

February 3, 2016

[Original]

Government Spending

Mr. Fitch: In yesterday's budget speech, the Minister of Finance said: "We identified areas of waste, inefficiency and non-priority spending, and we have eliminated these in this budget. We found wasteful spending that ranged from just a few thousand dollars to millions".

Can the Premier tell us the total cost of his economic development tourism trip to Davos, Switzerland, to the taxpayers of New Brunswick? Would that not fit into the category that I just mentioned?

[Translation]

Hon. Mr. Gallant: We find ourselves here, during question period, at a crucial moment for our province. Yesterday, my colleague, the Minister of Finance, tabled a budget that will help us, as a province, to have a financial situation that enables us to invest in the clear priorities of New Brunswickers, which are job creation, economic growth, health, and education.

I hope that, today, we will debate this very important budget that we have just tabled. I know that the Leader of the Opposition would like to talk about my trips to grow the economy in New Brunswick, and there will certainly be an appropriate time to do so. That being said, I find it absurd that the first question from the Leader of the Opposition is not about the financial and economic future of our province; the member prefers to play petty politics.

[Original]

Mine Closure

Mr. Fitch: I took a quote right from the budget. I took a quote right from the budget speech that talked about areas of waste, inefficiency, and nonpriority spending.

When the closure of the potash mine in Sussex occurred, there was a loss of 430 to 450 high-paying jobs. That deals directly with jobs and the economy in the province. The Conference Board of Canada said that this could affect the GDP by about \$125 million. Most importantly, as the mayor said, this was absolutely devastating and these people are just like family. Why did the Premier not take the time away from hobnobbing with the rich and famous to reach out to the people—the good people—of the Sussex area and bring them comfort in their time of need?



[Translation]

Hon. Mr. Gallant: Once again, I want to say that we have tabled a very important budget, and I hope that we will debate it today in question period.

[Original]

The Leader of the Opposition wants to talk about what I do in terms of trying to develop the economy. I would certainly be very willing to discuss that if the members opposite do not feel like discussing a budget that we feel is incredibly important for the future of our province.

I think that it is very important to underline that, while in Davos, I obviously had no idea—none of us on this side of the Legislature had any idea—that we would receive the terrible news that came out of Sussex. In fact, when I was in Davos, I talked to the mayor. We set up a phone call with the Mayor of Sussex to discuss how we could work together moving forward.

I find it very, very interesting and almost ironic that I am being lectured because I was in Davos trying to develop the economy of New Brunswick and not on the ground in Sussex when the member from Sussex was down south during the terrible news. I find it very ironic and unfortunate that this is where the debate is going today.

Mr. Fitch: The Premier had a call on the Monday, directly, understanding that there was a problem in Sussex. If he had the results from Davos, then we would say: Okay, there are results. Again, when we look at some of the results that came back... We, as a government, went on trade missions. They were not solo junkets to hobnob with the rich and famous.

(Interjections.)

Mr. Speaker: Order.

Mr. Fitch: The Premier could have made a real show of leadership. He could have cut the trip short and come home. The Premier of Quebec, Premier Couillard, made that decision. He cut his trip short and went home because he knew the people of Quebec needed him, because they were facing a devastating emotional situation as well. The Premier chose selfies in Switzerland over citizens in Sussex, and that goes directly back to the leadership of the Premier of this province.

When it comes to making those decisions on how he is going to move forward, especially with this budget, when the Finance Minister...

Mr. Speaker: Time.

Hon. Mr. Gallant: We would very much enjoy having the time to talk about our record when it comes to creating jobs and economic growth in New Brunswick. We would very much like to



compare our results with those of the opposition members when they were in government. In fact, from 2010 to 2014, we saw the cumulative economic growth rate in the province at 0.4%. In fact, in two of the years under the watch of the Leader of the Opposition as minister, we saw the economy retract in New Brunswick.

Meanwhile, this is what we have been up to. Last month, only three provinces added jobs to their economies—Ontario, Quebec, and New Brunswick. From July to December of last year, New Brunswick added almost 5 000 jobs to its economy. From November 2014 to November 2015, New Brunswick had the second-largest wage growth in the country and the third-largest increase in jobs in the country.

Mr. Fitch: The Premier should also talk about the shrinking workforce here in the province. The number of people who have left the workforce over the period of time that the current government has been in charge has been devastating as well. That has driven people out of the province, because of some of the policy decisions that have been made by this government.

It is interesting that the Premier mentions the figure of 0.4%, because that is the figure that the government used in the next year as the growth here in the province. This government and the decisions it has made have not increased growth in the province. In fact, there was a tremendous hit for the province that may affect the GDP by about \$125 million—the closure of PCS in Sussex. The ripple effect could be devastating as well. There could be even more of that.

Yes, the people in New Brunswick, with the job fairs, stepped forward and answered the call. Why did the Premier not take the time even to consider coming home to be with the people who needed him most at that time?

Hon. Mr. Gallant: Why would the member from Sussex not do that? In his member's statement, he talked about hearing things on the ground. Was he hearing them down South, during the trip that he was on at the time of the announcement?

We had the Deputy Premier go on the ground to meet the families and the people of Sussex after this terrible news. The Minister of Economic Development went on the ground. The Minister of Energy and Mines went on the ground to talk to the people of Sussex right away. In fact, the Deputy Premier went to two events in that area right after the news, and the member opposite who represents that community was nowhere to be found.

I called the Mayor of Sussex as soon as we found out the news. We talked to the CEO of PotashCorp to see whether there was anything that we could do. We are focused on growing the economy and creating jobs. Every trip that I or any other minister will take is because we are trying to ensure that there is economic growth in New Brunswick. Unfortunately, that never happened when the member of the opposition was minister.

Mr. Fitch: When we look at the history and what really happened, if the Premier knew on Monday and waited until Wednesday to call the Mayor of Sussex, that is a stark difference from



the words that he just spoke here in the House. He only tweeted it on Friday, more or less as an afterthought, maybe.

Again, we had a real situation about leadership. Again, the Premier chose to stay away and not to reach out. He had an opportunity in the State of the Province Address. He had an opportunity when he learned about it on Monday. He had ample opportunity.

I do not know whether he was trying to keep his trip to Switzerland a secret. There was no media advisory before he left. There was no news release and no exclusive with one of the media outlets. The news broke when we learned about it in the *Globe and Mail*. I wonder whether it was only made public because of the closure of the Sussex mine. Maybe the Premier was trying to get to Davos and back.

Again, can the Premier tell us this: When was the first indication that there was trouble in Sussex?

[*Translation*]

Hon. Mr. Gallant: I am not sure of the point of the member's preamble to his question, but I do want to make a few comments.

[*Original*]

I actually was with the media quite often while in Davos. Obviously, I would not be doing that if I were doing anything but trying to make sure that I am as transparent as I possibly can be. I would like to point out that, while in Davos, I travelled alone. I was by myself. I had no staff—zero staff—with me, to ensure that we contained costs.

Maybe the member opposite would like to talk about his trip to Brazil when he was a minister. I would like to hear how many staff members were with him. I would like to see the results. Actually, I already know what the results were, when it comes to economic development when he was the Minister of Economic Development. They were the first government in 40 years not to have a net gain of jobs in the economy. Maybe the member opposite would like to tell us who went with him to Brazil. Maybe he would like to talk about Paul Robichaud's trips to Europe. Maybe he would like to talk about David Alward's trips to Boston. I ask him to...

Mr. Speaker: Time, Premier.

Mr. Fitch: I am more than happy to talk about the trip to Brazil. Do you know why? It is because the Premier was supposed to go on that trip. The Premier was supposed to go on a trade mission, which contained a number of other companies as well, but the Premier made a decision not to go because of the riots in Kent County. There was a situation here in the province that needed leadership. He chose not to go, and I was his substitute.



(Interjections.)

Mr. Speaker: Order.

Mr. Fitch: The Premier could have sent a substitute or come home early because of the needs here in the province.

There were tremendous results from that trip to Brazil. RtTech, which is well known within the media, expanded its customer base and also its exports. CARIS, here in Fredericton, made sales and expanded its customer base and its exports. There were real results—real results—from a trip that was taken. It was not solo. Yes, there were support staff to help set up meetings and go forward.

Again, when was the first indication that there was trouble at PCS in Sussex?

[*Translation*]

Hon. Mr. Gallant: I certainly want to talk about the results the previous government had in terms of economic development.

[*Original*]

The growth rate in New Brunswick from 2006 to 2014 was 2%, compared to 4% in Atlantic Canada. From 2006 to 2014, we had the worst economic growth rate in the country. Those members will probably try to pin it all on the time of 2006 to 2010, but the statistics show that there was 0.4% growth during the time of 2010 to 2014—the worst of those several years between 2006 and 2014.

I cannot believe that we are standing up here today, that we are discussing, and having the Leader of the Opposition not focused on a budget that is incredibly important. I cannot believe that I am the Premier who just delivered a budget and—I am surprised—that we are not talking about it. I am even more flabbergasted that those members want to talk about their record on economic development compared to ours.

[*Translation*]

Hospitals

Ms. Dubé: It will certainly come as no surprise to the Minister of Health to see me rise to ask questions, since the budget was tabled yesterday. Even though the Premier said that the health sector would be protected, I have to ask the Minister of Health this: Will the 99 beds also be protected? Will they be closed?



Hon. Mr. Boudreau: Listen, the member for Edmundston-Madawaska Centre has been trying to scare people in Edmundston for a few weeks now. Yet I have answered this question through the media time and time again. I want to remind the member that the decision that was made when the budget was tabled by my colleague, the Minister of Finance, yesterday, is due to the fact that we listened to the people of New Brunswick.

The people of this province were very clear with our Premier and our government. They wanted to protect the health care, education, and early childhood sectors.

We heard the message, and we tabled a budget yesterday that will enable us to protect these sectors that New Brunswickers care about. This does not mean that the systems are perfect; improvements can certainly be made.

[Original]

Mr. Speaker: Time, minister.

[Translation]

Ms. Dubé: Directly and bluntly, I am going to ask the minister this: Are the 99 beds, which the health network was planning to close, now protected? Is this closure a thing of the past? Will the beds that were closed at the Edmundston Regional Hospital therefore be available again to serve the public?

Hon. Mr. Boudreau: I thought it was important to put the issue into context, and that is why I wanted to take the time to explain how the budget tabled yesterday was developed. However, as I have already indicated to the member opposite time and time again, and as my colleague, the member for the area, told her constituents time and time again, this was a temporary situation until the budget was tabled. The sequence of events put us in a temporary situation, but I think that we have been very clear about that. The Premier and the Minister of Finance have made it very clear that we would not close beds, close hospitals, or restructure hospitals.

Nevertheless, this does not mean that our health care system is perfect. We will certainly work with the New Brunswick Medical Society and Medavie Blue Cross on various projects to provide more and better primary care. The answer, though, is this: The beds will remain open.

[Original]

Mr. Speaker: Time, minister.



[Translation]

Ms. Dubé: Thank you, we have a clear answer. Now, I would like to ask the minister this: Has the message already been sent? Are the beds available to the public today? I have questions about primary care, because a lot of things are also coming, but we will come back to this later.

Hon. Mr. Boudreau: Certainly, time to respond is needed; the budget was tabled yesterday. The former minister knows very well how the process works. Both health networks, Vitalité and Horizon, submitted work plans that must be approved by the government. To some degree, these work plans are contrary to the direction that the government wants to take. Yes, we will ask both health networks to rework their business plans and to submit them to us in their revised form. The Premier and my colleague, the Minister of Finance, have made it very clear that we would not see bed closures, hospital closures, or significant reorganization in hospitals. The health networks will therefore have to review their business plans and resubmit them for approval. It will certainly take some time to make these adjustments. That said, the bed closure was temporary, and these beds will eventually be available again.

[Original]

Mr. Speaker: Order, members.

Pipeline

Mr. Stewart: On October 14, 2014, Premier Gallant met with the Premier of Alberta and said that he would do whatever he could to make sure that the Energy East Pipeline project makes its way to New Brunswick. A month later, on November 24, he met with the Premier of Ontario and, in an about-face, agreed with restrictive conditions set down by Ontario. These are conditions that everyone except the Premier seems to understand will lead to more cost delays in the Energy East project, which is exactly what has now happened.

Will the Premier inform the House what his plan is to repair the damage that he has caused on the Energy East file and what he is doing with his federal Liberal friends to get this project across the finish line?

[Translation]

Hon. Mr. Gallant: It is very important that we work together to make sure the Energy East Pipeline project makes its way from Western Canada to Saint John, here in New Brunswick. This is why we were very proud, when we were in opposition, to support a motion with the government at that time, David Alward's government, to express our support for this project.

It is important to show that, as a province, we are working together, and this file does not have to be a political issue. It must be shown that we will work together so that jobs are created as



part of the Energy East Pipeline project. The oil industry, which is very important for the New Brunswick economy, must get help.

It is unfortunate to hear the member opposite try to say we are not working hard to ensure that we get the jobs that the Energy East Pipeline project will create; I can tell you that that is exactly what we are doing.

[*Original*]

Mr. Stewart: The Premier claims that he supports the Energy East Pipeline project. The problem is that he also said that he fully supports the Sisson mine, yet there is no activity on that project. The Premier stated that he supported and was working hard on the LNG export terminal. There has been no activity there either. The Premier stated that he supported the Saint John fertilizer facility, and there has been no activity there. Now, we see the Energy East Pipeline project is standing still, partially thanks to the Premier's actions that led to delays and extra costs. Can the Premier tell us whether, of the four major energy and mines projects he claimed to support in the 2014 Liberal platform, there are any that we might see activity in this year?

[*Translation*]

Hon. Mr. Gallant: We cannot say any more clearly that we want to responsibly develop our natural resources and our energy projects.

I think it is very unfortunate to hear the opposition member try to convince New Brunswickers today that we do not support the Energy East Pipeline project. We have been saying clearly for years that we support it, but we want to make sure that things are done safely. We want to make sure that New Brunswick, all the provinces, and even the federal government work together to fight climate change. That being said, we support this project, which will help us stimulate the economy in New Brunswick and throughout the country.

I think it is very unfortunate to hear the opposition member try to convince New Brunswickers today of anything other than the fact that our government fully supports the Energy East Pipeline project.

I am surprised that I have to remind the opposition that a budget was tabled yesterday. If opposition members have questions about the budget, we will be very pleased to provide answers.

[*Original*]

Mr. Stewart: It is not about saying that you support it and being clear. It is about what you are doing to make it happen. The Premier has only been in office for less than a year and a half. It is becoming clear that the government has destroyed what potential we had in energy and mines.



No new projects are moving forward. Even a mainstay such as PotashCorp has closed up shop. Rumours abound that his meeting with Glencore was to discuss the tenuous future of the Belledune smelter. Of course, the Premier's first victim was the natural gas industry that has been destroyed at the hands of his Liberal government. Surely, the Premier recognizes his failure on the Energy East Pipeline project file and in the energy and mines sector. What is the Premier going to do to replace the \$8 billion in investment this sector was ready to bring to New Brunswick only two short years ago, when we were in government?

Hon. Mr. Gallant: We are focused on creating jobs and economic growth, and that is why we support the Energy East Pipeline project.

It is really ironic that the member opposite is asking what we are doing just after the Leader of the Opposition was criticizing me for going to Davos. Do you know whom I met in Davos? I met people from Glencore, and I met people from Repsol—senior executives from both businesses. We talked about ensuring that we are going to be able to develop our natural resources and energy projects in New Brunswick. We talked about the LNG potential and some of the mine projects. I met with others to talk about the Energy East Pipeline project. It is just ironic that the members opposite ask what we have been up to on these files when one of the reasons that I went to Davos was to meet with some of these people to move those projects forward, yet the members opposite criticize.

With the questions coming from the opposition, it is really positive that the members opposite clearly support our budget, and rightfully so—rightfully so.

Mr. Speaker: Order.

Health Care System

Mr. Coon: I want to talk about the budget. In the budget speech, the Minister of Finance announced that negotiations are under way with Medavie Blue Cross to develop, as he said, “an enhanced community-based, primary health care service”. My question is for the Minister of Health. Can he confirm that he intends to transfer the responsibility for and the running of the jewel in the crown of our public health system, the Extra-Mural Program, to Medavie Blue Cross?

Hon. Mr. Boudreau: What was announced yesterday is simply that a memorandum of understanding has been signed with Medavie Blue Cross. We are exploring some opportunities with it, just as we are exploring some opportunities with the New Brunswick Medical Society. A memorandum of understanding was signed with it as well. Both projects actually started independent of one another. However, both projects are lining up quite well by being able to really address some of the challenges that we are facing in terms of our primary care system and making that shift from acute care to primary care and building the capacity at the community level for primary care, home care, and palliative care.



There is still a lot of work that needs to be done on both projects. There are still many discussions to occur. We are now going to be engaging the two RHAs as well. We are bringing them into the discussion. Things are progressing very positively.

Mr. Speaker: Time, minister.

Mr. Coon: My question was about whether or not the minister intends to turn over the running of the Extra-Mural Program to Medavie Blue Cross and about the content of that memorandum of agreement. I have learned that, just yesterday, seven extramural nurses who were attached to the emergency department and the outpatient department of the Saint John Regional Hospital were given their notices of termination as of March 31. Is that memorandum of agreement intended to turn over the running of the Extra-Mural Program to Medavie Blue Cross?

Hon. Mr. Boudreau: Unfortunately, the member opposite is mixing together different files that have no relationship with each other. On the Medavie Blue Cross project, we are exploring an opportunity. No decisions are final, but we are exploring the opportunity of bringing the Extra-Mural Program, the Ambulance New Brunswick program, and the Tele-Care 811 program together under one public sector company that would be operated by Medavie. It would be very similar to what Ambulance New Brunswick is today but with the two other components brought in. We believe that project, combined with the project that we are working on with the New Brunswick Medical Society, could truly transform how New Brunswickers receive primary care and could really focus the system on the people who use it the most.

Mr. Coon: Transferring public functions into the private sector undermines the government's ability to serve the public good. We will see the quality of care deteriorate in the name of the interests of Medavie Blue Cross if the Extra-Mural Program ends up being its responsibility.

The Department of Health's first duty is to attend to the well-being of New Brunswickers. It is a moral obligation to the people of this province that Medavie Blue Cross does not hold. What evidence does the minister have that privatizing the extramural part of our public health care system will provide better service to New Brunswickers who need regular health care in their homes?

Hon. Mr. Boudreau: Again, I want to be clear for the member opposite that the project with Medavie and the project with the Medical Society are not done deals. There are still many discussions that need to occur. We need to reach out to the RHAs now. We need to get the other health professionals involved in the discussion.

These are projects that, combined, could really transform the way primary care is delivered in the province. We would be seen as national leaders. It is part of making that shift from focusing on acute care facilities to providing primary care and building up the capacity in the community.



Just to be clear, this would be a public sector company. These employees will still be employees of the government and members of the same union. They will still receive the same benefits that they receive today. It would be managed by Medavie, just as the ambulance program is today.

[*Translation*]

Forest Industry

Mr. Savoie: Mr. Speaker, I want to welcome you to the House as well as the Minister of Natural Resources and his colleagues.

[*Original*]

Economists who offer their opinions on the New Brunswick economy all seem to agree that our forestry sector is the one shining light in an otherwise glum situation. Yesterday's budget—budget document, to satisfy the Premier—shows that the government is expecting a drop of \$19 million in timber royalties. I find that figure confusing and, of course, misprints do sometimes occur. Could the Natural Resources Minister please clarify this for the House? Does the Gallant government truly anticipate a drop of \$19 million in timber royalties compared to what was budgeted last year?

[*Translation*]

Hon. Mr. D. Landry: I also want to welcome my colleagues across the floor.

When we are discussing a decline in provincial revenue, it is certainly not good news. That being said, as my colleague opposite said, the forest industry plays an important role in the province. At the same time, this industry is going through a tough time because of the global market. The reason there will be less revenue from royalties is that less wood will be cut than forecast in the previous budget.

When the previous government had talked about a strategic plan for the forestry sector, it had increased the volume of wood to cut. This year, unfortunately, not all this wood will be cut.

[*Original*]

Mr. Savoie: It is refreshing to have a minister on the government side who is willing to be open and transparent with his answers. I really appreciate that. It is something that does not happen too often. I would like to ask the Minister of Natural Resources about how he is coming along with the final version of the forestry strategy. I know that the Premier made a vague platform commitment. I understand that the minister met with many stakeholders on various occasions. Does the minister have a target date for finalizing the forestry strategy once and for all?



[Translation]

Hon. Mr. D. Landry: The review process of the previous government's strategic plan is certainly taking longer than I would have thought. However, we are still meeting some groups.

We are aware that, right now, the global forest industry is not doing as well as everyone might think it is. Let's look at what is happening in our saw mill yards. As far as saw mills are concerned, the industry had prepared itself for a market recovery. A lot of wood was bought from the marketing boards, and a lot of wood was cut on Crown Lands. In short, everything was going well.

Right now, the problem is that the industry expected the market to rebound, but it is not recovering as expected. So, at the moment, saw mills are left with a lot of lumber that is not selling on the market. In addition, they have all the wood they had purchased, which is causing problems.

At this time, we are looking into what we can do to help the industry. The deadline for the release of my review of the strategic plan for the forest industry has not yet been set.

[Original]

Mr. Speaker: The time for oral questions has expired.

