



Larry Short is a Portfolio Manager in St. John's, Newfoundland and has been in the investment industry for 30 years. He is a MUN Commerce Graduate, a Chartered Professional Accountant (CPA, CGA), a Certified Investment Manager, and a CERTIFIED FINANCIAL PLANNER® professional. He hails from Carbonear, NL and was previously a Vice President at RBC Dominion Securities and at TD Waterhouse Private Investment Advice.

This event is open to the public:
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(709) 864-8248

Funding provided by the Vice-President Academic's "Support for Scholarship in the Arts at Memorial Program" and "the Collaborative Applied Research in Economics (CARE) initiative."

Toward Solving the Newfoundland and Labrador Debt Problem: From Profound Procrastination to Ambitious Aspiration

Department of Economics Visiting Speaker:

Larry Short

B.Comm, CPA, CIM, CFP®, FCSI

CPA Canada Financial Literacy Spokesperson

April 10th, 2019 7:30 - 9:30 p.m.

Faculty of Medicine

Atrium - Room 1M102

This presentation is divided into **three** sections:

1. DEBT: A non-jargon explanation of the provincial debt, key elements of how it came to be, and hazards that may push it higher in the short term. The long-term concern of depopulation is highlighted.

2. SKIN IN THE GAME/KIN IN THE GAME: A discussion of local societal factors that enabled the debt to build and continue to prevent resolution. Part of this touches on lessons learned from Muskrat Falls.

3. AMBITIOUS ASPIRATIONS: Solutions contrary and audacious, beset with controversy and bound to evoke debate including taboo topics such as (but not limited to) closing hospitals, MUN tuition changes, bulk sale of water, licensing of pharmacists and nurses to prescribe, midwifery, resettlement (not what you think) and a bigger baby bonus.

Time will be left for questions and a possible public hanging.

TOWARD SOLVING THE NEWFOUNDLAND & LABRADOR DEBT CRISES

Larry Short, B. Comm., CPA, CGA, CIM, CFP®, FCSI

CPA Canada Financial Literacy Spokesperson

April 2019

Some Rules/Warning to Those Easily Offended

- * Please mute cell phones. **We are recording.**
- * Type 1 Diabetic Cyborg
- * This is mostly about the island of Newfoundland. No disrespect to Labrador.
- * If easily offended, you've come to the right place - everyone in the room will probably be upset with something I say, in some way.

Three Parts

1. Explanation of the Province of Newfoundland and Labrador debt in non jargon fashion.
2. How we got into debt and barriers to getting out.
3. Audacious solutions borrowed (stolen) from the rest of the world.

ALEXANDRIA OCASIO-CORTEZ (AOC)



For what it's worth, I don't think expanding public imagination is a "new style." It is a return to the Democratic Party that went to the moon, passed the Civil Rights Act, + strove for the Great Society.

"It is the politics of courage vanquishing fear; aspiration over desperation."

“It is the politics of courage vanquishing fear; aspiration over desperation.”



“At the end of the day, people here think that their intentions are gonna save them, but the actual decisions you make matter.

We’re not gonna get out of this through incrementalism. We need moonshots.”

From Profound Procrastination to Ambitious Aspiration.

The meaning of aspiration:

1. A hope or ambition of achieving something.

Synonyms: desire, longing, yearning, hankering, urge, wish.

2. MEDICINE: the action or process of drawing breath.

3. An additional meaning in Newfoundland and Labrador:
the inhaled YES

Part One

1. Explanation of the Province of Newfoundland and Labrador debt in non jargon fashion.
2. How we got into debt and barriers to getting out.
3. Audacious solutions borrowed (stolen) from the rest of the world.

**STATEMENT III
PROVINCE OF NEWFOUNDLAND AND LABRADOR
CONSOLIDATED CHANGE IN NET DEBT
2018-19 AND 2017-18 REVISED**

	2018-19 Budget	2017-18 Revised
	(\$000)	(\$000)
CHANGE IN NET DEBT		
Net Debt - Beginning of Period	14,637,527	13,597,806
Deficit for the Period	682,938	811,898
Change in Tangible Capital Assets		
Acquisition of Tangible Capital Assets	487,176	497,659
Amortization of Tangible Capital Assets	<u>(279,708)</u>	<u>(269,836)</u>
Increase in Net Book Value of Tangible Capital Assets	207,468	227,823
Increase (Decrease) in Net Debt	<u>890,406</u>	<u>1,039,721</u>
Net Debt - End of Period	<u><u>15,527,933</u></u>	<u><u>14,637,527</u></u>
NET DEBT SUMMARY		
Unfunded Pension Liability	586,418	577,889
Unfunded Retirement Benefits Liability	3,028,335	2,935,054
Plus: Promissory Notes	<u>4,275,619</u>	<u>4,342,519</u>
	7,890,372	7,855,462
Sch. IV Borrowings - Net of Sinking Funds	<u>13,047,934</u>	<u>11,659,659</u>
Debt	20,938,306	19,515,121
Other Financial Liabilities less Financial Assets	<u>(5,410,373)</u>	<u>(4,877,594)</u>
Net Debt	<u><u>15,527,933</u></u>	<u><u>14,637,527</u></u>

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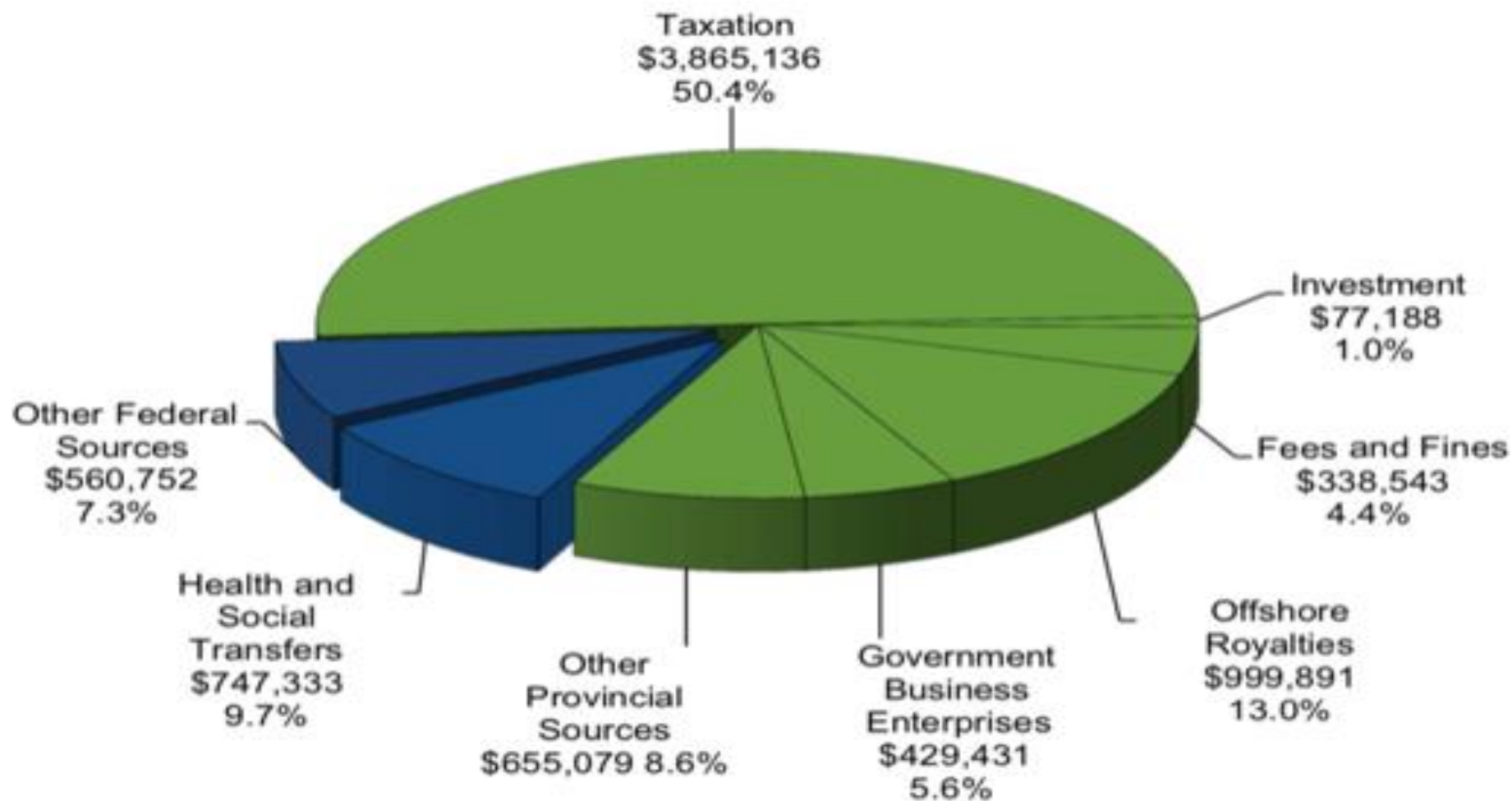
**PROVINCE OF NEWFOUNDLAND AND LABRADOR
REVENUE BY SOURCE
2018-19 AND 2017-18 REVISED**

	2018-19 Budget (\$'000)
Provincial	
Taxation	
Personal Income Tax	1,581,927
Sales Tax	1,207,436
Gasoline Tax	260,835
Payroll Tax	134,517
Tobacco Tax	160,397
Cannabis Tax	2,240
Corporate Capital Tax	39,658
Corporate Income Tax	323,884
Mining Tax and Royalties	65,367
Insurance Companies Tax	88,875
	<u>3,865,136</u>
Investment	
Sinking Fund Earnings	64,376
Interest Revenue	12,812
	<u>77,188</u>
Fees and Fines	
Vehicle and Driver Licenses	99,200
Registry of Deeds, Companies and Securities	32,650
Fees, Fines and Forfeitures	206,693
	<u>338,543</u>
Offshore Royalties	<u>999,891</u>
Other Provincial Revenues	<u>655,079</u>
Government of Canada	
Health Transfers	546,689
Social Transfers	200,644
Statutory Subsidies	9,710
Cost Shared and Other Federal Revenues	551,042
	<u>1,308,085</u>
Net Income of Government Business Enterprises and Partnerships	
Atlantic Lottery Corporation	133,000
Nalcor Energy	118,100
Newfoundland and Labrador Liquor Corporation	178,331
	<u>429,431</u>
TOTAL REVENUE BY SOURCE	<u><u>7,673,353</u></u>

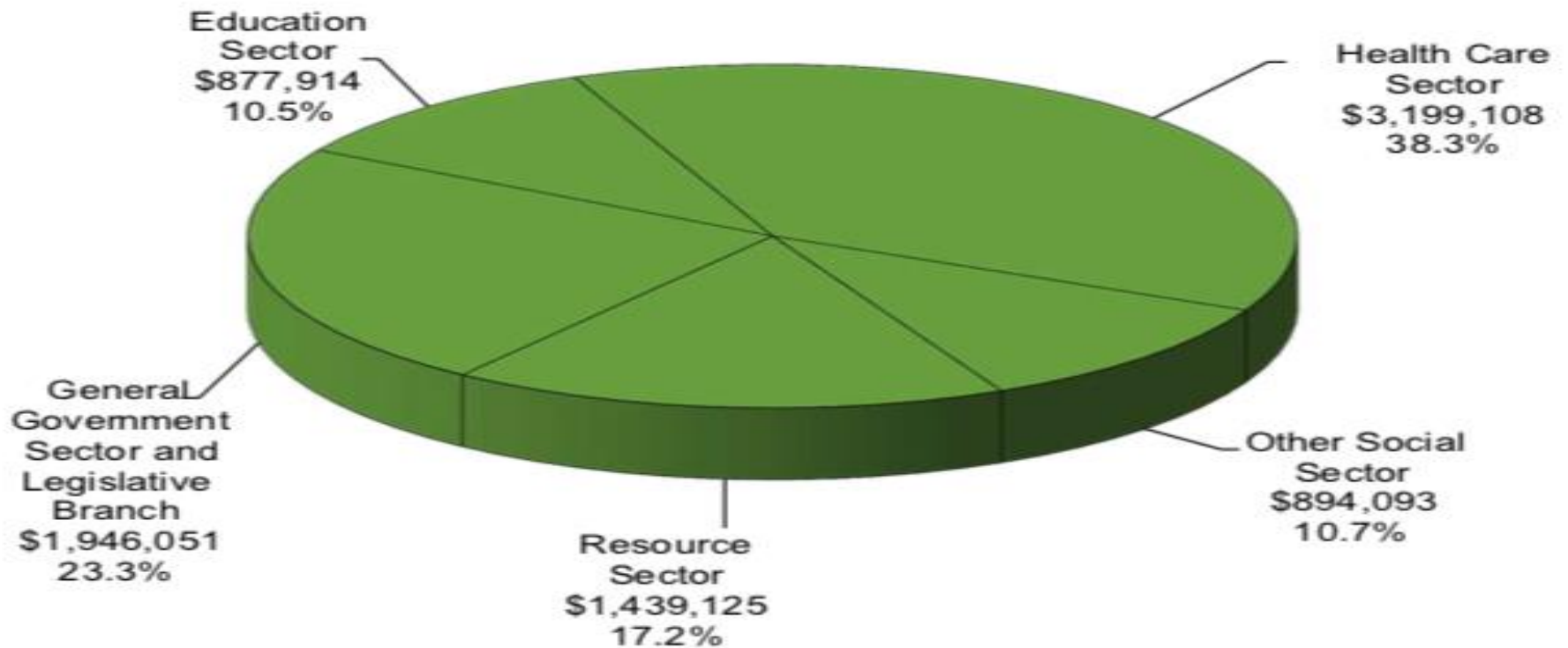


2018-19 AND 2017-18 REVISED

	2018-19 Budget
	(\$000)
REVENUE	
Provincial	
Taxation	3,865,136
Investment	77,188
Fees and Fines	338,543
Offshore Royalties	999,891
Other	655,079
Government of Canada	<u>1,308,085</u>
Total Revenue before Government Business Enterprises and Partnerships	7,243,922
Net Income of Government Business Enterprises and Partnerships	<u>429,431</u>
Sch. I TOTAL REVENUE	<u>7,673,353</u>
EXPENSE	
Sch. II General Government Sector and Legislative Branch	1,946,051
Sch. II Resource Sector	1,439,125
Sch. II Social Sector	<u>4,971,115</u>
Sch. III TOTAL EXPENSE	<u>8,356,291</u>
ANNUAL DEFICIT	<u>(682,938)</u>

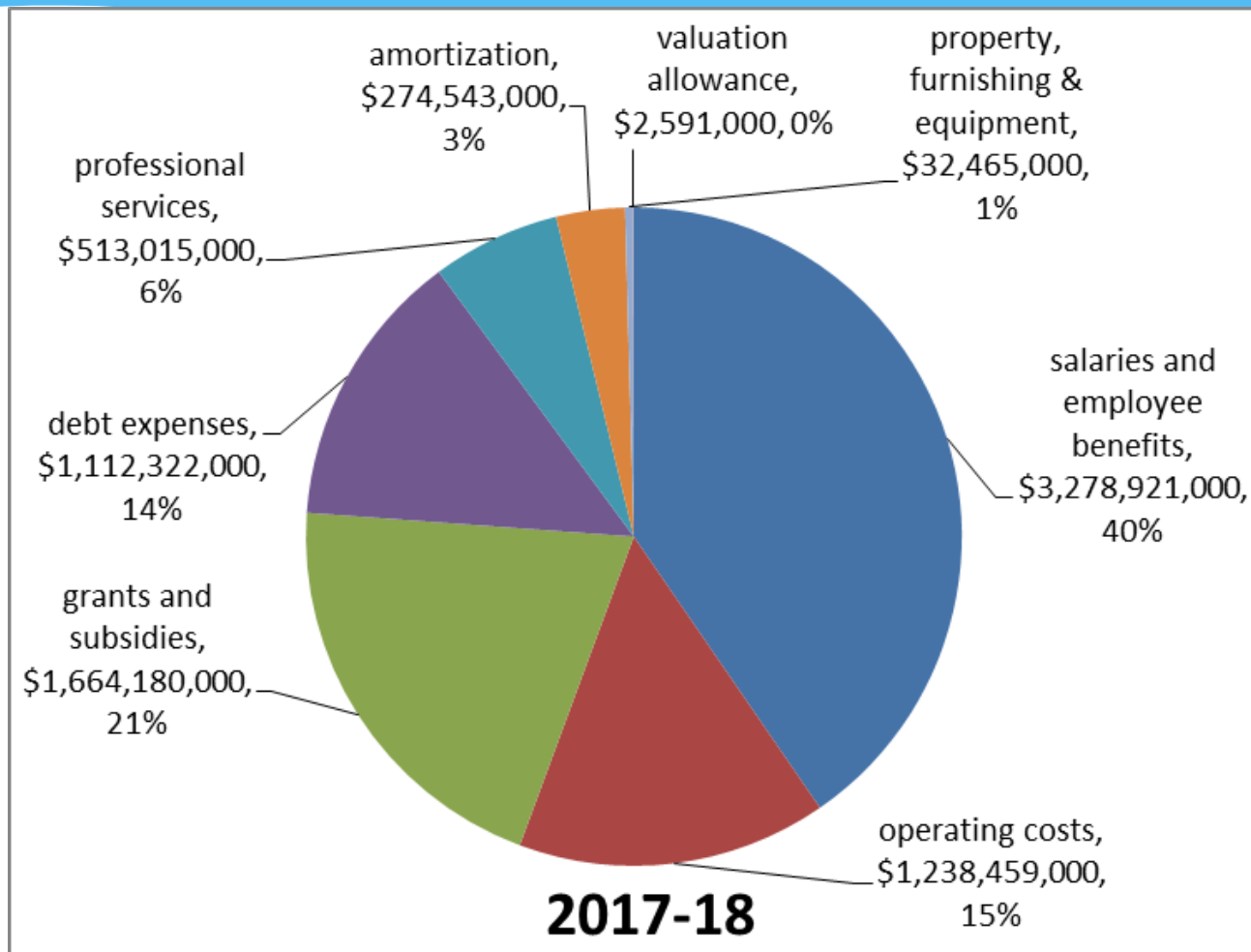


**SCHEDULE VI
SUMMARY OF EXPENSES (BY SECTOR)
WHERE THE EXPENSES GO**



Interest expense is over \$1 billion per year = 12% of all expenses.

Where is the Money Going?



Budget 2018 Forecast

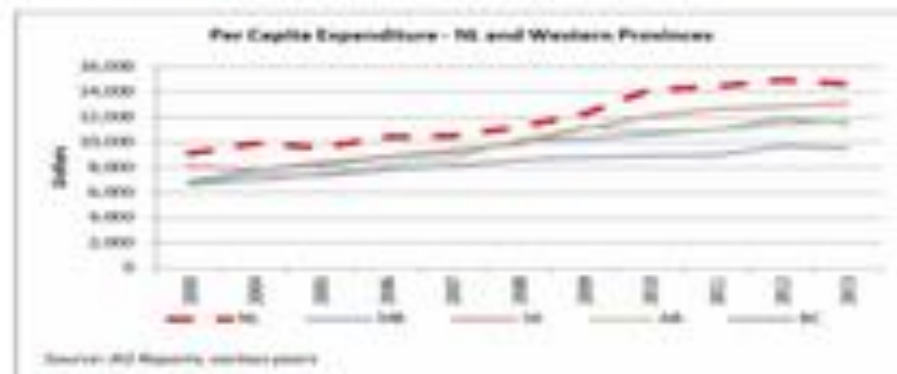
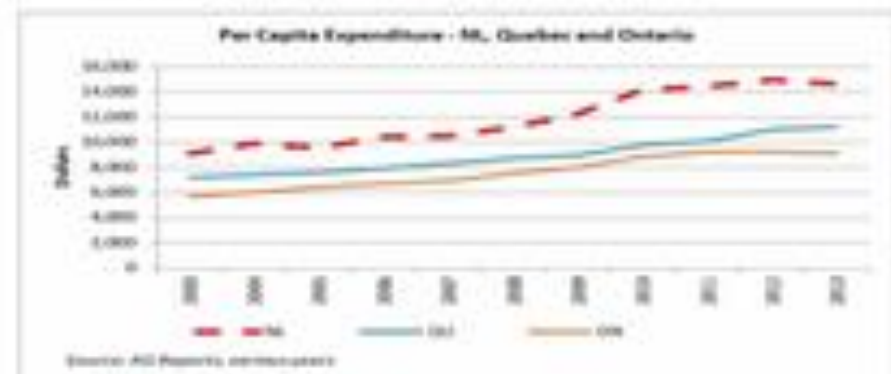
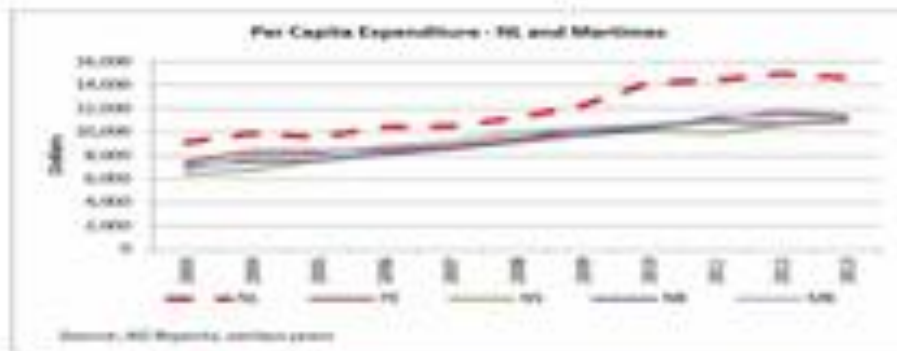
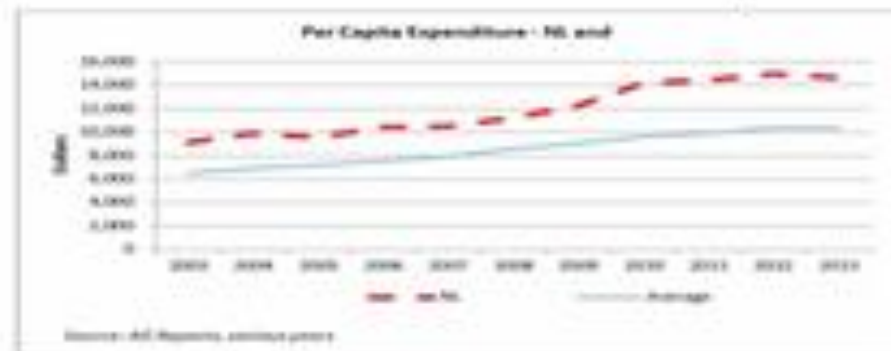
	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast	2022-23 Forecast
Total Revenue	7,673	7,760	7,527	7,833	8,049
Total Expenses	8,356	8,242	8,146	8,006	7,908
Oil Revenue Risk Adjustment	-	25	35	70	85
Deficit	(683)	(507)	(654)	(243)	56

OIL PRICE AND EXCHANGE RATE SENSITIVITIES

	Fiscal Year 2017-18	
	Budget 2016	Budget 2017
Oil Royalties	\$ 949 Million	\$882 Million
Average Oil Price	US\$52	US\$56
Exchange Rate (USD/CAD)	0.77	0.75

Sensitivities	Fiscal Year Change in Royalties (\$ Millions)					
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Oil Price Budget Assumption (\$US):	\$56	\$62	\$69	\$71	\$73	\$75
Minus \$1.00 US Impact (\$M):	-21.9	-25.7	-26.7	-24.1	-23.7	-23.1
Plus \$1.00 US Impact (\$M):	23.4	25.7	26.7	24.1	23.7	23.1
Exchange Rate Budget Assumption:	0.75	0.76	0.76	0.78	0.79	0.8
Minus 1 Cent Impact (\$M):	17.8	21.2	24.5	22.2	22.2	22
Plus 1 Cent Impact (\$M):	-16.2	-20.7	-23.9	-21.6	-21.7	-21.4

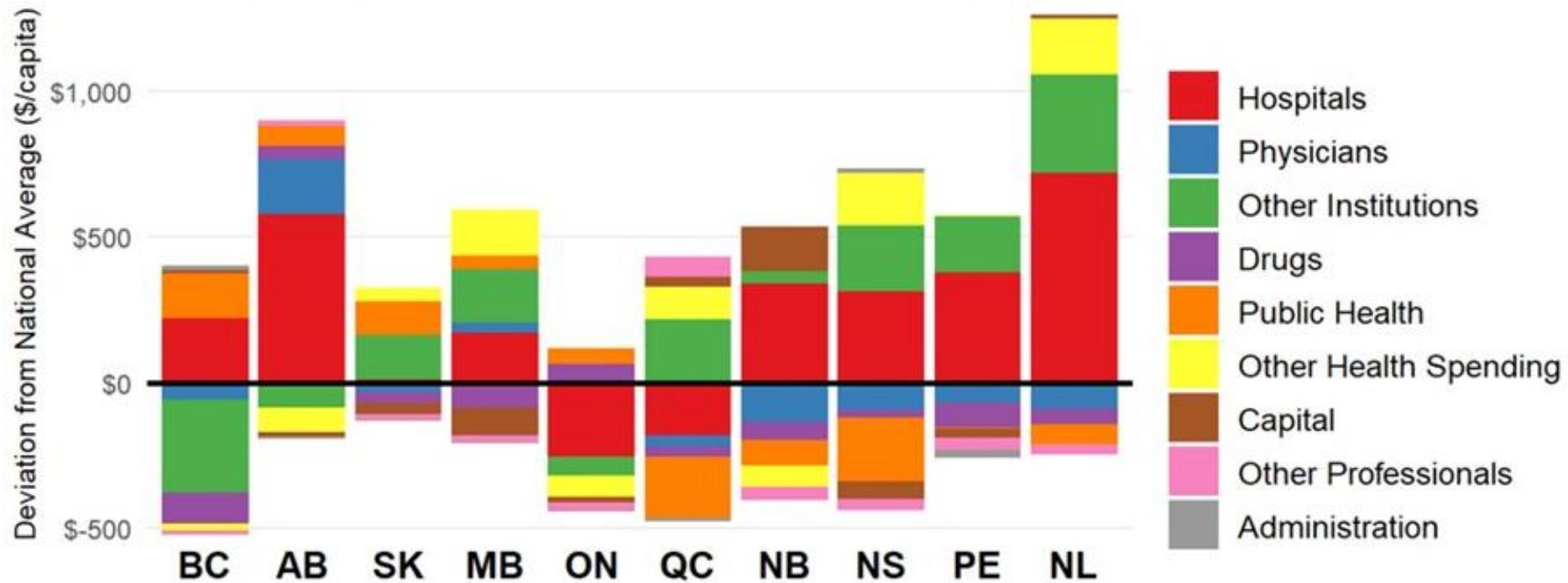
Government Expenditures – A Comparison



- **NL per capita expenditure 44% higher than CDN Ave, 33% higher than Maritime Provinces, 34% than average of QU and 60% higher than ON and 18% higher than SK (the next highest province)**

Where Provincial Health Spending is Above/Below Average

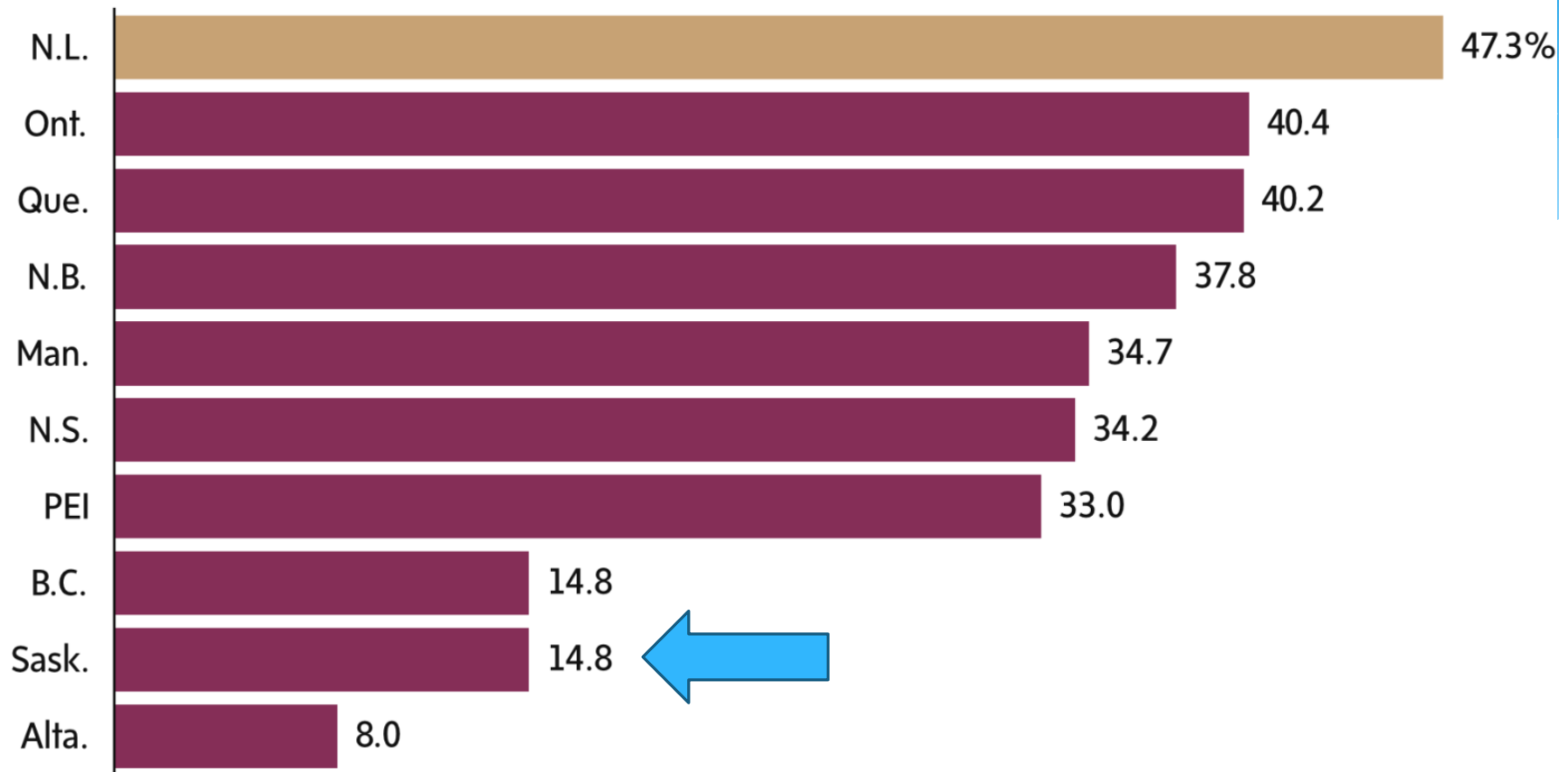
Source: Own calculations from CIHI National Health Expenditure Trends 2018, Table O.1



Graph by @trevortombe

Net debt-to-GDP ratio by province

Projected for 2018-19 fiscal year



THE GLOBE AND MAIL, SOURCE: RBC ECONOMICS

[DATA](#) [SHAR](#)

Newfoundland and Labrador's net debt per capita

\$30,000

In a 2017 report, the Parliamentary Budget Officer – the federal watchdog on government finance matters – warned that Newfoundland and Labrador’s fiscal path “is not sustainable over the long term,” in light of its heavy debt and its demographics. It called for strong medicine: Permanent tax increases and/or spending reductions totalling 6.5 per cent of provincial GDP. That’s the equivalent of a 26-per-cent tax hike or a 21-per-cent gutting of program spending.

The PBO projected that without a major rethink of fiscal policy, Newfoundland’s debt-to-GDP ratio will rise from its current 47 per cent to more than 200 per cent by 2040 – and close to 500 per cent by 2060.

Mr. Saillant fears that the province will hit a wall long before that. Barring a surge in the price of oil that would ignite Newfoundland’s economy and revive government revenues, he predicts that the province is headed toward a fiscal crisis within “probably five to 10 years.”

Province of NL bonds downgraded in 2016

The major bond-rating agencies were concerned enough to downgrade Newfoundland and Labrador's credit rating in 2016. But they have always, by convention, assumed that the debts of Newfoundland, and indeed all Canadian provinces, are implicitly backed by the federal government should push ever come to shove. (This belief has its roots in the rather dubious precedent of the only provincial default in Canada's 152-year history – Alberta during the Great Depression – which, after years of negotiations and much reluctance, eventually ended in a federal debt-restructuring package.)












Long Term Debt Credit Rating Systems

Investment Quality	Moody's	Standard and Poor's	DBRS	Fitch
Highest Quality	Aaa	AAA	AAA	AAA
Substantial Payment Capacity	Aa1	AA+	AA(High)	AA+
	Aa2	AA	AA(Middle)	AA
	Aa3	AA-	AA(Low)	AA-
High Payment Capacity	A1	A+	A(High)	A+
	A2	A	A(Middle)	A
	A3	A-	A(Low)	A-
Adequate Payment Capacity	Baa1	BBB+	BBB(High)	BBB+
	Baa2	BBB	BBB(Middle)	BBB
	Baa3	BBB-	BBB(Low)	BBB-
Non-investment grade: BB, B, CCC, CC and C categories				
In Default	C	D	D	D

Canadian Provincial Ratings, December 31st, 2016

	DBRS	S&P	Moody's
British Columbia	AA(high)	AAA	Aaa
Alberta	AA(high)	AA (negative)	Aa1 (negative)
Saskatchewan	AA	AA+ (negative)	Aaa
Manitoba	A(high)	AA- (negative)	Aa2
Ontario	AA(low)	A+	Aa2
Quebec	A(high)	A+(positive)	Aa2
New Brunswick	A(high)	A+	Aa2
Nova Scotia	A(high)	A+	Aa2
Prince Edward Island	A(low)	A	Aa2
Newfoundland & Labrador	A(low)	A (negative)	Aa3 (negative)

Equalization: Is this why we can't have nice things?

Province or Territory	Population (2017)	Share of Canada Total %	GDP (million 2007 CAD\$, 2017)	GDP per capita (2007 CAD\$, 2017)	GDP per capita Difference From Canada Average %
 Canada	36,712,658	100	1,751,898	55,405	0
 British Columbia	4,945,559	13.5	228,195	53,267	-3.8
 Alberta	4,262,642	11.6	304,709	78,100	+41.0
 Saskatchewan	1,155,034	3.1	60,592	70,138	+26.6
 Manitoba	1,340,776	3.7	57,250	50,820	-8.3
 Ontario	14,153,806	38.6	651,932	55,322	-0.15
 Quebec	8,329,664	22.7	328,688	46,126	-16.7
 New Brunswick	768,212	2.1	27,363	43,818	-20.9
 Prince Edward Island	151,477	0.4	4,883	42,157	-23.9
 Nova Scotia	943,373	2.6	33,470	42,640	-23.0
 Newfoundland and Labrador	528,463	1.4	26,773	56,935	+2.8

Source: Statistics Canada: GDP (totals),^[8] Population,^[9] Canada Revenue Agency: Taxation Statistics 2015 taxat

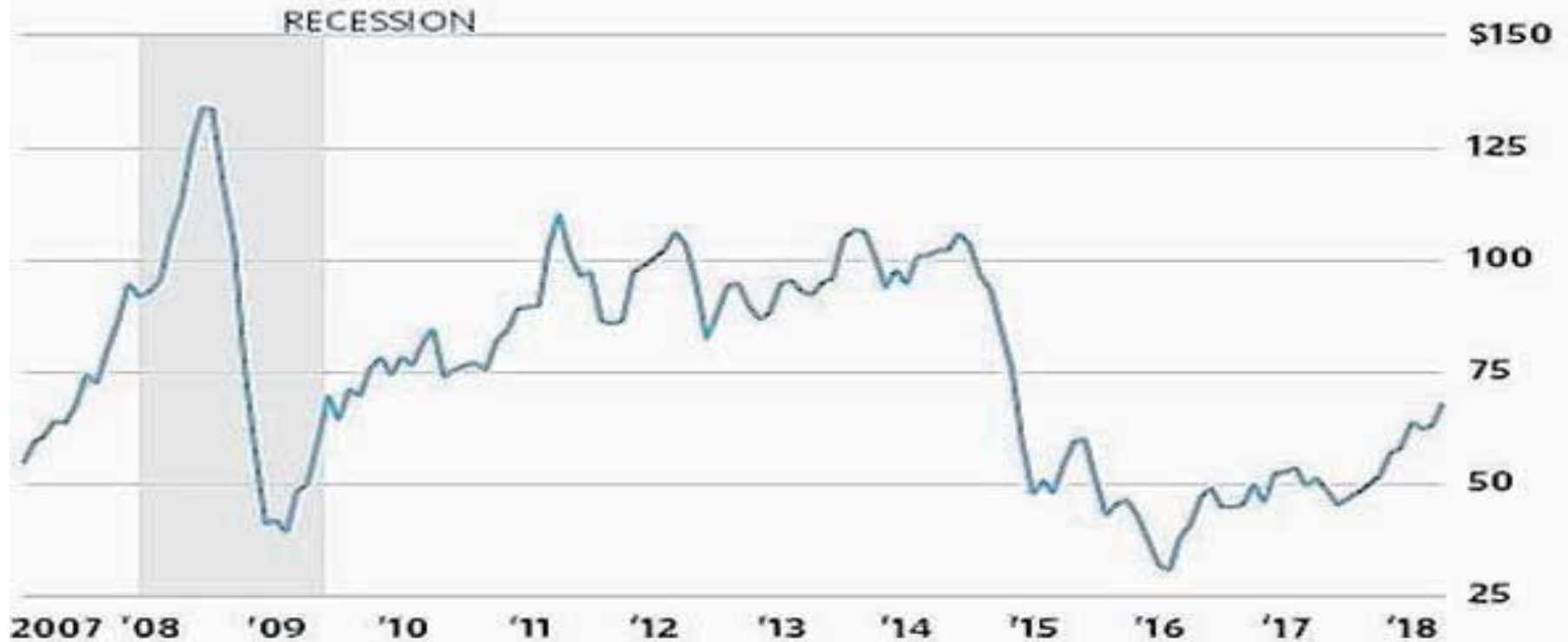
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Crude Oil Prices

Crude oil price

West Texas Intermediate back near \$70/barrel



Source: Energy Information Agency/Haver Analytics

Newfoundland and Labrador's net debt per capita

\$30,000

25,000

20,000

15,000

10,000

5,000

0

1982

1989

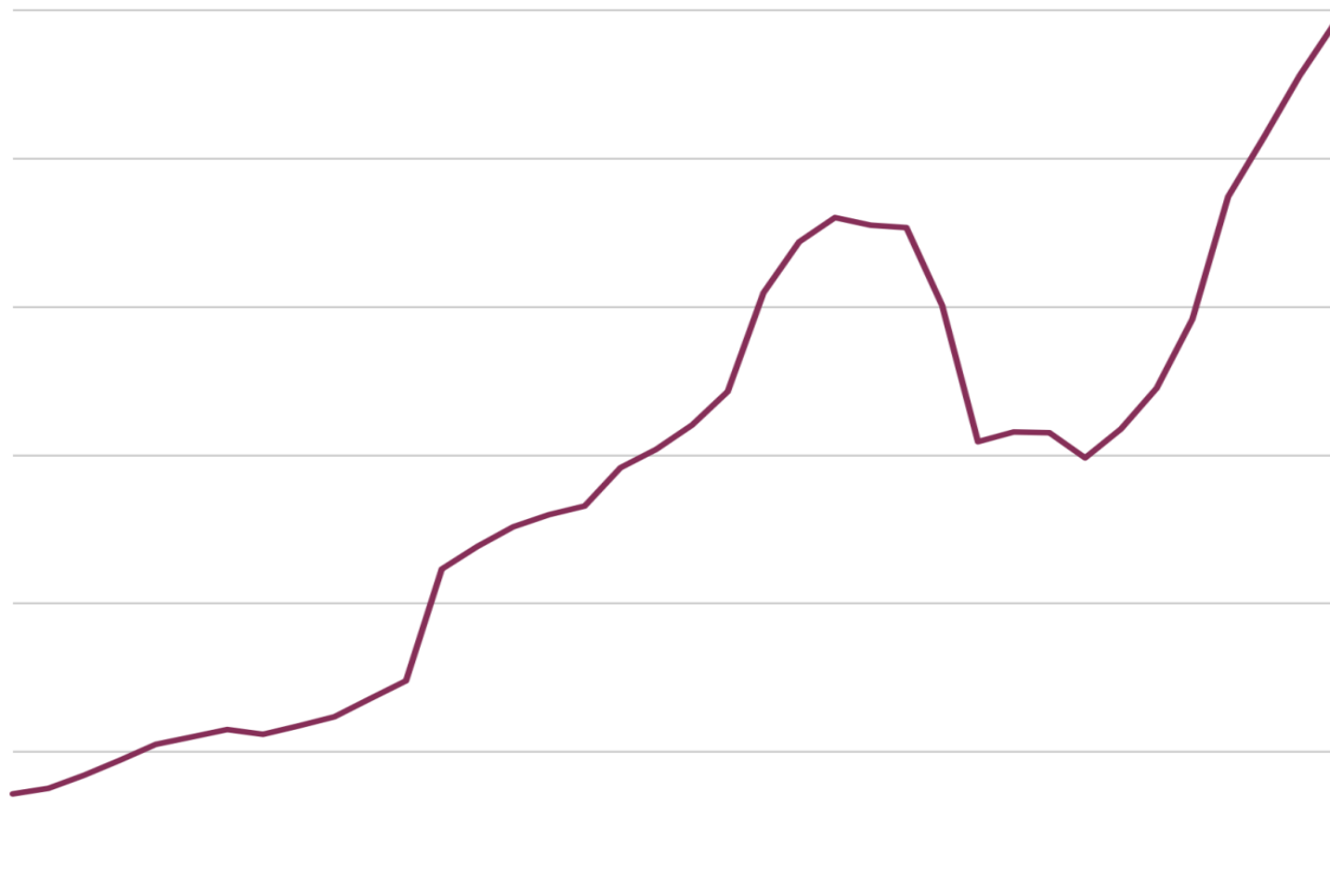
1996

2003

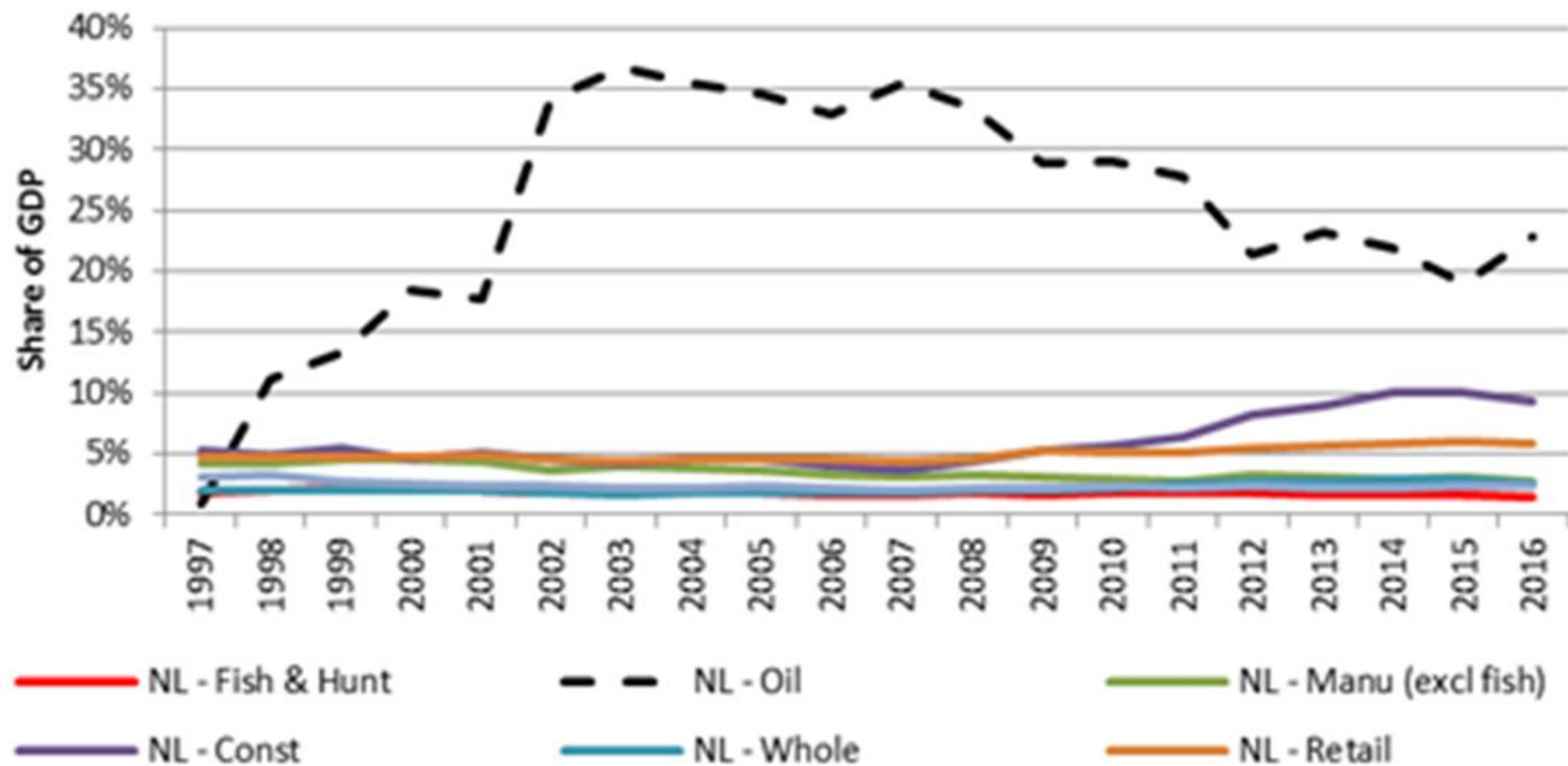
2010

THE GLOBE AND MAIL, SOURCE: RBC ECONOMICS / NOTE: YEAR REFERS TO END OF FISCAL YEAR; PROJECTED FOR 2018-19

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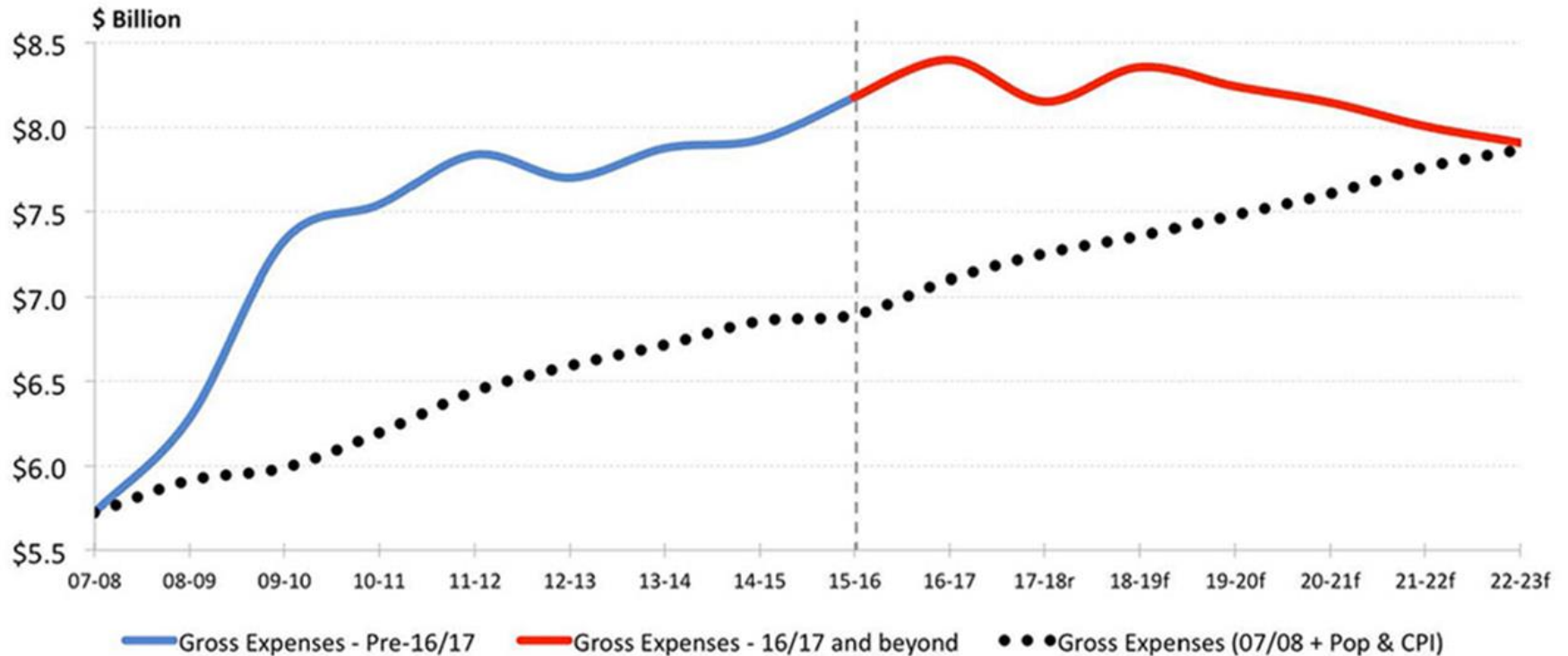


Share of NL GDP (Chained 2007 Dollars)



Data Source: Author's Calculations based on Stats Canada CANSIM Table 3790030

Expenditure and Growth Control



Source: Department of Finance

Societal Factors: Skin in the Game/Kin in the Game

panel 1 - The capture of the corrupt judge Sisamnes.jpg



Origin of the term.

The lack of Skin in the Game in Newfoundland and Labrador Politics.

The removal of risk from responsibility.

Societal Factors: Skin in the Game/Kin in the Game

- * No one fired from Muskrat Falls project lost any skin from the deed.
- * No one has been fired because they overspent on the Provincial budget.
- * We know we have a spending problem but no one in government is willing to take any action.





Audit finds Muskrat Falls cost overruns were obvious soon after project was sanctioned

HOLLY MCKENZIE-SUTTER

THE CANADIAN PRESS

PUBLISHED FEBRUARY 18, 2019

[View full article on The Canadian Press](#)



**When you find out
that your \$6.2-billion
option isn't going to
work, you go back to
the drawing board
and figure out how
you're going to meet
your need for power.**

- Richard LeBlanc

Societal Factors: Skin in the Game/Kin in the Game



David Zelcer
@DavidZelcer



imagine. former premier gets on the witness stand and says he didn't have a clue what was going on with MF.... and nobody cares. [#nlpoli](#)

“If you pick our political leaders for their ability to put extra gravy on your fries, the only thing they’re going to do in any situation is to keep trying to put extra gravy on your fries.”



That's former natural resources minister Derrick Dalley at the Muskrat Falls inquiry, just one of a series of former politicians whose testimony has been gobsmackingly underwhelming.

OK — how to put this diplomatically? There has to be a way to get a more consistent, better quality of provincial politicians.

PS: Please subscribe to the Telegram.

There's a fundamental deficit in our democracy, in that we have a bad habit of electing perceived saviours who come with whatever ducklings straggle in on his or her coattails, politicians put in place because their constituents need someone on the government side.

The Muskrat Falls inquiry is making that plain. The takeaways so far are pretty simple: Nalcor Energy and its staff had never taken on a project like Muskrat Falls, but were absolutely convinced they were equipped to handle it, on time and on budget, and anyone who asked questions was the enemy.

The logical brake to that was the government, with its responsibility for oversight — the problem being that the politicians responsible for that oversight were even less qualified to oversee a project like Muskrat Falls than Nalcor was.

“And at the inevitable (Muskrat Falls) public inquiry, the best they come up with is the equivalent of, “We thought, maybe, more gravy was important.”



That's former natural resources minister Derrick Dalley at the Muskrat Falls inquiry, just one of a series of former politicians whose testimony has been gobsmackingly underwhelming.

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Societal Factors: Skin in the Game/Kin in the Game

- * Our politicians believe that their job is to deliver gravy. WE WILL NOT ELECT A GOVERNMENT THAT SAYS IT WILL CUT OFF THE GRAVY.
- * To a large extent we have a government paralyzed from taking even the smallest action.
- * Witness the difficulty banning plastic bags.

Societal Factors: Skin in the Game/Kin in the Game

- * Kin in the Game
- * “Who’s your fadder?”
- * We are only 520,000 people who are either related to or know everyone else. (A small exaggeration...)

Societal Factors: Skin in the Game/Kin in the Game

- * Favoritism conferred on extended family members and friends.
- * Ma Famia vs Me Family.
- * Transfer of Risk from one's position to... Where?
- * Risk doesn't disappear. It concentrates and amplifies.

Societal Factors: Skin in the Game/Kin in the Game

- * Corporate and Union Contributions to political parties.
- * Provincial Parties negotiating with Unions
- * Corporate Directorships and Consultancies Contracts for MHA's and key employees of crown corporations.



Vaughn Hammond
@CFIBNL

Conflict of interest rules are so weak in NL, they are non-existent. There should have been a year cooling off period, but Cabinet granted waiver.

'Advance 2030' architect lands big contract with Nalcor | The Telegram thetelegram.com/news/local/adv... #nlpoli



'Advance 2030' architect lands big contract with Nalcor |
The Telegram
thetelegram.com

Societal Factors: Skin in the Game/Kin in the Game

- * We have a Colonial Culture where we don't want to offend anyone.
- * We want someone else in authority to make the hard decisions.
- * “If only equalization were fairer”, “We need more money from the Atlantic Accord”, “ If the Churchill Falls agreement was more just.”
- * This is a victim mentality.

Societal Factors: Skin in the Game/Kin in the Game

- * We have to change what is acceptable in Newfoundland and Labrador Society
- * We simply cannot continue with the status quo.
- * There are three major problems that need to be conquered. One is the deficit.

Societal Factors: Skin in the Game/Kin in the Game

- * The second problem is that the kids are leaving –

Melissa Royle highlights the real problem:

“I don’t think that, as a province, we’ve adequately realized the magnitude of this situation – that there’s not enough young people here to continue supporting the province the way it’s going,” Ms. Royle said.

Table 3.0: Newfoundland and Labrador: Population Estimates 2016 to 2036 by Model Type.

Year	Natural Survival	Historical (Cyclic) Survival Model		Replacement Survival Model		
		Medium Historic	High Historic	Low Replacement	Medium Replacement	High Replacement
2016	519880	519880	519880	519880	519880	519880
2017	517580	519601	519601	518258	518597	519104
2018	516441	520501	520501	517862	518544	519566
2019	515252	521359	521359	517417	518445	519988
2020	513855	522011	522011	516778	518156	520223
2021	512371	522558	522558	516050	517781	520378
2022	510773	520308	522986	515222	517309	520439
2023	509054	517911	523274	514282	516727	520393
2024	507180	515347	523400	513209	516013	520219
2025	505112	512563	523307	511967	515132	519880
2026	502901	509612	523046	510603	514130	519422
2027	500448	508980	522543	509059	512950	518788
2028	497714	508056	521741	507295	511551	517935
2029	494724	506853	520654	505338	509959	516891
2030	491514	505419	519329	503227	508214	515694
2031	488092	503783	517793	500987	506340	514369
2032	484432	499399	516000	498592	504311	512890
2033	480555	494820	513993	496062	502147	511274
2034	476419	489978	511704	493355	499806	509482
2035	472110	484982	509243	490550	497366	507589
2036	467676	479907	506685	487696	494876	505645

Note: Table row values for **Year 2016** is the baseline population for all model estimates

Source: The Harris Center, MUN

Societal Factors: Skin in the Game/Kin in the Game

- * The third problem is the most destructive.
- * Initially I thought it was Apathy
- * ... but it is really – the public has
Lost Heart in the process.

Mark Critch: It ain't just smoke

“People would love to not believe the situation we’re in,” Mr. Critch said over a pint at the Mallard Cottage – a converted 18th-century wooden house in St. John’s Quidi Vidi district, where people have been debating Newfoundland’s future around the dinner table for centuries. “For a politician to be able to lead people into a place where we can overcome those obstacles, you have to convince them that there is a fire in the house. A lot of people want to say, ‘Agh, it’s just smoke.’”





“It is the politics of courage vanquishing fear; aspiration over desperation.”



“At the end of the day, people here think that their intentions are gonna save them, but the actual decisions you make matter.

We’re not gonna get out of this through incrementalism. We need moonshots.”

This is Incrementalism



Plastic Bag Ban-NL @PlasticBag... · 1h ▾
#Banthebag @GrahamLetto NO MORE
EXPENSIVE STUDIES!!! We know the
facts!!! Time for leadership NOT @GovNL
STALLING!!! 🙌🚫🗣️ @ChesCrosbie
@EastCoastTrail @MunicipalNL
@Sheilagholeary @GerryRogersMHA
@MAE_GovNL @VOCMOpenline



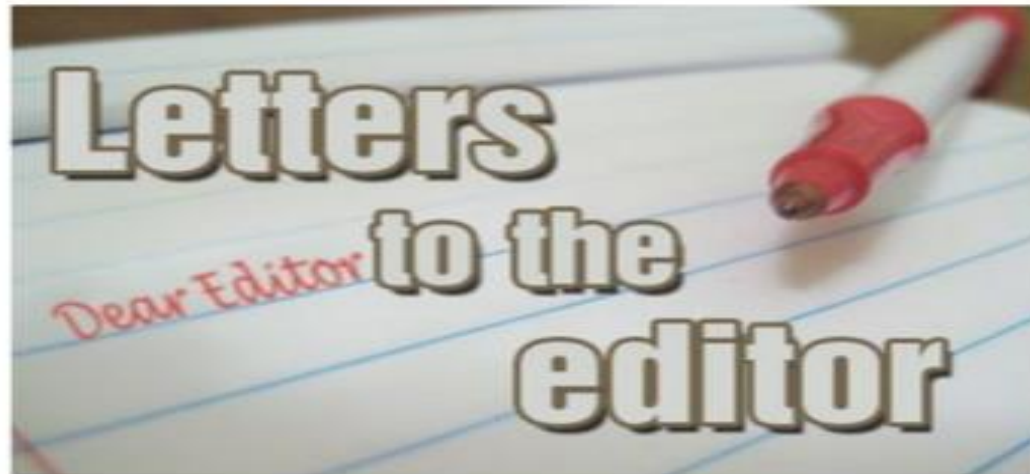
Province says Baie Verte Peninsula town's streets too dangerous to clear



LETTER: St. Mary's Bay area roads neglected and forgotten by government

Contributed

Published: a day ago



No one to fill in: Number of substitute teachers in N.L. has sunk



Not enough substitute teachers leads to more doubled-up classes, callback of retirees



Bernice Hillier - CBC News

Posted: 42 Minutes Ago



Dean Ingram, President of NLTA, said the shortage of substitute teachers is now a problem in urban areas as well as in rural and remote schools. (Eddy Kennedy/CBC)

Source: <https://www.cbc.ca/news/canada/newfoundland-labrador/substitute-teachers-shortage-english-school-district-1.5056252>

8-9 weeks for an appointment at any of the local clinics throughout Bay St. George.

Go to Emerge , like I did 3 times this weekend, to find a minimum 8 hour wait , 1 Dr attending to an emergency and no Nurse practitioners on duty because they are worked to pieces ? Well , I would be quite confident in saying our health care is being left to total... [See More](#)



**SAVE
OSHAWA
GM**



NEWFOUNDLAND AND LABRADOR NEEDS A MOONSHOT

- * We need to “expand the public’s imagination” AOC
- * We need a change in attitude and need to employ solutions outside the traditional norms for the province.
- * We need to make a lot of little mistakes, learn by them and avoid the big mistakes.

Three Parts

1. Explanation of the Province of Newfoundland and Labrador debt in non jargon fashion.
2. How we got into debt and barriers to getting out.
3. Audacious solutions borrowed (stolen) from the rest of the world.

Audacious solutions borrowed (stolen) from the rest of the world.

1. Full, true and plain disclosure of the problems and proposed solutions in the public forum – the House of Assembly.
2. The role of the opposition has to be taken more seriously. We are not paying MHA's to just heckle and insult government members.
3. Where was the guardian role during MF?

Our Moonshot

1. What if you could go back to Oshawa 15 years ago. What would you have done differently?
2. Let's look at conditions for Newfoundland and Labrador's economy over the next 15 years
3. We have an oil economy. How is that going to work out?

Electric cars

The death of the internal combustion engine

It had a good run. But the end is in sight for the machine that changed the world

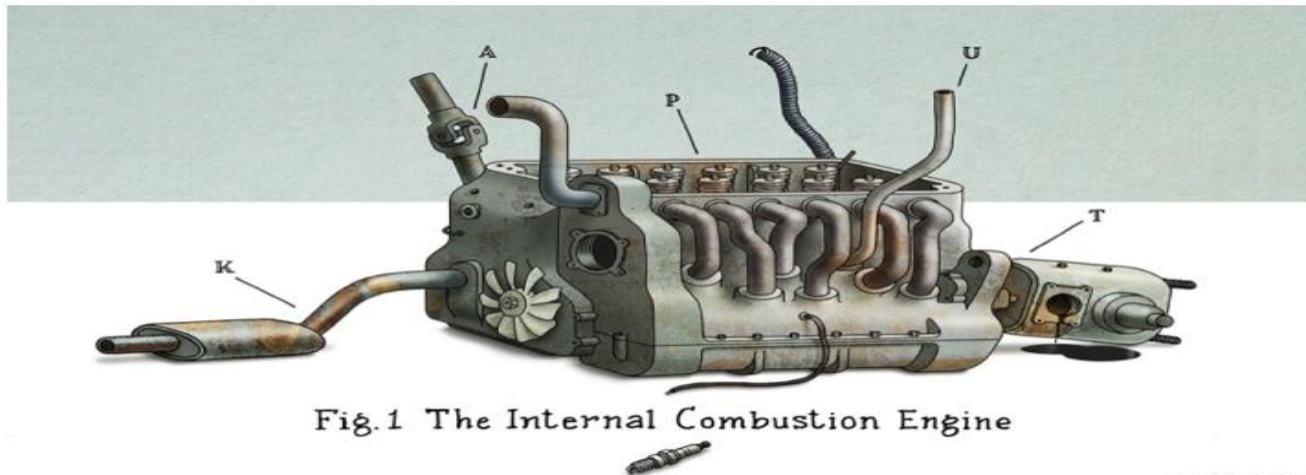


Fig.1 The Internal Combustion Engine

Jon Berkaley

Financial Times  @FinancialT... · 18m 

The UK is banning gas heating systems in new homes starting in 2025 as the government rolls out initiatives to reduce carbon emissions



Gas heating systems to be barred from new UK homes

[ft.com](https://www.ft.com)

Countries around the world are racing to phase out gasoline and diesel cars.

by Alanna Petroff
September 11, 2017: 8:30 AM ET

- * China, the world's largest car market, is working on a plan to ban the production and sale of vehicles powered only by fossil fuels.

It has plenty of company: India, France, Britain and Norway want to ditch gas and diesel cars in favor of cleaner vehicles.

In Germany, Chancellor Angela Merkel has hinted that it's only a matter of time before the country that invented the modern car sets an expiration date of its own.



Mike Hudema ✓ @MikeHudema · 16h ✓

California is requiring all new homes to be built with [#solar](#) panels, all public buses to be zero emissions, and is building massive batteries to provide 24 hr [#renewableenergy](#).

We have solutions to the [#climate](#) crisis, let's implement them.

[#ActOnClimate](#) [#cdnpoli](#) [#GreenNewDeal](#)

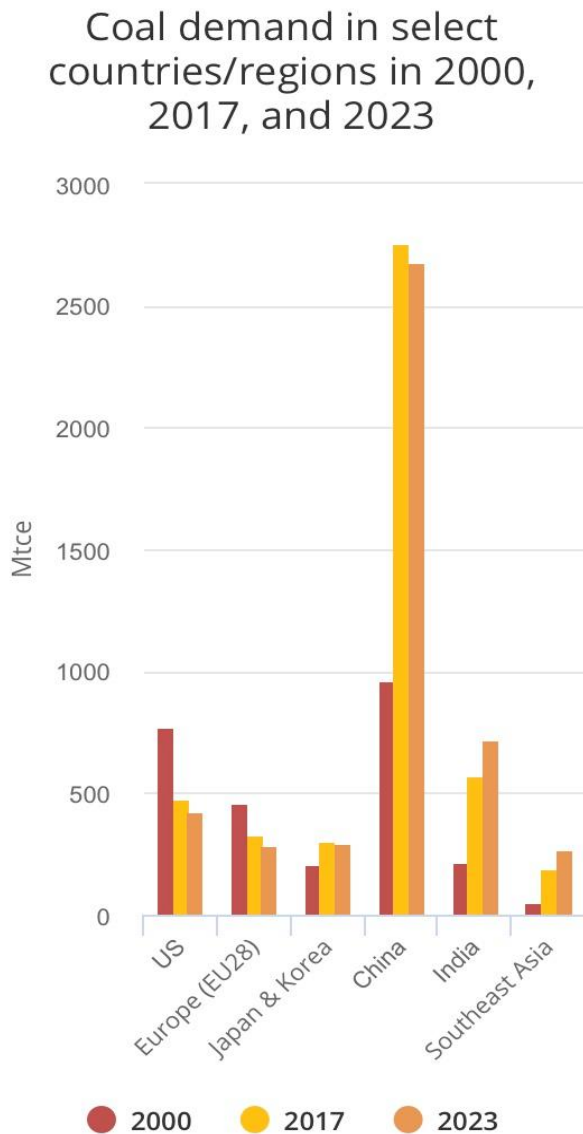


British Columbia's Largest Commodity Export

Coal is the largest export through Port Metro Vancouver. The coal exported from BC is a combination of steelmaking and thermal coal from mines in Canada and the United States. We are proud to be an important economic driver in our province.

1. Coal creates over 26,000 B.C. jobs in mining, transport, equipment and other related sectors.
2. Coal generates over \$3.2 billion in economic activity in B.C. each year and around \$715 million in public revenues for all levels of government that go to support critical services such as health care and education.
3. 40% of the world's population relies on coal to generate electricity, for light, heat, cooking and other vital daily needs.

Coal is the source
for 38% of world
electrical
production

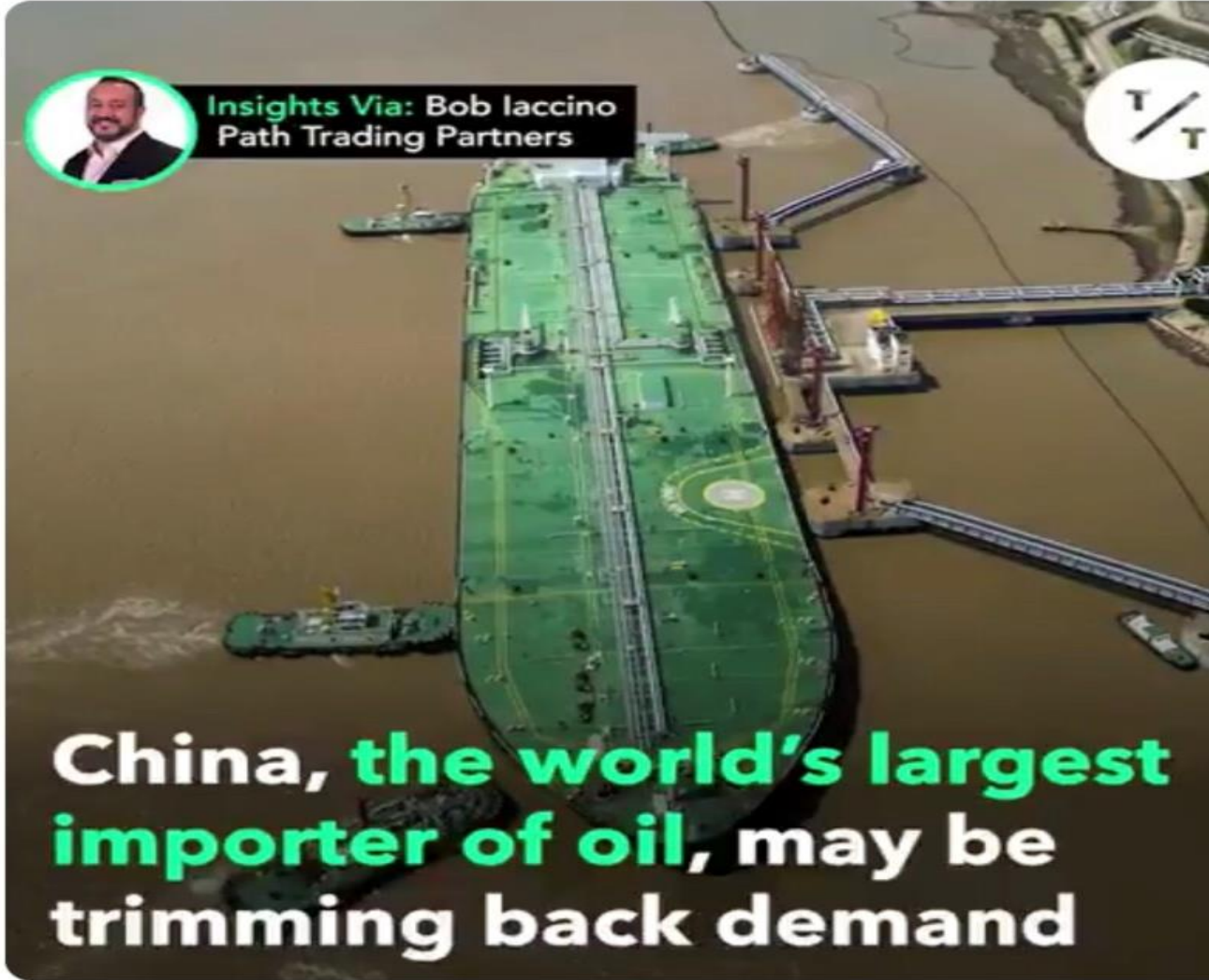


TicToc by Bloomberg  @tictoc

In 2018, China imported record intake for both crude oil and liquid natural gas, but was it more than they can absorb? Insights via @CMEGroup



Insights Via: Bob Iaccino
Path Trading Partners

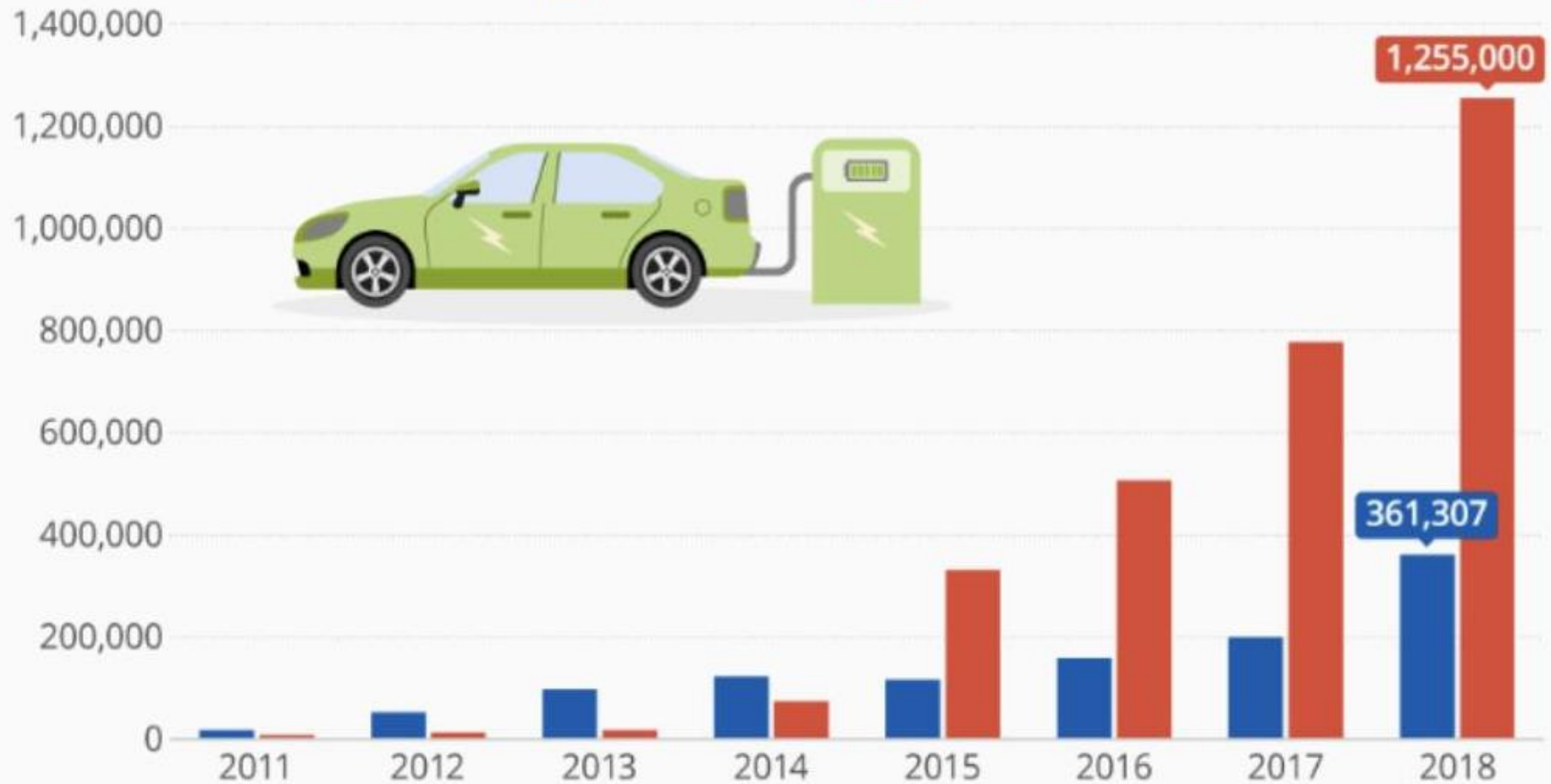


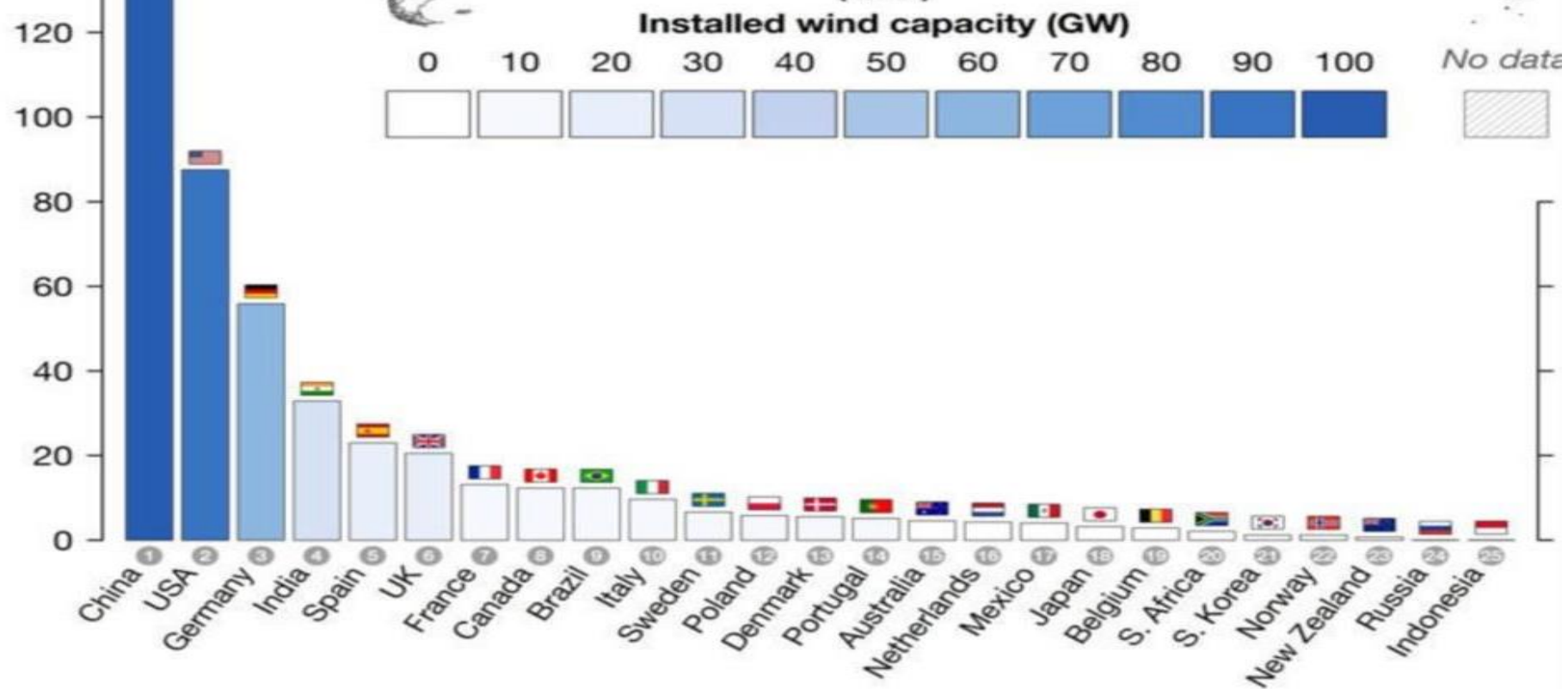
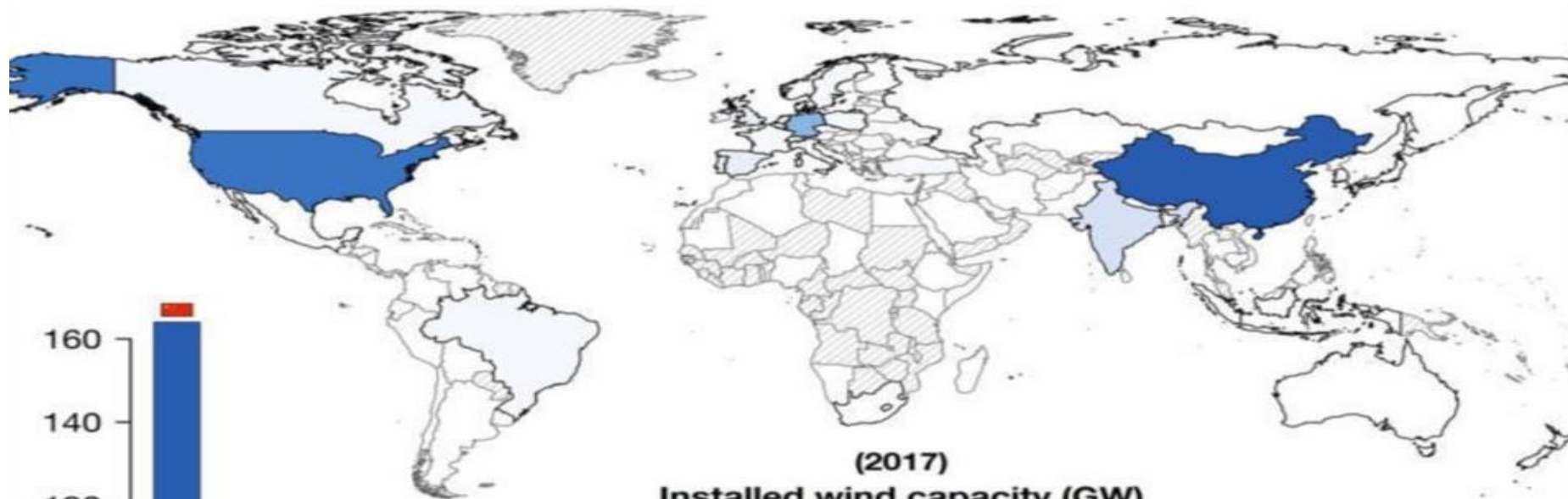
China, the world's largest importer of oil, may be trimming back demand

China's Electric Vehicle Market Races Ahead

Estimated plug-in electric vehicle sales in the United States and China*

United States China



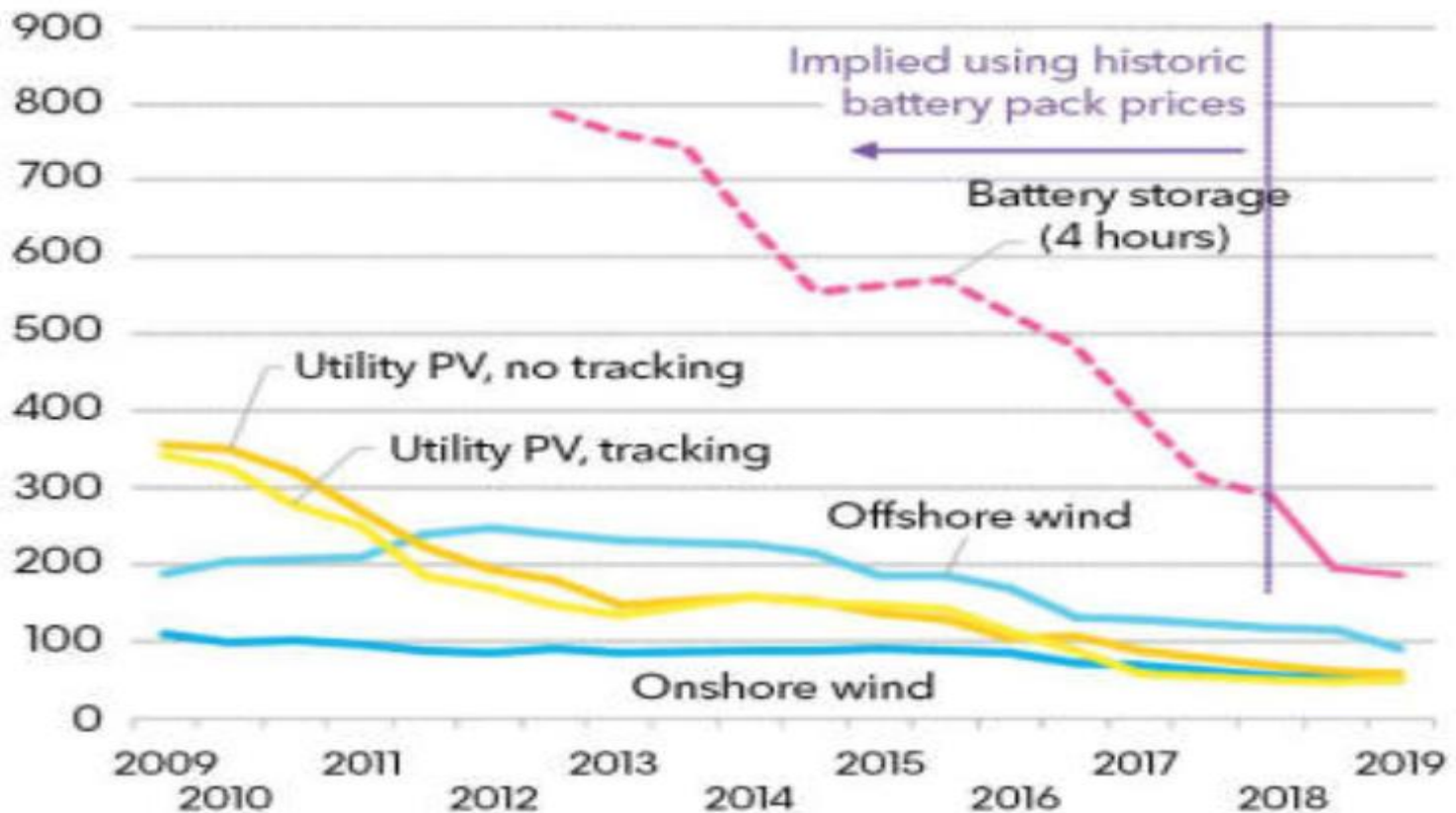


Mar 26, 2019: Forbes Magazine

The Coal Cost Crossover: 74% Of US Coal Plants Now More Expensive Than New Renewables, 86% By 2025

Global benchmarks - PV, wind and batteries

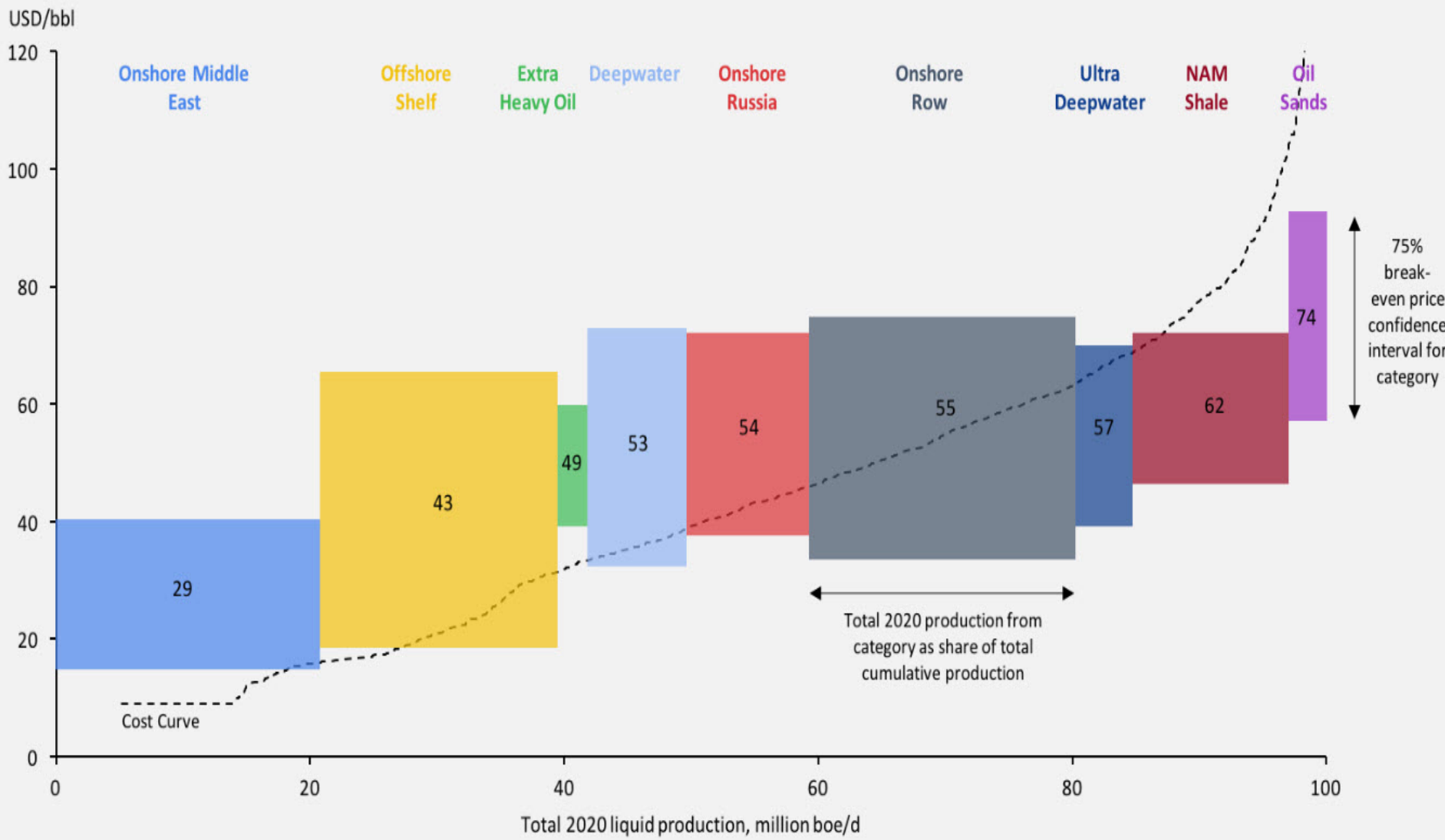
LCOE (\$/MWh, 2018 real)



Source: BloombergNEF. Note: The global benchmark is a country weighted-average using the latest annual capacity additions. The storage LCOE is reflective of a utility-scale Li-ion battery storage system running at a

Oil's Cost Structure

Global Liquid Oil Supply Cost Interval, by Category

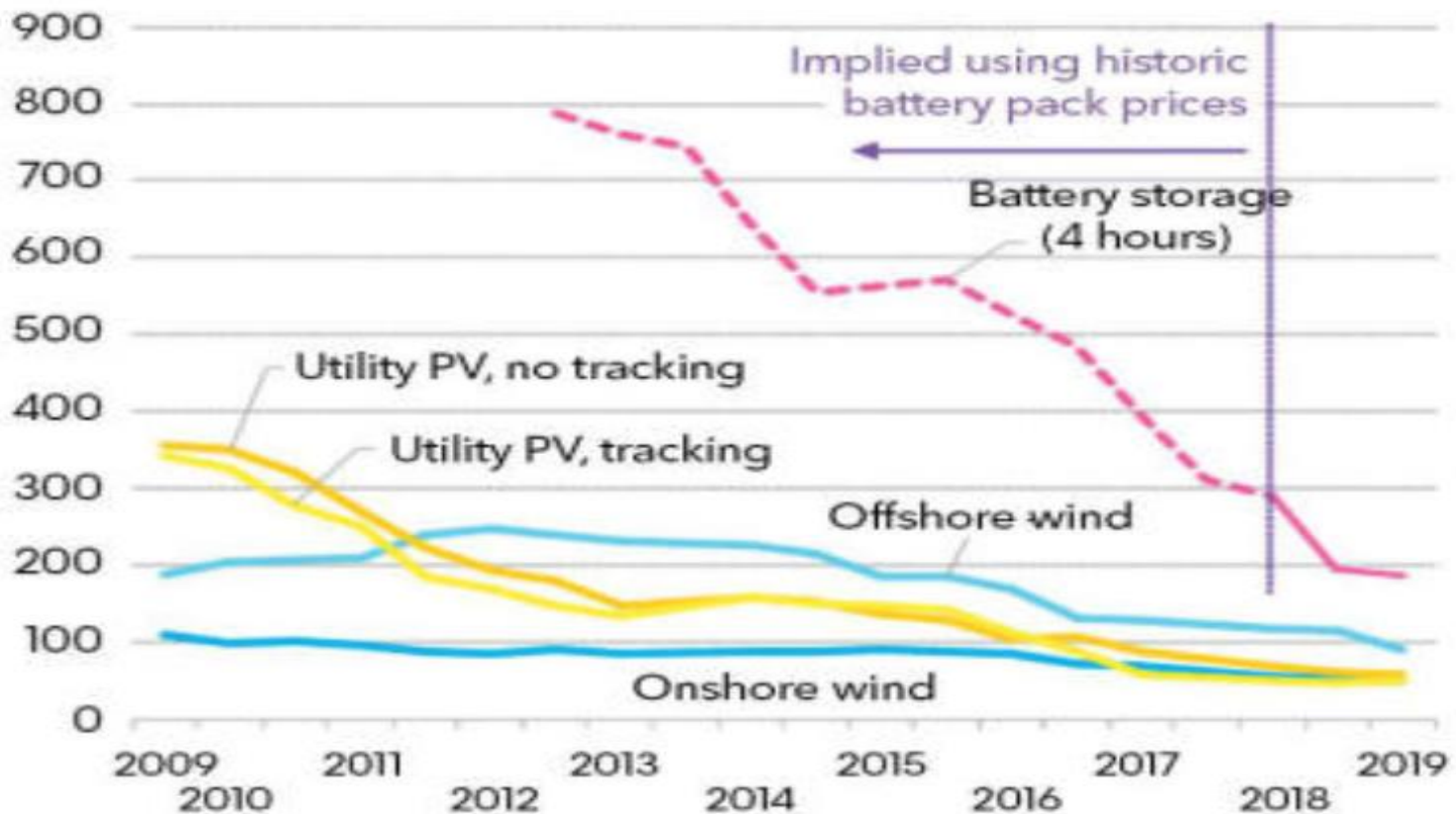


Note: Number in boxes equals average break-even price for each category, USD/bbl
Source: Rystad Energy research and analysis

Conclusion with emerging technologies and the switch to alternative energy, investing in oil is in the 8th inning of a 9 inning game.

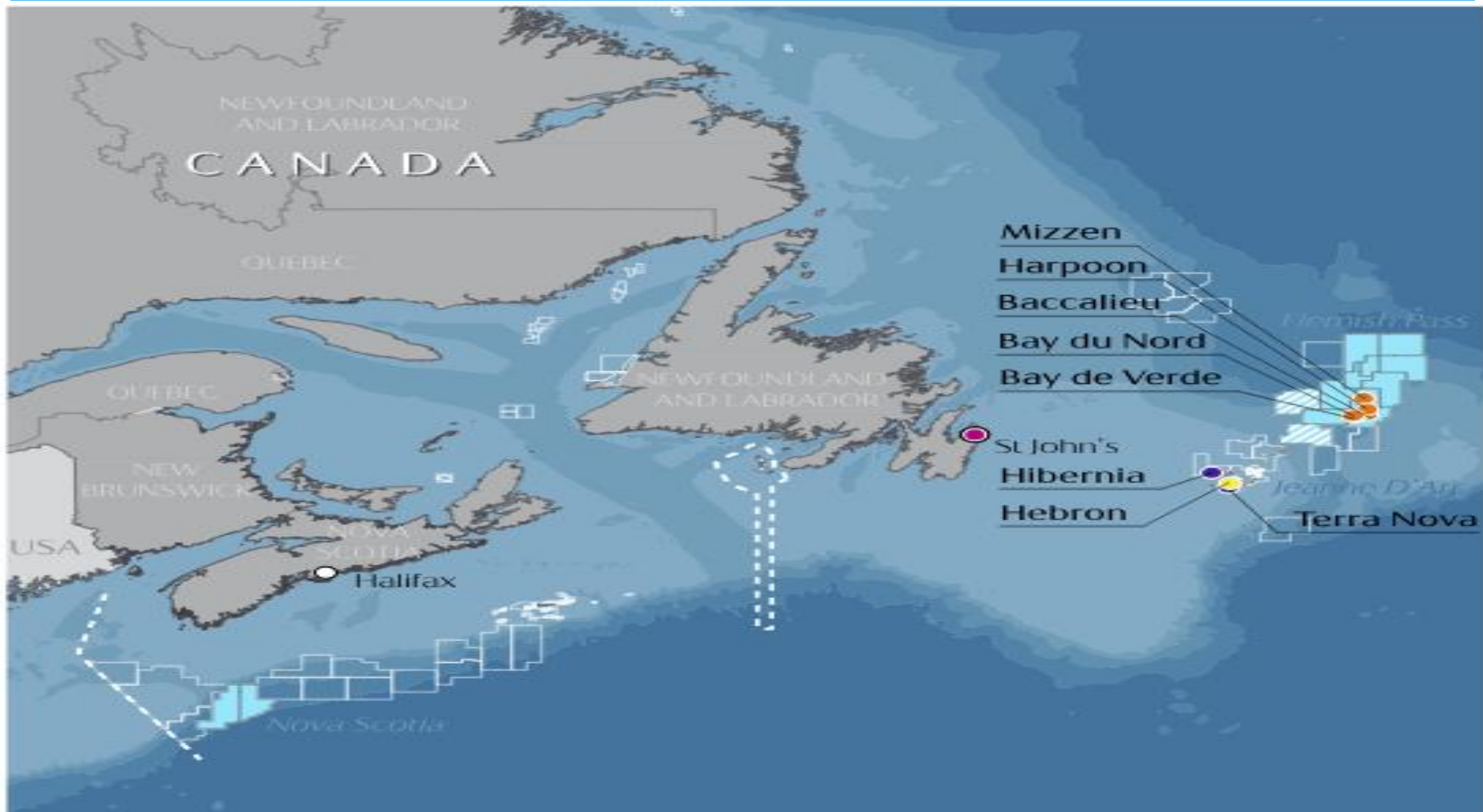
Global benchmarks - PV, wind and batteries

LCOE (\$/MWh, 2018 real)

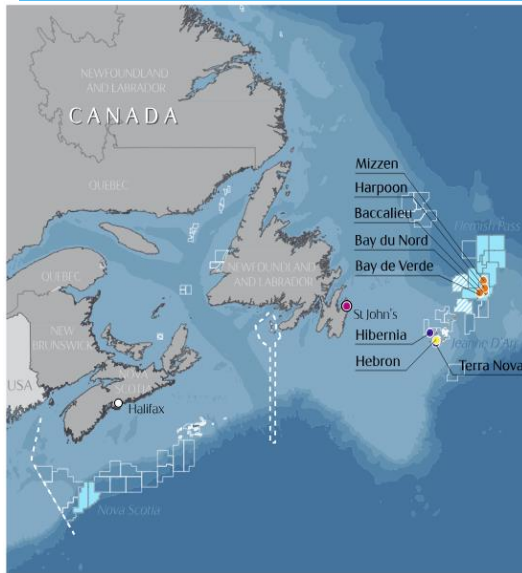


Source: BloombergNEF. Note: The global benchmark is a country weighted-average using the latest annual capacity additions. The storage LCOE is reflective of a utility-scale Li-ion battery storage system running at a

The Smart things NALCOR has done.



The Smart things NALCOR has done.

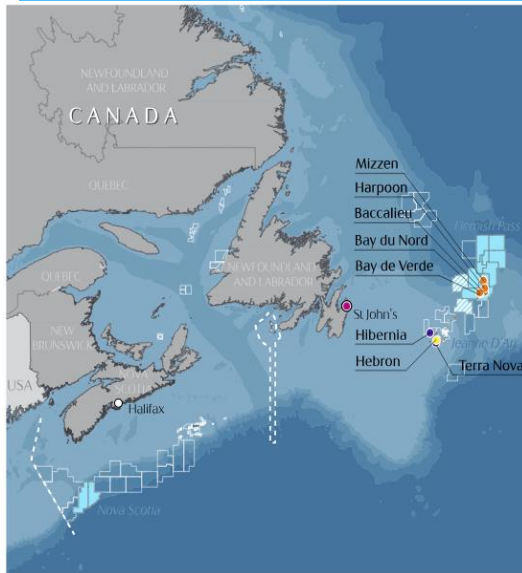


1. Completed seismic work to identify promising targets.
2. Completed a “seep analysis” to trace naturally occurring oil showing on surface back to promising targets.
3. Confirmed seep source though ocean floor sampling on targets.

Oil Seeps: Between one third and one half of the oil in the ocean comes from naturally occurring oil seeps.

- * “Oil Seeps are generally old, sometimes ancient, so the marine plants and animals in these ecosystems have had hundreds to thousands of years to adjust and acclimate to the exposure to petrochemicals.”

The Smartest thing NALCOR has done: Seismic and Oil Seepage work.



“...a record bid was set during the most recent calls for bids – a cumulative total of \$1.38 billion. The resource potential in offshore Newfoundland and Labrador is incredible. In less than 7 per cent of the province’s offshore, there is a combined resource potential of 49.2 billion barrels of oil and 193.8 trillion cubic feet of gas.”

Remember that NL oil industry was established on 3 billion barrels.

N.L. unveils plan to double oil production by 2030, speed up development process



Another goal is to lay the foundation for a natural gas industry in the province within the next 12 years

CBC News

Posted: February 19, 2018

Last Updated: February 19, 2018

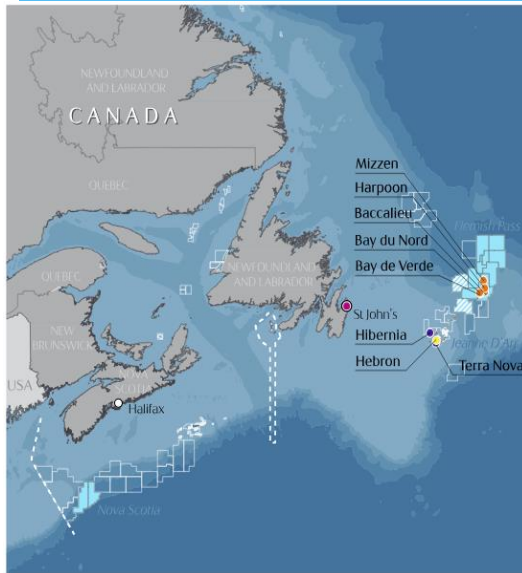
Targets for the offshore oil industry include drilling more than 100 new exploration wells and tapping into multiple basins to produce more than 650,000 barrels of oil per day from new and existing projects.

The council estimates that there are more than 37 billion barrels to be drilled off the coast of Newfoundland, and that currently less than seven per cent is accounted for by licensed drilling operations.

To get going on tapping into those reserves, the province wants to reduce project development time for offshore projects to seven years.



The Smart things NALCOR has done.



BUT– Bill C69 *in its current form* is Federal Legislation that will significantly delay Offshore Oil projects by up to 15 to 20 years before first oil.

This means the 9th inning will be over before these fields are developed.

We have two paths for Newfoundland and Labrador

- * Both paths reach the same conclusion: We have to build a society where we cannot depend on oil revenue.
- * The difference is when will that point in time arrive.
- * To be prudent our actions steps HAVE TO BE the same for both paths.

ASSOCIATED PRESS

In Norway, electric cars outsell traditional ones for the first time

By Associated Press

Published: Apr 1, 2019 10:00 pm ET



EVs were nearly 60% of sales in March



A Model S electric car leaves a Tesla service center in Oslo, Norway, in July 2018.

What is the smartest kid on the block doing?

[Dagens Naeringsliv](#)

Norway to 'completely ban petrol powered cars by 2025'

[Jess Staufenberg](#) Saturday 4 June 2016 18:15

Norwegian Sovereign Fund Ditching Oil and Gas Stocks.

4/6/2019

World's biggest sovereign wealth fund proposes ditching oil and gas holdings | Business | The Guardian

World's biggest sovereign wealth fund proposes ditching oil and gas holdings

Energy industry jolted by advice to Norwegian government from its central bank, which runs \$1tn fund

Adam Vaughan

Thu 16 Nov 2017 17:52 GMT

The Norwegian central bank, which runs the country's sovereign wealth fund – the world's biggest – has told its government it should dump its shares in oil and gas companies, in a move that could have significant consequences for the sector.

Norges Bank, which manages Norway's \$1tn fund, said ministers should take the step to avoid the fund's value being hit by a permanent fall in the oil price.

The fund was built on the back of Norway's hydrocarbon wealth, and around 300bn krone (£27.73bn), or 6%, is invested in oil and gas companies.

The recommendation by Norway's central bank pushed down shares in European oil companies. Europe's index of oil and gas shares hit its lowest level since mid-October on the news and was trading down 0.39% by late afternoon.

“The return on oil and gas stocks has been significantly lower than in the broad equity market in periods of falling oil prices,” the bank explained in a statement.

“Therefore, it is the bank's assessment that the government's wealth can be made less vulnerable to a permanent drop in oil prices if the GPF [sovereign wealth fund] is not invested in oil and gas stocks.”

The Norwegian government said it would consider the proposal, but a decision should not be expected until next year and a “thorough assessment” was required.

“The issues raised by Norges Bank are complex and multifaceted,” the finance ministry said.

The bank did not set a deadline for when the fund should drop its oil and gas holdings. However, it made clear that its recommendation involved divesting from existing oil and gas shares as well as ruling out future investments.

The fund's biggest oil and gas holding at the end of 2016 was \$5.36bn in Anglo Dutch firm Shell, followed by \$3.06bn in ExxonMobil, \$2.04bn in fellow US oil firm Chevron, \$2.02bn in the UK's BP, and \$2.01bn in France's Total. It also has shares worth more than \$1bn in oil services firm Schlumberger and Italy's Eni.

The central bank's move was welcomed by Paul Fisher, former deputy head of the Bank of England's Prudential Regulation Authority and senior associate at the Cambridge Institute for Sustainability Leadership.

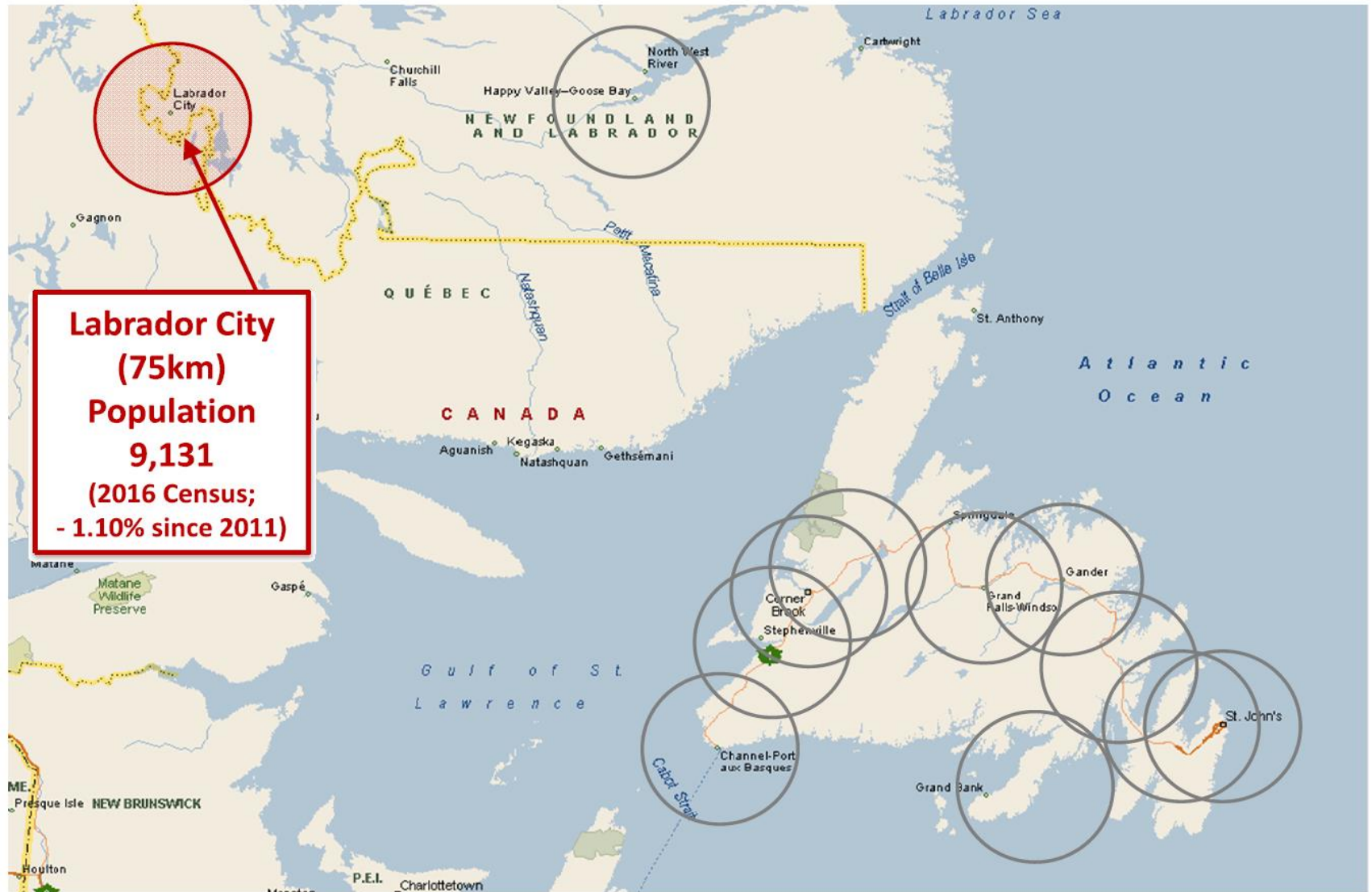
<https://www.theguardian.com/business/2017/nov/16/oil-and-gas-shares-dip-as-norways-central-bank-advises-oslo-to-divest>

But will invest in oil and gas firms committed to renewable energy.

WE HAVE TO ASSUME OIL WILL NOT SAVE US. IF WE ARE WRONG – IT'S GRAVY

- * Here are some audacious solutions borrowed (stolen) from the rest of the world.
- * Create Economic Hubs throughout the Province. (New Brunswick)
- * Don Mills from Corporate Research Associates gave this presentation to all three parties in this province in the last number of years.

Urban Centered Economic Development



LET'S ASSUME OIL WILL NOT SAVE US.

- * Create community centers in each town.
 - * Example: Hayden Community Centre, Burlington, Ont

Woody Point Bonne Bay Nflda popular place in the summer. However, maybe 35 students from K-12 in our school now. (1980s about 250)



Nfld. & Labrador

School board votes to keep 5 schools with 89 students total open

- * Turn the schools into Community Centres.
- * Put the community library in the school.
- * Place a Nurse Practitioner (can prescribe and administer) in the school.
- * Put Virtual Care/Telemedicine facility in the center.
- * Allow privately owned daycare to operate in the school.
- * Allow private gym sessions to be run in the school. Open the gym evenings and weekends to the whole community.
- * Move the town council offices into the school.
- * Put the local tourism chalet in the school.

- * Problem and push backs: Successor Rights – Which Union represents the workers in a Library/School/Nurse
 - * Nurses Union? NAPE? Teachers? Cupe? Private Daycare Workers?

Call the midwife? For Gander residents, that will soon be an option



Midwifery pilot program close to starting in Gander

CBC News

Posted: Mar 27, 2019

Nfld. & Labrador

Call the midwife? For Gander residents, that will soon be an option

- * Midwives attend 13% of births in the Northwest Territories, 16% on Ontario and 22% in British Columbia
- * B.C. has the country's leading rate in midwife-assisted births, resulting in estimated government savings of \$4.6 million in less than two years, a new report says.
- * “Probably the greatest cost savings is that midwives have a 42-per-cent lower rate of Caesarian sections,” she said.
- * The group's new progress report also suggests that mothers who use midwives spend an average of 18 fewer hours in the hospital after birth, while about 19 per cent of them choose to skip hospital entirely and deliver at home.

Call the Midwife? What about other Professionals?

- * Employing more Nurse Practitioners (currently 20 of them) and Pharmacists to prescribe and administer, placing them in smaller towns/villages increases the healthcare delivery at lower cost.
- * Employing the Telemedicine Technology in conjunction enhances the benefit of the Nurse Practitioners.
- * Upgrading Paramedics (Nova Scotia) giving more assurance for emergency coverage.
- * Then watch the demand drop at hospitals and healthcare results increase.
- * Then close some of the hospitals/healthcare centers.
- * Stop recruiting foreign doctors for service in small communities.
- * Let's talk about childcare.



Jordan Weissmann ✓

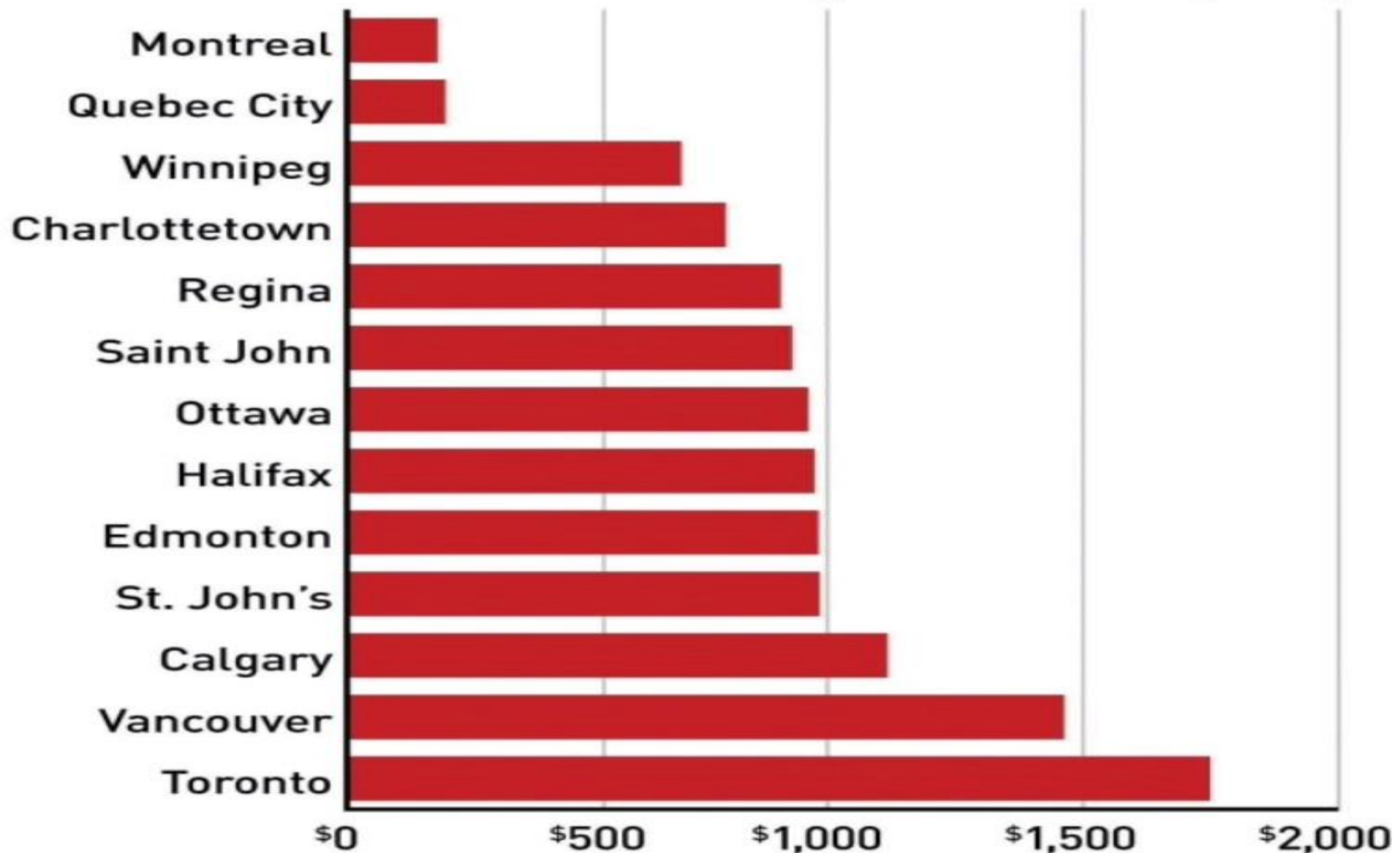
@JHWeissmann

Something people don't appreciate enough about child care is that it's a macro-economic issue. One of the most straightforward ways we could increase growth would be to fix our awful workforce participation rate for women, which now even trails Japan's.

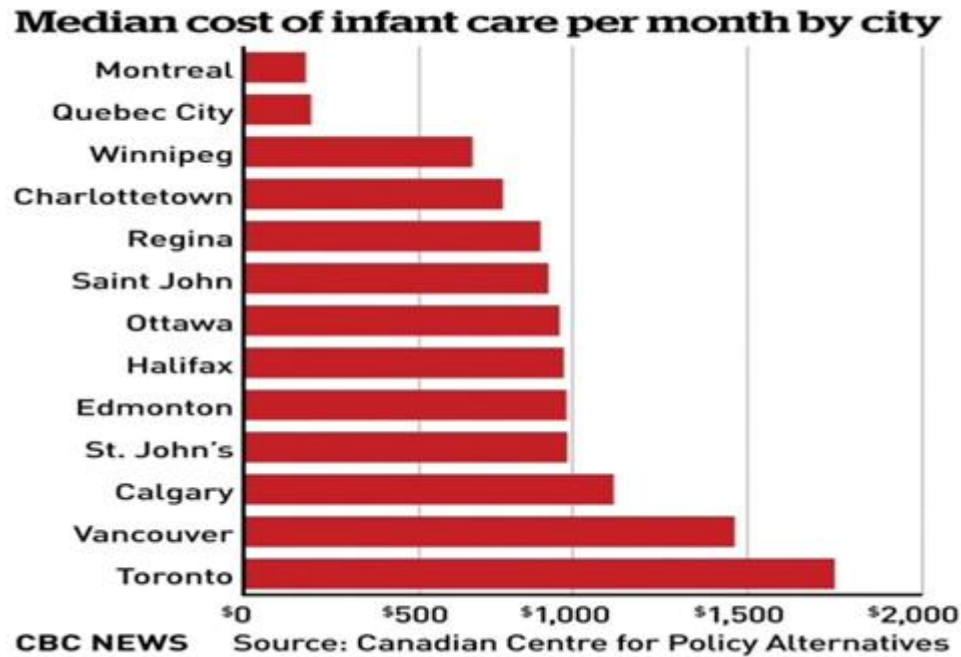


Opinion | Day Care for All
[nytimes.com](https://www.nytimes.com)

Median cost of infant care per month by city



Lower childcare costs should be ONE OF THE MOST IMPORTANT ISSUES for the province for the upcoming elections.



Lower childcare costs should be ONE OF THE MOST IMPORTANT ISSUES for the province for the upcoming elections.

- * Now lets talk about 50 Mega Bits Per Second internet.

Federal Budget 2019: High-speed Internet (50 Mbps) for every Canadian

- * The biggest single area of expenditure impacting the technology sector is \$1.7 billion over 13 years to establish a Universal Broadband Fund, with the main goal to build broadband infrastructure to Canadians in rural and remote regions.
- * This opens up small towns and Economic Hubs in the same way the TransCanada Highway did in the 1960's.

Federal Budget 2019 invests \$1.7 billion for high-speed internet access by 2030

- * ...at least 50Mbps download speeds and 10Mbps upload speeds by 2030.
- * The government added that with the current programs, it expects 95 percent of homes will have access to these speeds by 2026. By Shruti Shekar

The Provincial Government should push for NL to be first in line for this initiative.

Preparing the Province for a post-oil reality – MUN

- * Let's talk about Memorial University of Newfoundland.
- * \$310 million of the \$370 Million budget comes from Provincial Government annually.
- * What programs prepare our students for the future?
- * Specifically, where are Artificial Intelligence, Robotics, Cannabinoid Research, Clean Energy degrees/training

Preparing the Province for a post-oil reality

“Renewable Energy is a new and exciting field. Problem is, there is a general lack of formal training options for those looking to get into the business.”



Clean Energy Classrooms
The Canadian Guide to Sustainable Energy Training

Good News for Job Seekers With AI Skills: There is a Shortage of Talent

A short pool of AI-trained job seekers has slowed down hiring and impeded growth at some companies



Stacy Stanford

Follow

Oct 19, 2018 · 6 min read ★

October 19, 2018 by Stacy Stanford



Preparing the Province for a post-oil reality

ARTIFICIAL INTELLIGENCE

A new report from the Chinese tech giant attempts to put a number on the AI talent shortfall

By James Vincent | Dec 5, 2017, 1:37pm EST

Tencent says there are only 300,000 AI engineers worldwide, but millions are needed

Preparing the Province for a post-oil reality

ENGINEERS ASSEMBLE!



RECENT

TECHNOLOGIES > MOTION CONTROL

A Bright Future Awaits Prospective Robotics Engineers

I recently spoke to the ASME students at Yale University to highlight how the robotics market is growing and what the industry's future holds for their careers.

* Robotics

15 Sustainable Energy Master's in Norway

M.Sc.



Renewable Energy

University of Agder

Grimstad, Norway

Master



European Wind Energy with a specialisation
in Electric Power Systems

Norwegian University of Science and
Technology (NTNU)

Trondheim, Norway

Currently not
available in
the Province.

Should MUN be
offering these
Programs for our
students instead of a
law studies?

These degrees will
require higher tuition.

What other country went through a debt crises and recovered recently?

Opinion

Ireland: a dead cert for default

Larry Elliott



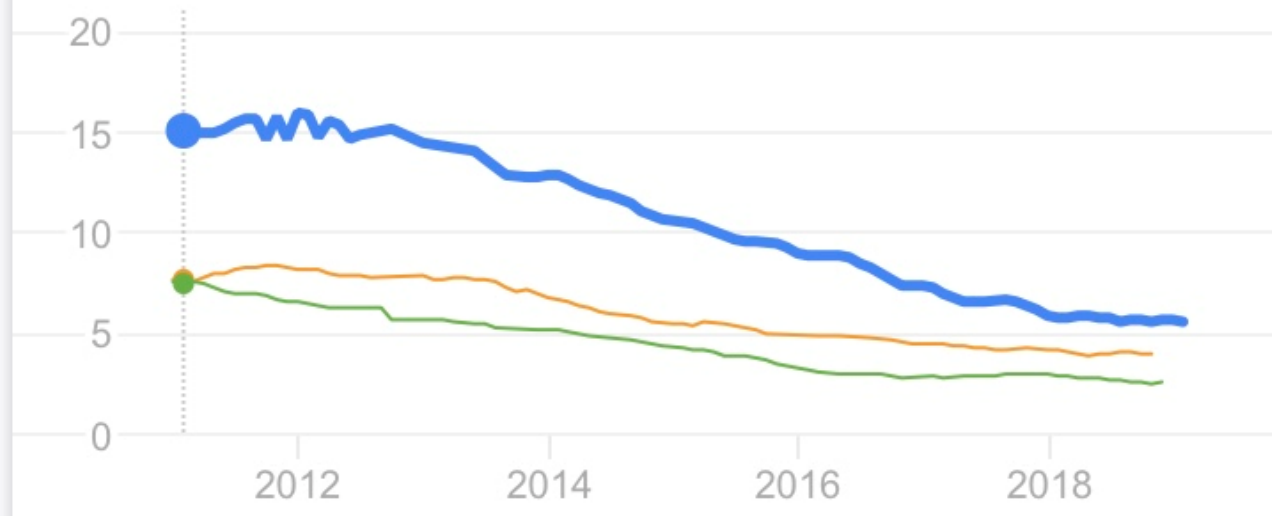
Saddling the Irish public with even more unpayable debts from the banks is grotesquely unfair and economically stupid

Fri 1 Apr 2011 05.10 EDT

What other country went through a debt crises and recovered recently?

Republic of Ireland / Unemployment rate

15.1% (Feb. 2011)



What other country went through a debt crises and recovered recently?

- * Ireland: How did they turn it around?
- * Cut taxes for corporations to 12.5%
- * What if we cut taxes to zero here for Renewable Energy companies, Artificial Intelligence, Robotics Companies for 20 years? (Do NOT give them money!)
- * Have them working in concert with MUN/CAN.
- * Pushback from the feds is a problem.

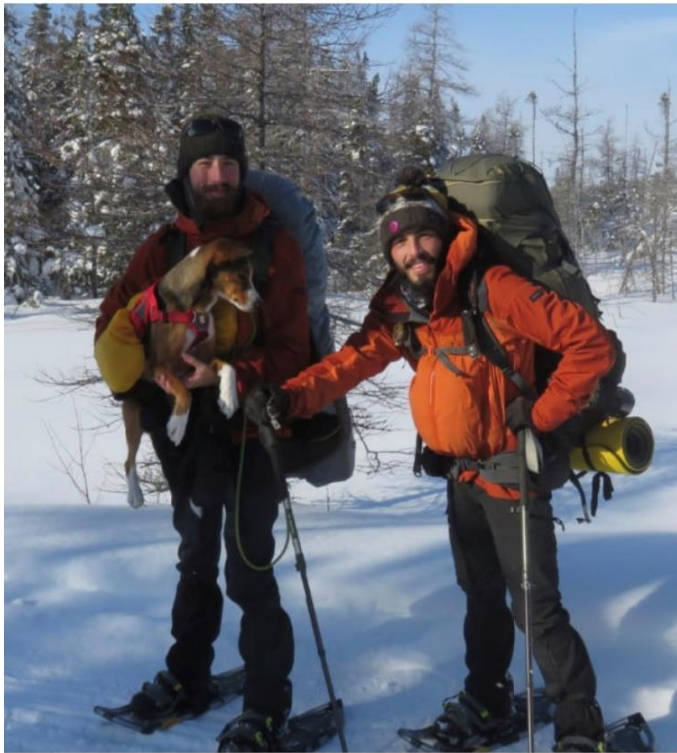
The Newfoundland and Labrador Moonshot

1. Community Hubs
2. Community Centres.
3. Put the community library in the Centre.
4. Employ more Nurse Practitioners and Telemedicine.
5. Allow privately owned daycare to operate in the school.
6. Allow private gym sessions to be run in the school. Open the gym evenings and weekends to the whole community.
7. Employ Midwives
8. Upgrade Paramedics/Ambulance service
9. Subsidized Childcare
10. Install Great Internet
11. Degrees at MUN/CNA in Sustainable Energy/Robotics/AI
12. Tax breaks for Sustainable Energy/Robotics/AI companies
13. Then What?
14. Advertise for People to come here.

Lifestyle marketing: Selling Newfoundland as a place to live

Clean air, clean water, fishing trout, hunting, Skidooing, X-country skiing, snowshoeing, hiking, camping...

"Newfoundland is beautiful, even in winter. Maybe more in summer, but even in winter," said Cayot.



The two snowshoers from France had good company on their travels, with their dog, Mata, along for the journey. (Submitted by Nelson Anthony)

* The Royal Bank Goose Bay Problem of the 1980's to the 1995ish.

Ireland Launches Campaign to Bring Emigrants Back



- * **Minister of State for the Diaspora, Jimmy Deenihan, announced the initiative at last year's Other Voices festival in Dingle**
- * By Julia Brodsky, Editorial Assistant, Irish America
[February / March 2016](#)

slán go fóill...



HOPE TO SEE YOU AGAIN SOON... HAVE
YOU THOUGHT ABOUT MAKING 2016
THE YEAR YOU MOVE BACK TO IRELAND?

#hometowork

Find out more at www.hometowork.ie

Bonavista Leading the Way

Nfld. & Labrador

'It's the perfect place for us': Millennials flock to rural Newfoundland



Restaurants, a microbrewery and a skin-car business replace the collapsed cod fishery



Chris O'Neill-Yates - CBC

Posted: October 09, 2017

Last Updated: October 09, 2017



John Norman has bought up about 50 heritage properties in Bonavista and renovated them for residential and commercial customers, most of whom are millennials moving to the town. (Chris O'Neill-Yates/CBC)

Bonavista Leading the Way

Nfld. & Labrador

'It's the perfect place for us': Millennials flock to rural Newfoundland



Restaurants, a microbrewery and a skin-car business replace the collapsed cod fishery



Chris O'Neill-Yates - CBC

Posted: October 09, 2017

Last Updated: October 09, 2017

'I've helped move in 37 new residents just last year and the average age was 33.'

—*John Norman*

"I think it's very much a momentum," said Mills of the influx of young people putting down rural roots.

One of the big drivers is Amazon – Ship anywhere at cheap prices.



TheStreet  @TheStreet · 1h

Perhaps the big question isn't how to be happy, but where to be happy.



The Happiest Countries in the World
thestreet.com



Stan Collins @stan_sdcollins · 7h



In our new country lifestyle which began 15 years ago we soon realized that hard work never hurt anyone. All the stresses associated with working in the city did.



The Newfoundland and Labrador Moonshot

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Three Parts

1. Explanation of the Province of Newfoundland and Labrador debt in non jargon fashion.
2. How we got into debt and barriers to getting out.
3. Audacious solutions borrowed (stolen) from the rest of the world.
4. “Expanded the public imagination...”

CALL TO ACTION

- * If you think this presentation is worthy and others should see it, go tell it on the mountain, over the seas and everywhere...
- * Recognize that this presentation may be received differently beyond the overpass.
- * The only way I get to do these presentations is by invitation.
- * Boards of Trade, NAPE/CUPE union meetings, Rotary, dart leagues, pub crawls...

Russell Wangersky: “There is a fundamental deficit in our democracy in that we have a habit of electing perceived saviours...”

Russell Wangersky

Eastern Passages



That's former natural resources minister Derrick Dalley at the Muskrat Falls inquiry, just one of a series of former politicians whose testimony has been gobsmackingly underwhelming.

OK — how to put this diplomatically? There has to be a way to get a more consistent, better quality of provincial politicians.

There's a fundamental deficit in our democracy, in that we have a bad habit of electing perceived saviours who come with whatever ducklings straggle in on his or her coattails, politicians put in place because their constituents need someone on the government side.

The Muskrat Falls inquiry is making that plain. The takeaways so far are pretty simple: Nalcor Energy and its staff had never taken on a project like Muskrat Falls, but were absolutely convinced they were equipped to handle it, on time and on budget, and anyone who asked questions was the enemy.

The logical brake to that was the government, with its responsibility for oversight — the problem being that the politicians responsible for that oversight were even less qualified to oversee a project like Muskrat Falls than Nalcor was.

PS: Please subscribe to the Telegram.

CALL TO ACTION

- *This is meant to foster debate including criticism.
- *If someone is going to call me a naive idiot – please show your work.

CALL TO ACTION

- * Call your MHA and MP and tell them these are the priorities you agree/disagree with. **Give them permission to talk about the taboo topics in our province.**
- * Highlight Bill C69.
- * ... and the need for true debate in the House of Assembly and the House of Parliament
- * Encourage friends and family to run in the upcoming elections.

“It is the politics of courage vanquishing fear; aspiration over desperation.”



For what it's worth, I don't think expanding public imagination is a "new style." It is a return to the Democratic Party that went to the moon, passed the Civil Rights Act, + strove for the Great Society.



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I will be with CBC for the Provincial Budget coverage
coming up **Tuesday, April 16**