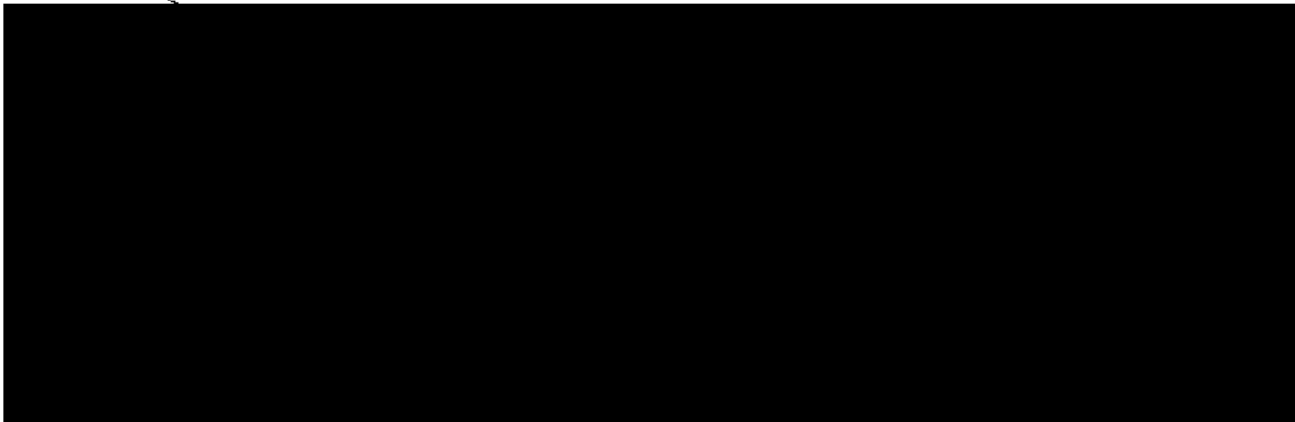


**Annotated Agenda
First Ministers' Meeting
Wednesday, December 11, 2024, 5:30 pm NST**

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Overview:

- First Ministers last met on November 27, 2024. It is expected federal Public Safety Minister LeBlanc will join the call.
- This one-hour meeting is expected to include a brief update from the Prime Minister, followed by a discussion of First Ministers. The meeting agenda is attached in **Annex A**.

Agenda Item 1 – Opening Remarks from the Prime Minister and COF Chair (10 minutes)

- Prime Minister Trudeau will offer brief opening remarks before turning to Premier Ford to deliver brief opening remarks on behalf of the Council of the Federation (COF).
- There will be no presentations at the meeting.

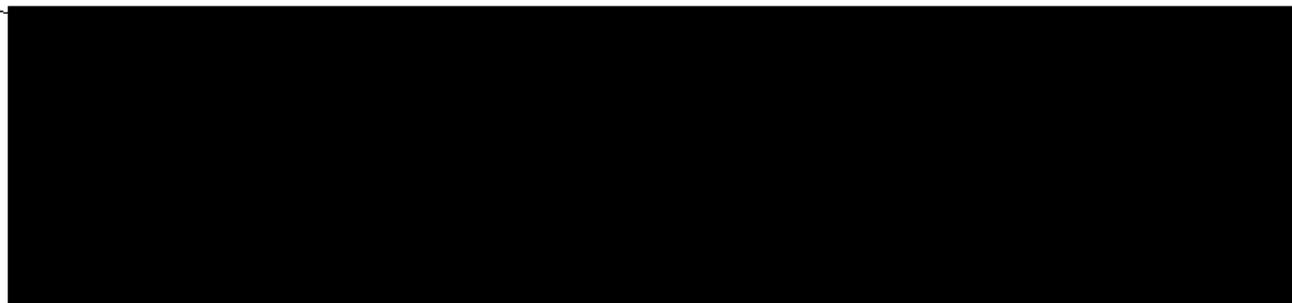
Agenda Item 2 – Update from the Prime Minister (10 minutes)

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- According to Radio-Canada, the proposed border plan cost could exceed \$1 billion. However, the plan has not been finalized and various scenarios could be presented to Premiers.
- Sources say the intention is to announce the new border plan by Christmas. Minister LeBlanc has previously announced his intention to increase the number of officers at the border and to buy additional equipment, such as drones and helicopters, to increase patrols.

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- According to one senior source who spoke to Radio-Canada, the federal government also wants to take advantage of the border funding to make changes to its immigration policies. The strategy will be to reduce irritants for U.S. customs officials and to guard against a possible increase in migrant crossings from the U.S. if President-elect Trump goes ahead with his plan to deport millions of undocumented immigrants.

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- According to Radio-Canada's source, Ottawa is also considering closing a loophole in the Safe Third Country Agreement with the U.S. Right now, people who cross illegally from the U.S. into Canada and spent 14 days in the country without being detected are granted the right to make an asylum claim. Ottawa will also be trying to curb the practice of "flagpoling," a method for holders of student or work visas to renew them quickly and easily. The practice consists of leaving Canada at a land crossing, without entering the U.S., and asking Canadian customs officials to renew the visa on their return.

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Agenda Item 3 – Discussion (35 minutes)

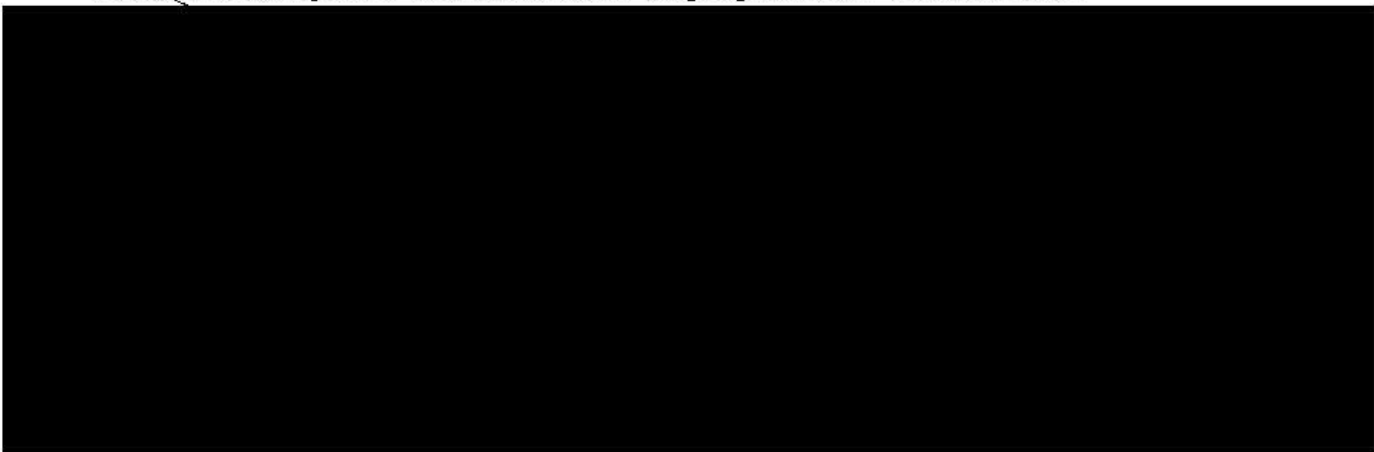
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Potential Speaking Points

- **As a country we need to have the courage and the willingness to stand up for the economic well-being of our hard-working men and women in our provinces and territories. The plan presented here today is an important first step.**
- **We can and should be receptive to and respectful of American concerns regarding trade and other cross-border issues. While it is incumbent upon us to take these concerns seriously and be willing to engage in fulsome dialogue, panic does little to advance the shared interests of our two countries or protect the interests of Canadian citizens.**
- **The measures outlined here today will bolster our shared border to the benefit of all.**
- **We support the measures outlined here today and stand ready to support the federal government in doing our part to strengthen the border.**

- **Public safety has been a key priority for my government. Last year, in Newfoundland and Labrador, I established a Policing Transformation Team to guide the future of public safety and policing services in Newfoundland and Labrador.**
- **Last month, we announced an investment of \$20 million in public safety over the next two years. The investment includes the establishment of a provincial, ten-member Joint Task Force Unit. The unit will be comprised of Royal Newfoundland Constabulary (RNC) and Royal Canadian Mounted Police (RCMP) officers to conduct targeted weapon, drug, and contraband enforcement activities as well as:**
 - **Five new RCMP officers for Happy Valley-Goose Bay, as recommended in the public safety review for Happy Valley-Goose Bay, completed by the Policing Transformation Working Group.**
 - **19 additional officers, starting in 2026-27, which will be allocated based on a review of resource requirements, led by the Policing Transformation Working Group.**
 - **An RNC leadership position for the intimate partner violence unit.**
 - **Support for ongoing police training, equipment, fleet, and operational requirements, as required for these initiatives.**
- **Further, on November 14 we announced our investment of nearly \$24 million to improve the province's justice system, including adding 18 new Crown attorney positions.**
- **The \$24-million investment also includes adding 25 correctional officers, 14 deputy sheriffs and a court security manager for Labrador.**
- **We are committed to considering the federal border plan in the context of these and other public safety investments and resources. There could be opportunity to strategically channel resources, with our federal partners, to enhance port of entry security, ensure border infrastructure is robust, efficient, and capable of meeting modern security demands while facilitating legitimate trade and travel.**

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Agenda Item 4 – Closing Remarks and Next Steps (5 minutes)

- **Prime Minister Trudeau will deliver closing remarks.**

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Prepared/ Reviewed by: L. MacDonald / D. Macmillan, ADM

Approved by: P. Hearn, DM

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December 11, 2024

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Federal Fall Economic Statement 2024 - Information Note
Intergovernmental Affairs Secretariat

Issue: This note provides an overview and analysis of the 2024 federal Fall Economic Statement.

Background and Current Status:

- The Fall Economic Statement (FES) was tabled in the House of Commons by Karina Gould, Leader of the Government, on December 16, 2024, following Deputy Prime Minister and Minister of Finance Chrystia Freeland's resignation from the post the same day.
- According to the letter, Freeland had no choice but to resign after the Prime Minister approached her on Friday, December 13, about moving her to another Cabinet role. Media reports have indicated it would have been for a Ministerial role overseeing Canada-U.S. relations with no portfolio. Freeland's resignation came hours before the release of the FES, leaving officials at a media lockup with no clear idea of whether the FES would be delivered.
- Minister Dominic LeBlanc was sworn-in as Minister of Finance and Intergovernmental Affairs during the tabling of the FES. A further Cabinet shuffle is expected in the days to come.
- For 2024-25, the FES forecasted revenues are \$495.2 billion (down 1.6 per cent from federal Budget 2024), forecasted expenditures are \$539.5 billion (up one per cent from Budget 2024), resulting in an annual deficit of \$60.1 billion (\$22.1 billion or 55.5 per cent higher than Budget 2024). Other key indicators are noted below.

Key Indicators	Federal Budget 2024-25 (March 2024)	Federal FES 2024-25 (November 2024)	NL Fall Fiscal and Economic Update 2024
Total Revenue	\$497.8 billion	\$495.2 billion	\$10.1 billion
Total Expenditures	\$534.6 billion	\$539.5 billion	\$10.3 billion
Surplus (Deficit)	(\$39.8 billion)	(\$61.9 billion)	(\$218 million)
Net Debt	\$1.25 trillion	\$1.4 trillion	\$8.3 billion
Real GDP Growth	0.7 per cent	1.3 per cent	3.3 per cent
Consumer Price Index (Inflation)	2.9 per cent	2.5 per cent	2.3 per cent
Unemployment Rate	6.1 per cent	6.4 per cent	10.5 per cent

SOURCES: FES 2024, Provincial Fall Fiscal and Economic Update 2024, and Department of Finance

- Net federal debt is expected to be \$1.4 trillion by March 2025 (compared to \$1.25 trillion in Budget 2024).
- Canada's real GDP growth is noted at 1.3 per cent (0.6 per cent higher than Budget 2024), and growth rate for 2025 is projected to rise to 1.7 per cent.
- The FES forecasts the Consumer Price Index will have an annual average of 2.5 per cent in 2024 (the same as projected in the federal government's spring budget). Inflation has remained between one and three per cent throughout 2024.
- The unemployment rate at the time of release of the FES is 6.8 per cent (0.7 per cent higher than Budget 2024). Over the past 12 months, the monthly average number of jobs created has been over 27,000, for a cumulative 330,000 jobs during this period.

- The FES has four main pillars, with key themes outlined below:
 - Making generational investments to equip Canadians for success in the workforce while reducing everyday costs (e.g., \$10-a-day childcare, dental care, prescription medications).
 - Securing Canada's AI advantage and investing nearly \$5 billion in Canadian companies to foster innovation.
 - Overcoming geopolitical risks and uncertainty and adapting to a rapidly shifting global trade landscape by deepening economic ties with trusted partners and ensuring supply chains are resilient.
 - Ensuring Canada is leading in the global competition for capital needed for the industrial transition (e.g. \$94 billion suite of economic investment tax credits).
- The FES announces \$24 billion in new spending over the next six years, most notably \$17.4 billion to extend the Accelerated Investment Incentive, \$1.1 billion to boost the Scientific Research and Experimental Development tax incentive program and \$1.6 billion for the GST/HST holiday. Key measures are briefly outlined below.
- **Reducing Everyday Costs** outlines new and existing measures, most notably being the temporary GST/HST holiday. Other measures outlined include:
 - Starting in 2025, the federal government intends to enable 1.6 million more rural Canadians to receive the 20 per cent rural top-up to the Canada Carbon Rebate. In NL, an additional 25,000 recipients are expected to qualify in 2025-26.
 - New legislation requiring the Canada Revenue Agency to automatically file tax returns for certain lower-income Canadians using information on file.
 - Starting January 1, 2025, more generous pensions for seniors will take effect. These changes include an increased Death Benefit for eligible contributors, a partial children's benefit for part-time students, and expanded eligibility for the disabled contributor's child's benefit.
 - Introduce a tax credit for personal support workers and exempt the Canada Disability Benefit from being treated as income under the *Income Tax Act*.
 - To support housing construction and affordability, the FES additionally includes:
 - Doubling the loan limit for the Canada Secondary Suite Loan Program to \$80,000 using existing departmental resources.
 - Providing \$50 million over two years through the Affordable Housing Fund for housing providers to complete pre-development work, beginning in 2025-26.
 - Starting in 2028-29, allocating \$362.7 million over five years to extend the Federal Community Housing Initiative.
 - An additional \$600 million under the Canada Greener Homes Loan Program to support 15,000 to 24,000 homeowners in reducing energy costs, including \$174.4 million in 2024-25.
- **Investing to Raise Wages** includes the following measures:
 - The FES proposes to provide \$150 million over three years starting in 2024-25 for Global Innovation Clusters and \$24 million over two years starting in 2025-26, for the National AI Institutes to support the continuation of their AI commercialization activities.
 - Commits to amend the *Physical Activities Regulations* (the Project List) which sets out the types of projects that are subject to the Impact Assessment Act to advance the principle of "one project, one review."

- Announces that for crown corporations to access the Clean Electricity investment tax credit the government of that province will have to publicly commit to publish an energy roadmap to achieve net zero emissions and publicly request that provincial and territorial Crown corporations pass on the benefits to ratepayers.
 - Announces the design and implementation details of the EV Supply Chain Investment tax credit including a 10 per cent refundable tax credit for eligible building property related to three segments of the EV supply chain: EV assembly, EV battery production, and cathode active material production.
 - The Clean Hydrogen investment tax credit be expanded to include hydrogen produced from methane pyrolysis, expected to cost \$43.5 million over 5 years starting in 2025-26.
 - Fully reinstate the Accelerated Investment Incentive as well as immediate expensing for manufacturing or processing machinery and equipment, clean energy generation and energy conservation equipment and zero emission vehicles starting on January 1, 2025.
 - Unlock pension investment in Canada by amending regulations to remove the 30 per cent rule for investments in Canadian entities and exploring other avenues.
 - Host an invest in Canada Summit in spring 2025 to showcase Canada's competitive advantages, strong economic fundamentals and investment incentives.
 - Develop a program that would provide up to \$15 billion in aggregate loan and equity investments for AI data center projects that receive investment from one or more Canadian pension funds.
 - Open a Red Tape Reduction Office with \$27.8 million over 5 years starting in 2025-26.
 - Transition from provincial cannabis excise duty stamp to a single, national stamp.
 - Announces the government's intent to consider a similar standard setting framework as the Red Seal trade Program to enable the mobility of health care workers.
- **Safety, Security and Fair Governance** includes the following measures:
 - The FES proposes to provide a \$1.3 billion comprehensive border security package to Public Safety Canada, the Canada Border Services Agency, the Communications Security Establishment, and the Royal Canadian Mounted Police.
 - The FES announces the government's intention to amend the Criminal Code to make bail and sentencing laws stricter to better respond to the severity of auto theft, break and enter, extortion, and arson crimes committed by repeat, violent, and organized crime offenders. It also announces the government's intention to introduce legislative amendments to the Customs Act to grant the Canada Border Services Agency new authorities to inspect goods destined for export. This will include obligating warehouse operators and shippers to provide adequate accommodations for CBSA officers to carry out their mandate.
 - The FES announces the government's intent to propose amendments to the Sex Offender Information Registration Act to enhance the ability of the RCMP to share information collected under the Act with domestic and international partners.
 - The FES proposes to provide an additional \$597.9 million over three years, starting in 2024-25, to Public Safety Canada and the Royal Canadian Mounted Police to safely remove prohibited firearms from communities and fairly compensate assault-style firearms owners.
 - The FES also announces the federal government will publish a list of "specific, restrictive measures that each province and territory (PTs) has in place that are preventing trade within Canada" and would consider applying conditions on major federal transfers to PTs requiring

the elimination of specific barriers to interprovincial trade and labour mobility. Further, the FES commits to reviewing the Canadian Free Trade Agreement.

- The FES announces that going forward, trade reciprocity will be considered as a requirement for all federal spending and policies. This approach would be applied to a range of new measures including, but not limited to, government procurement, including sub-national infrastructure spending, investment tax incentives, grants and contributions, technical barriers to trade, sanitary and phytosanitary measures, investment restrictions, and intellectual property requirements.
- To ensure that Canada's trade controls regime is robust and responsive to evolving economic security threats, the FES announces the government's intent to propose legislative amendments to the Export and Import Permits Act that would allow the government to restrict the importation or exportation of items in response to actions of another country that harm Canada or to create more secure and reliable supply chains.
- The FES announces that starting in spring 2025, the government will strictly enforce its procurement trade obligations to limit access to Canada's federal procurement market to Canadians and our trading partners who provide access to Canada. The FES announces the government will further explore the possibility of placing domestic content conditions on foreign suppliers' participation in federally funded infrastructure projects and creating a program to prioritize doing business with small Canadian businesses and innovators.
- The FES also outlines Canada's plan to introduce new legislative and regulatory measures to strengthen its Anti-Money Laundering and Anti-Terrorist Financing (AML/ATF) framework. These measures include expanding the framework to cover company service providers, mandatory enrollment with FINTRAC for all reporting entities, and allowing FINTRAC to support election integrity. Technical amendments will prohibit anonymous accounts and enhance the Canada Border Service Agency's authority to combat trade-based financial crime.
- The FES also announces the government's intent to develop a new taskforce for law enforcement and the financial sector to exchange and analyze information relating to high-end money laundering schemes, including related to fentanyl trafficking, modelled after the United Kingdom's Joint Money Laundering Intelligence Taskforce (JMLIT) and tailored to Canada's legal context.
- In response to Minister Freeland's resignation, all opposition party leaders made public statements condemning the Prime Minister:
 - Federal Conservative leader Pierre Poilievre suggested that the Prime Minister table approval of the FES as a confidence motion to trigger an election in advance of the inauguration of President-elect Donald Trump.
 - Federal NDP leader Jagmeet Singh called on the Prime Minister to resign, adding that "all options are on the table" when asked if he would support a non-confidence motion.
 - Bloc Québécois leader Yves-François Blanchet stated that "Mr. Trudeau's government is over" and he must "act accordingly" by asking for the dissolution of Parliament.

Analysis:

- In former-Minister Freeland's resignation letter, she warned that to prepare for an upcoming tariff war it was important to eschew "costly political gimmicks," which media consider to be the "Working Canadian Rebate" and the GST-HST holiday. The FES does not contain any reference to the "Working Canadian Rebate."
- Premiers were briefed by the Prime Minister on the proposed border plan; however, more details were expected to be unveiled in the FES.
- A December 9, 2024 CBC article citing David Asher - a senior fellow at the Hudson Institute who purportedly has extensive experience advising the U.S. government on financial crimes, and is considered a Trump-ally – highlighted that while Canada's role in the physical fentanyl trade may be relatively minor, it is an outsized player in organized crime financing due to what are perceived as lax money laundering and racketeering laws.
- According to Chapter 2 of the *House of Commons Procedure and Practices*, mini budgets, like the FES, that contain spending measures must be approved by the House of Commons. A failed vote on the new spending measures would trigger a non-confidence vote. Senate approval will also be needed to pass the Supply Bill, currently awaiting Third reading. The House of Commons will rise on December 17, 2024, and is not scheduled to sit again until January 27, 2025.
- During media availability following the Council of the Federation (COF) Fall Meeting, Premier Ford, on behalf of the other Premiers, expressed concern with Minister Freeland's resignation. Premier Ford shared that the Premiers had spoken to Minister Freeland who expressed her gratitude for their leadership in working together collaboratively.
- At the media availability, Premiers also stressed the importance of the COF table, where Premiers can show the strength and unity of Canada and as a forum representing all Canadians. Premiers also discussed increasing the frequency of COF calls as a result of the uncertainty facing the federal government.

Prepared/Reviewed by: L. MacDonald et. al / D. Macmillan

Approved by: P. Hearn, DM

December 16, 2024

Meeting Note
Intergovernmental Affairs Secretariat
Meeting with Vale Base Metals CEO – Shaun Usmar
December 2, 2024, 3:00 p.m.
Virtual

Attendees:

- Mr. Shaun Usmar, CEO, Vale Base Metals (bio attached in Annex A)

Purpose of Meeting

- This meeting is to provide an opportunity to discuss considerations related to Canada-U.S. trade.

Background:

- Vale Newfoundland and Labrador (VNL) is a fully owned subsidiary of Vale Base Metals. Headquartered in Toronto, Vale Base Metals is one of the world's largest producers of responsibly sourced nickel, copper, cobalt and platinum group metals.
- Vale's operations in Newfoundland and Labrador are centered around the Voisey's Bay mine in northern Labrador and the Long Harbour Processing Plant in Newfoundland.
- Voisey's Bay is a fly-in/fly-out operation that includes two surface pits (Ovoid and Discovery Hill) and two underground mines (Reid Brook and Eastern Deeps). Reid Brook and Eastern Deeps, collectively the Voisey's Bay Mine Expansion (VBME) project, will extend the life of the mine to 2036.
- In 2024, Voisey's Bay is expected to provide approximately 1,650 person years of employment and Long Harbour 850 person years. A significant percentage of Voisey's Bay employment is Indigenous, supported by Impacts and Benefits Agreements with the Innu Nation and the Nunatsiavut Government.
- The Long Harbour Processing Plant processes nickel concentrate from Voisey's Bay into high-purity nickel rounds, cobalt rounds, and copper cathodes using advanced hydrometallurgical technology. Vale emphasizes the low-carbon footprint of its operations, positioning itself as a preferred supplier for the electric vehicle market.
- VNL continues to advance a wind energy project at the Voisey's Bay mine site. This will include the installation of five turbines and an energy storage system on land sub-leased from VNL by Envest. VNL will be the sole customer and use 100 per cent of the power generated, offsetting approximately 13 per cent of the mine's projected diesel power usage. VNL are currently seeking interested parties to advance the project and will need to reapply for an exemption under the **Electrical Power Control Act** and the **Public Utilities Act**.
- Newfoundland and Labrador exported nickel valued at \$464 million to the United States (U.S.) in 2023, reflecting 52 per cent of provincial nickel shipments. During the previous four years, the percentage of nickel shipments to the U.S. ranged between 35 to 39 per cent. This data includes the value of externally sourced nickel processed in the province.
- President-elect Trump recently announced plans to impose a 25 per cent tariff on all U.S. imports from Canada and Mexico. He stated that this tariff would be one of his first executive

orders upon taking office on January 20, 2025. Trump emphasized that the tariffs would remain in place until the flow of illegal drugs and undocumented migrants into the U.S. is stopped.

Potential Discussion Topic #1: Canada – U.S. Trade

- Discuss considerations related to Canada-U.S. trade as a result of President-elect Donald Trump's public positioning on tariffs.

Analysis

- On November 26, 2024, in correspondence to Minister Parsons, Vale noted the following:
 - Canada supplies approximately 50 per cent of America's total nickel needs.
 - Canada is the number one supplier of super nickel alloys essential for the American defense sector.
 - Voisey's Bay and Long Harbour are strategic Canadian assets for American economic and defence security.
 - There is currently only one nickel mine in the entire U.S. (Lundin's Eagle Mine in the Upper Michigan peninsula); it currently exports all of its output (approximately 5,000 tonnes per annum) to Sudbury to be refined in Canada and then sold back to American customers.
 - By comparison, Canada produces approximately 125,000 tonnes per annum of nickel and approximately 98 per cent of it is exported.
 - There are no nickel refineries in the U.S.; hence it is entirely dependent on Canada, or other imports.
 - A 25 per cent tariff on Canadian nickel will displace our exports to the U.S.

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- The U.S. designated certain minerals as critical to safeguard its economic and national security, recognizing the essential role these minerals play in key industries such as energy technology, defence, and electronics, while acknowledging the vulnerabilities in supply chains that could disrupt these essential sectors. Both the U.S. and Newfoundland and Labrador recognize critical minerals such as nickel, cobalt, fluorspar, manganese, rare earth elements and lithium with the provincial critical minerals list identifying 26 of the same minerals as the U.S.
- The addition of tariffs to Canadian mineral commodities may result in U.S. sourcing its minerals from countries that are less allied with the U.S., which is counter to the U.S. strategic objective of securing critical minerals from politically stable and allied sources.
- There are many moving parts that determine the impact of a tariff including exchange rates, price elasticities (the degree to which demand for a good is affected by price changes), pricing decisions, government responses and the amount of spare capacity in the economy all play a role in determining the outcome.
- If the main motivation is to raise revenues, tariffs will need to be kept relatively low to avoid discouraging people from buying imports, which would cause the tax base to fall. However, if

the main motivation is to protect domestic industry, tariffs will need to be high enough to discourage people from purchasing imports. Although President-elect Trump has supported using tariffs to replace federal income taxes, the relative sizes of the tax bases make this impossible, and the level of tariffs proposed are consistent with those intended to protect domestic industry as opposed to altering tax revenue base.

- Ultimately, who bears the costs of tariffs depends on various factors related to the price elasticity of demand and the availability of substitutes. The impact on domestic industry depends on its spare capacity. Increased demand can boost production if there is spare capacity, but if the industry is at full capacity, prices for goods may rise.
- Regardless of the choice, consumers will face higher prices, leading to reduced real incomes and lower consumer spending. For firms relying on imports, higher costs reduce profitability and can harm international competitiveness for exporters.

Potential Speaking Points

- We are going to be well prepared to defend our trade relationship with the U.S., and we will be prepared to engage on other policy issues that have become linked to the U.S. trade agenda such as immigration and security.
- We know that Newfoundland and Labrador and its various economic sectors maintain close and productive ties with their long-term, valued partners throughout the U.S. The prosperity created through those partnerships is equally beneficially, and hard to replace.
- As this process unfolds, it is by leaning on these relationships that we will navigate whatever challenges arise in Canada-U.S. relations.
- As things continue to advance, there will be regular engagement from relevant ministers and officials.

Prepared By: M. Janes in consultation with IET

Approved By: P. Hearn, Deputy Minister



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December 2, 2024

Annex A

Bio – Shaun Usmar – CEO Vale Base Metals



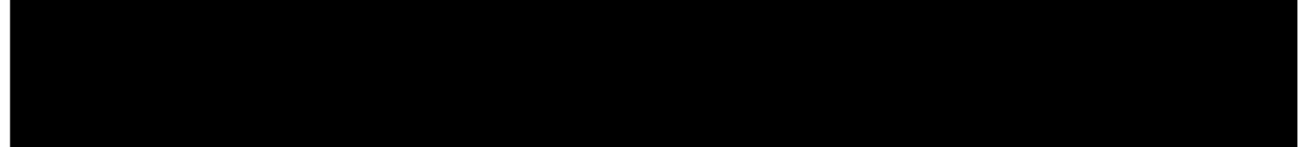
Shaun Usmar is an international mining executive with 30 years of experience working around the globe in some of the world's largest and fastest growing mining companies. Currently, Shaun Usmar is the CEO of Vale Base Metals. Formerly, Mr. Usmar founded Triple Flag Precious Metals Corp. and served as the CEO and a Director until September 2024 and prior roles included Senior Executive Vice President and Chief Financial Officer of Barrick Gold Corporation, from 2014 to 2016. He joined Xstrata in 2002 as an early senior executive that helped grow the company into one of the world's largest diversified miners at the time of its acquisition by Glencore in 2013. His roles at Xstrata included General Manager of Business Development in London, Chief Financial Officer of Xstrata's global Ferro-Alloys business in South Africa, and Chief Financial Officer of Xstrata's global Nickel business in Canada. Prior to joining Xstrata, Mr. Usmar worked at BHP Billiton in Corporate Finance in London, and started his career in mining in operations in the steel and aluminum industries as a production engineer. Mr. Usmar serves as Chair of Make-A-Wish Canada and has served on several other boards in the past, including Peabody Energy and the World Gold Council, where he chaired the Audit Committee. He holds a Bachelor of Science Engineering in Metallurgy and Materials from the University of Witwatersrand in South Africa, and an MBA from the Kellogg Graduate School of Management at Northwestern University, both with distinction.

Meeting Note
Intergovernmental Affairs Secretariat
Virtual Meeting with Premier David Eby
Friday, December 6, 2024

Participants:

- The Honourable Dr. Andrew Furey, Premier of Newfoundland and Labrador
- The Honourable David Eby, Premier of British Columbia

34(1)(a)(i) Purpose of the Meeting:



Background and Current Status

- The 2024 British Columbia (BC) provincial election, held on October 19, 2024, resulted in a reduced majority for the New Democratic Party (NDP) led by Premier David Eby, who secured 47 seats, down from 57. This marks the BC NDP's third consecutive election win.
- His new cabinet was sworn in on November 18, 2024, with key priorities identified as: reducing costs for families; ensuring affordability remains a top focus amidst rising living expenses; and, enhancing community safety particularly considering public concerns about crime and safety. Additionally, Premier Eby has emphasized the importance of economic growth, aiming to create a robust economy that benefits all citizens, particularly through initiatives related to clean energy and critical minerals.
- In November 2023, as part of a visit to St. John's, Premiers Eby and Furey signed a statement of co-operation aimed at fostering collaboration to tackle the climate crisis while promoting economic growth through clean energy initiatives. The three-year partnership involves sharing information to help advance projects, accelerating hydrogen and wind energy development, and working with the federal government to stimulate private investment among other points.
- In June 2024, Premiers Furey and Eby met in Vancouver to discuss housing accessibility and affordability and mental health and addictions programs and services. Premiers also discussed advances in cooperation related to the energy agreement.
- In July 2024, on the margins of the Council of the Federation (COF) meeting in Halifax, Premiers Furey and Eby held a joint media event to discuss federal over-reach and the Government of BC's Interest in acting as an Intervenor in Newfoundland and Labrador's court case challenging the constitutionality of the Government of Canada's equalization program.

34(1)(a)(i) Premiers are set to attend the in-person COF meeting in Toronto on December 15-16, 2024.



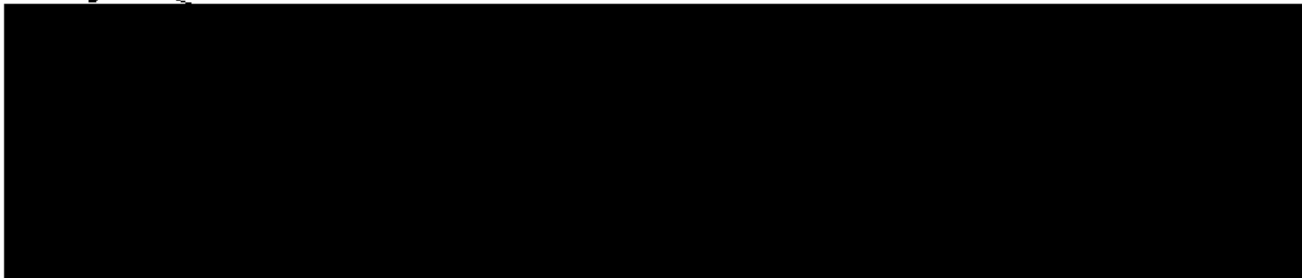
- The **Health Care Costs Recovery Act** was proclaimed in Newfoundland and Labrador on February 7, 2011. Pursuant to this legislation on February 8, 2011, the Province brought action against 14 national and international tobacco companies to recoup, among other things, losses it sustained as a result of treating tobacco related illness in its health care system. All Canadian provinces filed similar Statements of Claim against the tobacco companies.
- In response, the tobacco companies brought multiple applications to have the provincial claims stalled and/or struck for lack of jurisdiction. After years of litigation across multiple

Jurisdictions (including Newfoundland and Labrador) their goal of having the claims struck was unsuccessful.

- In Québec (QC), in addition to the government's health care costs claim, there were two separate class action lawsuits brought on behalf of tobacco consumers. On May 27, 2015, the Superior Court of QC ruled in favor of the plaintiffs in these class actions and awarded damages in excess \$15 billion against the tobacco companies of Imperial Tobacco Canada Ltd., Rothmans, Benson & Hedges, and JTI-Macdonald Corp. In February 2019, the QC Court of Appeal upheld this ruling.
- In March 2019, the three tobacco companies applied for and were granted **Companies' Creditors Arrangement Act ("CCAA")** protection in Ontario (ON), which put a halt on all provinces' actions against the Canadian tobacco companies and their parent corporations.
- The tobacco companies agreed to participate in a national mediation with all provinces as part of the CCAA process. For the past several years, Newfoundland and Labrador has taken part in extensive negotiations as part of this mediation process, along with all potential creditors. The involvement of all provinces and territories (PTs), the "Quebec Class Action Plaintiffs" (QCAPS) and the Pan-Canadian Claimants (representing smokers from the other PTs) has been the most extensive as they comprise the largest creditor group.
- Following five years of negotiations with their creditors, a proposed plan of arrangement was filed in an ON court on October 18, 2024. This proposed settlement involves the tobacco companies paying \$32.5 billion to the creditors. As proposed, this amount would be broken down (roughly) as follows:
 - PTs would receive \$24.7 billion, with \$6.2 billion proposed to be paid as "upfront money" and the rest to be paid out over a yearly schedule outline in the plan;
 - QCAPS would receive \$4.1 billion;
 - Pan-Canadian Class would receive \$2.5 billion; and,
 - a new national foundation for research into cancer and other smoking-related diseases would be endowed with \$1 billion.
- The Canadian Cancer Society has strongly criticized the proposed settlement, stating the settlement must include measures to reduce smoking, which is not currently the case.
- Media reports note that the compensation amounts to about 85 per cent of tobacco company profits over the past five years and the five years to come. Imperial Tobacco Canada's vice-president of corporate and regulatory affairs has noted that the companies have set aside about \$14.5 billion to cover the up-front payments proposed in the plan.

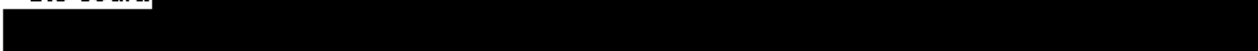
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Analysis:



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- The tobacco companies have not agreed upon allocation of the payment amounts amongst themselves. For instance, JTI in particular has voiced its objection to the plan currently before the court.



Potential Speaking Points

- **We are taking steps every day to improve the health of Newfoundlanders and Labradorians. Our goal is to become one of Canada's healthiest provinces by 2031, reducing our reliance on the provincial health care system.**
- **Like other provinces and territories, Newfoundland and Labrador has long been engaged in taking action against tobacco companies to recoup losses the Province has sustained as a result of treating tobacco related illness in our provincial health care system.**
- **We have participated extensively in the negotiations as part of the mediation process, along with all other potential creditors.**
- **Newfoundland and Labrador plans to vote in favour of the plan as presented. It is important that the tobacco companies are held accountable.**

AGENDA ITEM #2: Canada-U.S. Relations

Trump Tariffs

- **President-elect Donald Trump has announced plans to impose a 25 per cent tariff on all U.S. imports from Canada and Mexico as one of his first executive orders upon taking office on January 20, 2025. Trump stated that these tariffs would remain in place until the flow of illegal drugs, particularly fentanyl, and undocumented migrants into the U.S. is halted. This announcement aligns with Trump's campaign promises to take swift action on immigration and trade issues on his first day in office.**
- **On November 26, 2024, in a speech to the annual convention of the BC Federation of Labour in Vancouver, Premier Eby responded to the tariff threat, emphasizing the need for Canada to negotiate from a position of strength and highlighted the strong trade relationship between Canada and the U.S., noting that Canada purchases more American products than France, China, Japan, and the United Kingdom combined. He argued that this economic interdependence puts Canada in a solid negotiating position.**
- **Addressing concerns about border security and illegal drugs, Premier Eby acknowledged that improvements could be made. He repeated calls for enhanced port policing to prevent the**

entry of contraband and illicit drugs, including fentanyl and its precursor chemicals. Acknowledging the need for improved border security, Premier Eby maintained that this does not justify the imposition of tariffs. He criticized President-elect Trump's proposal as "lacking economic rationale" and argued that it is unnecessary for addressing pressing border issues.

- On November 20, 2014, the Council of the Federation met to discuss Canada-US relations and the upcoming in-person meeting of Canada's Premiers. Premiers discussed their interest in being part of federal trade engagement with the U.S., including interest by some Premiers in having provinces represented at the Canada-United States-Mexico Agreement (CUSMA) negotiating table.
- On November 27, 2024, Prime Minister (PM) Trudeau convened a virtual First Ministers' Meeting (FMM) to coordinate a unified "Team Canada" approach to address this economic challenge. The Canadian government is considering measures to strengthen the Canada-U.S. border against outward migration and to curb illicit transnational criminal activities as part of its response strategy. [REDACTED]
- On November 29, 2024, PM Trudeau, joined by Deputy Prime Minister Chrystia Freeland and Minister Dominic LeBlanc, visited Mar-a-Lago for an evening dinner and discussion with President-elect Trump and several members of his proposed cabinet. According to a CBC interview with Minister LeBlanc, discussions went well while border security and the 25 per cent tariff remained a top priority.

Analysis:

- According to the BC government's International Goods Exports report, in the first half of 2024, the province exported \$16.9 billion worth of goods into the U.S. — around 55 per cent of all goods exported. The U.S. is BC's largest trading partner, with softwood lumber and energy products being the main items exported by dollar value.
- The proposed 25 per cent tariff by U.S. president-elect Donald Trump would have significant impacts on BC's economy. Premier Eby stated that this tariff would be "devastating" for workers on both sides of the border. The forestry industry, which is already strained by existing duties on softwood lumber, would be particularly hard hit. Other sectors that could be severely affected include energy, electricity, mining, agriculture, and fisheries.
- BC's business industries have reacted with significant concern to Trump's tariff threat. The Greater Vancouver Board of Trade (GVBOT) has described the situation as sending "shockwaves" through the Canadian business community. Bridgitte Anderson, president of GVBOT, warned that these tariffs could have "significant consequences" for BC businesses of all sizes and negatively impact communities and workers across the province. The BC Chamber of Commerce echoed these sentiments, with its president Fiona Famulak stating that tariffs of this magnitude would have severe consequences for businesses and workers throughout the province.

Temporary GST/HST Suspension

- On November 21, 2024, PM Trudeau announced a temporary suspension of the Goods and Services Tax (GST) and Harmonized Sales Tax (HST) on select essential items, aimed at providing financial relief to Canadians during the holiday season. This initiative is set to run from December 14, 2024, to February 15, 2025, and includes a range of goods such as groceries, restaurant meals, children's clothing, and Christmas trees. In addition to the tax break, the government will also distribute a rebate of \$250 to working individuals earning up to \$150,000 in 2023. This rebate aims to benefit around 18.7 million Canadians and is expected to be distributed in early spring 2025.

- The announcement has elicited mixed reactions from provincial leaders. Newfoundland and Labrador endorsed the federal plan, while Premier Eby expressed frustration that the federal government's impending tax cut will disproportionately benefit those from other provinces. BC does not collect HST, meaning BC residents are getting a smaller tax break than in other provinces. Premier Eby has called on the federal government to level the playing field on holiday tax relief.

Analysis:

- As of November 29, 2024, the Liberals' GST holiday bill has passed in the House of Commons with support from the NDP, bringing it one step closer to becoming law. The bill passed despite opposition from the Conservatives and Bloc Québécois. Conservative Leader Pierre Poilievre criticized the measure, calling it an "inflationary, two-month temporary tax trick."
- The NDP agreed to support the bill after the Liberals separated it from a promise to send \$250 rebates to working Canadians in the spring. The implementation of this rebate is contingent upon parliamentary approval, which introduces a layer of uncertainty regarding its finalization.
- On November 29, 2024, Deputy Prime Minister Chrystia Freeland expressed disappointment over the apparent lack of support for the proposed rebate cheques. NDP Leader Jagmeet Singh, who was initially supportive, later stated that his party would not back the rebates unless eligibility was expanded to include more Canadians, such as seniors, students, and individuals on disability who did not work in 2023.

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Actions to be Taken:

Potential Speaking Points

- **Congratulations on your successful re-election. I look forward to continuing to advance the collaborative relationship between our two provinces in areas of importance, such as clean energy and health care.**
- **Newfoundland and Labrador and British Columbia stand united in our support of the Team Canada approach, and we will continue to engage the Prime Minister and all other Premiers on the upcoming COF meeting and FMM to ensure our approach remains consistent.**
- **It is important that we all continue to have discussions with our U.S. counterparts to emphasize the benefits of the Canada-U.S. partnership. We accomplish much more together under CUSMA than we would with the proposed tariffs in place.**

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