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Speaker: Honourable Wade Verge, MHA

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The House met at 2:00 p.m.

MR. SPEAKER (Verge): Order, please!

Admit strangers.

I am pleased to welcome to the public gallery today His Worship, Mayor Dwight Lethbridge and his wife Lindsay of Cartwright.

Welcome to the House of Assembly.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: I am also pleased to welcome to Speaker's gallery a young man, a Grade 10 student from Prince of Wales Collegiate, Mr. Sam Hoddinott, who is shadowing the Minister of Environment and Conservation.

Welcome to the House of Assembly.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: I would also like to welcome the Member for St. John's East and the Minister of Health and Community Services to the Speaker's fan club.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Both members participated in the Shave for the Brave; thank you very much for doing that.

SOME HON. MEMBERS: Hear, hear!

Statements by Members

MR. SPEAKER: We will hear members' statements today from the members representing the Districts of Humber East, Exploits, Port de Grave, Conception Bay South, Labrador West, and Bay of Islands.

The hon. the Member for the District of Humber East.

MR. FLYNN: Mr. Speaker, I rise to recognize the late John – commonly known as Jack – McCarthy, who passed away April 28 in his home town of Corner Brook. Born in 1921, Jack was a long-time member of the Lions Club, one of the founding members of the Westmount

Club, a pretty decent bridge player and a member of the Corner Brook Bridge Club.

Throughout his adult life, Jack was best known for his involvement in provincial and federal politics, which goes back to the days of Newfoundland and Labrador's entry into Confederation. Over the years, he attended delegated conventions both at the federal and provincial levels. Jack was well known to Prime Ministers and Premiers alike.

Jack possessed keen organizational and fundraising skills, which were put to good use for those organizations in which he served. His involvement was such that he was often referred to as Senator Jack.

Mr. Speaker, I ask all members to join me in paying tribute to a wonderful individual who made a valuable contribution, not only to his community but to the political process of our Province and country.

Rest in peace, Jack McCarthy.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for District of Exploits.

MR. FORSEY: Mr. Speaker, clean water is a necessity of life, and Victor Keats of Phillips Head in the District of Exploits is making sure families have a good and safe supply. Victor assumed the duty of ensuring the chlorination plant was operating properly about seven years ago when his son, who was doing this work previously, became too busy with other responsibilities to continue to do so. Victor knew it was a big task, but realized someone needed to do it.

Victor said, "There are more checks during the summer, but they are easier than winter when the road to the plant is snowed under." During the winter he has to drag the five-gallon bottles of chlorine about 300 metres through the snow.

Mr. Speaker, at the March Clean and Safe Drinking Water Workshop in Gander, the Department of Environment and Conservation presented Victor with the Volunteer Operator of the Year Award. The Operator of the Year

Awards are presented annually to one operator and one volunteer operator.

I ask all members of this House to join me in congratulating Victor Keats on receiving this volunteer award and for his dedication to supply clean and safe drinking water in his community.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for the District of Port de Grave.

SOME HON. MEMBERS: Hear, hear!

MR. LITTLEJOHN: Thank you, Mr. Speaker.

I rise today in this House to pay tribute to those who lost their lives during the longest continuous battle of World War II, the Battle of the Atlantic. On Sunday, District 2 of the Royal Canadian Legion gathered in Brigus to commemorate this event.

The day began with a large parade of legionnaires from across the district. Army and sea cadet corps and other invited guests to the war memorial for a special wreath laying ceremony. The service continued at the wharf with some moving moments. The roll call of those ships lost at sea during the battle and the towing of the wreath out of Brigus harbour moved everyone.

Mr. Speaker, Winston Churchill once said “the only thing that ever really frightened me during the war was the U-boat peril.” A striking comment when you realize that over 30,000 Merchant Navy men lost their lives and around 3,000 ships were sunk during this horrid battle. To provide some balance, the German navy lost some 783 U-boats and 28,000 sailors’ lives.

I ask all members to join me today in remembering these lives lost. Lest we Forget.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Conception Bay South.

MR. HILLIER: Mr. Speaker, on May 2 it was my pleasure to attend the 143 session of the Grand Orange Lodge of Newfoundland and Labrador. This event was hosted by the Star of Bethlehem Loyal Orange Lodge in Foxtrap as part of its 100th anniversary celebrations.

It was in the spring of 1914 that the men of Foxtrap decided they wanted their own lodge. They started cutting logs that spring and on January 15, 1915, held their first meeting in their new building. These were men with names like Batten, Butler, Fagan, Delaney and others, names, which to this day, are woven into the social fabric of our community.

During its hundred years the lodge has not only served as headquarters for its members but also as funeral home, church, and social centre for the people of Foxtrap. The members of the lodge have been leaders in their church and in the community in general.

After a hundred years, we are still proud to follow the Star of Bethlehem Band, on July 1 and November 11, as it leads the parade to our Monument of Honour.

Mr. Speaker, I ask all hon. members to join me in congratulating the Star of Bethlehem LOL on its 100th anniversary.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Labrador West.

SOME HON. MEMBERS: Hear, hear!

MR. MCGRATH: Mr. Speaker, Kyle Andrews poses with the birch bow he made, similar to what many Newfoundland and Labrador hunters might have used many years ago.

Grade 8 students from Menihek High in Labrador West and EG Lambert in Churchill Falls showcased the history and culture of our great Province at the Annual Heritage Fair on April 21.

Based on this year’s theme “In Their Footsteps” students, friends, and family took a step back in

time while more than 110 students participated in this year's fair.

Students write an essay, create a product, build a display board, and are interviewed by judges to determine the score. The overall winner this year was Ms Maggie Drover.

One of the main purposes of the Heritage Fair is to give students the opportunity to explore their own family history as well as our Province's unique and rich cultural heritage.

Kyle Andrews also whetted the appetite of visitors with smoked fish as part of his project. Kyle said, "Cod fishing, every Newfoundlander had to do it to survive. All the animals that were killed, every part was used, even the bones."

I ask all hon. members to join me in congratulating all the participants of the Heritage Fair.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Bay of Islands.

MR. JOYCE: Mr. Speaker, I rise in this hon. House today to recognize two athletes from my district, Bay of Islands.

In February, Thomas Park of Irishtown-Summerside and Ashley Higgins of Curling represented the Province's speed skating team at the Canada Winter Games held in Prince George, BC.

Thomas, a Level I honours student at Templeton Academy, has been a member of the Humber Valley Speed Skating Club for eight years and has competed in Atlantic Canada on many occasions.

Ashley began speed skating with the club five years ago as part of the physical activity component of the Duke of Edinburgh program.

It takes hard work, dedication, and commitment to compete at such a high calibre level and the experience they both took away from the Games will only serve to enhance their skating abilities while the overall experience of the Games will remain cherished memories.

Under the guidance of their coaches, Sharon Karn and Melissa O'Brien, Thomas and Ashley achieved personal bests at the Games and they were very proud to represent our Province. As one of their coaches quoted, "pain is temporary, pride is forever."

Mr. Speaker, I ask all members to join me in congratulating Thomas and Ashley in representing our Province and making us all proud.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Statements by Ministers.

Statements by Ministers

MR. SPEAKER: The hon. the Minister of Service Newfoundland and Labrador.

SOME HON. MEMBERS: Hear, hear!

MR. CRUMMELL: Thank you, Mr. Speaker.

Mr. Speaker, I rise in this hon. House to recognize May 4 to 10 as Safe Kids Week. This is a national campaign that takes place annually to raise awareness about preventable childhood injuries. Each year, Parachute Canada, a national charity, co-ordinates Safe Kids Week activities with safety-focused advocacy groups throughout the country. I am pleased to note that this morning I joined Len LeRiche from Safety Services NL and students at St. Matthew's school for an official proclamation.

As the theme this year is "Cycling and Road Safety," Mr. LeRiche and I took the opportunity to talk about the new bicycle helmet law that our government brought into force on April 1 of this year. We reminded students that bike helmets are now mandatory on all public roadways in the Province. Students were also shown how to check if a helmet fits properly, which is important, because a properly fitted bicycle helmet can decrease the risk of serious head injury by as much as 85 per cent. In addition, students learned about the importance of checking their bicycle to ensure it is in good working order, knowing the rules of the road,

being familiar with the route being travelled, and wearing reflective clothing.

Mr. Speaker, preventable injuries have a significant impact on children throughout the country every year, which is why our government is committed to protecting children and families through education and enforcement initiatives. We support Parachute Canada's message, "Safe Cycling. Safe Roads. Save Kids Lives." Requiring everyone to wear bike helmets is a great example of how we are doing just that. Another example is our ongoing collaboration with the Royal Canadian Mounted Police, the Royal Newfoundland Constabulary, and advocacy groups like Safety Services NL, the Newfoundland and Labrador Medical Association, and the Newfoundland and Labrador Brain Injury Association, all of which provided valuable feedback that informed our new helmet legislation.

Mr. Speaker, as the school year is winding down and the summer season is set to begin very soon, I encourage children and parents throughout the Province to reflect on Safe Kids Week, and think about what they must do to cycle safely this year. I also encourage everyone to respect the new bike helmet law, and to find out more about it by visiting the Service NL website.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. LANE: Thank you, Mr. Speaker.

I thank the minister for an advance copy of his statement. We, too, here in the Official Opposition would like to recognize May 4 to 10 as Safe Kids Week, and we certainly thank Safety Services NL and all the other stakeholders who are involved in promoting safety for not just our children but everybody in our communities.

Mr. Speaker, the minister talked about the bicycle helmet legislation and it was actually the Official Opposition and particularly the Member for Burgeo – La Poile who had been pushing for this for quite some time.

SOME HON. MEMBERS: Hear, hear!

MR. LANE: We are glad that the government finally saw the wisdom and enacted this legislation. Mr. Speaker, there are certainly lots of other legislation that we have brought forward, and we hope that government will listen and start enacting some more of our legislation to the benefit of the people of Newfoundland and Labrador.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. MURPHY: Thank you, Mr. Speaker.

I, too, thank the minister for the advance copy of his statement here today. This would be the first Safe Kids Week that we finally have mandatory bike helmets, thanks to the hard work of groups like Parachute Canada, Safety Services NL, and many others. We have had the highest rate of bicycle-related hospitalizations among children in the country of 49.2 per 100,000 – nearly double the Canadian rate of twenty-five.

Non-motorized scooters, skates, and skateboards are not included in this legislation. We hope the government is going to look at that in the future, Mr. Speaker. I urge government to follow the advice of Safe Kids and other organizations and include foot-powered scooters and riding toys in the helmet legislation. So we will hear about more of that in the future.

Thank you.

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

SOME HON. MEMBERS: Hear, hear!

MR. HUTCHINGS: Thank you, Mr. Speaker.

Mr. Speaker, I am pleased to rise in this hon. House today to recognize today as Municipal Awareness Day in Newfoundland and Labrador.

Municipal Awareness Day is a time to recognize and thank the many local government leaders

throughout our Province for their efforts in providing important programs and services.

Mr. Speaker, during the MNL Symposium which took place last week in Gander, the provincial government, together with Municipalities Newfoundland and Labrador and the Professional Municipal Administrators, proclaimed May 6 as Municipal Awareness Day.

Municipal governments throughout the Province are holding awareness events in their communities today in recognition of Municipal Awareness Day. As well, many councillors and staff will visit schools to speak with students about the opportunities associated with involvement in municipal government.

I encourage individuals throughout the Province, especially our youth, to become more involved and take a greater leadership role in their towns and communities.

Mr. Speaker, our government has demonstrated its commitment and support for municipalities as part of our investments through Budget 2015; we announced a new Community Sustainability Partnership will invest an additional \$46 million over the next three years in the communities throughout Newfoundland and Labrador.

The new initiatives will support all regions of the Province, especially rural communities, as they enhance social and economic activities and initiatives to support, maintain, and grow their communities.

Mr. Speaker, I ask all hon. members to join me in recognizing councillors and staff of municipalities throughout our Province for their devotion and efforts in serving the residents of our great Province of Newfoundland and Labrador.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Bay of Islands.

MR. JOYCE: Thank you, Mr. Speaker.

I thank the minister for the advance copy of his statement. We, too, as the Official Opposition

would also like to recognize all the volunteers in the Province and all the municipal councillors.

I have always said that one of the hardest jobs as an elected politician is at the municipal level, because you are dealing with people on a daily basis. A lot of these individuals give up a lot of their weekends, give up a lot of their time. A lot of issues that are raised throughout the districts are personal to them, they know the people personally, and they make a great contribution to our Province.

Mr. Speaker, all throughout Newfoundland and Labrador these individuals keep our towns prosperous, they keep our towns very safe, and they do the best they can.

To the minister, I think we all should support all the towns through whatever way we can, and the Official Opposition will support you in whatever we can.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

MR. MURPHY: Thank you, Mr. Speaker.

I thank the minister for the advance copy of his statement here today.

This is a great time for municipal government to bestow the virtues of community service, particularly. We totally endorse going to schools to educate our youth about municipal government. We think that is a great initiative. I also encourage the youth of our Province to get involved. As we know, government wanted to pass legislation to get youth more involved. I thank the City of St. John's as well for the work they are doing.

Mr. Speaker, serving on councils can sometimes be a thankless task. We are often tireless volunteers. We do not know how many times we have heard that, but we want to thank them for their service as well.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Minister of Seniors, Wellness and Social Development.

SOME HON. MEMBERS: Hear, hear!

MR. JACKMAN: Mr. Speaker, I rise today to note my involvement in an event last week that was a highlight of my tenure as Minister of Seniors, Wellness and Social Development. I had the pleasure of participating in the unveiling of two accessible taxicabs, made possible through a \$50,000 investment from the Accessible Taxi Pilot Project and through a partnership with industry, the City of St. John's, and non-profit organizations.

The provision of accessible taxi services has been a long-time coming for people in our community with disabilities who require a mobility device, such as a wheelchair or scooter, for transportation. There were several individuals at the event who spoke to the profound impact this will have on their lives.

Mr. Speaker, an accessible taxi service gets at the very heart of what inclusion is all about. It means a person who uses a mobility device can call a cab at a moment's notice, just like everyone else. It means they can have spontaneous social outings or family get-togethers, without always having to plan far in advance. It is something that many of us take for granted, Mr. Speaker, and we sometimes forget that there are still barriers that prevent all people in our community from having the choice.

As we monitor and evaluate this accessible taxi pilot program, we are also looking to expand the program, Mr. Speaker, with a particular interest in finding a partner or partners in more rural areas of the Province.

In fact, Budget 2015 includes another \$50,000 to assist in this effort. This pilot is part of a broader Accessible Vehicle Program, initiated in 2012 with the introduction of Access. Inclusion. Equal. A Provincial Strategy for the Inclusion of Persons with Disabilities. Mr. Speaker, this program has helped more than fifty people throughout this Province purchase a personal accessible vehicle – or retrofit an existing

vehicle – in the past few years. Budget 2015 allocates a further \$350,000 for this initiative, so we can expect to see other people, and their families, benefit in the year ahead.

In the coming weeks, I expect to be in a position to announce an action plan that will continue our efforts to make inclusion for all a way of life in Newfoundland and Labrador – just a way of thinking and being. Inclusive communities are stronger communities, and I want to applaud Albert Newell of Newfound Taxi, the City of St. John's, the Coalition of Persons with Disabilities, and all organizations and individuals who work every day to promote and support inclusive practices in our communities.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Conception Bay South.

MR. HILLIER: Thank you, Mr. Speaker.

I thank the minister for an advance copy of his statement.

We also want to applaud Albert Newell of Newfound Taxi, the City of St. John's, and the Coalition of Persons with Disabilities, for partnering with government on this great initiative. Providing accessible transportation for persons with disabilities is a good investment in our people and in our communities.

We look forward to the day when such a service is available in all regions of our Province and inclusion is a way of life in all communities in Newfoundland and Labrador. We also look forward to the inclusion action plan the minister is referring to that we will see soon. We just hope that this will be released sooner rather than later, and not continuously delayed like the wellness plan and the Poverty Reduction Strategy he has been promising for some time. Inclusion is now an accepted way of life, and the more we can do to promote inclusion is welcome news.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. MURPHY: Thank you, Mr. Speaker.

I would like to thank the minister for the advance copy of his statement.

I have to say, Mr. Speaker, I was there at the event. It was pleasing to see government on such a positive initiative as this. I have to congratulate the minister on the initiative that he footed and launched that day.

Mr. Speaker, small victories like this one, they are pretty big for some people. As one person told me there, who was going to be using this service, he said it's a long way to inclusion but now we can get there in a jiffy. It is true, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. MURPHY: Mr. Speaker, just to sum up, because we have been watching this service and getting a gauge of exactly how this service is working out. Mr. Speaker, just yesterday one of these taxis was used twenty-two times. So we know this is going to be a success. Just to let the minister know that we are looking at this, and thanks again. It a great project, and thanks again to all involved, particularly the City of St. John's and COD-NL.

Thank you very much.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Oral Questions.

Oral Questions

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

MR. BALL: Thank you, Mr. Speaker.

Last fall the Premier promised to introduce a first-time homebuyer program. This commitment was also in the minister's mandate letter, but raising HST makes it even more difficult for that first-time homebuyer.

I ask the Premier: Why did you put this commitment in the mandate letter when knowing that raising the HST would only make it more difficult of those first-time buyers?

MR. SPEAKER: The hon. the Premier.

SOME HON. MEMBERS: Hear, hear!

PREMIER DAVIS: Thank you, Mr. Speaker.

I can tell you that we are very proud to be working on a program, developing a program, to help first-time homebuyers because we know that many Newfoundlanders and Labradorians who pay high prices for rent and rental accommodations cannot afford sometimes to save the down payment necessary to purchase their first home.

We look forward to announcing a program in the not-to-distant future that we will make available to Newfoundlanders and Labradorians. Many of them are young Newfoundlanders and Labradorians looking to purchase their first home.

That is the kind of problems we try to solve over here on this side of the House, Mr. Speaker. We try to work with people. We try to work with partners. We try to work with business. We work with not-for-profits, Mr. Speaker, to make programs and services and opportunities better for the people of our Province.

SOME HON. MEMBERS: Hear, hear!

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

MR. BALL: Thank you, Mr. Speaker.

Well, the commitment the Premier mentioned should have been – if he is planning on doing something, I would anticipate that would have been in this year's Budget. Increasing HST will make it more difficult.

This time he cannot hide behind rising oil prices, because on December 8 when a mandate letter was written to the minister, on that day oil was trading at \$67. Today it is around \$69. So the Premier had to know the state of the Province's finances when he wrote that mandate letter.

I ask the Premier: Why did you break this commitment to the first-time homebuyers in Newfoundland and Labrador?

MR. SPEAKER: The hon. the Premier.

SOME HON. MEMBERS: Hear, hear!

PREMIER DAVIS: Thank you, Mr. Speaker.

As I said, we are committed to first-time homebuyers. We are committed to all Newfoundlanders and Labradorians because that is the responsibility that we have here. When we make decisions, we have to make balanced choices, and sometimes it is challenging to make those choices. Changing taxes and changing tax frames is a hard thing to do, Mr. Speaker. It is difficult for us, but we have challenges that we face. We know that.

We know members opposite said they are going to reverse the HST, Mr. Speaker. They are going to raise the debt, raise the deficit for a longer period of time. There will be a higher deficit for a longer period of time.

When the Member for Virginia Waters was on the record, Mr. Speaker, she has not yet decided what part of government she is going to eliminate to save money for the people of Newfoundland and Labrador. We know they have varying views over there, but we are dedicated to the people of the Province and we are dedicated to the public servants.

SOME HON. MEMBERS: Hear, hear!

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

MR. BALL: Thank you, Mr. Speaker.

I like the Premier's optimistic view of our Province, because he had two –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. BALL: What he said in this year's Budget, there were two ideas. One, let's increase taxes, let's increase fines, and let's borrow more. That

was the Premier's; he only had tunnel vision I say, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. BALL: Two ideas, that is all he had. I have more confidence in the people of Newfoundland and Labrador.

I ask the Premier, since he has already announced a new program, he says he is working on it: When? What year will that be? Is that second year, third year, or is that also five years out?

MR. SPEAKER: The hon. the Premier.

SOME HON. MEMBERS: Hear, hear!

PREMIER DAVIS: Mr. Speaker, I can tell you, we are working on this program and there is a lot of work done on it. The minister has been heavily engaged in it. We are looking forward to finalizing and announcing that in the not-too-distant future, as well as other announcements we are going to make that I am sure the members opposite will be in favour of.

Maybe the member opposite can clarify if he is in favour of supporting people who are trying to purchase their home. Maybe the member opposite can talk about if he is in favour of partnering with private business and not-for-profits in the delivery of programs and services because we know from yesterday that they are not in favour of that, Mr. Speaker. We do not know what they are going to do to clear up the backlogs in hallways and hospital emergency rooms. We know that they are going to eliminate public servants, Mr. Speaker.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

PREMIER DAVIS: It is hard to track down what they stand for but we are starting to figure it out. They are going to crash the economy of Newfoundland and Labrador. They are going to throw public servants on the streets and they are going to put backlogs in hospitals. That is what they are going to do.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Order, please!

The hon. the Leader of the Official Opposition.

MR. BALL: Thank you, Mr. Speaker.

I appreciate the Premier for his question, and I will answer that now. I have confidence in people in Newfoundland and Labrador. I have confidence in our front line workers, many of them who are working very hard in our hospitals, in our long-term care sites right now. I have confidence that they can do the job. That is the reason why we will stand by Newfoundlanders and Labradorians. I do believe in partnerships, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. BALL: We have confidence, but just borrowing and raising debt in our Province is not the only two options. Budget 2015 predicts that the population will shrink, unemployment will grow, real disposable income will decrease and retail sales will decline. That is the economy of this government, I say.

The Premier's Budget spoke about eight long-term principles, yet nothing concrete in these principles include diversifying our economy and creating new jobs in the Province.

I ask the Premier: Why is diversifying the economy and creating new jobs not part of your eight long-term principles?

MR. SPEAKER: The hon. the Premier.

SOME HON. MEMBERS: Hear, hear!

PREMIER DAVIS: Mr. Speaker, we have done great work in diversifying the economy. Just look at the new technologies and new businesses that operate in our Province, Mr. Speaker.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

PREMIER DAVIS: There are more business opportunities for young Newfoundlanders and Labradorians in technical skills. Those with skilled trades, there is more opportunity for them

in our Province today than there ever has been in the history of Newfoundland and Labrador.

SOME HON. MEMBERS: Hear, hear!

PREMIER DAVIS: Mr. Speaker, the member opposite, when he started his preamble, he said he is going to answer my question.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

PREMIER DAVIS: I never asked him a question today because sometimes it is hard to get a straight answer from the crowd opposite, Mr. Speaker. It is hard to get a straight answer from them.

He has already said he is going to drive the deficit up.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

PREMIER DAVIS: He said he is going to have a higher deficit for a longer period of time and we also know they are going to cut public service. So we are getting a good idea of what they actually stand for over there, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Order, please!

The hon. the Member for Virginia Waters.

MS C. BENNETT: Thank you, Mr. Speaker.

Mr. Speaker, this government has turned their back on the population reality, and they have for years. Despite \$25 billion in oil money and over \$600 million in labour market development money from the federal government, our Province is in the seventeenth straight month of year-over-year job losses.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MS C. BENNETT: People must have jobs to stay and live in Newfoundland and Labrador.

I ask the Premier: Why isn't your Budget focused on creating jobs and increasing our working population?

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Premier.

SOME HON. MEMBERS: Hear, hear!

PREMIER DAVIS: Thank you, Mr. Speaker.

The member opposite is quite aware that when you have economies and you have peaks and valleys in economies – and I remind the members opposite, back in 2008 when there was a downturn in the economy, not only in Newfoundland and Labrador but throughout Canada and the world, we were the fastest province to come out of that downturn in economy – the fastest province in the country.

SOME HON. MEMBERS: Hear, hear!

PREMIER DAVIS: We are facing a similar challenge today, Mr. Speaker. We have made choices to balance the circumstances that we face today, to lessen the impact on our economy, to lessen the impact on public servants, to lessen the impact on families, on our young people, on people who are working, and on our seniors in this Province. I can tell you, we are going to continue to do good work for all Newfoundlanders and Labradorians, no matter where they live, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Virginia Waters.

MS C. BENNETT: Mr. Speaker, maybe the Premier could stop looking back at the past and look at the future.

The Throne Speech indicated government will ensure a sustainable, dynamic, and diversified economy for generations, but in the last two years over 10,000 jobs disappeared from our Province and government is predicting another 12,000 job losses by 2018.

I ask the Premier: How can you possibly claim to be diversifying the economy when 22,000

jobs have disappeared in what government promised would be the most lucrative years in our history?

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Premier.

SOME HON. MEMBERS: Hear, hear!

PREMIER DAVIS: Mr. Speaker, Newfoundlanders and Labradorians, we are a very resourceful lot. I know people around the Province – we always pride ourselves on the efforts that we make for our own people and for the people in our communities throughout our Province. We have weathered some really difficult times.

Mr. Speaker, the member opposite said do not look at the past. Well, I think it is important for people to look at the past sometimes. Sometimes it is very important to look at the past because in order to look at the past, you have to find a better way to the future. If the member opposite is not willing to look at the past, how is she ever going to find a way forward, Mr. Speaker, and find out what is the best way forward?

She is on record as saying she is not sure what part of government she is going to eliminate. She is not talking about reducing jobs or attrition plans; she is talking about eliminating government. That is dangerous, Mr. Speaker, coming from the members opposite.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Virginia Waters.

MS C. BENNETT: Mr. Speaker, people will only be here, stay here, live here, and choose here if they have the right job for their skills and if they can make a living for their family; and to do that, we must have jobs.

Premier, I ask you again: Why are not addressing the numbers? They do not lie; 22,000 job losses define your results. So why are you not focused on creating jobs in Budget 2015?

SOME HON. MEMBERS: Hear, hear!

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

The hon. the Minister of Finance.

SOME HON. MEMBERS: Hear, hear!

MR. WISEMAN: Thank you.

Mr. Speaker, if we are going to attract people to Newfoundland and Labrador to take advantage of the opportunities that we have here well into the future, we have had a tremendous – and the member is talking about our history. If you think about the last ten years, look at the prosperity we have enjoyed during that period of time. We have confidence in our future, Mr. Speaker.

So, if we are going to make sure that we have the skills and the talent that we need to support that growth in our economy and to drive that economic activity, we are going to need to make strategic investments in a wide variety of sectors, in addition to economic diversification, social programs, transportation infrastructure, education infrastructure, all a part of a balanced approach like we have taken with this Budget, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. KIRBY: Mr. Speaker, we have confidence in this Province. We just do not have confidence in that minister's mathematics.

SOME HON. MEMBERS: Hear, hear!

MR. KIRBY: Mr. Speaker, this Province's Schools Act states that school districts must adopt a constitution no later than six months after the new board is appointed. Believe it or not, it has been over two years since government created the Newfoundland and Labrador English School District, and this requirement has not been met.

I ask the Minister of Education: How much longer do you plan to ignore the Schools Act?

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

SOME HON. MEMBERS: Hear, hear!

MR. GRANTER: Mr. Speaker, the Newfoundland and Labrador English School District have submitted a constitution to the government, to the minister. The minister has that in his possession. He will review that and have it under his consideration for a time for the elections in the future.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Order, please!

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

MR. KIRBY: Thank you, Mr. Speaker.

Basically, what he has just said is that the Minister of Education is in the process of deciding on a new constitution for the English School District with little or no input from the public.

I ask the minister: Will you now allow Newfoundlanders and Labradorians to have a bit of input on the new English School Board's constitution, including the proposed zones for the election of trustees?

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

SOME HON. MEMBERS: Hear, hear!

MR. GRANTER: Mr. Speaker, the Minister of Education, as I just said, is in possession of that constitution. He will consult with the school board, and a final date for the school board elections will be determined in consultation with the school board.

SOME HON. MEMBERS: Hear, hear!

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

MR. J. BENNETT: Mr. Speaker, in December of 2014 our leader introduced a private member's resolution calling for legislation mandating the deaths and critical incidents of children receiving government services be reported to the Child and Youth Advocate. All members, including the minister, voted for this resolution but still the government fails to follow the unanimous will of this House.

I ask the minister: When will he stop paying lip service to child protection in our Province and bring in this vital legislation?

MR. SPEAKER: The hon. the Minister of Child, Youth and Family Services.

SOME HON. MEMBERS: Hear, hear!

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

I have been very clear in this House on our thoughts on this side of the House, and certainly the Department of Child, Youth and Family Services has been very forthright with the Advocate. We have been providing those notifications of deaths.

With regard to critical incidents, I am happy to report to the House of Assembly that all departments, the ones that are involved in this, four other departments, including CYFS, have provided their input to the Advocate as to what a critical incident is in their department. We are waiting for feedback from the Advocate, and that is exactly how it should be done, with her input.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

MR. J. BENNETT: Mr. Speaker, the minister forgot the part about mandatory legislation.

Another recommendation of the Child and Youth Advocate, that this government fails to follow, is that every child be seen during every home visit made by CYFS workers. In a case in our courts now against a foster father for sexually assaulting a foster child for several

years, according to today's newspaper report, the abuse went unreported since the child was thirteen.

I ask the minister: Why won't he protect the most vulnerable, by following the Advocate's recommendation that every child be seen during every visit by CYFS workers?

MR. SPEAKER: The hon. the Minister of Child, Youth and Family Services.

SOME HON. MEMBERS: Hear, hear!

MR. S. COLLINS: Mr. Speaker, I have said on numerous occasions there are certain things in this House we can play politics with. Personally, I feel that CYFS is not one of those, but that is fine if the gentleman wants to go there.

I have said we have had a great collaborative working relationship with the Advocate. We have been back and forth on the two outstanding recommendations of the ninety-nine that have come forward from her.

MR. J. BENNETT: (Inaudible).

MR. S. COLLINS: If I could finish, please.

We have been very open to be able to deal with her. We have now sent forward our two takes on those recommendations and, hopefully, provided her with options. Hopefully, we can find some middle ground.

I have told him before, we are in the process of doing that. I cannot force her hand. I want to make sure whatever we arrive at, it is a decision that we are comfortable with at the department, but also, and more importantly, that the Advocate is comfortable with as well. I think we are going to arrive there very soon.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

MR. OSBORNE: Thank you, Mr. Speaker.

We have all heard the Minister of Transportation boast about how great the roads are in this Province. The people of Nipper's Harbour who protested are not convinced. Conche has roads full of craters. For years we have heard stories from Placentia and the Cape Shore about how bad their roads are. From Charlottetown to Port Hope Simpson there is no topping left to grade. The list goes on and on.

I ask the minister: Do you expect the people of Rose Blanche who canoed in one of their potholes two years ago and are still waiting to have it fixed, do you expect them to believe that the roads are in great shape?

MR. SPEAKER: The hon. the Minister of Transportation and Works.

SOME HON. MEMBERS: Hear, hear!

MR. BRAZIL: Thank you, Mr. Speaker.

We have 1,700 dedicated employees who work in my department, who everyday go out and want to ensure that our roads are safe. We spend hundreds of millions of dollars a year to ensure that our roads and our bridges are safe.

We do have, particularly at this time of the year when we are coming off our winter season, we are going into our spring season, a lot of our gravel roads are at their worst, but I can reassure you our crews are very diligently working. They are out on every road, including Conche road and in Nipper's Harbour, to ensure that people have safe roads. Every one of our roads are assessed.

We would like to be able to get to all of them immediately, but there is a process in place. We will have all of our equipment out there, all of our summer maintenance people, doing the work they need to do to ensure our roads are safe for the people of Newfoundland and Labrador.

SOME HON. MEMBERS: Hear, hear!

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

MR. OSBORNE: They need the materials to do that, I say.

Mr. Speaker, your government has been in power for twelve years in the wealthiest decade we have experienced. Every time you say how great the roads are, we get calls from people who disagree. The people of Port aux Basques and Burgeo are not convinced, nor the people from Bristol's Hope, Connors Valley, Freshwater or Riverhead – calls from all of those areas – the people from Cow Head, Rocky Harbour, New World Island, or Hampton.

I ask the minister: Do you expect the people of York Harbour and Lark Harbour who have been waiting two years to have the road to their towns repaired from storm damage, do you expect them to believe that you are still doing a good job?

MR. SPEAKER: The hon. the Minister of Transportation and Works.

SOME HON. MEMBERS: Hear, hear!

MR. BRAZIL: Thank you, Mr. Speaker.

This Administration, in the last decade, has spent billions of dollars in road improvements and in ensuring safety for people here. Mr. Speaker, this year's, Budget 2015-2016, has no decrease in our road investment.

SOME HON. MEMBERS: Hear, hear!

MR. BRAZIL: We want to ensure we get the best return on our investment. We also have our 1,700 dedicated staff who will be out there to ensure that the roads get repaired as quickly as possible – 600 pieces of equipment that will be out there. Unfortunately, some roads will take a little bit longer to get to. Sometimes somebody is at the beginning of that maintenance, some are in the middle, and some are at the end.

All of our roads will be brought to a point where they are safe for people to travel on. We do ask for their patience, we do understand, and we sympathize with the situation. Our staff are out there to ensure the same roads that they travel on are safe for them, their children, and their grandparents.

MR. SPEAKER: The hon. Member for Carbonear – Harbour Grace.

MR. SLADE: Thank you, Mr. Speaker.

Mr. Speaker, severe ice conditions are again delaying the start of fishing season in some areas of the Province, including the West Coast, Northeast, and Labrador. I understand no directive has been issued to Service Canada regarding EI extension or other benefits for harvesters and plant workers, despite a written request from our Province.

I ask the minister: Has he or the Premier spoke to the federal minister to ensure our harvesters and plant workers are financially supported until they get back on the water?

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

SOME HON. MEMBERS: Hear, hear!

MR. GRANTER: Mr. Speaker, in a conversation I had with the federal Minister of Fisheries a while back, I raised the issue of the severe ice conditions that are on the Coast of Newfoundland this particular year, as it has been and as we have seen in previous years.

I have raised the issue with the federal minister. I also sent letters to the minister responsible for employment for the federal government, requesting that a program be put in place. I have directed officials again this morning, since we did not get a response from the federal minister, that we send another letter off this afternoon.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Carbonear – Harbour Grace.

MR. SLADE: Thank you, Mr. Speaker.

Mr. Speaker, workers at the Fortune plant have publicly stated that OCI is not living up to agreements signed with the government in December 2012. Over a month ago the minister agreed to table information on whether OCI has met or is meeting its obligations under this agreement.

I ask the minister: When can we expect he will keep his word and table these documents?

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

SOME HON. MEMBERS: Hear, hear!

MR. GRANTER: I am quite pleased, Mr. Speaker, to table those documents this afternoon here in the House.

SOME HON. MEMBERS: Hear, hear!

MR. GRANTER: Mr. Speaker, the situation in Fortune, with OCI, the harvesters and the company down there, since I have become the Minister of Fisheries and Aquaculture I have met with the workers – sorry, I met with union representatives just a couple of weeks ago. I met this week with OCI officials.

It is a concern for all of us. OCI tells me that they have two ships at sea right now and once there is enough fish on board they will be processing in the Fortune plant. It looks like they will be starting to process fish in the Fortune plant late May, early June.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for St. George's – Stephenville East.

MR. REID: Thank you, Mr. Speaker.

The Marine Institute's SERT Centre on the West Coast provides specialized safety and emergency response training for industry, aircraft rescue, firefighting, and the fishery.

I ask the Minister of Advanced Education and Skills: Can he assure the people of the Province that the centre will not be negatively impacted by the cuts in funding announced in this year's Budget?

MR. SPEAKER: The hon. the Minister of Advanced Education and Skills.

SOME HON. MEMBERS: Hear, hear!

MR. JACKMAN: Mr. Speaker, the College of the North Atlantic is a wonderful institution, a recognized institution across the country. Right now the College of the North Atlantic is taking a look at their entire operations. It is too early to say yet where that will lead us, but it is very important the College of the North Atlantic continue to look at the programs that they have in place, their operations, and they will bring forward suggestions and then we will take a look at what they bring forward.

SOME HON. MEMBERS: Hear, hear!

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

The hon. the Member for St. George's – Stephenville East.

MR. REID: Mr. Speaker, it is a little disheartening when the minister does not even realize that the centre is with the Marine Institute, not with the College of the North Atlantic.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. REID: It is under Memorial University which was cut in this Budget, Mr. Speaker.

The cost of training for firefighting for small volunteer fire departments is a big issue with the government. I ask the Minister of Advanced Education and Skills: Will he work with the minister responsible for emergency services to see if they can explore partnerships that can be worked out to help this centre survive, Mr. Speaker?

MR. SPEAKER: The hon. the Minister of Advanced Education and Skills.

SOME HON. MEMBERS: Hear, hear!

MR. JACKMAN: Yes, Mr. Speaker, my apologies; I do know it is with the Marine Institute.

Mr. Speaker, we are, as a government and as are institutions, always willing to look across

departments and see how we can improve upon efficiencies to programs. We will do no different in this particular case.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Cartwright – L'Anse au Clair.

MS DEMPSTER: Thank you.

Mr. Speaker, the Transportation Minister has admitted that the high cost of the proposals for the Labrador marine service contract was a major factor in cancelling the RFP. Yet, he is prepared to develop a new RFP that will meet the needs of the people.

I ask the minister: Since cost was a major concern in the cancelled RFP, what will you eliminate in the new RFP to make it more affordable?

MR. SPEAKER: The hon. the Minister of Transportation and Works.

SOME HON. MEMBERS: Hear, hear!

MR. BRAZIL: Thank you, Mr. Speaker.

What I will be doing, and what my department will be doing, is engaging the people of Labrador. Outlining exactly where we are from an operational point of view. Engaging them to say what is the service they would like. What would be a service that would provide what they need? What would be sustainable and affordable? Those are the realities that we are going to discuss here.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. BRAZIL: We are going to do that by engaging them, developing a partnership, using the expertise that we have in our department and using the experiences of the users. The proponents will also be engaged. We have stakeholder hearings being done. I have reassessed and will be re-establishing the transportation committee for Labrador. Through that process, Mr. Speaker, we will find a partnership that is affordable and obtainable for

the people of this Province. We will go to market this fall to ensure that the people of Labrador get the proper transportation link.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Signal Hill – Quidi Vidi.

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

Last year the Department of Transportation and Works paid Partnerships BC \$35,000 to assess the development of public private partnership capacity within the department.

I ask the Premier: How many other departments are getting this assessment for P3s?

MR. SPEAKER: The hon. the Minister of Transportation and Works.

SOME HON. MEMBERS: Hear, hear!

MR. BRAZIL: Mr. Speaker, presently there is one contract that we have engaged in with Partnerships BC through the PC process, and that was to get a better understanding and advice and an open concept here of exactly the asset; another one of the tools we would have to deliver infrastructure in this Province, Mr. Speaker, to ensure we get the best return on the taxpayers' investment. What we have developed is a partnership with an entity here that has national and international accreditation for partnerships in the private public sector, Mr. Speaker. It is a great value for \$35,000 investment.

My staff in TW are now getting oriented and very knowledgeable about the PC process, and I want to clarify at the end of the day –

AN HON. MEMBER: P3.

MR. BRAZIL: P3; sorry, Mr. Speaker, P3.

SOME HON. MEMBERS: Hear, hear!

MR. BRAZIL: As another asset that we have in developing infrastructure in this Province.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Order, please!

The hon. the Member for Signal Hill – Quidi Vidi.

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

My question was to the Premier about government, so I want to know: Are other departments having this done? If so, how much is it costing? I am asking that of the Premier, not of one individual minister.

MR. SPEAKER: The hon. the Minister of Transportation and Works.

SOME HON. MEMBERS: Hear, hear!

MR. BRAZIL: Mr. Speaker, I would have hoped that the Leader of the Third Party would be supporting a partnership between the public, private, and not-for-profit sectors to ensure that we better service the people by finding a better way to deliver services to the people of this Province.

We are assessing right through this process what is another one of the key assets that we could have to deliver services to the people here. If it is with the not-for-profit sector and developing a partnership, if it is with the private sector, if it is with developing a collaborative approach on all three there.

We want to ensure that the return on our investments meets the needs of the people here. It is a simple process, another tool for us to be able to deliver services to the people in this Province.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. MURPHY: Well, Mr. Speaker, he has the PC part right.

The Ontario Auditor General recently released a very disturbing report noting that public safety was seriously jeopardized by P3 contracts for highway maintenance.

So I ask the Premier: Is he unaware of this shocking report on the dangers of P3 and highway maintenance? Perhaps the minister can get up again and tell us.

MR. SPEAKER: The hon. the Minister of Transportation and Works.

SOME HON. MEMBERS: Hear, hear!

MR. BRAZIL: Thank you, Mr. Speaker.

That does not apply to this Administration, Mr. Speaker. We have, as I mentioned earlier, 1,700 very capable staff who ensure that our roads are safe at any given time.

SOME HON. MEMBERS: Hear, hear!

MR. BRAZIL: We also work with contractors to ensure when there are valued times that we do not have enough equipment in a certain area, or there is an extreme weather condition, we bring in people out there who are very qualified. These are the same people who build our buildings here, clear other parts of the roads here, do other parts of our infrastructure. So, what we have are 1,700 diligent, capable individuals, and we do partner with contractors out there who sustain the employment in this Province.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. MURPHY: Well, Mr. Speaker, I am not the one who said that everything was on the table.

Mr. Speaker: Is the Premier aware that the Ontario Provincial Police reported highways were left covered in ice and snow for days at a time, in the same AG report, that contractors often ignored the request for sand and salt

resulting in many collisions, deaths, and injuries?

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

The hon. the Minister of Transportation and Works.

SOME HON. MEMBERS: Hear, hear!

MR. BRAZIL: Thank you, Mr. Speaker.

I cannot speak for what goes on in Ontario. I can speak for what goes on in Newfoundland and Labrador.

SOME HON. MEMBERS: Hear, hear!

MR. BRAZIL: I do know, Mr. Speaker, that our roads are made safe because of the staff we have here, because of the partnerships that we develop with private contractors. These are the same people who travel, their kids travel to hockey and figure skating. They are the same people that their school buses travel on. They keep them safe for the people in this Province.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for St. John's East has time for a quick question.

MR. MURPHY: Mr. Speaker, I ask the Premier: Has this government received any unsolicited proposals for road repair or maintenance by an outside agency of any kind?

MR. SPEAKER: The hon. the Minister of Transportation and Works has time for a quick reply.

SOME HON. MEMBERS: Hear, hear!

MR. BRAZIL: Mr. Speaker, not to my knowledge. That is not necessary right now because we have very diligent staff to do that, but we always look at the most efficient ways to ensure safety on our highways.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Order, please!

The time for Question Period has expired.

Presenting Reports by Standing and Select Committees.

Tabling of Documents.

Tabling of Documents

MR. SPEAKER: The hon. the Minister of Finance and President Board.

MR. WISEMAN: Thank you, Mr. Speaker.

Pursuant to section 26(5)(a) of the Financial Administration Act, I am tabling one Order-in-Council relating to funding pre-commitments for the 2016-2017 through to the 2017-2018 fiscal years.

MR. SPEAKER: Further tabling of documents?

The hon. the Minister of Fisheries and Aquaculture.

MR. GRANTER: Mr. Speaker, in response to a question from the Member for Carbonear – Harbour Grace, I table this document.

MR. SPEAKER: Further tabling of documents?

The hon. the Government House Leader.

MR. KING: Thank you, Mr. Speaker.

I am pleased today to table a report. Some time ago my critic in the Opposition asked about tabling a list of companies and individuals who had secured loans and financing from the provincial government. They requested a calculation of the numbers of loans, the dollar amounts, and that which have been written off by the Business Investment Corporation. I am pleased today to table that document in its entirety here for the Clerk.

MR. SPEAKER: Further tabling of documents?

I hereby table the report of the Auditor General entitled, 2014 Update on Prior Years' Report Recommendations.

Notices of Motion.

Answers to Question for Which Notice has been Given.

Petitions.

Petitions

MR. SPEAKER: The hon. the Member for St. George's – Stephenville East.

MR. REID: Thank you, Mr. Speaker.

I have a petition related to health care in the St. George's area and the Bay St. George area in general.

The petition reads: To the hon. House of Assembly in the Province of Newfoundland and Labrador in Parliament assembled, the petition of the undersigned humbly sheweth:

WHEREAS there is not a permanent doctor in the Town of St. George's; and

WHEREAS this absence of a permanent doctor is seriously compromising the health care of people in the town and surrounding areas causing them undue hardship; and

WHEREAS the absence of a doctor or nurse practitioner in the area leaves seniors and others without a consistency and quality of care, which is necessary for their continued good health;

WHEREUPON the undersigned, your petitioners, humbly pray –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

I ask members for their co-operation.

MR. REID: – and call upon the House of Assembly to urge the Government of Newfoundland and Labrador to take action which will result in a permanent doctor or other arrangements to improve health care service in St. George's and surrounding area.

Mr. Speaker, this is a continuing petition. I presented similar petitions a number of times. In

this case, it is from the people in St. George's. It is signed by a number of people in St. George's.

The situation in St. George's is that they are a fairly big town and they do not have a doctor. In the recent past they have had as many as two doctors in the community, but more recently they have had one doctor in the community. Now, for the last six months, they have not had a doctor in their community.

It is causing a lot of problems. People are not getting their tests back in a timely manner. People are having trouble getting in to see a doctor. People with small children have called me and said they are unable to get in to see a doctor when they need to. People have called me about their elderly parents to tell me that they have not been able to get appointments for them in their community. They have had to travel long distances in bad weather just to get to see a doctor, just to get a prescription refilled, just to get some tests done, Mr. Speaker.

So, it is a serious problem. To call it a crisis is not a stretch, Mr. Speaker. I think it is a reasonable thing to call it a crisis. I think this situation has gone on long enough in both Jeffrey's – the clinic in Jeffrey's has not had a doctor for approximately a year-and-a-half now. It is causing a lot of problems, causing serious problems.

I need to emphasize that these are not new positions that I am asking for. These are positions that have been budgeted in last year's Budget, in this year's Budget. The positions just have not been filled. It is a persistent problem that arises in these areas that I think government, whoever is in government, has to look at solutions to these types of problems. If people do not have access to primary care, then it is a serious problem for them and it is a serious problem for the Province.

Thank you very much.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Order, please!

The hon. the Member for St. John's East has about forty-five seconds to present his petition.

MR. MURPHY: Thank you, Mr. Speaker.

Of course, other times I have stood on my feet talking about this petition:

WHEREAS Tordon 101 contains the chemicals 2,4-D and Picloram; and

WHEREAS the chemical Picloram is a known cancer-causing carcinogen – it goes on, Mr. Speaker.

As in duty bound, your petitioners will ever pray.

Mr. Speaker, at Estimates last night, just to make this pretty quick, we heard that government is no longer using Tordon 101 along the sides of our highways. I think the minister confirmed that. They are using a less dangerous chemical now called Garlon. We still have concerns about the mixture of Tordon 101 and Sylgard on the right-of-way to Muskrat Falls.

We will still keep pursuing this issue, but right now we consider this to be a partial victory on the part of the people looking after their health.

Thank you very much.

MR. SPEAKER: Order, please!

Orders of the Day

Private Members' Day

MR. SPEAKER: It now being 3:00 p.m., Private Members' Day, I go to the Member for Humber Valley to begin debate on his private member's motion.

SOME HON. MEMBERS: Hear, hear!

MR. BALL: Thank you, Mr. Speaker.

It is a pleasure for me today to stand in this House and speak to the motion: BE IT RESOLVED the House of Assembly urge government to cancel the intended increase to the HST. That is seconded by the Member for Virginia Waters. I look forward to the debate today from government members, as well as those on this side of the House, the Official Opposition.

The reason why we are actually urging for government to cancel this intended increase in HST – the increase in HST was in last week's Budget. As regular procedure in the House of Assembly, the Budget debate is occurring within the House of Assembly. So what we are asking now is that this House reverse this intended increase in HST.

The reason for this, of course, we feel it will have a dramatic, negative impact on Newfoundlanders and Labradorians. It will take discretionary spending out of the pockets of Newfoundlanders and Labradorians; therefore, the unintended purpose here would be that it would hurt the economy.

Mr. Speaker, first of all, a little bit of history about HST, indeed what it is. HST is the Harmonized Sales Tax. It is a combination of the Goods and Services Tax, the GST, and the provincial portion which is the PST. Back in the late 1990s, in 1996 and 1997, there was a discussion that included three of the four Atlantic Provinces, that being New Brunswick, Nova Scotia, and Newfoundland and Labrador, where they put in place a blended tax rate. That became known as the HST.

This is collected usually at point of sales as people in Newfoundland and Labrador, in this case, make purchases in many of the retail outlets or for service providers in the Province. It is a consumer tax. When you purchase something, it is a consumption tax.

Any time you take money from the pockets of the consumer, what it does is it leaves less money there, obviously. Therefore, it reduces the amount that they have the ability to spend.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. BALL: Mr. Speaker, when you look at the economy in Newfoundland and Labrador, we know that all the economic indicators are going in the wrong direction. This is something we have been speaking about now for quite some time; but when you have a negative impact on the economy, when you take money out of the economy, there is also a multiplier effect.

What happens if you take a dollar, a loonie, out of the system, we know that comes with extra negative impacts on the economy. Sometimes that multiplier effect could be 20 per cent, sometimes 30 per cent, but what we do know is that there is a cost to the economy.

So when you look at Newfoundland and Labrador economy right now we know, as I said, that the GDP, the economy of Newfoundland and Labrador, is already shrinking. So to put another negative indicator, increase the HST in our Province right now, we believe will have a harmful impact on the economy in Newfoundland and Labrador.

Currently, we are at 8 per cent. It is a 13 per cent total; HST is 13 per cent; 5 per cent of that is GST, the federal portion; 8 per cent of the 13 per cent makes up the Provincial Sales Tax. As I said, this is collected at the point of service.

What this government is proposing is that in January 2016 this rate would not be at 13 per cent anymore; indeed what it would do is go to 15 per cent. Where does 15 per cent stack up in Canada right now? Well in fact, Mr. Speaker, 15 per cent in January 2016 would make Newfoundland and Labrador the highest HST in the country, not just in Atlantic Canada but in the country.

There are five provinces right now that use the HST for the collection of taxes. This tax is submitted to the federal government and then, of course, the provincial portion is reversed back to the Province. Right now, that would put us at the highest rate. Nova Scotia is currently at 15 per cent; New Brunswick, at 14 per cent; and PEI has now adopted the HST as well – New Brunswick is at 13 per cent, I say, Mr. Speaker, but we know that this would put us at the highest rate right now in the country.

That is important because when people make a decision where they want to live – in Newfoundland and Labrador, we have lots to offer people, not people just to come and visit, even though we feel that this would have a negative impact on the tourism industry in Newfoundland and Labrador as well because obviously it is a little harder for people who are travelling into the Province and now add that extra cost to the tourists who want to visit

Newfoundland and Labrador, we see that having a negative impact as well.

Here we go, what this tax does is it takes money out of the pockets, it reduces the discretionary spending – or discretionary spending being the money that people have already paid taxes on, so this is another tax. You have already paid your income tax and you have already paid your share of the EI premiums and so on so, so the discretionary spending, or what most people refer to as the money, is what they clear from their pay checks. After the taxes are paid this is the money that we have available to us to pay for the things that we need, the basic things that we need for day-to-day living in the Province. This increase in HST reduces the spending power of Newfoundlanders and Labradorians.

Mr. Speaker, there are a lot of people who have spoken out about the HST since this was announced by the Minister of Finance and, of course the Premier, Premier Davis, back last Thursday. What we have here is a Budget already with a series of negative economic indicators, I say, Mr. Speaker. We now added this extra cost, taking more money out of the economy.

The position of increasing the HST, as an example, the Retail Council of Canada has spoken out about this. They have issued a release saying that they see this as having a negative impact. These are people who are directly involved with retailers in the country and they see this and say that this will have a negative impact on Newfoundland and Labrador.

I say, Mr. Speaker, a lot of members opposite would say this has to do with the falling price of oil, but keep in mind that this is a government that was projecting over half a billion dollar deficit before oil was dropping.

SOME HON. MEMBERS: Hear, hear!

MR. BALL: Now, in this year's deficit it was \$1.1 billion, so we cannot blame this strictly on the falling price of oil. We cannot blame this strictly on currency, Mr. Speaker. We cannot blame this strictly on the amount of oil that is being produced. This is just simply about a government that has not planned for where we

are today; this is simply about a government that has not managed for the situation that we are into today.

Mr. Speaker, there are other people out there, other groups, other community groups that are speaking out about this increase in HST, not only the Retail Council of Canada but we have had car dealers all across this Province. They see this increase in HST saying that this will have a negative impact on new car sales, on used car sales in this Province, I say, Mr. Speaker – a negative impact. We all know that these are key economic indicators that we see in our Province.

Mr. Speaker, also we have had home construction. We have had people in the news speaking out this week on the impact that they see on new home construction, making it more difficult. I spoke about this today in Question Period when I questioned the Premier about how difficult this would be, this increase in HST would be in helping our young families in our Province get into that first home.

The Premier came back and said: Well, we are working on a solution for that. Quite frankly, the solutions on those sorts of things should have been in this year's Budget if indeed they are working on that. People have a right to know, people deserve to know what those options are, but it is not in this year's Budget. So I would expect and predict that this is another one of those promises, another one of those commitments they were making that will be four years out, five years out. Who knows how far it is out, but what we know today is that the increase in HST will have a negative impact on home construction in our Province.

Another group that spoke out this week will be about the underground economy, I say, Mr. Speaker. We all know there is only so much money that people have to spend. So anytime you increase prices, what happens is people will look for other options where they can actually save that money.

The underground economy has been in the media a bit, too, this week. We know reports are saying it is about \$180 million. This increase in HST will even make that grow because people only have so much money to spend. What happens there is anytime you start driving the

economy further underground then you expose the purchasers. You expose the people of our Province to, sometimes poor workmanship, warranty issues, liability issues, about people who are doing the work on their property, Mr. Speaker.

We have had the St. John's Board of Trade, the Corner Brook Board of Trade, we have had many municipalities in our Province speak out about this. Of course, this is Municipal Awareness Day. On one hand, what we saw last Wednesday was an announcement about a partnership with municipalities and then on the very next day we saw the increase in the HST. That would take a significant portion of the announcement that they saw on Wednesday taken back.

Mr. Speaker, a few days ago we had the Minister of Finance kind of accuse me of making a comment about – I referred to some Budget documents about the economy in Japan. Now Japan is the fourth largest economy in the world. What we see, Mr. Speaker, is that when the Budget comes out, when the minister and government announces its Budget, it puts out a series of documents, a lot of information in those documents.

One of the pages, it is the book on The Economy 2015. What it does is it gives an overview on some of the global economies, and we had mentioned about Japan. I had mentioned this in some media reports. It is the fourth largest economy in the world. It has some of the same – when you look at the demographics in Japan, the population is aging and a weak private sector growth. This is coming from the Budget documents from this government.

This is what was interesting, I say, Mr. Speaker. “In April 2014, Japan raised its sales tax from 5% to 8% in an effort to reduce its deficit; however, private consumption fell dramatically as a result.”

Now, Mr. Speaker, that is not members of the Official Opposition; that is not me, as the Official Opposition. These are this government's own Budget documents.

What happened in Japan? In April 2014, it went from 5 per cent to 8 per cent. What they said

happened is that consumption fell dramatically. Why would we expect it to be any different when you make tax increases in a Province like Newfoundland and Labrador? We would expect no different because that is what happens. When you increase sales tax, you reduce the purchasing power. That is what happens. Consumption falls, therefore it further hurts the economy.

Now, I have not mentioned in my speaking notes yet about the indicators that we see in our own Province, Mr. Speaker, and they are many. We know the GDP for the next five years will continue to fall. We know that household income will be flat. We know that disposable income in our Province right now, essentially, will be flat.

We also know the cost of living, the consumer price index in our Province, will continue to rise, which also impacts discretionary spending. The amount of money that people have in their pockets to actually spend, that will go up. The consumer price index will continue to go up. We are going to see housing starts in our Province continually fall over the next five years. Our labour force, that continues to fall.

Mr. Speaker, there is no doubt, if you want to have a strong economy people must have the ability, they must have purchasing power. When we take money away, one thing for sure that will happen is that consumer confidence will also fall. That is a huge impact on any economy. Consumers must feel empowered. They must feel they have confidence in the place where they live. Taking money away by increasing HST will reduce consumer confidence, I say, Mr. Speaker. That will have a negative impact on Newfoundland and Labrador.

Mr. Speaker, the two solutions we seen today from this government: one is to increase borrowing, to increase taxation, to increase fees for the things that people use in our Province. We see this as having a negative impact on our Province. That is the reason why we are actually urging this government to reverse this decision to increase HST in our Province.

Mr. Speaker, I will get another opportunity to speak in a few minutes.

Thank you very much for this opportunity.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Minister of Finance and President of Treasury Board.

SOME HON. MEMBERS: Hear, hear!

MR. WISEMAN: Thank you, Mr. Speaker.

I said last week on Budget Day that this was a Budget about choices, this was a Budget about balance and having to make some choices to ensure that we have a stable and predictable future. One of the things when you start talking about making choices and balance, there are only a couple of options to deal with the circumstance that we find ourselves in now.

We have had a significant drop in revenue from our oil royalties, and that is something we have no control over. So we just need to manage our way through it until we see a rebound, and we believe that rebound is coming. We believe our economy will turn around and we will start seeing some measurable growth in late 2018 into 2019, but how do we get ourselves from where we are today, over the course of that five-year period and out to 2021 when we return to surplus.

There are a couple of things we need to consider, Mr. Speaker. The member opposite identified a couple of things that you could do. You could borrow money. You could increase revenue through taxation or increase fees, or you could run huge deficits – much larger than we are proposing. So we have a balance here. We are proposing a balance that will see us run a deficit – yes, much larger than we have experienced in the past – and we are going to be borrowing dollars that are higher than amounts we have borrowed in the past, and we are going to be increasing some of our revenue stream, while at the same time taking a very strategic approach in reducing our expenditures.

Let's look at the issue at hand here today, which is the HST that the member opposite is suggesting that we should eliminate. Last week when he was talking about eliminating the HST he was talking about – here is what you have to understand he said. That he was prepared to run

a larger deficit and borrow more money so not to have to increase the HST to come up with the other couple of hundred million dollars that this will generate. I say, Mr. Speaker, you cannot stand in the House today and talk about how borrowing is problematic and at the same time last week say that he would borrow and run larger deficits to offset any revenue loss as a result of the HST.

Mr. Speaker, if you think about options again, if you want to generate revenue and you say, okay, well HST is an option. Let's say you went with his theory and said: let's not increase HST at all. Let's look someplace else where we can find an equivalent. Let's reduce our expenditures.

Let's look at what that might mean, Mr. Speaker. As a government, we might turn around and say tomorrow that we are going to reduce our expenditures on infrastructure. We are going to pull a couple hundred million dollars a year out of our infrastructure plan so as to come up with an offsetting dollar amount, or we could say that we are going to, as the Member for Virginia Waters would do, run out and cut massive people from the public service. We might do that as well as an option, if we listen to the Member for Virginia Waters.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. WISEMAN: Let's look at what those options mean. What the Leader of the Opposition is concerned about is the impact on our economy. We measure our economy, Mr. Speaker, through a measurement called the Gross Domestic Product. We look at what is the size of our economy.

When you consider for a moment – and you can ask any economist to validate this calculation – if you took a \$200 million revenue stream from HST, or you took a reduction in compensation cost that government has, or you took a reduction in our infrastructure spending, or if you cut your expenditures in your supply chain, we would pull back a couple of hundred million of goods and services that we buy from companies in this Province.

Take either one of those four options – three of them, pulling money back, reducing expenditures in one of three categories, or the fourth option to increase HST by 2 per cent. Guess what, Mr. Speaker? Do that calculation, have an economist do it for you, and what they will tell you is that the HST increase of 2 per cent has the least amount of impact on your economy.

Mr. Speaker, no one stood in this House – I did not stand here last week and I am not standing here today telling you that the choices we make do not have consequences. Every single decision that we make in this House has an impact, has a consequence. That is what governance is about. Governance is about making decisions. Sometimes they are tough decisions, but they are about making choices.

We had a choice. We needed to have a \$200 million dollar amount in our bottom line, and we had a couple of options. We chose the one that had the least impact on our economy. No one said it is not going to have some. I did not say that; I would never say it. What we chose, though, was to choose an option that would have the least amount of impact.

When we started talking about impact – I am glad the member opposite gave us a bit of a history lesson when he talked about how it evolved, what we were one time because it was not all that long ago – for those of us who are old enough to remember – we were paying close to 20 per cent, when you tacked on what the federal government were charging and layer on what the Province was charging back in the early 1990s. If you fast forward of those times starting in 1991 and the change in 1997, the reductions that occurred in 2006 and in 2008, when those things happened, look at what impact it had on the economy.

Because in 2006 when the federal government said we are going to take 1 per cent off our GST, we did not see a massive growth in our economy at that time. So, when the tax came off, we did not see a huge spike in consumer spending. We did not see a huge growth in our economy, nor in 2008 when the federal government again pulled off another percentage. That is what got us to where we are now. We were at 15 per cent one time. It was only back in 2006 when the

federal government reduced their GST portion by a per cent, and again in 2008 when they reduced it by another 1 per cent. Prior to that, we were paying 15 per cent.

Neither one of those changes, either in 2006 or 2008, we did not see massive amounts of money flowing into the economy as a result of that. Yes, I will acknowledge that when you go back and look at the economic indicators during that period we were experiencing some economic growth during that time. One of the contributing factors may have been the HST; however, we did not see a huge spike in economic activity driven by that reduction, nor do we expect this time, Mr. Speaker, as a result of introducing the 2 per cent, to see a massive decline in economic activity as a result of it.

I just want to go back to something I said a moment ago. In looking at the options we had available, having a 2 per cent increase was the one that had the least economic impact, the one that had the least impact on the economy, the one that had the least impact on the amount of money in circulation in the economy, Mr. Speaker.

So, fundamentally, when we start giving consideration to what HST is – and I am glad the member opposite again raised this notion about how competitive we are. I want to quote him exactly, but I am paraphrasing now. I believe he said when people look at where they want to live and do they want to live here, this is going to be a disincentive. I say, Mr. Speaker, if taxation becomes one of the issues that people consider when they decide to move to Newfoundland and Labrador or if they decide to leave Newfoundland and Labrador – consumption tax becomes one part of that. Yes, I acknowledge, but the other thing, their income tax becomes a part of that as well. This Budget still puts us in a position where we have the lowest income tax in Atlantic Canada.

Mr. Speaker, the other thing that people give consideration to is a marginal tax rate. So if you are going to leave Newfoundland and Labrador and go to a more favourable tax regime, on a marginal tax basis, the only two provinces that you can go to get better than what you are going to get in Newfoundland is in Alberta and Saskatchewan. So it limits your choice.

AN HON. MEMBER: That will not last very long.

MR. WISEMAN: I am not sure what is going to happen in Alberta after yesterday, either, Mr. Speaker. That could change tomorrow.

Fundamentally today, if that is what is going to drive people out of Newfoundland and Labrador is the amount of tax that they are paying, in Atlantic Canada, there is nowhere else to go when it comes to income tax. If you are looking at nation, on a marginal tax basis, there is only two other places you can go. The HST, Mr. Speaker, now is the only one that is left over. They are not going to Nova Scotia because they are the same as what we are proposing and if you look at the other provinces around the country we are only off by a couple per cent.

Just think about it, Mr. Speaker, let's say you are making \$70,000 or \$80,000 a year and you are going to leave Newfoundland and Labrador because HST is 2 per cent greater than it might be in Ontario – when, in fact, if you look at your income and what you might spend on HST, it probably only represents 3 per cent or 4 per cent of your income anyway.

If you consider for a moment the other aspect of this huge issue for us in terms of consumer spending, those individuals on the higher end of the salary scale, they are paying a much smaller percentage of their income towards HST in any event. What we have done, which is the other critical part of this discussion, we have made a huge investment here as well into those individuals on the lower income spectrum. We have made a change, Mr. Speaker.

Prior to the Budget last week, those individuals who had a \$15,000 a year income threshold had an ability to apply for a credit. So with the filing of their income tax return, they would be eligible for a credit. That credit was only \$40. We have done a couple of things – and in the course of processing those claims, there was roughly 58,000 Newfoundlanders and Labradorians who were eligible for that credit.

What we have done, Mr. Speaker, because we acknowledge as we have done with our low-income tax credit, as we have done with our home heat rebate program, as we have done with

our home repair program and the list goes on, we have put in place programs to ensure that we protect those individuals who are at the lower income levels.

Again, we did it here. We said if we are going to increase the HST by 2 per cent, we know that will have a greater impact on someone who is making \$20,000 or \$25,000 or \$30,000 a year than it would have on someone who is making \$150,000 or \$200,000 a year. What we have done is we have taken that \$15,000 a year threshold and we have increased it to \$30,000 – \$30,000 a year now is the new income threshold.

In addition to that, Mr. Speaker, we said that \$40 will not cut it. That \$40 will not keep those individuals in the same position they would have been in prior to the 2 per cent, so we increased that \$40 to \$300, recognizing that sometimes there are families involved. So, there might be an individual who is the principal wage earner, might be filing a tax return and there may be another partner with them and we have now added a \$60 credit to that second adult in that family.

Mr. Speaker, what we have done here is taken a balanced approach. We have considered a couple of things: one, what would have been the options? How else could we have made decisions to get us an equivalent dollar amount? As I said, we could have cut salaries, we could have cut services, we could have cut expenditures, and we could have cut our infrastructure program. All of those would have had a more negative impact than the HST increase of 2 per cent. That was one choice.

The second thing we had to consider, Mr. Speaker, is what impact will this have on low-income people? We acknowledge that it was going to have an impact on low-income people, but we can fix it. We can fix it by creating a credit, increasing the credit we already had in place and by increasing eligibility. So, instead of having 58,000 Newfoundlanders and Labradorians eligible to apply for it, we now have 126,000, I think it is. Just a little over 126,000 people will become eligible for that credit.

Mr. Speaker, as I go back to my opening comment – and my time is running out – this

decision, like other decisions in this Budget, this was about choices that we had to make. What choices and what options did we have? This was about a balance, and how might we take a balanced approach to make sure we hit the targets that we have established for ourselves.

We could have said we are going to borrow more money. We could have done that. Like the Leader of the Opposition said, he would borrow more money. You have to keep in mind, Mr. Speaker, what you borrow you have to pay back. When you are borrowing money you have to be very sensitive to the people who lend it to you and what kind of considerations they may want to have. Obviously, they are concerned when governments start to borrow. They have to recognize that there has to be outer limits because it affects your rating, it affects your ability to service that debt.

So, we said we do not want our debt servicing to go beyond 13 per cent. We are not prepared to borrow enough to get a debt servicing cost beyond that point. We said there is a cap on what we are prepared to borrow. Every time something comes to this House and we table a document such as this, our Budget, and say we want to increase HST for these reasons, and here are the choices and here is the balance, and all of a sudden you get a public outcry. You cannot run into this House and say well, that is not very popular. We have an election coming, so we are going to change all of that. That is not what this is about, Mr. Speaker. When this government had opportunities to reduce taxes and fees we did.

If you look at it today, Mr. Speaker, we have about \$620 million-odd a year that we are not getting in taxes and fees today that we were back in 2005. When we were in a position to do so, we reduced taxes and we reduced fees. When we get in a position where we have the fiscal capacity, we will do it again, Mr. Speaker. We will do as we have always done.

When we have the capacity we will make sure that Newfoundlanders and Labradorians are the principal benefactors of that. When our fiscal circumstances improve, we will make adjustments again in taxes and fees so that we can pass on that benefit to Newfoundlanders and Labradorians, just like we have done in the past.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Cross): The hon. the Member for Virginia Waters.

SOME HON. MEMBERS: Hear, hear!

MS C. BENNETT: Thank you, Mr. Speaker.

Mr. Speaker, I thank the members of the House for their indulgence for the next fifteen minutes. I know they have had lots of time to listen to me over the last number of days. Certainly, I hope my comments today will be as relevant to this conversation as the comments I have made in the last two days.

Mr. Speaker, I found it interesting that when the minister stood up and spoke that he confirmed exactly what the Official Opposition has been saying about this government. He confirmed that this government really only had a couple of options to look at. Those options were tax or borrow.

Well, Mr. Speaker, on this side of the House we believe there are a lot more options than just those two. Quite frankly, that is one of the reasons why we thought it was important to not only speak as long as I did on the Budget so far, but continue to have a robust debate about the decisions this government has made. Not only the decisions they have made in this Budget, but the decisions they have made in the past to get us to where we are today.

Mr. Speaker, there is a simple economic phenomenon that many, many business operators and people in private business understand, and that is the term – which I am sure the Minister of Finance understands – grow market share. What does that mean, Mr. Speaker? Fundamentally, what it means is if you have income from a certain revenue stream, what you want to do is to look at ways of growing that.

When you look at this government's decisions around fiscal decisions, they made decisions to spend risky revenue that was related to oil prices and productions in ways that people of the Province are questioning. What they did not do is they ignored a part of the revenue stream that is something that can help create an environment

to grow. That is the base of income tax. The way you grow the base of income tax and you grow, as some would say, the market share, is you would increase the number of people who are working here.

Mr. Speaker, as I said in Question Period today, we have seen seventeen consecutive months of job losses in this Province. Some 10,000 jobs have been lost in our Province. This government's own economic indicators forecast employment to decline in the Province from 2015 to 2018 by another 12,000. Mr. Speaker, therein lies the problem.

This government is not making decisions based on fact for the economy that we are faced today. That is why I am proud to stand here in this House on behalf of the people who have elected me in the District of Virginia Waters and support this private member's resolution that has been brought forward by the Leader of the Official Opposition. The resolution that says, "BE IT RESOLVED the House of Assembly urge Government to cancel the intended increase to the HST."

Mr. Speaker, I have to be honest, I am very surprised the minister was so willing to confirm for us that they only did look at two options. Another option we have talked about frequently on our side of the House, and we have asked in Question Periods and we spoke about it in debate, is the option of reducing waste.

Now, Mr. Speaker, the Finance Minister can choose to take my words and twist them for his own political purposes and somehow link the quality work that our public sector does to my concern for waste elimination in government, and he can do that, but I am not going to tolerate it. I am going to stand up for the people of my district. I am going to stand up for the people who work in government. I am going to stand up for those people, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MS C. BENNETT: I will not let this government continue to ignore the realities of the economy they have created.

Mr. Speaker, we are looking at, by their own forecast, and many, many other forecasts, a

decrease in household income over 2015, 2016, 2017, and 2018. At the same time, this government has decided that the best economic policy as it relates to its tax choices is to introduce a consumption tax to further put their hands into the pockets of hardworking Newfoundlanders and Labradorians to make it more difficult for them to weather the decline in their household income.

Why are we in this situation? Because this government refuses to accept accountability for the things it has chosen to do. The waste they have allowed to happen has been spoken to frequently by members of the Opposition and will continue to be highlighted throughout the weeks of debate. Whether it is a million dollars on a location to store tires without actually deciding how to get rid of the tires, or it is something as monumental as expropriating something by accident, those decisions have huge ramifications on government's financial capacity. I believe the people of the Province are not going to tolerate any government continuing the behaviours of this government towards waste, with a total disregard for taxpayers' money, and, quite frankly, the revenue that comes into this Province that belongs to the people of Newfoundland and Labrador, not to this government.

So why did we find it ironic that in the government's own Budget documents they referred to the economy of Japan? Well, as many economists would know and people who study the characteristics of healthy economies, there are all kinds of language that is put around different government economic policy. I am sure, as I spoke about a couple of days ago, many people in this House have heard the term Reaganomics. Well, equally, and probably not as well known, is the term Abenomics, and Abenomics refers to the economic policy decisions that were made in the country of Japan when their economy was contracting and they increased a consumption tax at the same time.

Mr. Speaker, why is this important right now? Well, it is really important, because government's own numbers say that we are going to see in our Province not just a contraction in our economy, we are going to see a contraction in our workforce. Now, some would argue that contraction in our workforce is

related to this government's lack of attention and lack of clear action on changing the population reality that we know to be true in our Province right now. The fastest aging population also means the fastest aging workforce.

Those are the things that are going to have serious, serious impacts on our economy. Now, I have lots of confidence in the future of Newfoundland and Labrador as long as the right decisions are made about protecting our economy today so that the people who want to live, the people who choose to live here, can continue to earn their livelihood, and that we can continue to grow jobs and allow that to happen in our Province.

Mr. Speaker, housing starts are forecasted to be down in 2015, 9.6 per cent; in 2016, 9.9 per cent; in 2017, 2.8 per cent; and continues to decline in 2018. Yet despite the Premier's promise to try to make it easier for new home buyers and young people to buy their own home and move out of the rental cycle, he has not even acknowledged that in his own budget document; and we have a situation where he is going to increase the HST which directly impacts not only those individuals who are buying those homes, but it also directly impacts those individuals who are working in the area of home building. It has a reverberation effect through the economy.

What this government fails to realize is that every single decision they make reverberates to our economy and ultimately impacts the lives of the people of Newfoundland and Labrador, that they were elected to represent, Mr. Speaker.

If we look at retail sales, the minister celebrated in the Budget document the fact that – he acknowledged that there were indicators in our Province that are not going in the right way and then he proudly accepted credit for the fact that retail sales are increasing. Well, Mr. Speaker, retail sales are scheduled, by his own forecast, to reduce over the next four years in locked step with household income, in locked step with household starts, and those are all indicators of the contraction that we are seeing in our economy that must require governments to act differently.

I do not believe that government had only a couple of options. Quite frankly, the fact that if anyone thinks that this Budget is a comprehensive document to create balance in what needs to happen in addressing the real challenges we have in our Province, they do not understand Newfoundland and Labrador, Mr. Speaker. They do not understand what is going on in our communities. They certainly do not understand what is going on in our business community, and they do not understand the realities of the population issues that we have in our Province.

Do you know what? It is a sad indictment on this government that after twelve years and \$20 billion of oil royalties, \$5.5 billion worth of Atlantic Accord money – sorry, \$5 billion worth of Atlantic Accord money – and another \$5.5 billion worth of debt that they created that we are still in the situation where job growth and population are almost the same as when they started.

The reason our leader stood up so decisively on the HST is that this economic policy decision this government is making at this critical time in our history has a really detrimental effect on our economy, and we are not going to stand for it, Mr. Speaker.

As the many, many, many people who are standing up and joining us in speaking to their disapproval of this government's decisions for what they believe is so-called balance, because of their own admission that they could only come up with two options – there are many, many, many options that this government could take, that must be taken in a way that respects the risks associated with our economy and that linkage to jobs and that linkage to population. Because at the end of the day, no legacy project, no energy plan, no work that this government has done for last twelve years, quite frankly, is going to be any more memorable than the legacy of a lost generation of Newfoundlanders and Labradorians when we continue to have population numbers and demographics like we have in our Province today.

SOME HON. MEMBERS: Hear, hear!

MS C. BENNETT: What needs to happen is there needs to be solid business cases, executing

on plans, using accurate financial facts, and a government that holds itself accountable for delivering outcomes and getting results.

Mr. Speaker, an HST increase at this time that, by the way, also showcases their arrogance towards seniors and people who are living from income to income in our community by removing the residential energy rebate and increasing the cost of power in this Province to every single Newfoundlander and Labradorian by 10 per cent is another reminder of this government's short-sightedness and another reason why we stood up and said a HST increase is not acceptable.

Mr. Speaker, I appreciate the attention of the members in the House. I look forward to continuing to listen to debate.

Thank you for your attention today. We cannot risk our economy at this time. We cannot risk losing more Newfoundlanders and Labradorians and not giving them an opportunity and not increasing our population here, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Labrador West.

SOME HON. MEMBERS: Hear, hear!

MR. MCGRATH: Thank you, Mr. Speaker.

I am pleased to be able to stand and speak on this private member's motion today – a motion that is asking us to reverse the decision of increasing the 2 per cent HST. I am going to focus a little bit on being a former business person in Newfoundland and Labrador. I remember in 1991 when I was in business. I had a couple of businesses open then, and that was when the GST first came in.

I remember it was an extremely nervous time when that extra tax was coming on, and the businesses that I was in were certainly a consumable business. I was in the food industry and hospitality industry. So those were some of the places where people would make their cuts first. We thought it was going to be all doom and gloom when we saw that extra tax going on there of the 7 per cent GST, and it had an effect for a very short period, and then we started to

reap the benefits from the extra tax, and people very quickly adjusted.

I think what this government has done, we are going from we had an HST in there of 15 per cent, and when we saw an opportunity when things were going well, we reduced that HST and it was reduced by 1 per cent, and then a year later it was reduced by another percentage to bring us down to the 13 per cent that we are at now. Now with the economy the way it is, we feel – this government sat back and when they were doing the deliberations for the Budget: What are some of the best ways that you can address the deficit that we are facing now?

I certainly do not feel that we have made any mistakes, and I keep hearing the members from the other side, the Member for Virginia Waters. As she stated, she spoke at quite a length on the Budget – four hours in the last couple of days, and then she spoke again today. I heard her use the word waste quite often on how this government has wasted money. I have yet to hear the Member for Virginia Waters or anyone else on that side give examples of the waste. I guess in talking to my colleagues, in talking to the general public, I am wondering where the waste is. Is the waste in some of the hospitals? Is the waste in the schools? Is the waste in the education system? Is the waste in the transportation system?

I feel that this government over the last twelve years has been fairly diligent in how they have handled the finances of the Province, and looked at what we were dealing with – we had an infrastructure that, fortunately, over the last seven or eight years we have had some good economics coming in. We have invested that back into the Province. We have invested it back into the people of Newfoundland and Labrador.

I am, I guess, a little taken back and I would like an explanation as to where the waste is because I have not seen it yet and they have not explained it. They keep using the word waste and saying what we are wasting, but I have not seen it yet.

I think it is very important too that the people of Newfoundland and Labrador realize that even in the economic downturn that we are in right now, and not just in Newfoundland and Labrador, it is

a global downturn that we are in right now, that we are still making major investments. We are going to be investing \$8.1 billion into our Province this year alone, and we are still very competitive. As you heard the Minister of Finance state, we are still a very competitive province when it comes to the Personal Income Tax. We are still within the three lowest within the country. The only two that are ahead of us are Alberta and Saskatchewan.

As we all know there was a major turnover in Alberta last night and it is going to be very interesting to see where that goes. I go back to when the government changed hands in Ontario and I look at what happened in the four years in Ontario under an NDP government. It is going to be very interesting to follow the Alberta government now to see what happens there in the next while. I am not sure it is going to take four years, but I will tell you I am very nervous to see what is going to happen in Alberta under the new regime. It will be interesting to watch that politically.

I hear people talking about the 2 per cent. I am sure like every other member in this House of Assembly when you are in your district you are out talking to people. I am no different. I have been talking to many of my constituents and I have heard complaints and fears about what this extra 2 per cent, the difference it is going to make. Then I put it rationally, and I keep hearing the arguments on the side of the big ticket items. I realize those big ticket items are there and they are necessities for the economy of Newfoundland and Labrador, but for the average person – and we are trying to have a fair, balanced approach here – I will come down to earth, going with if you are buying \$100 worth of consumables that were taxable by the HST it is going to cost you \$13. Now, for the next little while, it is going to cost you \$15. I know that every penny counts when times are hard, but if you are going from \$13 to \$15, that is what we have to look at there.

These are the fears that people are having. Not everybody is going out and building a new home. Not everybody is going out and buying a \$50,000 car. I heard a comment over the deliberation of the Finance critic for the Official Opposition; she made a comment the other day: If you are buying a \$50,000 car or vehicle this

government is now forcing you to pay \$7,000 tax on that. What she did not say is that with the 13 per cent in there, when you were buying the \$50,000 vehicle, you were paying \$6,500 anyway. So there is not as big a difference – I am hearing these numbers –

MS C. BENNETT: Mr. Speaker, a point of order, please.

MR. SPEAKER: The hon. the Member for Virginia Waters, on a point of order.

MS C. BENNETT: Mr. Speaker, I would ask the member opposite to clarify. That is not what I said in the debate. I would like him to show that I did.

Thank you, Mr. Speaker.

MR. SPEAKER: There is no point of order.

The hon. the Member for Labrador West.

MR. MCGRATH: Thank you, Mr. Speaker.

When comments are being made like this, to me that is a little bit of fear mongering. You are using large ticket numbers and you are putting a fear there in the people that there are these excessive amounts of money that are going to be out there, but when you put it into reality, the 2 per cent is a transition that we are using. Our government sat down and we tried to find the best ways to have as least an impact on the average person in the Province as possible.

Adding that 2 per cent there – one of the other things we could have done was made major job cuts. Again, I hear the Opposition pounding away that in this Budget there are 1,400 jobs being reduced. What they are not saying is that this government has put a five-year plan forward. Those 1,400 jobs that will be reduced through attrition, is over the five years, but the message they are trying to send out is that we are going to do that immediately. That is the difference here.

Rather than having something like that happen, we felt that this 2 per cent increase in the HST – when times were good, we reduced the HST. We reduced it from 15 per cent to 13 per cent. Now times are not so good and we are going to

put that back there, but if you take 1,000 jobs out immediately and then things get better, those 1,000 people may not be there. What we are doing is using that balanced approach to try and keep our young people, number one, within our workforce and find a balanced way, a fair way to address the deficit.

SOME HON. MEMBERS: Hear, hear!

MR. MCGRATH: That is why I feel this difference in the 2 per cent on the HST is not going to have as big an impact as we are hearing from the Opposition.

The Minister of Finance referred to it a little bit about the difference that it made. I talked about in 1991 when the 7 per cent came on. Our economy did not fall apart then. There was an impact, yes. Of course, any increase is going to have an impact, but is it going to be the detriment? Certainly not.

In 1991, the growth in Newfoundland and Labrador's real consumer spending, the employment and the real GDP was 1.3 per cent, 1.1 per cent, and 0.4 per cent respectively. Newfoundland and Labrador North America economies also experienced a recession in 1991, independent of the GST charges. We did not see any big booms here.

In 2008, the federal portion of the HST, as the member across the way just reminded me, it was reduced by 1 per cent. We did not see any major influx. We did not see any major influxes in the GDP. It grew by 4.9 per cent, the employment grew by 1.9 per cent, and the GDP was negative 1.2 per cent. So it did not have as big an effect as we are hearing this is going to have now.

We realize the oil prices have dropped drastically. I hear from the opposite side that, well, this government knew there was going to be a drop in oil prices. Yes, this government did know there was going to be a drop in oil prices but like nobody else in the global market did you realize it was going to be such a drastic decrease as what it was. No one saw it going from \$118 a barrel down to \$45 a barrel overnight. That is a decrease that nobody could estimate. We use the best advisors in the world to get our advice as to how that decrease is going to be there, nobody predicted that.

As like in 2008, when you saw that crash in 2008 in the global economy, nobody saw it; but which province in Canada rebounded the fastest? Newfoundland and Labrador. Newfoundland and Labrador rebounded the fastest.

Those were the things that this government has taken into account when we were putting this Budget together. Those were the things that we feel will have the least effect on the people of Newfoundland and Labrador. We want to see everybody be able to survive this downturn in the economy.

I also heard the Leader of the Opposition mention that he would not put in the 2 per cent, and if he forms government he is going to reverse that 2 per cent immediately. It is going to be one of the first things that he would do if he formed government.

So I ask the question, how would he address it? Well, he would increase the deficit, he would borrow more money, and he would take longer to pay it back. When you hear that, who is paying for that if it is not the taxpayers of Newfoundland and Labrador? It is dragged out longer, and we had that for decades. We had that approach for decades. Borrow more, drive the deficit up further, and eventually you will have to pay it off.

What happens then is your bond ratings disappear. You lose your bond ratings then. Once you lose your bond ratings, then the banks stop lending money to you. Where do you go from there?

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. MCGRATH: So, in that one, that is not the approach we want to take.

The other thing we would like to see is we want to take care of the low income. I think we have addressed that in this Budget. We have addressed the low income. What we will do is we are increasing the rebates that will go back to the low-income people. So they are going to get \$300 per household, and \$60 per spouse, \$60 for each child also.

The home rebate is still in place. The home rebate program is still at a maximum of \$250. For those on the South Coast of Labrador, realizing the difference there, it is a maximum \$500 for those who are eligible for that.

The seniors; we have taken care of the seniors when it comes to their rebates. So, I feel that with this 2 per cent increase it is a transition to get us through a difficult time, and I think it is the right decision.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: I recognize the hon the Member for Signal Hill – Quidi Vidi.

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

I am glad to have the opportunity to speak to the private member's motion that we have here on the floor today, "BE IT RESOLVED the House of Assembly urge Government to cancel the intended increase to the HST."

To remind viewers who may just be tuning in and maybe who do not know what happened in the Budget last week, because I understand that not everybody gets to follow us here in the House of Assembly. People have concerns with their daily lives and making ends meet and surviving, so they are not always on top of what is happening here in the House.

So, to remind them that in the Budget last week the government made an announcement that it would be raising the HST by 2 per cent, going from 13 per cent back up to 15 per cent of the HST next January. It turns out that by doing that we are now tied with one other province as having the highest HST in the country. Isn't that wonderful? Just great!

This government took an easy way out to deal with a problem that they have created. Not that they have created the downturn with regard to the cost of oil, but because they have not planned. Their fiscal planning is not dealing with the fact that we have fluctuating revenue because we have no control over what happens to the cost of oil.

They know that they were warned by the Auditor General going back to 2007, by John Noseworthy who was Auditor General at that time. He warned the government in his annual report. That warning was repeated for a number of years after, but in 2007 he started. At that time he said that while it was good to have rising oil revenues, they are generated from non-renewable resources and are very vulnerable to changes in world oil prices and production levels, factors which are outside government's control.

He went on to give them advice. "Government has to carefully consider the degree to which it relies on this revenue source to fund its programs and services."

This government chose to ignore the warning from the Auditor General that was first made in 2007, and they did it on two levels, Mr. Speaker. They ignored it when it came to their planning around spending, and they ignored it when it came the generation of revenue. They did nothing to come up revenues coming from other sources, other than their dependence on oil and our mining industry. These are the two big things they depend on, both of which are unreliable in terms of being stable from year to year.

They did nothing to plan how to have an economy that was diversified, an economy that would start bringing money in from other sources. Economic development that is based in our communities, economic development where we see value-added production based on our natural resources. They have no planning for that. Never do they talk about it. Never do they indicate that they are looking forward when it comes to issues of that nature.

So they have done no planning with regard to diversification of the revenue sources for this Province. They just kept spending on programs without doing long-term planning. I am not saying we should not have had the programs that we have. We need them, but they do not present the spending in a long-term plan based on having money to sustain us when something happens to the price of oil.

The other thing, Mr. Speaker, that really disturbs me is the priorities of this government. They

like for us to think that their priorities are the people. They said that in two or three or many more different ways in the Budget. It is one thing to say the words, but it is another thing to show that the people of the Province really are their priority. Especially when this government has been hell bent for so many years now on their main priority, which is building Muskrat Falls, spending billions of dollars on Muskrat Falls. That is where their priority is, saying that it is an investment, saying that our grandchildren are going to see the benefits without having any proof that that is going to be the case.

So we have three things here. We have a government that spends without long-term planning. We have a government that has not diversified the revenue generation in this Province. We have a government who has chosen to put billions of dollars into this massive development, Muskrat Falls.

They have created the situation that we are in. They have created the problem. What do they come out with in the Budget? A plan on the backs of the people. A plan on the backs of low-income and middle-income people. They keep pretending this is not the case, but it is. They created the situation.

They now have a crash going on. They like to think it is not, but there are economists who are saying yes, we are in a recession. Let's acknowledge that we are in this Province, and one that they have not planned for. Now they are trying to use the people to bail them out of the mess that they have created.

They have chosen a way of doing it by a tax that is considered by all economists to be what is called a regressive tax. They like to think oh, we spread it all evenly. We have treated people equally by doing the increase to the HST. Well, that is not how it works. We will have to go into a lesson here on the difference between treating people equally and treating people equitably, because equally means doing the same thing to everybody but doing the same thing to everybody is not really equitable. When it comes to something like a sales tax, for example, the person who has an annual income of \$15,000 is paying the same tax as the person who has an income of \$100,000.

Now, I know they have put some things in place. I know they are saying they are trying to make it easier for lower income, and we know that there is an HST rebate for lower income; but the middle income people are really being hit by this because people in the middle they are just managing to keep things going. They are not people who are able to put \$10 or \$100 or \$1,000 into the tax-free savings accounts. They do not have money to save.

Most people who are in the middle income are in debt. I mean the statistics in Canada say that; that we have such a high household debt in this country and we have it here in this Province. What that means is that people are continually borrowing in order to have what they consider to be a basic standard of living. So for those people who are not eligible for a rebate when it comes to HST, for those people, the increase of 2 per cent is really going to be very, very difficult for them. They are not acknowledging that at all, Mr. Speaker.

If you are going to have a tax that is going to be fair and a tax that is going to be just and a tax that is going to recognize the differences for people on different incomes, then HST is not the tax that does that. No sales tax is the tax that does that. All sales consumer taxes are called regressive taxes.

They say that okay, we recognize that those in the higher income brackets that it is not a hardship for them and so they can pay the 2 per cent. Well, I would like to point out that when this government did tax reductions in 2010, 90 per cent of the income tax reduction went to the top income earners. Yet, in this year's Budget, did they reverse that? Did they make sure that they were now going to be making up for what happened over the last five years, for the benefits they reaped? No, they did not do that at all.

They did increase the tax brackets, which was a really good thing to do. That was something that was really good, but then they fell short of making sure that they used that differential of having the top two brackets, by making sure that the percentage of the tax rate they were going to pay would make up for the benefits that they reaped for the last five years.

This government does not understand fair taxation. This government does not understand the plight of ordinary people. People who are running their families and their homes on \$50,000 or \$60,000, that is not a lot of money. In this day in age, in this Province, and especially in the urban settings, but in the rural too for different reasons, the cost of living is high. So people, as I have already said, are doing everything to make ends meet. They are not making them meet because they are in debt. That is the reality. That is what this government should be recognizing.

So here we now are where we have a regressive tax, which is the highest in the country, and we still are close to the bottom when it comes to the tax rate for higher income earners. They have to reverse that. They have to turn that around.

They also have to look at the corporate taxation and the fact that over the decade we had a change in corporate taxation. Why aren't they looking at that? We are sort of in the middle of the pack – if not slightly lower – in this country when it comes to our corporate tax. So why aren't they looking at that? Why aren't they moving that up? Especially when we have corporations here in this Province who are doing so well, because even the corporations in the natural resource sector, whether it is mining or oil, we all know they are still are large companies who reap great benefits and reap profits. Why aren't we looking at that? Why aren't we looking at the fact that we have the ability to raise more money from the corporate sector?

Just looking at our own country – not going outside our country – just looking at our own country, why can't we follow other provinces around this? Why do we back off from this and then put the burden on the backs of ordinary people?

I would like to point out an example of what this government has done. In January 2016, the provincial share of the HST that people will be spending will be increased by 25 per cent. That is effective in January 2016. First of all, this summer in July we will start paying the provincial portion of the HST on home heating fuels and electricity again. Now granted we will not have to pay a lot during the summer, but

once the fall comes we will. We will have to start paying that again. Then in January the HST itself will go up by 2 per cent. That is where we get that 25 per cent. The HST is going up by 25 per cent.

This government is saying there is going to be a rebate for low-income people, aha, but in 2016 that rebate is not going to start until October. For nine months you are going to have people in this Province who, first of all, are going to have to be paying 25 per cent more HST, and then for nine months will have to wait for any kind of assistance. This is going to be extremely hard on low-income people.

What we are going to see, Mr. Speaker, is more low-income people and low middle-income people also turning up at food banks. We are going to see more people not being able to meet all their expenses, more people who are not going to be able to heat their homes, pay their electricity, and also buy food in their families. This is not acceptable. We have asked this government, we have posed questions. What are they going to do about that? They just keep giving us empty answers.

This is the wonderful Budget. This Budget is being done on the backs of the people – people who cannot afford it. They are ignoring it. They are ignoring the needs. They are going around in circles in the things that they are saying here in this House, and they think people do not get that. They think people do not realize what they are doing. Well people do realize what they are doing and people are not happy with this Budget.

Yes, Mr. Speaker, we, in our caucus, will be supporting this private member's motion because this should never have happened.

SOME HON. MEMBERS: Hear, hear!

MS MICHAEL: This should never have happened, and this government knows it never should have happened, Mr. Speaker. Yet they will stand up today and they will vote against it. We can bet our bottom dollar on that one.

Thank you very much, Mr. Speaker. I am happy to have had the opportunity.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Port de Grave.

SOME HON. MEMBERS: Hear, hear!

MR. LITTLEJOHN: Thank you, Mr. Speaker.

I want to say once again it is always an honour to stand up and speak in this House on a private member's bill. I am pleased to speak today and glad to participate in debate. Mr. Speaker, obviously in the Opposition they are certainly going to point out the faults of the Budget, and we are going to try to point out the good points of the Budget. Sometimes we are going to agree to disagree, but again, it is all in the thrust of debate.

I have listened all afternoon while other members have spoken. One of the things – when you are making budgets – is we all have to make choices. Whether you make choices in your daily lives, or what you spend your money on and all the rest, that has to take place.

Mr. Speaker, in these economic times obviously government had to make some choices. We think the choices we made were fair and measured choices taking into account – basically when we talk about this you have three choices. You can use a combination of all three, but you have three choices: you can borrow money, you can cut services, and you can raise taxes. During this debate today we have heard about the raising of taxes, a consumption tax, and the impact it will have on our economy, et cetera, but yes, that argument can be said.

It was interesting. I was sitting here and I was just following the Twitter world for a little bit just prior to getting up. A local CBC reporter tweeted at the Board of Trade today – Mr. Don Mills of the CRA. He thinks this is a good Budget.

SOME HON. MEMBERS: Oh, oh!

MR. LITTLEJOHN: He thinks that the Liberals should reconsider their decision to repeal right away. That is all. It is just a consideration, just to reconsider the repealing.

Anyway, between the jigs and the reels of that, Mr. Speaker, the Member for Signal Hill – Quidi Vidi talked about our corporate tax and other taxes. Neither she nor any of the members of the Opposition today has talked about the fact that we still have the lowest personal income tax rate in Atlantic Canada, which is certainly a benefit to all people of our Province. We have the lowest personal income tax rate here in Atlantic Canada.

Once again, there has been a lot of discussion today. I come from a district – like many other members who represent rural districts – where 40 per cent of my population are on fixed incomes. They are concerned, Mr. Speaker, about the impact it is going to have on low-income families and individuals.

I would like to focus most of my comments this afternoon, Mr. Speaker, around that particular area. I want to talk about what we have done in this Budget to protect our low-income families.

SOME HON. MEMBERS: Hear, hear!

MR. LITTLEJOHN: Once again, Mr. Speaker, I can tell you that 40 per cent of my population is concerned. I understand that. When you hear tell of increased taxes and when you hear in the media that 2 per cent is going to increase on your HST, that outcome, what is it going to mean to me? I want to just go through that.

I heard the hon. Member for Virginia Waters and I believe the Leader of the Opposition also talk about discretionary spending. What am I going to have left in my pocket that I can spend? They are already very trying. They have a hard time and I agree. They have a hard time day-to-day. They are pinching their pennies already. Mr. Speaker, I just want to give them a little bit of assurance because we tried very hard to minimize the impact on these low-income families and individuals.

Mr. Speaker, based on the increased rate of 2 per cent we estimate that on an income of \$20,000, each individual percentage increase will cost about \$320. For an individual, the 2 per cent increase will cost about \$320 this year. That is what we are estimating, about \$160 per percentage point. So what did we do? That is

\$320 that they are not going to have directly because of the HST increase.

Mr. Speaker, we tried to minimize that impact on low-income earners by enhancing our HST credit. I believe the Minister of Finance, when he got up earlier today, talked about what we did to minimize that by increasing the parameters of our HST credit.

I want to go through that just for a second, Mr. Speaker. Last year the HST credit in October of 2015 was \$40. This year, the HST credit in October will be \$300; \$40 to \$300.

SOME HON. MEMBERS: Hear, hear!

MR. LITTLEJOHN: The amount per spouse, or partner, or live in, whichever word you want to use, common-law partner – Mr. Speaker, the HST credit in 2015 was \$40. The HST credit in October of 2016 will increase by \$20 and it will now be \$60, so two significant increases.

As well, Mr. Speaker, we maintained the rate for children under nineteen. We kept it at \$60. The HST credit has been increased to offset the impact of the 2 per cent increase on HST. As well, we raised the threshold. We raised the threshold on low-income earners from \$15,000 at 5 per cent to \$30,000 at 5 per cent.

SOME HON. MEMBERS: Hear, hear!

MR. LITTLEJOHN: That alone, Mr. Speaker, will ensure there is now an increase in families. That will increase our families from somewhere around 58,000 to making it to 127,000 individuals and families who now are eligible for the HST credit. That is 127,000 versus 58,000. I think, Mr. Speaker, that is significant.

Mr. Speaker, as well, our Low Income Seniors Benefit was tied to indexation, and because of the indexation we will see an increase in our Low Income Seniors Benefit from \$1,036 to \$1,059 beginning in October.

SOME HON. MEMBERS: Hear, hear!

MR. LITTLEJOHN: Again, Mr. Speaker, we are trying to minimize the impact of these increases on our low-income earners and seniors. As well, the threshold where it began at

\$28,654 last year, because of indexation on our Low Income Seniors Benefit it will increase to \$29,284.

Mr. Speaker, when you are here and we all talk numbers and all the rest, it is very difficult for individual people listening at home to understand the impact of this until they see it first-hand on their income tax, et cetera. It can be confusing, but I ask individuals to go on their income tax to just see some of the benefits that we are talking about today. To do this, that is an estimated cost increase of about \$40 million to \$42 million.

Mr. Speaker, we did say that the HST credit was going to be an increase of 2 per cent, and would generate revenue of just around \$220 million, but \$40 million of that would go to offsetting some of these increases to low-income families and seniors.

As well, Mr. Speaker, we will maintain – because there is confusion out there. I suggest the confusion lies where we have put the HST back on our electricity bills and oil bills. Yes, we put the 8 per cent back on that, and that will come into effect –

AN HON. MEMBER: Ten per cent.

MR. LITTLEJOHN: Ten per cent, I am sorry. I stand to be corrected. I apologize.

Once again, yes, that has gone back, but some seniors and low-income families are confused because they believe the Home Heating Rebate Program is discontinued. Mr. Speaker, that is not true. The Home Heating Rebate will continue. Eligible households will continue to receive a maximum rebate of \$250 where the family income is less than \$35,000. Again, for eligible households in Coastal Labrador communities, they can receive a maximum rebate of \$500. As we go along here, there is a partial rebate as well for those other households that have adjusted family incomes between \$35,000 and \$40,000.

So, Mr. Speaker, we did not cut the Home Heating Rebate. We did add back the 10 per cent onto electricity bills and heating bills. All these things we have tried to do to offset or minimize the increase in HST to low-income

families and seniors. To the 40 per cent of seniors and low-income families that I have in my district, we have tried to minimize that impact on them by doing these things, and investing \$40 million back into these programs to help offset that difference.

Mr. Speaker, we did a couple of other things, and we continue to do that. We have the Newfoundland and Labrador Child Tax Benefit. This is a tax credit for families whose income is less than \$24,849. It is determined by the number of dependent children under the age of eighteen. As well, through the Newfoundland Child Tax Benefit Program we are trying to put money back into low-income families' pockets. This benefit may range from \$377 for one child, up to \$461 for a fourth child. Again, recognizing that we are trying to assist our low-income families and seniors.

Also, with our provincial personal income tax reduction for low-income individuals and families, no one with a net income of less than \$18,955 have to pay any personal income tax. I think that is significant. No personal income tax up to \$18,955. Families with a net income of \$32,050 will have partial tax reductions. So, we are trying to minimize the impact of some of these decisions on our low-income families and seniors.

Other things we have not done, Mr. Speaker, there was no change to our personal income tax. The increase on our HST paid on purchases of approximately \$236, the credit is \$230. So, Mr. Speaker, we try to do things. We continue to try to do things and we do care, I do care, about our seniors and people on fixed incomes.

SOME HON. MEMBERS: Hear, hear!

MR. LITTLEJOHN: I meet them and visit them every day on the street and in our supermarkets, and I know they have a hard time. Sometimes, I have to say, I get a little upset because I think sometimes the other side thinks we do not care. Well, Mr. Speaker, I do care. I do care about our seniors and people on fixed income.

I was a mayor for a number of years, and I was always concerned about the 40 per cent of the people on fixed income where municipal rates

and taxes were very important to keep stable. So, Mr. Speaker, we do care about those things.

As my time is winding down today, I want to go back and just say that we all make choices. We have to make some choices, and the choices we made were fairly difficult. There is no doubt that the choices we made were fairly difficult, but we believe the choices we made were fair. We believe the choices we made were balanced, and we believe the choices we made have the least amount of impact possible. That is hard to do. That is hard to do in this economy, and we have tried to do that as fairly as we can.

Mr. Speaker, as I close today, it is always a pleasure to stand here and speak to any private member's motion. Once again, going back to just one last Tweet. Another CBC reporter today said basically every question that came from the Opposition today had a price tag. Mr. Speaker, everything we do has a price tag, and at some point in time we all have to cost out what some of our decisions are going to be. Our decisions were fair, they were balanced and in the best interest of the people of Newfoundland and Labrador.

I thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. MITCHELMORE: Thank you, Mr. Speaker.

If the member opposite cares about seniors and people on fixed income, the middle class, everyday people and business in the community, then he will stand up and support the motion that the Leader of the Official Opposition put forward.

SOME HON. MEMBERS: Hear, hear!

MR. MITCHELMORE: That, "Be It Resolved the House of Assembly urge Government to cancel the intended increase to the HST."

While the government talks about borrowing, cutting services, and raising taxes, the Official Opposition talks about creating opportunities,

raising revenue, and cutting the sales tax increase right here in the Province. That is regressive and it is going to have a critical impact in our economy at this period in time. If we look at it by this government and their management, it is really a lost generation.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. MITCHELMORE: Many missed opportunities, certainly not balanced.

I have to make remarks to the Member for Labrador West because I would say to him that every penny counts, even in the good times, not just the bad times.

SOME HON. MEMBERS: Hear, hear!

MR. MITCHELMORE: This government has been exhibiting waste time and time and time again. We only have to look at the moose sensors on the highway; the almost \$20 million in bonds that the minister gave back; the \$25 million that the people of the Province will have to pay in tariffs for new ferries; the overinflated salaries at the Newfoundland and Labrador Centre for Health Information that the Minister of Finance was responsible for at the time; the environmental liabilities, possibly hundreds of millions of dollars from Abitibi Bowater.

We talk about \$1 million in tires that was expended; consultant after consultant to redo reviews like the core mandate, all these types of things; weeding buildings, paying insurance on empty, vacant lots; the do over for Bill 29.

Also, the Member for Labrador West talked about how this listen and how they consult, yet in this year's Budget they are reinstating the rebate for tobacco in Labrador West and the Labrador Straits because they did not consult. They did not listen. The Official Opposition pointed out at the time that eliminating the rebate would have adverse impact on business, on jobs, and on consumer spending in those regions. What is happening? They are bringing it back because they did not listen.

I want to talk about the regression in consumption tax because consumption tax

negatively impacts an economy in a number of ways. It discourages consumer spending, it decreases business revenues, and lowers the amount of tax that can be collected when economic activity decreases.

The Member for Port de Grave got up and talked about Tweets that were put out by reporters. Well, I want to mention a Tweet that was put out by the Canadian Federation of Independent Business today which urges every MHA in this House of Assembly to support the matter to reverse a 2 per cent in HST –

SOME HON. MEMBERS: Hear, hear!

MR. MITCHELMORE: – because it will impact small business. The Canadian Federation of Independent Business represents 109,000 members. That is a lot of employees and workers across the country in small and medium enterprises.

Now, the members of the Official Opposition here, we have talked about Japan. Japan increased its sales tax from 5 per cent to 8 per cent. It was the first sales tax they saw increased in seventeen years. Since that time it recorded its highest year-on-year inflation since 1991. Do you know what happened when they increased their sales tax by 3 per cent?

SOME HON. MEMBERS: What happened?

MR. MITCHELMORE: I will tell you what happened. Household spending surged. It surged in that year because people actually went to the register to beat that HST increase that would occur in March. Then what happened? Household spending collapsed. It collapsed significantly because people spent their money in advance.

People know the HST is going up in January so they are going to rush and spend to save money that they have. That will have a huge impact on inflation. Looking at Newfoundland and Labrador, the Harmonized Sales Tax which took effect on April 1, 1997, this move by this government is the first tax hike in consumption in nearly nineteen years.

It is very similar to what has happened to Japan. It was the first increase in seventeen years; here,

nineteen years, making this shift at this time in the economy – when the economy is weakening, this will be a move that will hurt consumers. It will kill jobs, and it will kill the economy. There are concerns that consumers will significantly spend between now and January 1, creating a higher level of inflation; seeing consumer spending fall, employment will drop, and it will create more uncertainty in the economy.

This is not good especially for those who are on fixed incomes, who are seniors, and minimum wage earners. These are the people who are not keeping at pace with inflation now. If inflation goes higher, then they are going to have less and less actual real disposable income.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. MITCHELMORE: The member opposite talks about the HST rebate that is going to come, but it is going to come in October 2016. So you are asking somebody to pay and manage their money between now and ten months before they even get any type of rebate. On top of that you are adding 10 per cent more to their heating bill. The member said oh well, we are still keeping the Home Heating Rebate. Well that is fine and dandy, but if you look at what 10 per cent cost will be, that is only \$2,500 in heat and light for a whole year. So it is basically non-existent on top of all the other costs, that 2 per cent increase on every other purchase that needs to happen throughout the year.

As inflation rises, in addition to businesses being forced to raise their prices, banks are also forced to raise their interest rates in order to maintain a profit margin at higher rates. It means marginal businesses will fail – it is no wonder the Canadian Federation of Independent Business is speaking out – thus increasing unemployment. Government must recognize this because unemployment numbers are expected to increase, jump, to 13.1 per cent next year. Unemployment is supposed to remain in that area in 13 per cent for two years thereafter that, almost hitting 14 per cent.

This has a significant impact. High inflation harms everyone, not just because it increases

costs and increases unemployment, but due to the time lag before you actually get that cost of living increase. High inflation encourages people to spend money before it loses value, so they will buy things they do not need simply to preserve its value. They also get into debt more and fail to save, and that is not the type of economy that you need to create right now in Newfoundland and Labrador. In the short run, it may stimulate the economy, but in the long run it will result in poor choices and less than an optimal economy for everyone because it shows short-sightedness that they failed to plan for the long run. That is exactly what this government has done; they have failed to plan for the long run.

They have not listened – and this measure of increasing the HST will be greatly detrimental because our population is aging, aging dramatically, and it is shrinking. So you have less consumers in the economy. The government's own provincial economic indicators for population show that over the next four years, it is to drop by 7,000 people. That is a lot of people in Newfoundland and Labrador. That is less consumers and that is less disposable income that could be put in that can bolster the economy in terms of making good decisions to create stability for the long term.

When you look at the retail, sales they are going to be declining. So, it is going to have an adverse impact. When we talk about – and I want to highlight that the wages are not going up or keeping pace with the rate of proposed inflation, given the 127,000 families that make the \$30,000 or less as the members talk about and as the statistics show.

Then you have to look at the number of people, the number of families, that are just marginally above making that net family income of just over \$30,000. Those people between \$30,000 and \$74,900, so between \$30,000 and \$75,000 it is basically 65,000 families fit that category where they are not going to qualify for a home heating rebate, they are not going to qualify for this HST rebate, they are not going to qualify for all of these other offsets, yet they are going to have to pay 10 per cent more on heating. They are going to have to pay 2 per cent more on every other expenditure.

So suspending this HST increase will at least, on the RER, give them that 2 per cent break, that 25 per cent break as well. January to October is ten months before any person can get their HST rebate. January to October is ten more months of paying 10 per cent more on the heat and light bills, on all forms of energy – it is not just heat and light; it is every form of energy from propane to furnace oil, not to mention the six months a year prior of having to pay 8 per cent more with no enhanced rebate.

Ten months is a lot more on taxable grocery items, insurance premiums, cable, telephone bills, HST that is included in new car payments that people would have to purchase, and people of all incomes here in Newfoundland and Labrador. Because we do not have great public transit, the majority of people do have to purchase automobiles in Newfoundland and Labrador – if you can afford to purchase them, that is.

Then the higher prices at the pumps because government adds the HST after all of their other taxes, those excise taxes, so it is taking more and more money, more and more disposable income. When people have to pay those bills and those fixed costs, then they have a lot less money when it comes to being able to put into the hospitality industry or the service industry. They may have to delay a haircut a week or two because of increased costs. All of these types of things have an impact on small local business and you will see all industry associations opposing such HST increases because those expenses will have a trickle down impact upon the urban and the rural economies.

Our population is older, many of them are on fixed incomes, many have seasonal employment, many people are living cheque to cheque, and the HST is just one avenue that this government will have that will adversely impact the economy, not to mention coping with all of the other fee increases that are added into the Budget. That is quite significant.

I wanted to talk about another thing, another failure of this government when we talk about what people have said about Japan and how they could have prevented some of this matter. In addition to supporting the Macro policies that are there, that are options, they talk about Japan

and how it can reform the structure of supply, create opportunity, and expand their investment in their community, create jobs, create real value is where they could look at Trans-Pacific Partnership, the TPP negotiations, trade negotiations – but what has this government done? This government has suspended all trade negotiations to create further opportunities in Newfoundland and Labrador, suspended talks in CETA and also suspended their talks in AIT with doing other trade in government. We learned that in Estimates today.

So, what they are doing is further impacting the opportunities –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: CHAIR: Order, please!

MR. MITCHELMORE: – that we have to create a valued, diversified, and sustainable economy here in Newfoundland and Labrador.

I say their management choices are probably the worse that they can do of any government to contract the economy and send us in a voluntary position. It is absolutely incredible. I do not know who is giving them the advice or what advice is being put forward; but one of the other things that you have to look at too is that Newfoundland and Labrador, when you look at getting and doing business here, we are little bit more expensive for doing business, because many of our goods and services have to be shipped here or we have to ship them off the Island or off the mainland when it comes to some of the isolated communities that exist in Labrador, and how getting our goods and services to market, into a bigger market.

So, not having a competitive, harmonized consumption sales tax does have an impact. We no longer have a more competitive regime than any of our other Atlantic counterparts. Putting this forward is going to send us into a less competitive atmosphere for business, it is going to drive more business to other Atlantic areas, and it is going to restrict some of the jobs. It is also impact consumer spending. It is going to impact our economy. It is going to impact people.

This is why the Leader of the Official Opposition has moved this motion, and the Member for Virginia Waters, as the MHA for Finance here. We see, as a caucus, how this is going to impact families, how it is going to impact people on fixed income, low income, how it is going to impact spending, how it is going to impact business, and our communities from rural to urban.

SOME HON. MEMBERS: Oh, oh!

MR. MITCHELMORE: I know that the members opposite do not want to hear what I am saying. They often do not listen to many of the things that I am saying, but I have been elected by the people of The Straits – White Bay North

SOME HON. MEMBERS: Hear, hear!

MR. MITCHELMORE: – and I have been elected to represent the people, and I will continue to make those points and stand up for the people at my doorsteps – and when I go door to door, I will be happy to say that I stood up and supported this motion not to increase the HST.

SOME HON. MEMBERS: Hear, hear!

MR. MITCHELMORE: With that, I will take my seat, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: If the Member for Humber Valley speaks, he closes debate on this motion.

MR. BALL: Thank you, Mr. Speaker.

I would agree with some of the members opposite, they might hear some sense now. Mr. Speaker, I will take a few minutes to close debate on this motion about urging government to cancel the intended increase in the HST. As I said when I opened debate, this was one of the initiatives that was put forward by this government last Thursday on Budget 2015.

Now, I have listened to debate from members opposite. I get a sense that obviously this motion will not be supported by members of this government. I did, however, when I listened in

particular to some of the members – in particular the Member for Lab West, and he talked about two reductions in HST.

Well, I like to remind this House and people in the Province and people all around Newfoundland and Labrador, particularly those who are listening to their Member for Lab West. He mentioned the reductions as if this were a provincial portion that was reduced, but indeed that was not the case, as we know, as I said earlier. The HST is divided into two components: one being the federal component, GST, Goods and Services Tax; the second being the provincial component. It was the GST, the federal piece, that was reduced by 1 per cent. That was done twice which got us to 13 per cent.

So what we are seeing now is this government reaching out and taking back the 25 per cent increase and increasing the provincial portion by 25 per cent, which is two points overall. It will go from 13 per cent to 15 per cent.

A lot of discussion in some of the questions that were asked today was about where we see in certain areas that things would change, what would be done a little different, and areas where we have seen a lot of duplication over the years.

I remember after four days of discussion a few years ago in this House around Bill 29. That was a significant debate. As we all know, the people who participated in that debate, it was the longest sitting, the longest filibuster in the history of our Province and in this House of Assembly. It was a vigorous debate over four days.

After we left that debate, early in the morning, it was obvious at that time that I felt that repealing Bill 29 was the right thing to do. No different than I feel right now that urging government to actually cancel this intended increase in HST is the right thing to do. It should be done because it will have a negative impact on our economy.

What happened since that? We all know that this particular government realized, because of the public backlash and from the Opposition and from those who spoke out publicly, that that was a mistake. That Bill 29 was a mistake in this Province.

When you talk about doing it over, duplicating things, over \$1 million was spent on the commission to go around the Province to listen to people in Newfoundland and Labrador, what we already knew was wrong. We already knew it would have a negative impact when it came to openness and transparency, the access to information. It was a mistake. So what happened?

Over \$1 million later of taxpayers' money – money that could have been used to supply services, to supply goods and pay for things for Newfoundlanders and Labradorian – was spent on the commission because this government recognized that it was a mistake and now we have spent \$1 million to correct that, I say, Mr. Speaker.

We all remember the infamous moose detectors that we saw on our highways. The Member for The Straits – White Bay North mentioned

We all remember the infamous moose detectors that we saw on our highways. The Member for The Straits – White Bay North mentioned a few things, and there were many others.

The Member for Virginia Waters this week talked about the core mandate review, another \$500,000 that was spent by this government back in 2012-2013. That was supposed to actually transform government, to make it more modern, to do things, and get them ready. Mr. Speaker, we all know what happened to that. That did not work, \$500,000 and here we are again this year going outside to find a consultant to do what? To do much of the same thing that was done just three or four years ago.

Then there are a number of vacant schools that have already been mentioned, that is costing hundreds of thousands of dollars, if not millions of dollars around the Province.

I did listen intently when the Member for Labrador West talked about bonds and so on. I have to be honest with you, Mr. Speaker, given the debate over the last year with Humber Valley Paving and the decision that was made; we know that the Trans-Labrador Highway, as a result of the decision that was made by this government, has cost the taxpayers of

Newfoundland and Labrador more money. These are the things that we are talking about.

You should not have to make decisions two and three and four times. If you do it right the first time, you cut the duplication. This is where you save money. Many of us who have been involved in our aspects of life – and I will tell this House, I certainly did not grow up with any silver spoon in my mouth. My father was a forester and we lived on very limited income. We always knew that the best dollar, the easiest dollar to make was the one that you could save. Do not waste money.

SOME HON. MEMBERS: Hear, hear!

MR. BALL: Mr. Speaker, we look back to 2009, the expropriation of Abitibi. That has left this Province with hundreds of millions of dollars now in liabilities. We do not even know what the firm number will be. When you talk about passing things on to future generations, this is a prime example of making a bad decision because it was a reaction. These are just a few things I jotted down here in the few minutes as I was listening to speakers opposite talk about HST and the impact, as if it was no other option.

The Member for Port de Grave said they had three options. He actually decided there was a third one because previously we heard two. One was to increase taxes by this government. To increase fees for the things we use as Newfoundlanders and Labradorians, services from this government, about 261 fees I think it is. That was increased in this Budget, Mr. Speaker, and to borrow. Well, the Member for Port de Grave added a third one and he said cut services. That was his third one.

The Member for Lab West said there were 1,400 people who would lose their jobs, but yesterday – I want to remind the people in Lab West that there were over 1,600 jobs and we are still not clear how many jobs will be lost as a result of the actions of this Budget.

These are just a few things we discussed here today. I have talked to many people in Lab West in recent days and I can assure you that every 1 per cent, every half per cent, every 2 per cent, every \$20, every \$10 matters to the people in Lab West, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. BALL: We have many people up there now who are struggling. They are wondering how they will pay for their mortgage. They are wondering how they will meet their car payments, because we know that most people in our society live from paycheque to paycheque.

We know that many seniors in our Province right now live from paycheque to paycheque, and they are not interested in having to wait for another government cheque to come in October as a result of this increase in the HST. They want to be able to control their own expenses; not wait for another cheque that will come because this government has decided they will take the HST now and we will pay you later. Mr. Speaker, that is not the Newfoundland and Labrador spirit that I know.

Mr. Speaker, when I look at this decision that was made by this government, I go back to – and today I guess we have received a report. I have not been through it yet, but it is kind of a report on the recommendations that have been made around the AG, the Auditor General. What happens is every year the Auditor General will go into various departments within government and actually randomly test some departments.

Coming out of the AG's reports, there are always a series of recommendations. That is the Auditor General's job, to go in, to audit the services, to audit those departments, just to see. We all know that throughout the years there are lots of recommendations that will come out of this.

This report today covers the time frame, I think it is 2009 to 2012. The objective here is to get to 80 per cent of the recommendations over a two-year period. What we are finding here is when we go back to 2009 – not one year since 2009 have they been able to get to that 80 per cent figure.

As a matter of fact, Mr. Speaker, if you look at 2012, which is really three years – as I said the target here, the milestone here, and as everybody knows in their families, in their business life, you put milestones, you put targets in place, the objective is to what? It is to meet those targets, because those critical points are important. If

you miss those – we heard this with the Muskrat Falls debate. It was said here that if we miss certain targets, that we put at risk hundreds of millions of dollars if we do not get it right.

Mr. Speaker, there are targets set here by the AG. In 2012, to get to 80 per cent; two years to get to 80 percent. Well, this is essentially three years later, and guess what? It is 54 per cent, Mr. Speaker. That is not good enough when you look at a report from the AG with – actually, when you look at to get to 90 per cent, they go back to 2009, six years later with a series of recommendations that are put in place. It takes six years to get to 90 per cent. I am sure people will be digging into this overnight and so on, but there are a lot of recommendations here.

Also we have heard for years now, when you look at opportunities to create – as a matter of fact, when there is money available to you – and I think no further than the oil royalty audits. We all know the hundreds of thousands of dollars, and in some cases millions of dollars that were left because of the royalty audits.

Mr. Speaker, these are the kinds of things, when it comes to accountability, proper management, and as you plan for the time that we see ourselves in today, \$1.1 billion deficit. Who in Newfoundland and Labrador would have ever believed that in this day and age by definition of a have province, that we would be borrowing \$2 billion, \$4.85 billion over the next four years in this economy?

It was mentioned a few minutes ago about some Tweets that were out there today about Mr. Don Mills from CRA and talking about this year's Budget. Well, if you look at what Mr. Don Mills has been saying – he is obviously a researcher and a pollster who does a fair amount of work in Atlantic Canada. He also in his presentation talks about the economy of Newfoundland and Labrador and compared us to even PEI, compared us to New Brunswick, Nova Scotia. The GDP, the economy in Newfoundland and Labrador over the last seven years were some of the worst.

The economy is driven. This is how people decide to invest. People from outside will decide to invest in Newfoundland and Labrador based on the strength of the economy here. As

the minister said, you cannot just take the words of an individual and cherry pick. These are the minister's words himself, and here he is today talking about –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. BALL: Putting things in context, I say, Mr. Speaker. If you look at his report today, you will see that the economic indicators that are outlined in Mr. Mill's report does not speak well for the economy of Newfoundland and Labrador, I say, Mr. Speaker.

So I will finish up in a few minutes. When I have listened to Newfoundlanders and Labradorians they are extremely optimistic about the future. We have a number of assets in our Province right now, I believe, if they are managed right, if we plan properly for the future, that the future will be bright and we can turn this economy around.

Mr. Speaker, when people look to our Province they need to know that the economy is indeed strong. They need to know that our population is growing. They need to know that the customers that are there to support their economy are there and they have money in their pockets to actually spend.

At this particular point in time, I say, Mr. Speaker, I believe this is a regressive action on behalf of this government. There are a number of unintended consequences. This will have an impact on the economy, no different than we have seen in other economies when we have seen taxation. You cannot tax yourself out of a problem, out of a bad fiscal problem that I would say this government is solely responsible for.

We talked a little earlier, some member made a comment earlier – I think it was the Member for Lab West – talked about how we rebounded in 2008. Well, I say, Mr. Speaker, if you look closely at that recovery in 2008 and 2009 and beyond, it was strictly around one line. It was around oil royalties – not driven by any creative or innovative ideas from this government, it was strictly from oil royalties.

Mr. Speaker, I will close debate. We have talked a lot about the economic health in our Province. We firmly believe that increasing the HST at this point is not the right thing to be doing, and we are urging this government at this point to cancel the intended increase in HST, not put undue hardships on people like our seniors, like our young families. I ask for government and all members in this House today to support this motion.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Verge): Order, please!

Shall the resolution carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

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

SOME HON. MEMBERS: Nay.

AN HON. MEMBER: Division.

MR. SPEAKER: Division has been called.

Summon the members.

Division

MR. SPEAKER: Are the Whips ready?

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

All those in favour of the motion, please stand.

CLERK: Mr. Ball, Mr. Andrew Parsons, Mr. Osborne, Mr. Joyce, Ms Cathy Bennett, Mr. Jim Bennett, Mr. Slade, Mr. Mitchelmore, Ms Dempster, Mr. Edmunds, Mr. Lane, Mr. Reid, Mr. Flynn, Mr. Crocker, Ms Michael, Mr. Murphy, Ms Rogers.

MR. SPEAKER: Order, please!

All those against the motion, please stand.

CLERK: Mr. Davis, Mr. King, Mr. Hutchings, Mr. Kent, Mr. Crummell, Mr. Sandy Collins, Mr. Felix Collins, Mr. Wiseman, Mr. Jackman, Mr. Granter, Mr. Littlejohn, Mr. Cross, Ms Perry, Mr. Brazil, Mr. Russell, Mr. Forsey, Mr. Dinn, Mr. Cornect, Mr. Hedderson, Mr. Kevin Parsons, Mr. Little, Mr. Pollard, Mr. Peach, Mr. McGrath.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

CLERK: Mr. Speaker, the ayes: seventeen; the nays: twenty-four.

MR. SPEAKER: The motion is defeated.

This being Wednesday and the business of the House concluded, we now stand adjourned until tomorrow, Thursday, at 1:30 o'clock.