a week before Christmas after working 30 years for a company, giving their lives, sacrificing their health in cases. Because only last week we released the Labrador West Medical Audit that saw some of those people affected by silicosis. To see that, I tell you, was not a pretty sight.

Madam Chair, we, as a government, have not forgotten the people of Wabush. In fact, we're doing what we can as a government now to try to reclaim some of the losses but, unfortunately, our only recourse to try to reclaim some of that is through the courts. We all know what happens when we get into the court systems.

I want to thank the Minister of Justice and the Cabinet for taking the decision, taking the bold

move to move the case to the Newfoundland and Labrador Court of Appeal to have the deemed trust clause in our pensions benefit act challenged and interpreted so that we can, hopefully through that action and through the courts in Montreal, that the judge and whoever rules on this will see fit that there is some responsibility here on behalf of Cliffs and the CCAA to make sure that the pensioners are on that secured creditors list.

Madam Chair, we know we have to do that through the court system because that's where we are, that's where we find ourselves today. Because any action that had to be taken to protect this plan, the Wabush pension plan, would have to be done before the company decided to pack up and move out of town without too much notice.

I guess what I'm trying to say here, Madam Chair, is we did not sit by and do nothing for the people of Wabush. It's a tough battle. Where we come out at the end, I guess at this point nobody knows, but we're remaining hopeful that something will be done. Because not only did they lose their pensions by the way, or 25 per cent of it, they lost all their medical benefits as well. It's a double whammy really, when you look at it. So they've been affected quite significantly and negatively by the actions of the company.

What we see here today with Corner Brook Pulp and Paper is something that – it's not to say there would be a similar deal with Wabush. I'm certainly not suggesting that, because in this particular deal there are assets involved that makes this deal possible. I guess the fact of the matter is when you know a pension plan is in trouble, as the people who are responsible for regulating pension plans, governments have to take action to ensure that companies keep their plans solvent and in case of like what happened in Wabush, that the pensioners are protected. Unfortunately, in Wabush that wasn't the case.

This has been a very challenging time for the people of Wabush. As I said, the first thing we had to do was cancel their pension plan. We have made every effort to ensure that the bankruptcy proceedings in Quebec respect the claims of those pension plans. That's basically the recourse we're taking.

We have been very active in the interest of Wabush mines pensioners. The first thing that happened after we took government, the Premier wrote a letter to Cliffs. We're still waiting for an answer because that's the type of company we're dealing with here. They packed up, they left town and pretty well said you're on your own.

We engaged legal counsels throughout the CCAA process to ensure that the Quebec court recognized the province's laws and the interests of provincial stakeholders are protected. Basically, what I'm saying there is that in every case, in every hearing that has gone on in Montreal, this government has had legal representation there to ensure that the rights of the pensioners are protected and that things are going as they should be.

We did request to transfer the proceedings to the Newfoundland and Labrador court system, but the Quebec judge did not see that as the way forward. He overruled that and basically ruled that the case will stay in Montreal. Although in his ruling – and that's what I'm referring to – he did leave the door open a little bit and gave us the option of referring the pension benefits clause and the deemed trust to the Newfoundland and Labrador Court of Appeal.

That's where we are today. We are going through that process right now. There's a process being arranged by our legal team in the Department of Justice through the Court of Appeal. Hopefully that case will be heard sooner rather than later. We're still hoping for a positive outcome and that outcome hopefully will have an influence, I guess, on the decision that's going to be made in the courts in Montreal somewhere down the road. We continue to keep a close watch on what's happening here. Hopefully, we'll see a positive outcome.

Madam Chair, in closing, I just want to say to the people of Wabush: We are still trying. The deal today is certainly not a reflection in any way of doing something for one and not for the other. The deal that we're doing today for Corner Brook Pulp and Paper should have been done for the people of Wabush. I'm not saying the same deal but something should have been done to protect the pension plan.

I hope that we have learned a lesson. We have a number of pension plans registered in this province that require attention. It could happen to anybody tomorrow. It could be Corner Brook Pulp and Paper, it could be somebody else. Madam Chair, it's our responsibility, as a pension regulator in this province, to ensure that pensioners are protected and that what they've earned in their years of employment is there for them in the future.

Madam Chair, with that, I'll take my seat. I want to applaud the government for taking this bold action. We still hope and pray that we'll have a positive outcome for the people of Wabush.

Thank you, Madam Chair.

SOME HON. MEMBERS: Hear, hear!

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

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

I'm pleased to stand tonight and speak to the motion that we have on the floor, the Act to Amend the Loan and Guarantee Act, Bill 12.

Obviously, I will be supporting Bill 12. One of the things we've always wanted and continue to want for the workers of our province is protection of pensions. It is one of the values we hold very, very strongly and I think all of us in this House want to see that. So I am happy to stand tonight and to support this bill.

If I have some questions to ask, that's not because I am not supporting the bill. I know the Minister of Service NL will understand that. I'll be looking for clarification, and that's all I'll be looking for. It will not be a criticism. It will be clarification because we want to make sure that everything is covered here and that everybody is protected.

You can put things in agreement, you can even have legislation and you can still get somebody like Kruger Company, Corner Brook Pulp and Paper not living up to commitments. It happens. It has happened in the past already when Kruger itself did not keep their payments going into the pension fund.

Even though we have a provincial law, *Pensions Benefits Act, 1997* that says you have to do that, they didn't. We know that in 2015 Kruger sent a notice to its Corner Brook Pulp and Paper mill employees noting it wanted to petition government to temporarily modify payments being paid into the plans for 2014, 2015 and 2016. Neither the unions nor the government accepted Kruger's 2015 proposal; but, in effect, they went ahead and modified their payments anyway.

A question I ask of the minister today, I'll ask him not to answer it tonight. Minister, I'll be happy if you answer tomorrow because I want to put forward some questions that you may want to wait until tomorrow to answer. I'll add one more thing. In response to a question I asked today, the minister did tell us there will be an oversight committee to ensure that Kruger and everybody I guess involved keeps their side of what has to happen here with this new agreement that's being put in place.

My question to the minister is does he have details that he can give us with regard to that oversight committee, what the actual mandate will be? Will they be reporting regularly? Will those reports be public? I ask all that for the sake of the pensioners and current workers of Corner Brook Pulp and Paper so that they can feel assured they're not, once again, going to have Kruger – Kruger do what it needs to be doing.

I'm hoping the minister, probably tomorrow if not tonight, will be able to give us details. If those details aren't in place yet, can he give information that will assure us that's going to be the case, that it will be absolutely open and transparent and that we will get reports. Because we have other things going on with government right now where we have oversight committees and we're waiting for reports like the Oversight Committee for Muskrat Falls. We don't want that to happen.

If we're going to have an oversight committee here dealing with this new agreement between the government and Corner Brook Pulp and Paper and their parent, Kruger, then we need to know on paper what that oversight committee is going to be about. Because the only thing we're dealing with here tonight – for people who are watching us – is a bill that says: "The Schedule

to *The Loan and Guarantee Act, 1957* is amended by adding the following: Corner Brook Pulp and Paper Limited \$88,000,000" and no expiry date.

So we have nothing else except the briefing we got today, and I want to thank the minister. We did have a really good briefing today, and I thank the Minister of Finance as well because it was an excellent briefing. We asked our questions and got some answers. Well, we got good answers from the staff who were there, but after the briefing one goes back, looks at what one has and then has further questions. That's what discussing in Committee is all about.

Another question I want to put forward to the minister, there's a question with regard to the trust. I note the letter of credit will be held by a trust for the benefit of pension plan members with government and CBPPL representatives as co-trustees. I guess my question is: Do the representatives from Corner Brook Pulp and Paper Limited, will that include representation of the workers voice in the trust or just the owners, just management? It's a pretty clear question. What are the parties who will be the trustees? Will it include the voice of the workers?

It seems to me that if the workers and the pensioners of Corner Brook Pulp and Paper need to feel secure and need to feel that everything is going well, having their voice represented in the trust would be a logical way to do that. But it's not clear from the release that came out from government whether the CBPPL representatives includes workers or just means management representing the owners of the plant. That's another question I have, Madam Chair.

I have another one. Oh, yes, it's the whole thing of the down the road. Down the road is probably the most important thing about what we're dealing with tonight when it comes to this agreement between Corner Brook Pulp and Paper and the government. It has to do with the side deal which notes that the value of the power plants – and this is what this is all about, the value of the power plants.

Once the Maritime Link is commissioned, the value of the power plants will be decided by the greater of the export valuation methodology.

Now, that's a fancy term. It's an agreed upon methodology which determines the value of selling power over the Maritime Link into an export market. The value of the power plants would be decided by a certain methodology that's agreed upon in the marketplace and in the industry, the greater of that or \$200 million.

My question is at this point in time with the overproduction of power that we would have if Corner Brook Pulp and Paper shut down, how can we guarantee that the 138-or-so megawatts of power from Deer Lake and Watsons Brook – how can we assure that power would get all sent out to the Maritime Link? In the present, how can we assure that which could be way down the line in the future?

There's a theme through all of my questions and it has to do with making sure the pensioners and workers can feel absolutely confident. That's the big question, absolutely confident.

I think those are my questions. As I've said, if the minister wants to wait until tomorrow – we'll be back here tomorrow – I'll be happy to wait until then. If he wants to start answering them tonight, that will be fine as well.

Madam Chair, I do want to say as the MHA for St. John's East – Quidi Vidi and the House Leader for the Third Party, which is my official title, thank you very much for being able to speak tonight.

CHAIR: The hon. the Government House Leader.

MR. K. PARSONS: Yes, Madam Chair, I move that the Committee rise, report progress and ask leave to sit again.

CHAIR: The motion is that the Committee rise and report progress to Bill 12 and the related resolution.

Is it the pleasure of the House 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 (Osborne): 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 made some progress on Bill 12 and the related resolution and ask leave to sit again.

MR. SPEAKER: The Chair of the Committee of the Whole reports that the Committee have considered the matters to them referred and have directed her to report progress and ask leave to sit again.

When shall the report be received?

MR. A. PARSONS: Now.

MR. SPEAKER: Now.

When shall the Committee have leave to sit again?

MR. A. PARSONS: Tomorrow.

MR. SPEAKER: Tomorrow.

On motion, report received and adopted. Committee ordered to sit again on tomorrow.

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

MR. A. PARSONS: Mr. Speaker, I would move, seconded by the Member for Fogo Island – Cape Freels, that the House do now adjourn.

MR. SPEAKER: The motion is that the House do now adjourn.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

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

Carried.

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