

December 14, 2018

[Original]

Capital Budget

Mr. Gallant: To all the participants of the yearly poem—well, almost all the participants—good job. I know some watching wonder why we do this. I think that, as you can see, it helps to cut some of the tension in this room. It was very well done this year, as always. Thanks to the participants.

We, as the opposition and as the Liberal Party, are very disappointed that the Conservatives have cut investments in schools, roads, and important infrastructure with the capital budget that the government introduced this week.

[Translation]

As member for Shediac Bay-Dieppe, I am very disappointed to see that the Conservative government is going to cut important projects that our Liberal government had approved and included in the budget, such as upgrades to the Polyvalente Louis-J.-Robichaud in Shediac, renovations at the Memramcook Institute, and improvements to Route 11.

[Original]

Can the Premier undertake to make public the job losses, directly and indirectly, the federal investment that we will lose, and any costs of breaking current contracts that the government will undertake because of the cutting of these projects?

Hon. Mr. Higgs: Mr. Speaker, I, too, would like to congratulate all the participants this morning. It was really, really great, and it is a shame that we are doing question period after that. We maybe should have had it in the reverse because this brings us all back to the reality of the House, I guess.

In any event, thinking about the change in philosophy, it has been clear—and I have said over and over again—that a taxpayer-funded economy is not the future of our province. Taxes going up a billion dollars a year over the past four years has resulted in one of the highest tax regimes in the country, if not the highest. The spending levels were way out of control because every promise was made in the effort to be elected.

I feel very honoured to be here today because we did not do that and the people of the province wanted a different view on how their money is being spent. Their money is being spent on things that we need in a timeline that we can afford. That is the goal. The goal is to get ourselves into a position where we will not see a downgrade so that we will not pay further



interest payments and we will have more money to spend on services and things that we need in this province as we go forward. Thank you, Mr. Speaker.

[Translation]

Mr. Gallant: Investing in infrastructure helps to grow our economy, whereas cutting infrastructure investments can certainly hurt it. This is the point made by Travis Shaw, from Dominion Bond Rating Service.

[Original]

Mr. Shaw, from DBRS, confirmed what we already know:

Any restraints on the public-sector side, be it on the capital or on the operating side, will have a dampening effect on the economy as well.

Mr. Speaker, again, even though we know that this is what the Premier believes to be the right thing for the province, can he please undertake to make public the jobs that will be lost, both directly and indirectly, the federal investments that will be lost, and the potential cost to the government for breaking current contracts stemming from the projects cut in the Conservative government's capital budget?

Hon. Mr. Higgs: Mr. Speaker, I realize that the Leader of the Opposition believes that the only way to grow the economy is to spend tax dollars. I mean, we have gone through that over and over again before. I also realize that in the case of the DBRS and its comments, it talked about the short-term benefits of spending taxpayer dollars for economic growth—short-term benefits. That has been the issue for a long time, Mr. Speaker, as it has always been looked at as a short-term benefit: Does it get to the next election? Well, Mr. Speaker, at this point, I am not thinking about the next election. I am thinking about our province and the next generation. That is why we are looking out to the future.

Yes, we could create a spending spree, which is what we saw in the past four years. But it will not last, Mr. Speaker, because we are going to see our province continue to grow net debt and continue to maintain the deficit, and that is not acceptable for the future generations. We are stopping that trend, and we are going to have private sector investment. I know that the Leader of the Opposition talked about creating 10 000 new public sector jobs, but, Mr. Speaker, we lost 6 000 private sector jobs. My belief is that the private sector needs to start investing in our province. Thank you, Mr. Speaker.

[Translation]

Mr. Gallant: How can the Premier not agree that investments in infrastructure will be good for the economy and New Brunswickers' quality of life in the long term, since, as a government, we invested in projects such as the community amphitheatre in Edmundston, the Provincial Centre



of Excellence for Youth in Campbellton, the Bathurst Regional Airport, and the New Brunswick Naval Center in Bas-Caraquet?

[Original]

We made investments to the educational infrastructure in the Miramichi, investments to Route 11, investments to help spur the Moncton Downtown Centre, investments in the Fundy Trail Parkway connector, investments in the airport and justice building here in Fredericton, and investments in Saint John, with the modernization of the port and the first new school to be built in the city limits of Saint John in about 40 years, Mr. Speaker. Would he not agree that these projects for our schools, roads, bridges, ports, and airports will help our economy and quality of life for many years to come?

Hon. Mr. Higgs: Mr. Speaker, I would be the last one to deny the Leader of the Opposition's previous capacity to spend money. I mean, there is no confusion there. He could spend money faster than anyone, I think, in the history of our province and make more promises in record time to spend more money and call it an investment. The lacking piece of an investment... Mr. Speaker, if you looked at the term or the definition of "investment", it would say that you get a return. You get a return that you see. It is not just a short-term benefit during the construction phase. You see that it is going to create a real economic benefit.

Losing 6 000 private sector jobs and having record-low private sector investment in the province is not an indicator of economic growth. Continuing to spend taxpayer dollars and taxing people more to do that is not an indicator of economic growth. Being last in the country in real terms on GDP growth—last in the country despite record taxpayer spending—does not bode well for a future of growth in our province. Being eighth in the country in education does not bode well for investments. Investments that do not get results are not investments, Mr. Speaker.

Budget

Mr. Gallant: Mr. Speaker, with the Conservative government's significant cuts to the capital budget, many wonder what will be in store for the upcoming ordinary budget. Considering that the Q2 update of this current fiscal year has shown a \$131-million deficit and considering that the federal government announced last week that our province will receive approximately \$185 million more in transfers in the next fiscal year, to put New Brunswickers at ease, can the Premier please commit here today to balancing the upcoming ordinary budget without cutting into the free child care, free tuition, Tuition Relief for the Middle Class, and middle-class subsidies for child care programs?

Hon. Mr. Higgs: Mr. Speaker, it is really nice to hear that the Leader of the Opposition has now switched gears to saying we should balance our budget, something that he could have done in the first year of his term or in the second year, at the very latest. Rather than adding costs to the year-end, which was done to inflate the deficit back up to \$600 million, he could have come



in at about \$250 million or maybe \$300 million max. With all the tax increases of \$1 billion, it could have been balanced long ago. We would not even be talking about this. We would be talking about investing money that was actually getting results and not having to carry a deficit to do it. But instead—instead—there was record spending. Instead, there was record taxation.

Mr. Speaker, we will manage the budget going forward, and, rest assured, we will make good use of the money so that we will maintain the services that are getting results. That will be for any service that is out there right now. If it is getting results for the people of this province, we are good with that. But if it is not, Mr. Speaker, we will look at somewhere else where we can invest and get a return on our investment. Thank you, Mr. Speaker.

[*Translation*]

Federal-Provincial Agreements

Mr. Kenny: Thank you, Mr. Speaker. Merry Christmas and happy holidays.

[*Original*]

Merry Christmas to everyone, and have a happy new year. Be safe. It was great entertainment here this morning.

Mr. Speaker, my question is for the Minister of Intergovernmental Affairs. The minister has had a very distinguished political career, and our interactions have always been collaborative and very professional. I want to thank him for that.

Mr. Speaker, when the minister was in Ottawa with the Harper government, he supported many cost-sharing agreements with the provincial and federal governments. He also knows the value of these beneficial programs to all of New Brunswick and to all New Brunswickers. My question to the minister is this. Currently, there are many cost-sharing agreements in place with the federal government. Does he still hold the same philosophy today as he did when he was a minister in Ottawa representing New Brunswick? Thank you.

Hon. Mr. Thompson: Thank you, Mr. Speaker. It is my first opportunity to respond to my critic, and I thank him for the question.

Mr. Speaker, a lot has changed in New Brunswick since then. We have an accumulated debt of \$14 billion. To put that into perspective, that is costing us \$2 million per day in interest payments. When we are talking about spending more money, we are talking about spending borrowed money, Mr. Speaker. That is the difference. If we get back to the position where the Premier has indicated we want to be, we would be in a position to entertain some of those programs, courtesy of Ottawa. I want to drive a Lamborghini, but even at half price, I cannot afford it, Mr. Speaker.



Government Contracts

Mr. McKee: Mr. Speaker, regarding the Centennial Building and the courthouse, a detailed business plan was completed with six options, including not replacing the building. The recommendation that was pursued but is now cut would have saved millions by allowing us to vacate buildings that are leased at a high cost from out-of-province landlords.

In addition, yesterday, I asked questions of the Attorney General regarding legal challenges from terminating capital works contracts like these, but I did not get a clear answer from her. Despite the Premier assuring us that ministers would directly answer questions in the Legislature, the Premier stood and responded himself by saying: “The breach of contract is a breach of contract that the previous government had with the citizens of this province”. Obviously, that was not the advice he received, or I would submit that he is in trouble.

The Minister of DTI also confirmed that there would be costs associated with cancelling those projects. Again, I will ask the Attorney General: Has she provided advice to the government on the legal consequences of breaking contracts under these capital works programs, and will compensation be made available to companies so that we can maintain confidence in doing business with government? Thank you, Mr. Speaker.

Hon. Mrs. Anderson-Mason: If there is one thing that I can truly appreciate about the leader of my party and about the Premier of New Brunswick, it is that I have watched him not making decisions rashly and based on emotion. That is incredibly important in this situation, and I can confirm to the member opposite that we have done a cost-benefit analysis. What I can also confirm for you is that there will be savings to the province with the decisions that have been made. They have not been made lightly. They have taken into consideration a full review of what has been happening and what will happen in the future.

I also want to go back to an issue that has been addressed somewhat, and that is that I have also ordered a complete needs assessment of the current structure that we have in place, to go along with this other assessment of how much this will cost the province. I am very satisfied with the decision of government in this regard. Thank you.

Capital Budget

Mrs. Harris: Mr. Speaker, I would also like to wish everyone a merry Christmas and a happy new year.

[*Translation*]

Merry Christmas and happy new year.



[Original]

However, under the careful, Grinch-like watch of the PC minister for the Miramichi and his Alliance seatmate, the capital budget has proven to be absolutely devastating for the Greater Miramichi region, especially for all our construction companies, their employees, and families. There is a \$90-million major infrastructure cut for Route 11. That funding would have saved lives. We have no shovels in the ground this year, as the Liberals were going to do, for the replacement of the Anderson Bridge, which is now down to one lane. We have absolutely no commitment or appetite for the northern bypass or for the city's number one request: a new wellness centre. Wow. Sad days ahead. My predictions have come true.

My clear question is this, and I expect a clear answer from the Premier, the leader of the Conservative-Alliance slash-and-cut party.

Mr. Speaker: Time. Time, member.

Hon. Mr. Stewart: Thanks for the question, member opposite. Mr. Speaker, Miramichiers were heavily divided on Route 11. As a matter of fact, 9 out of 10 people I met did not want it. We agreed that there was some work to do with passing lanes and moose fencing, but that work was never accomplished by the members opposite. The former minister, who was from Chatham and Miramichi, did not do his job.

On the northern bypass—which, on this side of the floor, we like and we think the city likes—they never did an ounce of work on that project. Near election time, they said: It is a priority. That was on August 20 or something. It is a priority a couple of years in advance when you are actually doing work on the project.

There is money in the budget for the Anderson Bridge this year, and there is a lot more again next year for the Anderson Bridge. We are going to do some work with moose fencing and with passing lanes on Route 11. We are going to be asking the Transportation Department to do the work that is required for the northern bypass, and we are going to be building the Anderson Bridge. Thank you.

Ms. Rogers: I also would like to start by saying merry Christmas and happy new year to everyone in this room.

Mr. Speaker, for years, day after day, we heard the good member for Gagetown-Petitcodiac, now Minister of Agriculture, Aquaculture and Fisheries, raise his petition to save the Gagetown ferry. Mr. Speaker, I would like to ask the Premier whether this government has planned in this capital budget the return of the Gagetown ferry.

The Minister of Finance, the member for Moncton Northwest, cancelled Moncton's West End school this week while knowing that the Department of Transportation and Infrastructure and the Department of Education and Early Childhood Development had already worked up



conceptual options and concluded that any number of these options could be built on existing school property without the need to relocate students or incur a new land purchase. However, we have a new school in Hanwell and maybe a Gagetown ferry. What about the Moncton West End school? Was this a replacement?

Hon. Mr. Oliver: I believe, Mr. Speaker, that there were a number of questions asked in the member's statement. I want to focus on the river system and the ferries that we have. I know that they are very important to the travelling public along the Saint John River. They are very much part of the tourism strategy that we want to build around them. With respect to the Gagetown ferry, certainly, we have promised all along that we will work with the community to find solutions, and that is exactly what we will be doing in the future. We will be meeting with the community to do so. Thank you.

Roads

Mr. Harvey: Thank you, Mr. Speaker. I want to wish merry Christmas, happy new year, and safe holidays to all my colleagues in this House and to the staff. It is a joyous time of the year. Enjoy the holidays.

Mr. Speaker, I have a question for the Premier about needs and wants. I believe that the government was forgetting about the needs of the people of Carleton-Victoria when it announced in the recent capital budget that it is cancelling the Perth-Andover roadway connections reconstruction project. Mr. Speaker, I was proud to be part of a government that worked closely with the village council of Perth-Andover and business owners to have this project shovel-ready in 2019.

The money to do this project was allocated from a federal-provincial cost-shared program. This project will improve safety, it will improve access, and it will help the business owners relocate to a safe area above the flood plain. Mr. Speaker, I ask the Premier this: Will he meet immediately with the village council of Perth-Andover to get this project back on track and intervene to restore the federal-provincial funding to meet the needs of the people of Carleton-Victoria?

Hon. Mr. Higgs: Thank you for the question. Mr. Speaker, it fits into the category of a whole lot of things, to the member opposite, when talking about wants and needs. That is fair enough. I know that there was a concentrated effort—in every riding that the Liberal government was focused on winning—during the election and beyond, to spend whatever it could and to promise whatever it could. Here is another example.

We will look at these projects one by one and will decide whether they make sense or do not make sense. Together, we will figure out what is real and what is not real. What we are finding thus far is a whole lot of things that are more like a wish list than an actual need that is practical or reasonable to proceed with. The idea is to understand the factual requirements rather than the election wish list requirements. Whether this fits into that category or not, I cannot say at



this point, but the idea of our looking at the details to understand the decisions that need to be made is one that we will continue to pursue and one that we will follow throughout the mandate. We will make sure that the facts lead us in our direction. Thank you, Mr. Speaker.

[*Translation*]

Collective Bargaining

Mr. LePage: I would like to take this opportunity to wish happy holidays to all New Brunswick civil servants and everyone in Restigouche West and throughout the province.

Unfortunately, thousands of public sector employees in this province have begun or will soon begin the collective bargaining process. We know that the last time a Progressive Conservative government was in office, no agreements were signed with employee groups. When the Premier was Minister of Finance, he even proposed authorizing only 0.75% of the GDP. Also, during the mandate of the former Conservative Minister of Finance, the economy shrank, meaning that many of our public sector employees would have had a reduction in their salaries.

Can the Premier tell us what his mandate is with regard to collective agreements, and can he confirm today, just before the holidays, that nurses and other employees will get a raise in 2019?

[*Original*]

Hon. Mr. Higgs: Mr. Speaker, the member opposite is correct. There are a lot of negotiations to get under way. I have asked since the beginning for the support of all public sector workers as we move together to save New Brunswick. We want to pay fair wages. We want to have fair negotiations, because we need their help. We need their help to move forward. We will do that, comparative with other provinces, other jurisdictions, to certainly pay the wages that are necessary, but I am asking each one as we go through this negotiating process to tell us where there are opportunities to save dollars in order to provide and to increase benefits, as we would also like to do.

Let's look at this together. When we negotiate a contract, I will be asking the questions. What can they do to help us deliver a better New Brunswick for the people whom we are serving, because we are all serving the taxpayers of this province? I am quite excited about that because, thus far, I have seen a lot of people and met a lot of people and they want to help. That is going to make the difference. It is not going to be here in this room. It is going to be the people helping us. Thank you.



NB Liquor

Mr. Austin: Thank you, Mr. Speaker. With the holidays upon us, lots of people, I am sure, will be enjoying the liquid cheer, if we can call it that. As the media has reported, distilleries are facing some serious problems with charges in selling their product. Mr. Speaker, government has a lot of things to worry about. We have a \$14-billion-plus debt. We have an annual deficit that continues on. Health care, education, infrastructure—all are things that government needs to be worried about. We have long advocated that government should not be worrying about retailing marijuana and alcohol. My question is for the government: Will the Premier look to the future of this province and consider allowing liquor and cannabis to be retailed by the private sector?

Hon. Mr. Higgs: Thank you for the question. I agree. I do think that we have a situation here to look forward to. I have been talking about this in the media most recently because it was a topic at the First Ministers' meeting a few weeks ago. It has been on the table for a long time in terms of the pricing levels here in the province compared to other provinces. I was connecting it to other activities in the case of working on the border with Quebec and, essentially, Maine, but Quebec particularly.

In this situation, I think we do need to look at the future of what we are doing, what we should do, and what we should not do. There is ample opportunity to do that going forward. We have asked. We have talked with NB Liquor. We have asked for more information around the cannabis program and around the NB Liquor model that is currently in place and where it is heading. We are looking to have a more in-depth analysis of that in the first quarter of the year. I think that, as with every other thing, we are looking at going beyond any sort of election cycle, to 5, 10, or 15 years, to understand what is right for New Brunswick, and this is certainly an item to assess.

Mr. DeSaulniers: Thank you, Mr. Speaker. I will reiterate somewhat what our leader just mentioned. Also, I would like to ask the Premier to look at this with goodwill and cheer, based on the season that we are in. I would like to know what this government and the Premier are prepared to do in the short term to help the distillers so that they do not leave our province to work elsewhere.

Hon. Mr. Higgs: Thank you for the question. I guess, first, we have to understand what the impacts are. I know that there has been quite an explosion of craft brewers over the last number of years. I think we are up to 50 or 60 at this time. We have to look at distilleries to understand the impact and, I think, to understand the whole business model of the province and what that looks like in terms of how we go forward.

There has also been quite a change over the last number of years in the number of convenience outlets rather than corporate stores or NB Liquor stores, so we have seen a transition of that business. It is about understanding the impact of stores and understanding it in the way of what it means if you just throw the doors open and let it go. What does it mean to anyone who can



get into the business? How do we control that on a public safety issue? Is there a public safety issue?

As I answered in an earlier question, I do think the time is right to have a very clear analysis of the business, the business that we are in, and the service levels that we need to provide and that we do not need to provide. I certainly will be doing that with my colleagues.

[*Translation*]

Memramcook Institute

Ms. Mitton: On Tuesday, I learned that the government was putting a stop to the renovations already underway at the Memramcook Institute. I am extremely disappointed. The institute is the heart of Memramcook and a priority for people there. Its significance goes well beyond the beautiful Memramcook Valley.

It is a cultural institution, not only for Acadians, but for everyone in this province. Its influence extends far beyond our province. Originally, it was the Collège Saint-Joseph, the first Francophone university in Eastern Canada. People there have put incredible effort into preserving its history, creating a vision, and planning for future use of the site. This is about heritage. How can the Minister of Tourism, Heritage and Culture justify the decision not to carry on with the Memramcook Institute renovations?

Hon. Mr. Gauvin: Excuse me, I am clearing my throat since I have not spoken in quite a while. Thank you for the question. I too would like to wish everyone here in the House a merry Christmas.

I appreciate the significance of the Memramcook Institute, since my father studied there, and I performed there many times. What is sadly missing and what we must find is someone prepared to lease the site. We are currently looking into this issue, and, as soon as we have positive answers to provide, we will do so.

I appreciate the importance of this file, and the current situation does not make me happy. However, together, we must do everything we can to try to find... I am open to discussing this with anyone who wants to talk about it. If we can find someone for whom the site is as important and who would like to occupy this space, I would be the first to commend that person. I hope this will happen one day. Thank you for the question.

[*Original*]

Ms. Mitton: There have already been millions invested in the Memramcook Institute, and now, that will be wasted as the government boards up this cultural gem without any thought for how the derailing of this plan will impact the community of Memramcook and Acadians. Some \$5 million was invested in 2017, and \$10 million was supposed to be invested in 2018. This will



be for naught. There were workers and companies that were already counting on this work for 2019. Can the Minister of Tourism, Heritage and Culture explain what the consequences will be—financial, legal, and otherwise—for cancelling the contracts that have already been signed and planned for the rest of the renovations at the Memramcook Institute? Thank you, Mr. Speaker.

[*Translation*]

Hon. Mr. Gauvin: Thank you for the question. So far, \$40 million was invested without really knowing what would happen. Now, if we want to go forward, I will repeat, as I said earlier, that we must find someone who wants to occupy this building. In all, \$40 million was invested without knowing what would happen and without any real plan.

So, from now on, in order to keep the institute that we all love because it is, in fact, a significant part of our heritage, we must find someone who wants to use it. That is what we are going to do. Once again, if anyone has good ideas, please help us, because, on our side, we are looking for solutions. At this time, we are not finding anyone; however, we would like to find someone. Thank you very much.

[*Original*]

Schools

Mr. G. Arseneault: Thank you, Mr. Speaker. The Conservative government's decision to stop the construction of a new school in the city of Campbellton will have impacts not only on education, the economy, and the social fabric of the region but also on psychological well-being. Last year, the capital budget included \$500 000 for the site selection and design work, and the city of Campbellton invested over \$300 000 for improving services to the site for the new school. Mr. Speaker, this government is more interested in lowering beer prices in Campbellton than in taking care of the welfare of the children of the Campbellton region. I will ask the minister this: Why did he not proceed with this project, although he is ready to fund and build new schools in other areas of the province?

Hon. Mr. Cardy: Mr. Speaker, I thank the member opposite for the question. We absolutely recognize that it is difficult. It is difficult for folks in Campbellton. It is difficult for folks in Saint John and in other parts of the province where, absolutely, there are infrastructure needs, especially in the education system. We want to make sure that we have the best possible schools for our children. I want to emphasize to the member opposite that this project is on hold. It has not been cancelled. I want to echo the words of the Mayor of Campbellton, who said that she was pleased to hear that news.

We look forward to working with the folks in Campbellton and in every other corner of the province over the coming months to try to make sure that we can identify the proper needs so that we can continue to build and to make sure that our school infrastructure is world class for



our children. That is something that we will never stop working on. I look forward to working with the member opposite, with his experience in the education system, as well as with other folks in this Chamber and outside who have expertise to bring to the table when it comes to that.

I would like to wish everyone in this House, all their families, and everyone across the province a merry Christmas and a happy 2019. Thank you.

[*Translation*]

Public Consultation

Mr. Melanson: It is a well-known fact that the New Brunswick Premier is developing a professional relationship with the Ontario Premier.

[*Original*]

Premier Ford is clearly establishing himself as a leader that does not care about people's opinions, does not consult, and actually calls all the shots. As Premier Higgs and Premier Ford are developing a bromance kind of relationship and the leadership style of both Premiers looks more and more the same by not consulting and by focusing only on the Premiers' needs and not on the people's needs, I think the Premier needs to come clean here this morning and tell New Brunswickers who is the most important to be consulted. Is it Doug Ford, or is it New Brunswickers?

Hon. Mr. Higgs: I think that this will be the last time I get up before the Christmas break, so I would like to wish everyone a merry Christmas and all the best in the new year.

[*Translation*]

So, I want to wish all New Brunswickers a merry Christmas and a happy new year.

[*Original*]

I am looking forward to the break because I think it is a good opportunity to shut down for a bit.

In relation to developing relationships with other provinces, I started... I have had discussions with Scott Moe of Saskatchewan. I have had discussions with Brian Pallister of Manitoba. I have met and had discussions with Premier Notley of Alberta. Yes, at the First Ministers' Meeting, I met... Prior to that, I had a call from Doug Ford to congratulate me. I met with Doug Ford at the First Ministers' Meeting. So, unlike, maybe, past situations, I feel that there is a need to consolidate our efforts with those of all provinces because we are trying to make things happen for New Brunswick. We have a block in the middle, and that is Quebec, who does not seem to





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want to participate in helping New Brunswick get connected to the rest of Canada, so we are working to make that happen with...

Mr. Speaker: Time, Premier. Question period is over.

