

March 13, 2015

[Original]

Natural Gas

Mr. Fitch: It is a pleasure to rise again and ask the Premier questions. We did not get many answers yesterday. That is pretty telling that we are on the right track.

New Brunswickers have a great capacity to forgive. I do not know if it is a cultural thing that is based on history. However, when we see somebody caught in an indiscretion and if the person admits that he or she made a mistake and sincerely apologizes, usually, most New Brunswickers would forgive that person and move on. Yesterday, we proved without a shred of doubt that the Premier knew for months that a moratorium would bring the industry to a full stop and that SWN Resources would leave the province and take investment dollars and jobs with it. Yet, at the same time, after he knew this, the Premier continued to tell the public that the industry would continue. Will the Premier just admit it and apologize today?

Hon. Mr. Gallant: First off, let's remind the member opposite that SWN has actually applied to have its license extended, so the fearmongering that he is doing is just not the case.

SWN, the industry, New Brunswickers, and every single person across this country, from coast to coast to coast, have known for two and a half years, if not longer, that our government would impose a moratorium on hydraulic fracturing. The reason for it is that we need to balance the economy and the job creation efforts of our government with protecting water, the environment, and the health of New Brunswickers, and that is exactly what we are doing. We have five conditions, which we believe are very reasonable, that will protect the environment and the health of all New Brunswickers across the province.

However, we also have many initiatives in a diversified approach to grow the economy. We are very happy and very pleased that, so far, it seems to be working. We are working with entrepreneurs, businesses, and New Brunswickers across the province, and, because of that collaboration, the economy has been able to create 2 600 jobs since we were sworn in. We are very proud of that.

Mr. Fitch: We can have a debate as to why the license needed to be reviewed or why SWN asked to have its license renewed. It is probably because the Minister of Energy and Mines wanted to try to stave off any lawsuits or because the company wanted to tie up the resource as long as it could to try to get its investment back at some point in the future when the moratorium is lifted.

Yesterday, we saw a glimpse that the Premier is under pressure. We knew that we caught him in a bad situation. We knew that we caught him in a position where he had told the public one



thing, but he knew that the exact opposite was the case. It was telling when the Premier said that it was not for him to guess what companies will decide to do, based on the decisions that they made. However, he already knew what this company would do. He already knew that SWN would pull the investments that it was going to make this year. He knew that SWN would pull the jobs that were going to be here in New Brunswick. He knew that, yet he told the public that it was not the case. Admit it, apologize, and let's move on.

Hon. Mr. Gallant: That certainly was not a question. In fact, it was a comment directed at me. I hope that he will speak to the Speaker in the future.

I really hope also that we can have a more constructive debate. We have discussed this issue at length, for years now. I have been in the Legislature for only a short time. I was the Leader of the Opposition, and, now, I have the privilege and am blessed to be able to be the Premier of our beautiful province.

We have discussed this several times. We have discussed this for hours and hours on end. We have discussed this for weeks and weeks and months and months. To try to insinuate that New Brunswickers, the industry, and, frankly, anybody did not know that our government would impose a moratorium on hydraulic fracturing is just absurd. We had this debate during the campaign. We have had this debate in the Legislature.

I think it is time to move on. It is time to work together. It is time to find ways to grow our economy, and we are doing just that. Job creation is our number one priority. There is some good momentum, and we are going to continue to work very hard to ensure that we continue that momentum.

Mr. Fitch: Once again, it is very telling from the remarks that the Premier is making today that he knew what was going to happen if he put together a moratorium on hydraulic fracturing. Again, he went further than that and banned the whole industry. We have looked at some of the conditions that the government put on, and there are solutions to those. It was reported again that there are solutions for wastewater.

Again, what the Premier says is so subjective. The point of the matter is that those answers are there, but he led the public to believe that, in fact, there could be exploration, there could be seismic testing, and the industry could continue and continue to make investments and continue to make jobs. The fact of the matter is that he knew that the industry would come to a full stop, based on the letters that we provided to the House this week, yet he continued to tell the public not to worry and that things were going to progress.

Again, that is the indiscretion that we caught the Premier in. We need him to admit it and to apologize. Then we can discuss some things, such as the five conditions...

Mr. Speaker: Time, member.



Hon. Mr. Gallant: First off, the industry did not come to a full stop. As I said, again, I do not think the member opposite is listening to the answers. SWN has actually applied for an extension, so I do not understand what the member opposite does not seem to comprehend. The company wants to stay and wants an extension despite the fact that we have made it very clear over the last few years that there would be a moratorium on hydraulic fracturing. Repsol has applied to export natural gas from its LNG terminal. The industry, the economy, and life have gone on. The only people who are stuck in the mud are the opposition members. They think there is still a parallel universe in which they should be in power and they should be doing hydraulic fracturing. They are fixated on that.

I have to ask this again. The member opposite, the Leader of the Opposition, talks about the conditions. He says that there is a path forward on the conditions. We would like to hear that path forward on all five of them and one specifically: Where does he think the fracked wastewater should go? Will Riverview, his constituency, take the fracked wastewater? Is that what he is implying?

Mr. Fitch: Once again, it is unfortunate that the Premier continues to put himself further and further into a corner, basically, when he talks about fracked wastewater. It was very evident today that we had industry coming out and saying that there are solutions and a pathway forward. In today's *Telegraph-Journal*, the head of operations of an environmental company that can treat the wastewater is saying that, if there were not a moratorium, there would be solutions that would be viable. The fact that the moratorium has been put in place, once again, has shut down the industry, not just for SWN, but also for other industries that could handle that.

This just continues to drive home the fact that the facilities are available to treat the water if water were chosen as the liquid for fracking. However, again, the Premier lacks insight into the industry. We realize that propane is an option as well, based on the formation of the shale rock. That could be a viable opportunity that would put that...

Mr. Speaker: Time, member.

Hon. Mr. Gallant: I thought that this was question period and not statement period. I would really appreciate it if the member opposite would actually pose some questions this morning.

I have to say that it is unfortunate. Again, we have made it very clear. They are trying to say that SWN is leaving, but it has a request for an extension. It is doing that despite the fact that there is a moratorium on hydraulic fracturing. The member opposite talks about the conditions and says that there is a path forward. He has yet to say where the fracked wastewater will go. Those members had no plan for fracked wastewater when they were in government. They were hoping to send it to Digby, and that was no longer a possibility when Nova Scotia banned it.



I am very, very saddened to see that the opposition cannot move on from this subject. We do not agree. It is obvious that we do not agree on that. I think we have made our position clear and they have made their position clear.

There are things that we can do to work together. There are things that we should be debating and discussing. Job creation is our number one priority. Let's have everybody in this Legislature working together, rowing in the same direction, to create jobs and to continue the momentum that we have started.

Mr. Speaker: Time, Premier.

Mr. Fitch: Once again, the Premier is missing the point altogether. The Premier is not telling the people of New Brunswick what the facts are. He knows what the facts are, and he is telling the people different facts. It is inexcusable for a Premier of the province to tell the people one thing when he knows that something else is entirely true.

I will drive that fact home again today. The Premier talks about how there is no way forward. Look at what Steve Moran, from Corridor Resources, says. He says that if water were treated, it could be disposed of just like any other industrial wastewater.

The fact is that the government has singled out the gas industry and has led a fear-based campaign against the concept of existing disposal facilities accepting this treated water. This is despite the fact that treated water from other industries is acceptable. Once again, the options are there. The Premier should admit that he knows the facts, but he is not giving the facts.

Mr. Speaker: Time, member.

[Translation]

Hon. Mr. Gallant: Once again, the Leader of the Opposition did not ask a question. I hope we will be able to start having a more constructive dialogue and a real discussion on the priorities of New Brunswickers.

The priorities are clear; people want us to create jobs, and they want us to do it responsibly. People want us to turn public finances around and help families more. People want a government that will focus on education, health, and the eradication of poverty, and that is exactly what we are doing. We are going to create jobs; we are going to work with New Brunswickers to provide services that will help families and communities.

[Original]

I have to say that there is one thing that the Leader of the Opposition did today. This is a revelation. We are very surprised over here. We cannot believe it. We should stop the presses. Everybody knows what the front page of all the newspapers will say tomorrow. The industry



that does hydraulic fracturing is against the moratorium on hydraulic fracturing. I did not know that. That is very interesting. Thank you so much, Leader of the Opposition, for bringing that forward. Fortunately for New Brunswickers, they do not dictate our policy.

Mr. Fitch: Again, the Premier is in such a spin here today that he puts himself further and further into the mud. Does he know that, with the conditions the government has brought in for the province, other industries are being affected? Does he know, for example, that Atlantic Potash recently requested a 24-month extension on its land option in Saint John, where the fertilizer plant was supposed to be developed? The company has stated that there are two critical elements to the project. One is an abundant source of water. What is the second? An abundant supply of natural gas.

Domestic supply would answer the concerns of Atlantic Potash, and it would probably move forward very quickly. However, the conditions that this government has put on the industry here in the province are affecting other industries as well. Is the Premier aware that his conditions have put a delay on Atlantic Potash development?

[*Translation*]

Hon. Mr. Gallant: Indeed, there are other businesses that want to come here to New Brunswick to develop potash. This is fantastic news that shows that the moratorium on hydraulic fracking has no impact on these businesses, since they want to come to our province. They are well aware that there will be a moratorium on hydraulic fracking.

As members, I hope we will be able to move on to another topic. It is obvious that the opposition wants hydraulic fracturing at all costs, and we are aware of this. As for us, we want to protect health, the environment, and, of course, people throughout the province. We see that our opinions differ; we do not agree, and that is fine, since that can sometimes happen.

Can we now move on to another file that may help develop the economy and enable us to build on the momentum we have created since being sworn in? We are very proud to see that the economy has created 2 600 jobs since we were sworn in. We will continue to work with New Brunswickers to build on our momentum.

[*Original*]

Mr. Speaker: Time, Premier.

Ports

Mr. Holder: My question today is for the Minister of Economic Development. I want to reference an op-ed that was written in last Saturday's paper by the Minister of Energy, who said: "we recognize the crucial role that the energy and natural resource sectors play as economic drivers." Then he went on to list a whole bunch of projects that we had heard of



before, like Salt Springs, the Sisson mine, Repsol, and Atlantic Potash Corporation. Quite frankly, the minister taking credit for any of these would be like the rooster taking credit for the sun coming up.

On that note, we are not surprised to see the omission of shale gas in it, but not one word... We are talking about energy and exports, and there was not one word in this entire commentary about the port of Saint John. Does the Minister of Economic Development not find that problematic?

Hon. Mr. Gallant: I think that it is very important to clarify the remarks of the member opposite. Of course, the port of Saint John is an important, important piece of our infrastructure in the province, to help us to grow the economy and to create jobs. The member opposite would know. He has heard me speak several times during speeches—the State of the Province Address, and many other addresses—in which I have touted how important the port of Saint John is and how the port of Saint John is the best port in North America. I have said this literally about 50 times in the past five months.

The member opposite should join with us in celebrating a wonderful piece of infrastructure, a wonderful team around the port of Saint John, and a wonderful city that has worked very hard to build up a lot of credibility internationally on what that port can accomplish. There is no doubt that the port of Saint John is going to play a crucial role in our plans to grow the economy and create jobs in this beautiful province.

Mr. Holder: I would still like to hear from the Minister of Economic Development on this and on whether or not that omission in last Saturday's commentary was problematic.

I want to educate the members opposite a little bit. This is a deepwater, ice-free port that, in terms of nautical miles, is closer to emerging world markets than even places like New York City. As those ports start to get congested, there is an amazing opportunity here. I do not need anybody opposite to tell me how important the port of Saint John is to my constituency. Container traffic was up 47% in 2013 and 17% last year, with no end in sight.

I want to ask this of the Minister of Economic Development: Does he see it as problematic that his colleague, who sits right next to him, never mentioned it when he talked about energy and exports?

Hon. Mr. Gallant: There is really no reason to shout. At no point did I try to insinuate that I was telling the member opposite how important the Saint John port is. I was simply saying that the port of Saint John is important to all of us. It is important to the province. I was simply saying, contrary to what the member opposite was trying to insinuate, that our government has touted and has talked about the importance of the port of Saint John on several occasions, to the point that it actually played a prominent role in many of my major speeches over the past few months.



May I add that, not only is it important that we celebrate within the province and let people know the important pieces of infrastructure that we have across the province to help us with job creation, but also it is important outside the province. I went to Calgary and to Houston to talk about the importance of the energy sector to New Brunswick and what we can do for many people across North America and the world. When I went to meet with all the European Union ambassadors, I spoke about the port of Saint John and how it will help us help them. We are proud of it, and we will continue to be.

Mr. Holder: There is a major expansion of the container capacity proposed by the Saint John Port Authority that will involve the federal government, the provincial government, and the port authority. It is a \$2.5-million project over seven years. I would like a commitment. There is no end in sight to the opportunity. This is not pie in the sky. This is not build it and they will come. They are already here. MSC and Tropical are already expanding their activities in Saint John.

I want a commitment. Say yes to the port of Saint John. Tell us when we can expect you in Saint John to make an announcement. Anything short of that commitment here today is an indication that you do not even know where the port of Saint John is.

[Translation]

Hon. Mr. Gallant: It is really unfortunate that the debate has hit such a low point today, seriously, going so far as to say that I do not know where the Port of Saint John is located, when I have visited it several times. We support the Port of Saint John, and I have mentioned this several times in my speeches here in the province and elsewhere.

Frankly, the House should be used for far better things than this kind of talk. I understand that the opposition member is trying to score political points in the city of Saint John, where his riding is located. I think we should talk about things we could work on together, like the Energy East Pipeline project.

[Original]

We support the Energy East Pipeline project. We supported it in 2012 with a unanimous motion to show that we supported the then government when we were in opposition, yet we have spent so much time debating whether we support it or not because they would try to make falsehoods. We will continue to support the project...

(Interjections.)

Mr. Speaker: Time, Premier.

Hon. Mr. Gallant: I apologize, Mr. Speaker. They were not making falsehoods. They were...



Mr. Speaker: Time, Premier.

Trade

Mr. Coon: My question is for the Minister of Economic Development. The *Telegraph-Journal* reported today that a coalition of American pulp and paper companies has filed a petition with the United States International Trade Commission applying for countervailing duties to be placed on imports of some Canadian paper products. They claim that federal and provincial governments are providing subsidies, which include preferential loans, tax benefits, grant programs, and cheap access to Crown land trees and energy subsidies, and that this represents unfair competition. Has the Minister of Economic Development reviewed the memorandum of agreement signed with J.D. Irving on February 7 of last year to determine whether any of its provisions could open New Brunswick to any countervail whatsoever?

Hon. Mr. Doucet: It is certainly a pleasure to stand up and answer the question from the member opposite. I appreciate his bringing that to the attention of the House.

The forest industry is a pillar of our economy. It has been around for a long time. It has gone through a lot of very difficult times. This is just one of those little hiccups that we are going through at this point in time. We are very well aware of this issue, and we—my staff—have been meeting on it and discussing this issue quite extensively.

Mr. Coon: With the softwood lumber deal set to expire on October 12 of this year, it is a critical time for New Brunswick to be squeaky clean when it comes to any support it might provide to the forestry sector. Will the minister undertake to examine the price we charge for Crown wood, the price NB Power charges its industrial customers, and the price that the Department of Natural Resource charges the mills for biomass fuel to ensure that these prices represent fair market rates?

Hon. Mr. Doucet: I think the question steps over into the other areas. On the first question, with respect to this petition, we are very well aware that the province has been identified in this petition. At this point in time, we are going to continue our discussions on it and get a better understanding of what is taking place. We will do the best we can to defend the interests of the province.

Mr. Coon: Will the minister, once they have looked at this carefully, undertake to report back to this House on his findings?

Hon. Mr. Doucet: As I mentioned just a few seconds ago, we are going to defend the province's interest in this as best we can. We intend to stand up for New Brunswick's interest. At the same time, I appreciate the member bringing this forward. I would be very happy to follow up with him at any point in time as this develops.



WorkSafe NB

Mr. Oliver: I would like to ask my first question of the Minister of Post-Secondary Education, Training and Labour, who is the minister responsible for WorkSafe NB. On two separate occasions, the minister's department has advertised for a board chairperson for WorkSafe NB. To date, no appointment has been made, and, to the best of my knowledge, no interviews have been called either.

From reading the minister's mandate letter, I understand that any hiring must be done through the Premier's Office. Could the minister outline the process that the Premier's Office has established for filling this position?

Hon. Mrs. Landry: Actually, we are very, very preoccupied with what we are hearing about WorkSafe NB and what we are hearing about injured workers. This is a major preoccupation of our government. In the near future, decisions will be made regarding the chairperson and the vice-chairpersons. We want to reestablish more fairness between the injured workers and the system, the employers. This will be done in the near future. Thank you.

Mr. Oliver: I thank the minister for those words, but I find them a bit disappointing.

As the minister acknowledges, WorkSafe NB is currently without a chairperson or vice-chairperson. To make matters worse, the terms of four members of the board of directors are coming to an end in May of this year. The board has not met in a formal manner since October 2014.

By law, the annual report of WorkSafe NB, with an audited financial statement, is required. That is in the law, and this must be submitted no later than April 1. I ask the minister this: What is the government doing with respect to the legislative requirements that are imposed on the board of WorkSafe NB?

[*Translation*]

Hon. Mrs. Landry: The mandate of WorkSafe NB is to protect workers, to promote a healthy, safe environment within businesses, and to provide rehabilitation services.

I fail to see how appointing a chairperson and people who will write an annual report with financial statements will improve services for workers. However, we will make a decision very soon in order to put these administrative pieces in place, and we will submit an annual report and financial statements to the government at that time.

[*Original*]

Mr. Oliver: I am somewhat surprised by the answer from the minister.



Moving on, I am referring back to the fact that the positions of chairperson and vice-chairperson have not yet been filled. I know the directors have been meeting from time to time without a chairperson. I also know that many of the people who applied for this position were female, and I know the Premier announced that he is going to be appointing more women to agencies, boards, and commissions. Once again, we see that the Premier's words do not match up with his actions.

I would like to ask the Premier to explain why he has not filled this much-needed vacancy even though he has had many qualified individuals of both genders apply.

[*Translation*]

Hon. Mrs. Landry: We are pleased to report that the second phase of consultations will soon be undertaken. This phase is focused on the mandate of the board of directors as well as its composition, so this should be part of the upcoming consultations. We are also establishing a new appeals tribunal for April 1, as well as implementing a way of settling certain workers' claims in-house. So, we will move ahead with the second phase of consultations and assess all the benefits that are provided for workers. I want to emphasize that workers are our priority. They file a lot of complaints, and we are there to hear them. Furthermore, we will soon be in a position to respond to all claims.

[*Original*]

Mr. Speaker: Time, minister.

Forestry

Mr. Savoie: We on this side of the House know how important the forestry sector is to our economy. The Minister of Economic Development has said that it is a pillar of our economy, and we would agree with him on that. The Conference Board of Canada credited the forestry strategy with being a driver for growth in the province. We know that the forestry strategy has saved 22 000 jobs, and we know that it has saved mills in the north.

This is what we are looking for today. I want to know, from the Minister of Natural Resources, why there is such a delay in implementing the forestry strategy. We also know that the Premier, through his actions and deeds so far in government, has been very much a controlling factor in terms of what gets done and what does not get done in this government. I am asking the minister this: In your opinion, is the Premier holding up the forward movement on the forestry strategy?

[*Translation*]

Hon. Mr. Landry: Is the question for the Premier or for me? If the opposition member has questions for the Premier, he should ask him directly.



I can tell you that the New Brunswick forest industry is one of the mainstays of this province, as the Minister of Economic Development pointed out. This industry does indeed create 22 000 jobs.

I find this amusing: it took the previous government four years to develop the New Brunswick Strategy for Crown Lands Forest Management, but the opposition members would like me to come up with magic solutions and the final decision after just four or five months.

As I have said, and I will say it again, we are holding consultations. So, yesterday, I met with the chief of a First Nation. When I have completed my consultations with all the people I have to meet with across the province... That includes people working in the environmental sector; I met with 14 groups last week, and I have many more groups to come. When our final plan is ready, we will let the opposition members know.

[*Original*]

Mr. Savoie: When I hear answers like that one, I understand why things are moving so slowly. There have been no specifics—nothing specific—on why the government is dragging its heels on this. Yes, it took us four years. We wanted to make sure that we got it done right.

When I look at some of the statistics that have come out of Statistics Canada—and I know that the Premier is not going to like this, but it is the reality, because this is Statistics Canada—some 2 100 full-time jobs were lost in the last month in this province. That is 2 100. We know that a major forestry company in this province has said in the media that it will create 7 800 jobs. Obviously, having lost 2 100 jobs, we are going to be in dire need of those jobs.

When will this government move itself and this forestry strategy forward so people can have certainty and so that people can have jobs and work and live here in New Brunswick? When will those members live up to the fact that they said that job creation is their number one priority?

[*Translation*]

Hon. Mr. Landry: I am not sure if I was asked a question or if those were actually comments. I will repeat once again that the forest industry in New Brunswick creates 22 000 jobs, and, when we are ready, we will deliver the final results of my promised consultations with New Brunswickers. As I indicated, when the House was recessed last week, I was here to meet with some groups. What I keep doing is trying to meet with as many groups as possible.

I do not want to make excuses. I know that, before Christmas, I had said that I would have the results of our consultations within six to eight weeks before the date requested by journalists. I am happy this was not done in six weeks, otherwise many groups would not have had the opportunity to meet with me.





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I said I had the door open at my department to meet with all the groups. The more time goes by, the more groups want to meet with me. I will continue to meet with them. When we are ready to announce our final results in the House, I will be extremely happy to do so.

