

February 13, 2015

[Original]

### Civil Service

**Mr. Fitch:** Yesterday, I asked the Premier about the recent firings of civil servants made from his office. I said that all the hirings and firings are going through his office because that was in the mandate letter that he sent to all his ministers. When I asked the Premier whether he personally directed those firings, he hid behind HR issues and said: They are HR issues, and I do not want to talk about them.

Today, I am going to ask just a general question of the Premier. If he was going to fire a deputy minister without cause, would he do it personally or would he get somebody else to do it?

[Translation]

**Hon. Mr. Gallant:** I will certainly not answer any specific question on human resources. I will certainly not comment either on human resource issues on the floor of the House. I will certainly not answer hypothetical questions either.

I find the question from the Leader of the Opposition somewhat unfortunate. The Minister of Finance just made a statement about the financial situation of the province. We have just seen data on job creation. These are the priorities of New Brunswickers. The specific civil servant files mentioned by the Leader of the Opposition are in no way part of these priorities.

I am going to repeat what I said yesterday: I am very proud of the very hard-working civil servants in our province. These are dedicated people who want to improve the future of the province. We are very lucky to have such committed civil servants, and we will work with them to grow the economy and provide more assistance to families.

[Original]

**Mr. Fitch:** It is disappointing that the Premier will not answer this because it is a question of procedure that, again, is directed out of his office. It was in the mandate letters that all hirings and firings would go through the Premier's Office.

I said "a deputy minister", but I will broaden it. It is a general question. If the Premier wanted, let's say, to fire, without cause, three deputy ministers, a couple of CEOs, a couple of communications directors, and a couple of directors in Tourism, would that directive come directly from him or would he get someone else to do that dirty work?



**Hon. Mr. Gallant:** Again, I will not comment on any specific HR issues, and I certainly will not comment on hypothetical questions. What I will do is take the time that I have here, the 50 seconds that I am given, to correct a few things that I have heard on the floor of the Legislature so far, in the past few days.

We very much support the Energy East Pipeline project, and we have supported it since day one. We joined the then government, when we were in the opposition, in a motion to unanimously support the Energy East Pipeline project to make its way to New Brunswick and to Saint John.

The \$900 million that we want to invest in our infrastructure is over six years and not over four years or per year, as was suggested on the floor of the Legislature today. On top of that, it is not just for roads, and it is not just for bridges. It is for strategic infrastructure that can help us to create jobs and to build the economy.

*[Translation]*

I hope we are going to have a more constructive debate here in the House. New Brunswickers deserve it.

*[Original]*

**Mr. Fitch:** If the Premier would answer a few questions, then New Brunswickers would appreciate the debate here. Let's put this aside. The Premier is going to hide behind the HR issue on these questions, so let's move to something more general.

Let's move to, say, a project management team—a project management team that was in place when we were in government and that was doing great work. Would the Premier go and dissolve that project management team on his own, or would he have his political staff go out and dissolve that project management team?

**Hon. Mr. Gallant:** Again, the Leader of the Opposition is phrasing the question, in one way, as a very specific HR issue and, in another way, as a hypothetical question. I made it very clear that I am not going to answer either one of those. I cannot comment on HR issues anywhere, and that obviously includes the floor of the Legislature. I am not going to answer hypothetical questions, because there are many real questions that the opposition should be asking.

One of the things I would also like to correct and to talk about here on the floor of the Legislature is that the previous government had us on the right track when it came to our finances. I recognize that the government of the time made some difficult decisions. We certainly recognize that, but I want to correct something. That government had a plan—or it professed to have a plan—to balance the books by 2017. What it had was a structural deficit and \$300-million worth of mystery millions. They just threw out \$300 million that they were going to find out of thin air to balance the books.



We have a real plan. We are going to grow the economy and get our finances in order, and we are going to make sure that we deliver results.

**Mr. Speaker:** Time.

## Budget

**Mr. Fitch:** Again, the Premier talks about hypothetical questions. This is a true story. This is what happened. We had a continuous improvement plan in place. We had a project management team that was finding the savings. It was finding savings that would balance the budget in 2017. The Premier asked for input from us on the “blame the people” tour. That is the input that we want to put forward—the work that was being done by the project management team. The work has been done. That is why we want the Premier to look at that, to go back and see that he can balance the budget in 2017.

The government has been given a shot in the arm by the federal government with some extra revenue, but we are already seeing expenses rising. The Liberals cannot control their spending desires. We have seen that because they promised \$1 billion in spending. All they would have to do is to look at the input that we want to put forward through the project management team that the Premier himself personally disbanded and go back and balance the budget by 2017. They could get their expenses in place and do the right thing.

**Mr. Speaker:** Time.

**Hon. Mr. Gallant:** There are a few things I want to clarify here. The opposition members say that they had a plan to balance the books when they were in government. Had they had a plan, they would have balanced the books. They would have done it in four years, as they had promised.

Second, we did take their ideas. The ideas that were prepared by the previous government are in the Strategic Program Review process. None of them were thrown away. Will we do all of them? Probably not. Will we do some of them? Absolutely. All the ideas that were collected by the previous government will continue to be looked at. Of course, we are going to do that, and we certainly hope that the opposition will support us when some of these ideas come forward to get our finances under control.

On top of that, I do want to point out something that I find a bit ironic. The opposition is now trying to take credit for our finances because we got a one-off shot in the arm from the federal government. The government is trying to take credit for the finances of the past few years and the past few months, but it will not do that with the job numbers of the first few months, when there were losses. The opposition has to be a lot more constructive.

**Mr. Fitch:** Once again, the Premier says he will not take hypothetical questions. He will not take questions, and he hides behind HR. However, once again, here was a plan that was in place,



which had deputy ministers and committees in place that were going to balance the budget in 2017. This government came in and said: We are not even going to try to balance the budget within our mandate. We are going to put it off until after the next election. How is that being responsible? They continue to spend. We have seen the expenses already going above budget. Now, they have a shot in the arm with the revenue from the feds. Will the Premier commit to taking a look at the opportunities that are available with the project review plan? Will he review this \$1-billion spend that he has promised and look to balancing the budget in 2017?

**Hon. Mr. Gallant:** The opposition members, on the one hand, say that we are going too far with some of the efficiencies that we will want to find through the Strategic Program Review process. However, now, they are saying that we are not going far enough and that we have to go faster.

The Leader of the Opposition says that we dismantled the stuff that they started. First off, let's put it in context. They said that they would balance the books in four years. They did not. They then presented a plan where it would be balanced, in their terms, by 2017. However, did they have a specific plan for that? They did not. They simply had \$300 million in mystery millions that were inserted into the budget.

Now, the Leader of the Opposition talks about some of the ideas that would have come from the past government. I just answered that question. Yes, we will consider them. I will be frank. I do thank the previous government for at least starting the process. There were ideas in the system, and that is great for the Strategic Program Review. Those ideas will be considered. Some will be implemented, and I certainly hope that we will get the support of the opposition when we do that.

## Prisoners

**Mr. Northrup:** The Minister of Public Safety got some nice applause yesterday when he said that he and the member from Miramichi were on the same team. Well, I want the minister to know that part of being on the same team is listening to your teammates and your colleagues. From the SUN-FM radio Web site, here is what the Minister of Public Safety's teammate says:

*Tourism Minister and Miramichi MLA Bill Fraser also expressed his frustration with the situation. He wrote a letter to Blaney asking for him to explain and reverse the transfer.*

We on this side of the House are with the Minister of Tourism and the great people of the Miramichi. Will the Minister of Public Safety take a lead on this file?

**Hon. Mr. Horsman:** I thank the member opposite for his questions and concerns. I first want to make sure that the people here and the people of New Brunswick understand that I am not here for the applause. I am here to work for the people of New Brunswick and to work with my team to make sure that the safety of the people of New Brunswick and especially, in this situation, the people of Miramichi is at the utmost—the safest. I want to thank the federal



minister for taking my call, as it is so important. Communication between people is so important, and he always takes my calls, to reassure the people of this province that they are safe from this person and that he is tucked away. Thank you.

**Mr. Northrup:** The Public Safety Minister has let the people of Fredericton down with the Chalmers hospital, he has let the people of the Miramichi down, and, in his other department in Moncton, the Department of Justice, he let protocol go underneath in a courtroom the other day.

Why will the Minister of Public Safety not take the lead on this? I had better address my questions to the Minister of Tourism and regional minister of the Miramichi. I am sure that he would be more willing to take the lead. I know that he is on the Liberal team and that I am on the PC team, but we are both on the New Brunswick team. We want to do everything within our power to bring this to a quick end. What can we do to help and support the Minister of Tourism in his efforts to have this transfer reversed?

**Hon. Mr. Horsman:** This is a Public Safety concern, and I will take the question on this. I feel very honoured to be able to help the people of this province, especially in this situation, with respect to what the member opposite is talking about, the people of Miramichi. I want to reassure the people again, and it is very important that they know that they are safe. I have taken calls from the people of Miramichi and have reassured them that they are safe. They are as safe on February 13, 2015, as they were on February 13, 2014. Again, I want to reassure the people of this province and the people of Miramichi that they are very safe.

I want to thank the federal minister, as I spoke to him personally. I want to thank him again for taking my calls and keeping the lines of communication open, which is so important. Thank you.

**Mr. Northrup:** That certainly does not sound reassuring to this side of the House or to the people of the Miramichi and the whole province. Maybe I should go right to the top, because everything seems to be coming out of the Premier's Office. For some reason, the Minister of Public Safety will not back up his own teammate. He will not back up his own MLAs from the Miramichi area.

I am afraid that the Premier has muzzled the Minister of Tourism on this issue. We know that, as the MLA for Miramichi, he was on the situation from the get-go, right from day one. With the Minister of Public Safety, it took several days—I mean several days, and I will repeat that—to get involved in the situation.

Is there some good reason that escapes everyone in New Brunswick that this transfer should not upset the people of the Miramichi? They are upset—I cannot explain that any further—as is everyone else in our province. Why should we not all demand—everybody in the province...

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



**Hon. Mr. Horsman:** Again, I cannot understand. I listened yesterday as the member opposite, who was part of Public Safety in the last government's mandate, told me... He should know very well how the procedure works. This is a federal matter. I believe wholeheartedly and have faith in Corrections Canada facilities, and he should too. He knows how it works.

Again, why is he adding fuel to this? The issue is over and dead, but he keeps on giving notoriety to this person, which he should not be doing. The people should feel safe.

As the Minister of Public Safety for New Brunswick, my utmost priority is the safety of New Brunswickers, and I will continue to work with the people in my department and the people who are here today to help me make this happen. Thank you.

### Payday Loan Legislation

**Mr. Coon:** One of the things that I have discovered about this Legislative Assembly is that, while it passes many, many bills to address problems and challenges, a surprising number are never proclaimed and never implemented.

A glaring example is *An Act Respecting Payday Loans*, which was given royal assent on April 30, 2008, and amended just last year, but still not proclaimed.

My question is for the Minister of Justice. Is he aware that the legislation designed to protect the working poor from being charged criminal rates of interest by payday loan companies has been in legislative purgatory for the last seven years?

**Hon. Mr. Horsman:** I will answer this as the Minister of Justice, if I may. First, I want to thank the MLA for Fredericton South for this important question. As he is no doubt aware, the issue of payday loans falls under the Financial and Consumer Services Commission. The timing of this question is great because the commission is currently looking for comments from the public on the proposed rules surrounding interest rates and other costs associated with this type of service. The period that is for comments, for people to send in their reports, started on January 30 and will continue until March 31. Our government will continue to work closely with the commission to ensure that consumers are protected and that they are charged a fair interest rate and other fees when they use the service of payday loans and so on.

I would also encourage the members opposite and all New Brunswickers who use this type of service to share their thoughts on the proposed maximum interest rates and other fees with the commission. The information is available on the commission's...

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

**Mr. Coon:** In New Brunswick, there are at least 27 payday loan outlets, with 11 of them in the city of Saint John alone. Interest rates can exceed 500% on an annual basis. As a result, the working poor sometimes find themselves trapped, forced to take out payday loans from one



company to pay another payday loan company, from which they received an earlier loan. Manitoba limits the cost of borrowing to 17%, or \$17 for every \$100 borrowed.

Will the minister ensure that our payday loan legislation is implemented when the Financial and Consumer Services Commission has completed its consultations on March 31 of this year so an immediate end can be put to the exploitation of the working poor by these usurious lending practices?

**Hon. Mr. Horsman:** As I stated—I was cut off, and I am sorry, I ran out of time—I would encourage the members opposite and New Brunswickers who use this type of service to share their thoughts on proposed maximum interest rates and other fees with the commission. The information is available on the commission's Web site, and I would be more than happy to provide the member opposite with the link to the site.

It is true that people are living paycheque to paycheque. That is why it is this government's intention, as one of the pillars of our platform, to create jobs, to adhere to our fiscal responsibilities, and to help families get those jobs so that they do not have to use these institutions. Again...

**Mr. Coon:** While the Financial and Consumer Services Commission is completing its public consultations on payday loan fees and rates, there are New Brunswickers who are sinking deeper and deeper into the financial quicksand of borrowing from these payday loan companies. Will the Premier—the Premier—provide these New Brunswickers with a way out of this financial quagmire, which they would have avoided if *An Act Respecting Payday Loans* had actually been proclaimed seven years ago?

**Hon. Mr. Horsman:** I want to thank the member for Fredericton South. It is a concern to the people of this province and the families who live paycheque to paycheque. I want to reiterate to the member opposite that this is what we on the Liberal side of the House are trying to accomplish. We are trying to create jobs so that people do not have to use these institutions or live paycheque to paycheque, paying one cheque with another cheque.

Again, I want to reassure the people of this province that we are looking into it. As I stated before, there is a Web site where they can list their concerns. It started on January 30, and it will continue until March 31. They can go on the Web site to issue their concerns so that we can help the families of New Brunswick. Thank you.

## Health Care Funding

**Mr. B. Macdonald:** We got half the truth out of the Minister of Health yesterday, and I would like to thank him for at least admitting that the much needed \$200 million budgeted for the Chalmers hospital improvements has been put on the sidelines. As MLAs, we are here to follow where the people's money is spent, and I would like to get the other half of the truth. Let's follow the money.



Some six months ago, we had a program of \$200 million budgeted to pay for much-needed improvements at the Chalmers hospital over the next few years. That was \$4 million this year, \$16 million next year, and \$16 million after that, going up to \$200 million for the improvements. Now, there seems to be no money. There is no money this year, next year, or the year after that, and there are no plans and no improvements for the Chalmers hospital.

My question is for the member for Fredericton North. As the only Liberal member from Fredericton around the Cabinet table, what hard choice did he make? He chose between the long-term health care of the citizens of Fredericton and what else?

**Hon. Mr. Boudreau:** If the member opposite had listened to the facts and to his colleagues back in the day, he would probably know what the situation is. First of all, an announcement was made, and an announcement does not lock in the funding for the duration of the project.

If you remember, the former Minister of Health got up in the House and said, when he made this announcement, that the fiscal house was in order. Guess what! It is not in order, and we, as a province, still have some tough decisions to make.

As I mentioned earlier, when working with my Cabinet colleagues to put the capital budget together, there were many more requests than there were dollars to invest this year and decisions had to be made. The community health centre project in Fredericton was much further along, in terms of going forward, than the Dr. Everett Chalmers Hospital project, so we chose to move forward with the community health centre in Fredericton.

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

**Mr. B. Macdonald:** I wish I had heard from the member for Fredericton North, but I know that he is not willing to stand up for the people of Fredericton. I am sure I will have to hear more from the Minister of Health.

I know math is hard, but the Minister of Health, as a previous Minister of Finance, is comparing apples and oranges. He knows full well that, last year, the Department of Health actually provided a \$40-million surplus, but that is not in the capital budget. That is not what we are talking about. That is operations money. Let's talk about operations money.

This year, the capital budget put forward by the government is \$597 million. We had budgeted \$483 million, so there is a difference of \$114 million in the capital budget. You are spending more in the capital budget than we had provisioned. I would like to know where the \$4 million that was supposed to go to the Chalmers hospital this year has gone. While we are on it, why do we not talk about where the extra \$114 million that you are spending this year is going? You cannot keep telling us about hard choices.

**Mr. Speaker:** Please address the Chair, member.





**Hon. Mr. Boudreau:** If the member opposite wants to talk about some figures, I will share a few figures with him.

As I said, first of all, the former Minister of Health got up and said that the fiscal house was in order. It is not in order. He made an announcement and basically said that the Dr. Everett Chalmers Hospital project, over its lifetime, would be a \$200-million project, but that does not commit money year after year after year. However, last year, when the former government tabled its capital budget for the year that we are currently in, which ends on March 31, because the government claimed that this project was a priority for it, it put \$4 million in the capital budget last year for the year that is under way. Do you want to know how much the former government actually spent on the project at the DECH? It was \$90 000. Although the members opposite got up and announced that they were going to put \$4 million toward this project to move it forward, it was \$90 000.

**Mr. B. Macdonald:** I would really love to hear from the member for Fredericton North, because he is the Fredericton region's representative at the Cabinet table. He is there when these cuts are being made, these hard choices that we hear so much about. I would really like to hear from him.

I would suggest to you, Mr. Speaker, that the Minister of Health has his numbers a little bit wrong. This is my understanding, from a document that I have from inside his department. I would be happy to share it with him. It indicates that \$4 million was for this year, for 2014-15. That money has yet to be spent. That is my understanding. That \$4 million has yet to be spent.

We keep hearing about how this project has slipped, which perhaps it has, but that money needs to be budgeted in the out years. There is \$200 million missing here. Not only that, the government is spending more in capital than we planned to spend, so there is a big gap there. I would like to hear what hard choices are being made because they are spending more money than we were in capital and there is less money for the Chalmers. What is the differential? Where is that money going?

**Hon. Mr. Boudreau:** Again, just to remind the members opposite, last year... Let's remind everybody that it was also an election year. During that election year, there were two projects that had been announced in the capital budget for the Fredericton area. There had been \$4 million announced for the DECH, and there had been \$1.6 million announced for the Fredericton community health centre. Guess which project actually ended up getting more real money, more real progress? It was the community health centre. Although the government announced \$4 million for the DECH, only \$90 000 was spent.

The community health centre was further advanced in terms of planning, design, and everything. That is why, in next year's capital budget, which my colleague announced before Christmas, we will be investing \$4.8 million in the community health centre here in Fredericton. That is good news for the people of Fredericton. That is good news for the people in this area, and it is good news for health care. We need to get people out of our hospitals...



**Mr. Speaker:** Time.

## Oil and Gas Leases

**Mr. Stewart:** While Bill 9 is bad enough in that it will give the Liberal government the authority to ban the development of natural gas in this province, there are some other changes in the bill that are of extreme concern. Bill 9 will provide the Minister of Energy and Mines with the authority to extend gas and oil licenses to search on leases for an unlimited, perhaps an indefinite, period of time.

Any respectable country, province, or state places time limits on its oil and gas leases. By giving the minister the sole authority to extend any lease or license for an unlimited amount of time, Bill 9 will place New Brunswick in the company of countries that are not democratic and that are riddled with corruption. Will the minister explain why he feels he has to eliminate the existing restrictions on license and lease extensions and to have the ability to issue extensions that could go on forever?

**Hon. Mr. Arseneault:** I appreciate the question, but I want to take this opportunity to correct the member opposite. Today, I opened the *Telegraph-Journal*, and there was an op-ed—a nonsense op-ed, I would add—from the member opposite. He was talking about how we are politicizing NB Power.

First of all, every time we talk about the Dalhousie power plant especially and every time the Liberals talk about northern New Brunswick and trying to create opportunities, everybody who puts a stop to it is a Tory. We had the member from Edmundston the other day talking about the north, yet they were the ones who cancelled the northern action plan. They were the ones who said, with big fanfare, a \$250-million investment in northern New Brunswick... They did not even invest it. The only investment was in the Deputy Premier's own riding.

Getting back to the Dalhousie issue, when he attacked me, he said I had politicized the decision to reverse a tender for those oil tanks in Dalhousie. Let me remind the member opposite that this decision was made in June 2014 by his government. If the member opposite aspires to get to the front row, he had better learn the files.

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

**Mr. Stewart:** It is always nice to know when you have gotten someone's goat.

We are concerned about the Crown resources that the minister will be able to keep in the hands of companies that might not even be able or willing to develop the resource that lies in the leased area. Why is the minister repealing the situation that leased lands must be producing payable quantities in favour of leases that could extend forever? To allow a minister to have the authority to provide companies with unlimited extensions removes all accountability from our system. Such power is similar to that of a tribal warlord in Sudan.



My question to the minister is this: Will he explain why he is throwing away the accountability built into the oil and gas Act and replacing it with his own opinions on how long oil and gas leases should be issued for?

**Hon. Mr. Arseneault:** Once again, the level of debate that the member opposite brings to the floor of this House is pretty degrading, and I do not like it. You did not get my goat.

When I talk about Dalhousie... I feel very strongly about creating opportunities for the community of Dalhousie. Under that government, northeastern New Brunswick had one of the five worst economies in the country. What did the former government do? Absolutely nothing. Now, we are trying to create opportunities.

I believe in the decision that was made in June 2014 on those oil tanks. We have many energy projects, and I would love for northern New Brunswick to take advantage of those as well. We have Chaleur Terminals and a couple of \$100-million projects going for a tank farm in Belledune. It would be great if those tank farms in Dalhousie could be part of that project or any other project.

Again, if this member wants to aspire to bigger and better things, he had better learn his files and he had also better have a better debate.

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

