

March 11, 2015

[Original]

## Economic Development

**Mr. Fitch:** Does the Premier know what are the odds of winning the Lotto Max jackpot?

**Hon. Mr. Gallant:** I ask the Leader of the Opposition to enlighten me. I am very excited to hear about this.

**Mr. Fitch:** The odds of winning the Lotto Max jackpot are 1 to 28 633 528. Does the Premier know what are the odds of winning the Lotto 6/49 jackpot?

**Hon. Mr. Gallant:** This is quite exciting. This is very, very interesting. I very much appreciate the fact that, when I woke up this morning, I was wondering what were the odds, so I am very happy that the Leader of the Opposition brought this to the floor of the Legislature and brought this important matter to New Brunswickers.

How many people have called my constituency office wondering what exactly are the odds? I cannot count them because there have been none. What people are calling us about are jobs. What people are calling us about is getting our finances in order. What people are calling us about is helping families and communities that are struggling across the province, and that is what we are doing. It is not a small task.

There are many challenges before us, but our government is committed to focusing on creating jobs. That is why we have lowered the small business tax. That is why we are going to be investing strategically in our infrastructure. That is why we are creating a Youth Employment Fund. That is why we are supporting the Energy East Pipeline, the LNG terminal conversion, the Sisson mine, and many other projects. Hopefully, we will get to chat about that today and not Lotto 6/49.

**Mr. Fitch:** It is interesting how the Premier thinks that those odds are okay. Yesterday, he closed down an industry, drove jobs from New Brunswick, drove away tens of millions of dollars of investments that would have occurred this year in this province, because he thinks that a 1 in 10 chance of hitting the jackpot in the shale gas industry are odds that should not be dealt with. He talks about allowing people in New Brunswick to spend millions and millions of dollars in Atlantic Loto, with a 1 in 13 million chance of winning the jackpot, yet he shuts down an industry, drives investment out of the province, and drives jobs out of the province. He then stands up and says that his government has a diversified approach when, actually, its approach is less diversified than the approach that we had. We have the proof here that we were on the road to creating significant jobs.



**Mr. Speaker:** Time, member.

**Hon. Mr. Gallant:** I am a bit confused with the questioning. I hope that the Leader of the Opposition is not insinuating that we are somehow trying to bank our economic future on some Lotto 6/49. I do not really understand the point that he is trying to make. In fact, they were very much not in favour of a diversified approach to growing the economy when they were in government. In fact, they were fixated on hydraulic fracturing, and today, again, while they are in opposition, they cannot get off that fixation.

While they continue to spin their tires, talking about hydraulic fracturing, we have seen the economy of New Brunswick create 2 600 jobs. We cannot take credit for that. New Brunswickers, businesses, and entrepreneurs in our province worked very hard to accomplish that, but we are doing what we can by creating the right conditions. We are going to continue to work with New Brunswickers to create the right conditions and get our economy back on track.

**Mr. Fitch:** The only thing that is spinning here this morning are the words coming out of the Premier's mouth. I tell you that because, when he talks about the diversified approach to the economy and about Energy East, Sisson Brook, shale gas, LNG, Canaport LNG, large-scale products, forestry, and things such as the Trevali mine... We have a report that we commissioned when we were government. That was in June 2014, when we were calling the shots. That was a diversified approach. That is the diversified approach that he is trying to take credit for. Do you know what he did? He ripped out the chapter on shale gas. Every time he says that they have a diversified approach, he should tell the truth and say: We are having a less diversified approach than when you were in government. That would be the truth.

I wonder if the Premier can clarify today why, with the odds of a 1 in 10 chance of being very successful, he would drive jobs and investments out of the province?

**Mr. Speaker:** Time, member.

[*Translation*]

**Hon. Mr. Gallant:** We have a diversified approach to growing the economy, and we are focusing on job creation. Because of this approach, we have a plan to invest strategically in our infrastructure, a plan with which the opposition did not agree.

Because of this approach, we have a plan to lower the small business tax rate. The opposition members have said that this is not enough and they do not agree with us.

Because of this approach, we want to give New Brunswick taxpayers money so that they can spend some and thereby help the economy. That is why we have increased the minimum wage. Once again, the opposition members, who formed the previous government, do not agree.



We have a diversified approach, and we are aware that big companies, as well as small and medium-sized businesses, are needed and that this approach involves the responsible development of our natural resources and energy projects. That being said, this approach also requires the development of other projects, particularly in terms of innovation, or in the information, communication, and technology sector.

[Original]

We understand that, and we are going to continue the momentum and work with New Brunswickers to grow our economy.

## Natural Gas

**Mr. Fitch:** Once again, the Premier is confused. He talks about setting conditions to create jobs in New Brunswick and says that the government is doing things that are good for the economy. Ask Codiac Transit or Saint John Transit how much more tax they are paying and having to pass on to the people who need the money the most because of the condition that this government set.

Once again, how about the condition the government set that is driving industry out of the province? The Premier is so confused. Yesterday, he talked about where the supposed fracked water was going to be dealt with. The SWN test wells were supposed to be done in the province this year, creating jobs and investments. They have shut that down. The interesting part is that this shows that the Premier knows nothing about this industry. He claims that he has read so much about it, more than anybody in the province. It is interesting because those test wells would not have produced any fracked water—any fracked wastewater.

Once again, can the Premier explain this to the province: Why is he trying to confuse the issue on wastewater...

**Mr. Speaker:** Time, member.

[Translation]

**Hon. Mr. Gallant:** In fact, it was industry leaders who told us that, with the regulations in place under the Alward government, it was not really possible to conduct hydraulic fracturing because there was no wastewater disposal plan. This is what industry leaders told us.

[Original]

It is very clear to us that there was not a plan for the fracked wastewater, one of our five conditions that we think are reasonable and balanced for growing the economy in a responsible way. One of them is to ensure that there is a plan for the fracked wastewater.



Again, if the opposition members are so keen and so fixated on hydraulic fracturing, will they address one of the conditions? Will the town of Riverview, under the leadership of the Leader of the Opposition, take the fracked wastewater? Is that what he is insinuating?

Again, they talk about the 1 in 10 chance. It is very important that this came from industry. That is not from us. The businesses themselves talked about that percentage. Meanwhile, we will develop the economy in a responsible way.

**Mr. Speaker:** Time, Premier.

**Mr. Fitch:** Once again, it shows that the Premier is unaware of the basic fact of how this industry works. In the exploration stage, you need to drill test wells. Those test wells do not produce fracked wastewater. Again, the letter from SWN says: “a moratorium has forced us to suspend our drilling plans and rededicate resources to projects in other jurisdictions”. The conditions set by this government are driving jobs and investments out of New Brunswick.

One of the conditions, one of the excuses, that the government set for moving forward on this particular industry, which would create 5 000 jobs in the near future, talks about clear and concise information that the government can look at. This project, because of the conditions that the government has set, has been cancelled. That would have produced clear and concise information on exactly what quantity or how much opportunity there is in New Brunswick. The government members have shut it down. They would rather be in the darkness. Why is the Premier continuing to be in the dark?

**Mr. Speaker:** Time, member.

[*Translation*]

**Hon. Mr. Gallant:** Once again, the opposition member does not understand. He says the industry would have created a certain number of jobs, whereas there was a 1 in 10 chance there was a shale gas deposit, and we do not even know what its potential volume would have been. The opposition member lives in a parallel universe to ours.

[*Original*]

They talk about the conditions that we created. Well, there are two things that I think we are trying to balance, unlike the previous government. We are trying to create conditions in which we respect our environment, our health, and our drinking water. That is something that, unfortunately, the previous government did not do. It is still, to this day, something that the opposition does not seem to think is important.

We are still balancing that out with economic development. It is tough. We work hard to ensure that we can make both of these possible at the same time, but we are doing it. We are creating the conditions for the people of New Brunswick. GDP growth is expected to happen over the



next year. We have the confidence of small and medium-sized businesses, and 2 600 jobs have been created.

**Mr. Fitch:** He is quoting from a report that our government commissioned, written by David Campbell, whom he actually hired. He is quoting facts from the plan that we put in place. I am glad that he has picked up the plan. Unfortunately, he has ripped out the pages on shale gas, which would have meant a more diversified approach.

Every time members of this government stand up and say that their priorities are jobs and the economy, that is not the case. That is not a fact. Every time they stand up and say that they have a diversified approach to governing and to moving the economy forward, that is not the case. That is not a fact. Every time they stand up and say that we did not have a plan to protect the environment and to protect the air, that is not a fact. That is not a fact at all. We put in regulations and rules—about 98 of them—to protect the water and the air. Many of the words spoken by the Premier here today are, in fact, not facts at all, and I want to point that out.

Again, I wish the Premier would just admit that his regulations, the conditions that he is setting forward with respect to creating jobs...

**Mr. Speaker:** Time, member.

**Hon. Mr. Gallant:** First of all, I did not quote from that report at all. I am not sure what the member opposite is talking about. Second, New Brunswickers do not agree with the Leader of the Opposition that the members opposite were looking after the environment, the health of our people, and our drinking water around the province.

It is really unfortunate, because we are focused on job creation. The opposition members, I think, are trying to say that it is a priority for them as well, which is great. Why can we not agree on a few things?

The report that the leader was talking about—and I will speak about it now—dealt with five energy projects, four of which we support. We have imposed a moratorium on hydraulic fracturing. There are four others that we support. If the leader wants to take credit for the Energy East Pipeline project, if he would like to take credit for the LNG terminal conversion, if he would like to take credit for the Sisson mine, he can go ahead. We are not looking for credit. We are looking for results. We are looking for job creation and an economy that is going in the right direction.

Let's work together instead of having the members opposite talking about Lotto 6/49 and trying to take credit for projects that they had nothing to do with.

**Mr. Speaker:** Time, Premier.



**Mr. Stewart:** Let's move on to the Minister of Energy and Mines, because he was not innocent yesterday. The minister claimed that the opposition was fearmongering over upcoming natural gas supplies in the province.

On the contrary, on this side of the House, we have been paying attention to issues of gas supply. We know that the Maritimes will be in a supply deficit by the year 2016-17. The only other sources available to augment the supply will be LNG imports at world prices or domestic natural gas. Under the Liberals, only imported gas will be available. The choice will be to buy gas at a price that is 10 or 15 times that of the rest of North America or to have no gas at all.

If the minister believes that stating these facts amounts to fearmongering, can he explain what other sources will be available to New Brunswick residents and companies that we are not talking about?

**Hon. Mr. Gallant:** First of all, we have discussed this many times. We discussed this in the Legislature when I was in opposition and the member opposite was actually on the side of the government. The prices will not be set based only on the type of domestic supply we have. It is a regional calculation. Right now, if the region can sell to a certain market, mostly around Boston, at a certain price, that is the price at which it will sell.

Really, the issue around the Boston market and the region in which we find ourselves is the lack of infrastructure. In fact, we, as a government, work very hard. One of the first things the Minister of Energy and I did was to go and talk about the possibility of getting pipelines either from the West or from the Northeastern United States to come to New Brunswick. That was something that the past government did not do. It did not do that because it would undercut the argument that we needed a domestic supply.

We can get the infrastructure. There are people who are interested. The Minister of Energy and I are focused on it.

**Mr. Stewart:** Maybe we should ask Corridor Resources, Picadilly, the potash industry, or Repsol whether they would like a domestic supply. Everybody knows it is needed. Everybody in the world knows except for the Premier, who has read more than anybody.

The minister seems to have trouble sticking to his story, and, today, he cannot even get up and talk, especially when the facts get in the way. We have said all along that the Liberal claim that companies will still explore despite a ban on hydraulic fracturing highlighted how little the Liberals understand about the actual industry.

A minister who is all about playing politics had to dispute our statements regardless of how true they were. The Minister of Energy and Mines did so as recently as March 2 in the *Telegraph-Journal*. He stated: "Despite what the opposition is saying, SWN is not ready to run away from New Brunswick".



Of course, the minister knew that the opposition was right all along. He knew that SWN Resources was leaving, and he knew that on December 14. There is a letter clearly stating that it is suspending drilling plans and redeploying resources and money outside this province. Can the minister explain this? Can he get to his feet and do it...

**Mr. Speaker:** Time, member.

**Hon. Mr. Gallant:** I thank the member opposite and the columnist for Brunswick News for the question.

I would like to clarify what the member said. He said that he would like us to ask Corridor Resources whether it would like a domestic supply. I think that speaks volumes. I think that speaks volumes as to the attitude of the previous government. It wants us to ask Corridor Resources whether it would like a domestic supply. Corridor Resources is a little biased with regard to this conversation. It is doing its job as a business, and it would, obviously, be very supportive of a domestic supply. We are not going to go and ask Corridor Resources about our policy on natural gas or about our policies on hydraulic fracturing. We are going to defend the interests of New Brunswickers.

Then the member opposite talked about Repsol. We do not have to ask Repsol. We just have to look at its actions. It has applied for an EIA for the conversion of the LNG terminal, and it is moving forward with that cautiously but optimistically. It is doing that even though there is a moratorium on hydraulic fracturing.

**Mr. Stewart:** Perhaps the Premier will realize that we have had the industry in New Brunswick for 15 years. The expansion is actually what was being discussed during the election.

Since the Minister of Energy is not available or allowed to speak today, I will direct another question to the Premier. The issue here is that SWN Resources is leaving, and it is the government's fault. The fact that it has asked for a long-term extension is now irrelevant. Surely, the minister is not so blind to reality that he does not understand that, if a company is being offered a long-term extension of a license at no cost and with no conditions, which seems to be the case based on the recent musings by the minister, it will take it even if it has no intention of ever coming back to the province. If the minister and Premier do not realize that, they are in over their heads further than any of us ever thought.

The reality is that the minister is desperately trying to convince everyone that all is well on the natural gas file and he is drowning in his own confusion while the Premier gets up and screws up his answers. He knew back in December that SWN Resources was leaving, yet he publicly implied that it was not. Why did the minister and this government not inform...

**Mr. Speaker:** Time, member.



**Hon. Mr. Arseneault:** It is pretty obvious that the member opposite has joined the Leader of the Opposition in the other universe that we talked about yesterday.

We are talking about SWN Resources and the fearmongering that the member opposite is doing. For the past two and a half years, everybody knew that, if a Liberal government came into play, it would put forward a moratorium. We did not beat around the bush. We did that on December 18. SWN Resources knew that.

The member just likes to point out certain sections of that letter. I will read you two other sections, if you like to read a little bit. It says: "With this letter, we want to underscore our previous request for a long-term extension of our Licenses to Search so that we can continue to invest in New Brunswick." It is not walking away from New Brunswick. In the same letter that you keep talking about, it is also written: "I want to reiterate our desire to continue work on our exploration program in New Brunswick".

When the opposition says that we are driving investments away, it is pretty obvious that all companies, including SWN Resources, do not want to leave New Brunswick.

**Mr. Speaker:** Time, minister.

### Transportation of Schoolchildren

**Mr. Coon:** My question is for the Minister of Education. The *Pupil Transportation Regulation* of the *Education Act* requires students who live more than 2.4 km away from school to walk before they are able to take a school bus. This is unacceptable, particularly for children in elementary school, who may be as young as 4 years old.

A review of walking distances was undertaken in Nova Scotia in 2008, and it recommended that all elementary students should not have to walk any more than 1.6 km to school.

Will the minister reduce the regulated walking distance requirement in the *Pupil Transportation Regulation*? Thank you.

[Translation]

**Hon. Mr. Rousselle:** First of all, I want to thank the leader of the third party for his question. Obviously, this is a question we hear much more often in my departmental office and in my riding than all the ones about the lottery. I had never heard questions either like the ones from the Leader of the Opposition before today.

That being said, the current regulation provides that the minimum standard with regard to student walking distance is 2.4 km. However, I also want to point out that it is up to individual school district superintendents to establish standards based on the shortest possible distance.





In fact, if I look at the figures I have in front of me, they say that, in the school districts, the average walking standard for K-8 students is about 1.1 km. With respect to students from Grades 9 to 12, the current standard is 1.7 km. That being said, yes, we are prepared to look at this issue, and I must add that we are reviewing the whole matter of student transportation and...

[Original]

**Mr. Speaker:** Time, minister.

**Mr. Coon:** It is true that school district superintendents have the ability to reduce the distances students have to walk before they can take a bus. The ability, of course, depends on the school district's financial capacity to do so. In the land of Equal Opportunity, this has meant unequal transportation services for our children, depending on the school district in which they live. Surely, the minister wants all students to be provided with the same services no matter where in the province they live. For example, in Anglophone West School District, 2.4 km is what students have to walk year-round.

Will the minister reduce the required walking distance to the shortest distance established by a school district in New Brunswick now so that all New Brunswick children have access to the same transportation services no matter where they live?

**Hon. Mr. Rousselle:** As I just mentioned, we are actually reviewing the issue. The current standards were developed by the different school districts, and the Department of Education and Early Childhood Development is currently working on a project to standardize the provincial requirements. We are working on it, and I would be more than glad to work with the Leader of the Third Party on this issue. Thank you.

**Mr. Coon:** I am glad to hear that there is work under way to standardize the walking distances for children. When you think about the walking distances in the regulation now, it is like walking from here to the top of St. Thomas University or from here to the Diplomat Restaurant. Obviously, on a bitterly cold morning in the wintertime, that is not acceptable for small children. We have had a cold and blustery winter this year, and I have certainly had complaints at the constituency office from parents, as I am sure other MLAs have. It has to change.

My question is this: Will the minister shorten the walking distance to ensure that children will have access to school buses when they need it, before next winter?

[Translation]

**Hon. Mr. Rousselle:** As I mentioned earlier, we are reviewing the issue of student transportation, and we currently have a multi-departmental committee that is looking at a document, for which I only have the English title before me. This committee, led by the Chief Medical Officer of Health, who is the main person responsible for health in New Brunswick, is



looking at all these issues. It is important to bear in mind that health and the environment are very important aspects, and I am sure this issue matters particularly to the leader of the Green Party.

I would like to point out that, taking into consideration the distances students must walk, the standards differ greatly. Earlier, Nova Scotia was mentioned; well, in that province, the distance that students must walk can be up to 3.6 km, while, in British Columbia, the distance can be 4.8 km. So, yes, we are looking at this entire issue, and, as I have said, I would be more than happy to work with the leader of the third party on this.

[Original]

### Youth Employment Programs

**Mr. Holder:** Our Progressive Conservative government created a very successful program that created permanent jobs for young people. It was called the One-Job Pledge, and it created hundreds and hundreds of jobs, as I just said. This government has announced a program for young people that creates six-month job placements. I am not attempting to compare one program to the other. However, I am asking this: Could the minister give the House an update today as to how many applications have been received to date? The program is slated to start in three weeks.

[Translation]

**Hon. Mrs. Landry:** Thank you for the question. Regarding the Youth Employment Fund, we will make an announcement very soon. We are aiming at 1 500 young people a year who will work in jobs for a six-month period, but who will hopefully become full-time employees. So this program will be announced very soon.

[Original]

**Mr. Holder:** I appreciate the fact that the government has targets, but this is slated to start in three weeks. We do not know how many students have, in fact, applied. The last mention of this program was on the GNB Web site on October 16, 2014. It was claiming, as the minister just said, that 1 500 young New Brunswickers would be employed and that the program would start on April 1.

Just yesterday, the entire Liberal caucus stood up with the Premier and spoke of this program as though it were in place and doing great things. There is nothing on the Web right now that indicates how you can apply. How can young people apply for this program that is slated to start on April 1?



[Translation]

**Hon. Mrs. Landry:** We are ready to launch the Youth Employment Fund, which will be announced very shortly. Youth and employers have shown a great interest in this program. We are currently finalizing some details, and the whole program will be announced very, very soon.

[Original]

**Mr. Holder:** I thought the announcement was in October. The program is supposed to start on April 1. What are we waiting for? It looks as though we have another item to add to the Premier's list of 200 days of disappointment.

Since we are not sure when this is going to start, I have another question. The One-Job Pledge program was highly successful. Is this program still in place? How many jobs have been created over the past little while as a result of it? Is this one going to be scrapped? Is this another program that, because it has a Tory label on it, the government is going to scrap?

[Translation]

**Hon. Mrs. Landry:** The Youth Employment Fund will be launched and take effect on April 1. That was our promise, and that is what we will do.

I remind you that, since 2014, we have created 2 600 jobs. With the 1 500 jobs we are planning on creating with the Youth Employment Fund, that will give us a total of 4 100 jobs. That is what will have been created over the coming months.

I think we have kept our promise. The Youth Employment Fund will take effect on April 1, and we expect employers and young people to take full advantage of it.

[Original]

## Natural Gas

**Mr. Northrup:** The lack of a specific date for when the ban will be lifted is yet another example of this government making it up as it goes along. As the CEO of Corridor Resources stated, "If I'm not mistaken, it's been five months since they were elected. If they had a strong game plan, this could have been implemented a few weeks after the election." On this side of the House, we could not agree more.

It is clear that the Liberals have had no plans for natural gas whatsoever, and, now, they have painted themselves into a corner with a gas shortage and high prices for gas customers on the horizon. Companies are pulling out of New Brunswick and taking their investment capital with them.



Why is it that the minister cannot provide the House with any details on what the government intends to do on the natural gas file five months into its mandate?

**Hon. Mr. Arseneault:** That is part of the problem with the opposition members. When they were in government, they tried to rush some of these files, but they forgot to do the actual work. In terms of hydraulic fracturing, they did not listen to the concerns of New Brunswickers out there. That was quite unfortunate.

We, as the Liberal opposition at the time and, now, as the Liberal government led by Premier Gallant, have listened to New Brunswickers, to staff, to Dr. Cleary, and to individuals like that. That is why we brought forward five conditions that are very, very important in terms of our moving forward or not on hydraulic fracturing. Those conditions are the social license; the duty to consult with First Nations; maximizing the royalty benefit structure; making sure that we feel safe about our health, environment, and air; and, as well, our infrastructure.

I do not know whether Riverview is going to take the wastewater. I do not know that. Maybe Saint John will. I do not know. Nobody is stepping up to the plate to take care of that problem. These are very serious conditions that the people of New Brunswick are telling us they want resolved before we move forward. Do you want a timeline?

**Mr. Speaker:** Time, minister. Final question.

**Mr. Northrup:** We know the Liberals have ignored the science and the facts on this file for years now. We know there is such a lack of understanding on the file by the same individual, the MLA for Campbellton-Dalhousie, who was the industry's biggest cheerleader six years ago. Now, that individual is banning the industry from developing this important process in the province. It is a complete flip-flop. We know the Premier claims he has read more on hydraulic fracturing than anybody else in the province and he still does not understand that fracturing is a necessary process for development in New Brunswick.

Will the minister tell the House why he has performed a complete flip-flop on this file and has banned the very industry that he promoted and that he and other ministers brought into the province in the late nineties?

**Hon. Mr. Gallant:** First of all, it is not a ban. We have talked about that several times, and it is unfortunate that we have to keep going back to that. It is a moratorium, and we have made it very clear every time the opposition members have brought it up. It is a moratorium on hydraulic fracturing, so I would like to start by making that clarification.

**Mr. Speaker:** Order.

**Hon. Mr. Gallant:** Second, I think it is very important to realize that it is tough to balance the interests of New Brunswickers. However, it is important that we listen to them, and it is important that we try very hard to balance all the interests. People are interested in having



clean water, and they are interested in having their health and their environment protected. They are also looking for job creation to be the priority, and we are focused on that. We have found a way to ensure that we have the balance, to create jobs, to grow the economy, to grow confidence with small and medium-sized businesses...

**Mr. Speaker:** Order.

**Hon. Mr. Gallant:** ...and to have many independent people say that there is going to be GDP growth. We are proud of what we are doing. We are proud of our record on job creation, and we are going to continue the momentum.

**Mr. Speaker:** The time for question period has expired.

