

January 31, 2018

[Translation]

Taxation

Mr. Higgs: So far, the budget has been described as “vague” and “disappointing” by the French-language press. I guess all the Premier wants to do is deliver the talking points on his budget. I guess the talking points, headlines, and spending announcements were prepared well before the budget. However, the people of our province are thinking about road conditions and high heating bills. The Premier said that New Brunswickers are taxed out. Is he standing by what he said, yes or no?

Hon. Mr. Gallant: From what I understand, the Leader of the Opposition is talking about the budget that was tabled yesterday. We are very proud of our budget because we are listening to New Brunswickers in order to invest in their priorities.

The investments we have made since we have had the opportunity to form the government of the people of New Brunswick have been investments in priorities, such as growing the economy and strengthening education and our health care system.

The budget that was tabled yesterday maintains this momentum of making strategic investments to create jobs, enhance education, and improve the affordability and accessibility of postsecondary education. With the budget we tabled yesterday, we will invest more to help our seniors have the best possible quality of life here in New Brunswick. We are proud of the budget because we are investing to help the people of our province, to grow our economy, and to improve their quality of life.

[Original]

Mr. Higgs: I will ask that same question in English. Basically, it is asking about the Premier’s statement that was made, I believe, in 2014. The Premier stated that he thinks the citizens of this province are taxed out and that they have seen enough taxes from government. That was back many years ago that he said that, in 2014 or 2015. My question is this: Does the Premier remember that he said that, yes or no? That is all I want answered. Thank you very much.

Hon. Mr. Gallant: I can tell you that we, as the government of the people of New Brunswick, have made some tough choices. It has not always been easy, but I want to let New Brunswickers know that we listened to them. We asked them what they wanted us to invest in, and we heard them loud and clear. They want us to invest in things that will help grow the economy. They want us to invest in things that will help improve education, will help strengthen health care, and will allow our seniors to have the best possible quality of life.



By making tough choices, we were able to redirect funds and invest even more in these priorities. To accomplish this, there is no doubt that we did ask the richest 1% in New Brunswick to pay a bit more. We asked the wealthy to contribute so that we could invest more in education and health care and grow the economy in a way that works for New Brunswickers. Yes, we increased taxes on large corporations so that, again, we were able to invest in youth employment, in senior care, and in making sure we grow the economy.

Economy

Mr. Higgs: Growing the economy is often the theme of this Premier, so I would like to ask him this: Where does the province currently stand in the ratings compared to other countries in terms of the growth of this economy? Where does New Brunswick stand in comparison to other provinces? This is the very information that was presented yesterday. I wonder whether he read it.

Hon. Mr. Gallant: Well, I will be glad to compare our economic growth record with one that I think is very important to underline—his economic growth record. When he was the Minister of Finance, he wanted to focus on austerity. He was frantic about trying to balance the books. He kept cutting and cutting into education, health care, and other important services. Yet every single day, he woke up not understanding why he was not able to get the deficit under control.

It is because you cannot cut your way to prosperity. You need to invest strategically to grow the economy, increasing revenues for your budget, for the people of your province. You need to invest in things that will help spur economic growth, improve the quality of life, and increase wages for New Brunswickers. That is how you grow the economy. That is how you grow the economy in a way that works for New Brunswickers.

Under his mandate as the Finance Minister, the economy of New Brunswick retracted. Under our mandate, it grew every single year, and in 2015, it was at the third-fastest rate of all provinces in Canada.

Mr. Higgs: Do you know where we are? Dead last. That is where New Brunswick is—dead last. A billion dollars of new taxes and a billion dollars of new spending with no results. Dead last in economic growth. The only thing that the Premier can talk about is 2015 because ever since then, it has been downhill—downhill—with taxation to every citizen of this province and with no results.

How long does the Premier think he can spend three times what he is taking in? His growth in spending is three times what our economic growth is. How long does he think that will exist? Let's put that in terms of the average household. If your average household is spending at three times the rate that it is taking money in, how long will that last? Does the Premier have any insight into that? Thank you.



Hon. Mr. Gallant: I will gladly speak about the other years. In 2015, we grew the economy at the third-fastest rate of all provinces in the country by working with New Brunswickers and investing in strategic approaches. In 2016, the economy grew just shy of the Canadian average rate. In 2017, projections said that we grew again, and projections say that in 2018, the economy will grow yet again.

Let's compare that with when the Leader of the Opposition was cutting and slashing as the Minister of Finance, when the economy actually retracted. If the Leader of the Opposition wants to talk about rankings, I would ask him to get up and talk about his austerity ways when he was Minister of Finance, talk about how he lost jobs, and talk about how he was unable to grow the economy and actually shrank it. And I would ask him to then tell New Brunswickers this: Where did he stand in the rankings when it came to his economic record when he was promoting austerity as the Minister of Finance?

Medicare

Mr. Higgs: For the Premier's reference, it is on page 6 of the *Economic Outlook*. That is the book that was handed out yesterday. It is the one that points out that we were dead last—dead last—despite all this spending and all the taxing. I can understand why the Premier does not want to talk about it because this model of being dead last is not where New Brunswick needs to be and that is where we are headed.

Let's ask another question about the future. I would like to think that the Premier is interested in the future, and that future goes beyond September 24. Following the disappointing budget yesterday, I would like to ask the Premier if he agrees or disagrees that in 10 to 15 years, at the current rate, Medicare as we know it will not be sustainable in New Brunswick. Thank you.

Hon. Mr. Gallant: Before the Leader of the Opposition changes the subject, I would ask him, if the ranking in terms of economic growth is so important to him, to tell New Brunswickers this: Where was the economic growth rate of this province in 2015? Where was it in 2016? Where is it projected to be in 2017? Last, I would ask him to tell us what his ranking was when he was Minister of Finance promoting austerity. I will tell you where it was.

(Interjections.)

Mr. Speaker: Order.

Hon. Mr. Gallant: It would basically be almost an error on the calculator because he retracted the economy. If you are trying to compare economic growth rates, he could not even get on the radar because he was shrinking the economy. He was doing this because he wanted to push austerity. Every day, he woke up and did not get it, and he said: I am making cuts—I am making cuts. Yet, the deficit was not going down. He was not reaching his target. The reason for that is that you need to invest to grow the economy, and that is exactly what we are doing.



Mr. Higgs: I assume the sound system is working, but I will repeat the question. Following the disappointing budget yesterday, I would like to ask the Premier if he agrees or disagrees that in 10 to 15 years, given the current projections, Medicare as we know it will not be sustainable in New Brunswick. Thank you.

[Translation]

Hon. Mr. Gallant: We are working incredibly hard with stakeholders in the province to make strategic investments and grow the economy. This is one of the best ways to increase revenues, which will help us to continue funding our health care system and even improve it.

We are also making strategic investments to increase the number of young people in our province. We want to keep young people in our province, and we also want them to be able to come back to New Brunswick. We are making these investments in an attempt to address our challenge of an aging population.

Moreover, we are making strategic investments to improve our seniors' quality of life, since this will save us money in the long term.

We will also keep making strategic investments to improve our health system and innovate in our delivery of health care services to make sure these services will always be available in our province.

[Original]

Government Spending

Mr. Higgs: Professor Richard Saillant of the Université de Moncton says that in 10 to 15 years, Medicare as we know it will not be sustainable in New Brunswick. The Premier knows the author of this quote. Does he believe that Professor Saillant is telling the truth? Yes or no?

[Translation]

Hon. Mr. Gallant: We are investing in order to tackle the challenges ahead, and we have made that abundantly clear. We are aware of the challenges we are facing, that is, an aging population and, of course, the attitude of the United States regarding trade.

We want to meet these challenges by working with New Brunswickers, and this is why we are investing more to help our businesses become more globally competitive. We are investing more to help our seniors, in order to improve their quality of life, but also to save money in the long term. We are investing strategically to have more young people working in our province. We are also investing strategically in innovation in our health care system to ensure that health care will be accessible and of high quality for generations to come.



I have a question for the Leader of the Opposition. What is he advocating: making cuts, or making investments as we have done?

[Original]

Mr. Speaker: Time, Premier.

Mr. Higgs: I think that what I heard there was that the Premier agrees with the challenges. He agrees with Richard Saillant that we have significant issues facing our province. In accepting that Professor Saillant is telling the truth, the Premier accepts that he knows that his decision to take \$1 billion in new dollars from the New Brunswick economy and New Brunswick taxpayers is wrong—not a political miscalculation and not an error, straight up wrong. The Premier just connected some dots here. It is worrying. He does the wrong thing even when he knows that it is the wrong thing.

Will the Premier explain to the Legislature how he can threaten our health care system with this out-of-control spending and still engage in what journalists are calling an old-school, big-spending election budget? How, in all good conscience, can the Premier stand here today and spend like a drunken sailor and say that it is the best for Medicare?

Hon. Mr. Gallant: I think that the Leader of the Opposition should probably give his questions a sober second thought. I can tell you that his logic does not stand up. In one question, he is trying to fearmonger, saying that health care is in danger and is no longer going to be here. Then in the next question, he is saying that we are investing too much in health care. Literally, I do not even know where to start with the lack of logic in his questions.

What I can tell you is that I can look New Brunswickers in the eye and say that we know there are challenges. We understand what impact the priorities of their government can have on them. We are investing more to advance and strengthen their priorities. We are investing more to grow the economy. We are investing more to strengthen education for our children, and we are investing more to ensure that we have a proactive and innovative health care system, helping our seniors stay in their homes longer. That is more than we can say about the opposition.

Mr. Higgs: I put a lot of value in third-party analysis and evaluation of the state of our economy. In December 2017, Professor Ian Lee of Carleton University said, “I’m predicting within 10 years a couple of provinces will have to be bailed out. And I’m referring to New Brunswick.” Our own Richard Saillant says that New Brunswick is barreling toward bankruptcy.

I love this province, and there is a way to turn this around. It is not through endless spending without results. Because I value the public services that we need and the public servants who provide them, I worry when I hear serious economists say that those services are under threat. The Premier is an intelligent man. He knows uncontrolled political spending will hurt our social programs.



A yes-or-no question for the Premier: Does he agree with Professor Saillant, or does he agree with Professor Ian Lee that uncontrollable political spending threatens the survival of our health care, our education system, our social system, our way of life, and the things that we. . .

Mr. Speaker: Time, member.

[*Translation*]

Hon. Mr. Gallant: In no way do we agree with the approach that the Leader of the Opposition is suggesting. He wants to go back to a time when he focused on austerity during his mandate.

[*Original*]

We do not agree with an austerity agenda. We do not agree whatsoever that the right approach to ensure that we improve health care and education is to cut the budgets of education and health care. We do not believe that we can sit here idly and not make the investments necessary to provide our children and our workforce with the education and training investments that they need and deserve. We do not think that we can sit here idly without making the investments necessary to help our seniors stay in their homes longer and stay as active as possible so that we can save costs in the long term and, of course, improve their quality of life. We do not think that we should sit here, be idle, and take the austerity approach that he is pushing when it comes to our economy. We need to invest to create jobs.

Mr. Higgs: The word “investment” means getting a return on the investment. It means getting results. Spending has a different connotation, and the Premier should change his words to “spending” because there are no results.

Prof. Saillant and Prof. Lee care enough about our province to warn us about what lies ahead—a threat to our health, our education, and the people who work for them. This is about the kids who do not get the world-class jump start they need to face the world we are in. This is about the parents who worry about their parents being parked on a stretcher in an overcrowded hospital corridor. Will the Premier answer my question while thinking of those people and many others besides? Will he go beyond September 24 and whether or not he will have a job? Prof. Saillant has the right to say that increased election spending is putting our health care at risk. These are people who are analyzing our economy, comparing it with other provinces and countries, and saying that we are in trouble. Will the Premier acknowledge the truth of what they are saying?

Mr. Speaker: Time.

Hon. Mr. Gallant: This is okay. It is fine for New Brunswickers to see the difference between our government and the opposition. The members opposite want us to cut. They want us not to invest more in education and in health care. They want us just to sit here, hope that everything



is going to get better, and focus on austerity, trying to cut our way to prosperity. It just did not work when he was the Finance Minister, and it would not work now. We need to invest to grow the economy. We need to invest to strengthen education and training opportunities. We need to invest to innovate and to ensure that health care will be accessible and of high quality for generations to come.

I will tell you whom we listened to, as he rattles off some names of people whose quotes he wants to get on the record. We listened to New Brunswickers. We listened to the Alzheimer Society, which wants us to invest in a dementia strategy. We are listening to businesses that want us to help them compete in this new world where trade in the United States is uncertain and that want us to invest to keep our youth working right here in New Brunswick.

Mr. Higgs: This government has taken in \$1 billion in new taxes and fees. This government has put billions of dollars into spending—uncontrollable, unrestricted spending. Did the money go to help reduce hospital wait times? Do we have a situation where when kids get sick, they are seen as quickly as possible? Do we have any improvements that we can point to? Are we last in education? No, we are eighth. We have been eighth. We have not improved in that category. Wait times are as long as they ever were. We are eighth in economic growth. Here is the situation. Billions of dollars have been taken out of the economy of this province through taxing people in this province who are trying to make a living, and what are the results? There are no results. Can the Premier report on any? There are only investments, and what he calls investment is really spending. Thank you.

Hon. Mr. Gallant: We have reduced the deficit of the provincial budget by more than half, all the while investing more in education and training, all the while investing more in health care, and all the while growing the economy year after year. I understand the Leader of the Opposition just does not believe all that because when he was there, he was cutting and slashing, hoping the deficit would be able to get down to what he put out in his targets. However, he just could not do it, and the reason is that he just does not get it. He does not understand that you cannot cut your way to prosperity.

We do not believe in the austerity approach that the Leader of the Opposition is pushing. We believe that we need to invest to create jobs and grow the economy and help our businesses compete. We need to be able to invest to strengthen education and to strengthen child care and make it more accessible and affordable. We need to invest to help our seniors be able to stay in their homes longer and invest to strengthen health care in the province.

Mr. Higgs: There you have it. It is interesting that the Premier went back to the deficit. He did not talk much about the debt, but he went back to the deficit, which is now, in this budget, going back up. However, there are no results. We are going to spend more money preparing for the election. We are going to try to buy your vote, but there are no results. We will go back, and we will talk about the debt. Well, I do not want to talk about the debt because I want to talk about results in health care, results in education, and results for the citizens of this province.



I ask the Premier and I ask every citizen of this province this: Are they any better in their family, in their work life, or in their conditions now than they were four years ago? What does the Premier think about that? They are paying \$1 billion more in tax, and they are paying money that is flowing out the door to try to buy the next election. I think that the citizens are smarter than that. The point is this: Let's talk about results. It is not about spending. It is about results. Thank you.

Hon. Mr. Gallant: The Leader of the Opposition is trying to give the impression that we just sit around in a dark room and try to decide where we are going to invest. We listen to New Brunswickers to make our investments.

If the Leader of the Opposition wants to get up and say that these are not good investments, then I would ask him which ones he does not like. Is it the investments to help advance the dementia strategy? Is it the investments that we are making to have more youth able to be employed in this province, gaining the valuable experience that they need to be able to then join the workforce here in our province? Is it the investments that we are making in free tuition? Well, we already know that he is against that one. Is it that we are going to allow those who need the most support to get free child care in this province and allow people in the middle class to pay a reasonable percentage of their salaries instead of the exorbitant amount they have to pay now for child care? Are those the programs that he believes are not getting results? Well, we just do not agree with the Leader of the Opposition. Austerity will not work. We need to invest to get results.

Highways

Mr. Jeff Carr: It is pretty clear that the Premier does not agree with a whole lot of anything other than his own ideals of deflection and blame and using the word "fearmonger". That is how you know that you have a Liberal Premier in trouble.

(Interjection.)

Mr. Speaker: Order.

Mr. Jeff Carr: He uses the word "fearmonger", and he tries to blame everybody else for his own demise. That is not responsible. That is not what a grown-up man and Premier does. It is not at all.

(Interjections.)

Mr. Speaker: Order.

Mr. Jeff Carr: I actually want to go to the Minister of Transportation and Infrastructure and ask him an honest question. This is not rhetorical or anything like that. I just want a question that people are asking answered. In December 2014, the former Minister of Transportation



addressed the issues with our P3 highway operators and the fact that they were not keeping the roads cleared at full-width in the timely manner that the contract suggested. We have seen it happen again over the last month. The roads are not getting cleared full-width. I would like to know whether the minister has addressed this with the P3 operators that look after our highways and whether he has suggested that they may come under some fines.

Hon. Mr. Gallant: Given, I would argue, the inappropriate preamble, I want to get up and address something. I just want to take the chance to quote Robert Kavcic, Senior Economist at the Bank of Montreal. I am going to quote his whole statement here:

projecting a \$189 million deficit for

—this fiscal year—

or a moderate 0.5% of GDP. . . . firmer underlying economic momentum, which will help hold net debt steady at 40% of GDP this coming year.

*Interestingly, New Brunswick has seen the **economic backdrop** improve significantly. After stagnating earlier in the cycle, real GDP likely expanded 1.5% in 2017, which would leave three-year average growth at 1.7%. While still lagging well behind the big-three provinces, that is a well-above-potential pace for New Brunswick, and has come alongside an upturn in population growth and stability in the labour force.*

a stronger-than-expected economic backdrop have allowed spending growth to remain firm heading into this year's election, without digging a much deeper deficit hole.

Mr. Jeff Carr: It must have been painful for the Premier to read somebody else's quotation for a change. He talked earlier about looking people in the eye and giving them a straight answer, but the only person I saw him look in the eye during the whole property tax scandal was Laura Brown from ATV, when he tried to shut her down during a scrum and to tell her that New Brunswickers did not want to talk about property tax scandals.

I will go back to the Minister of Transportation and Infrastructure, since it seems that the Premier does not want to let him answer any questions all of a sudden.

(Interjections.)

Mr. Speaker: Order.



Roads

Mr. Jeff Carr: We will talk about some salt for a few minutes and the fact that the city of Moncton has decided not to use the imported salt that has come into the ports here because the people there do not feel that it is working to clear their roads. I would like to ask the Minister of Transportation and Infrastructure whether he does regular checks, regular lab tests, on every shipment that comes into the port of New Brunswick to make sure that it lives up to the standards that should be there for the supply of salt.

Hon. Mr. Fraser: Since the member used the word “honesty”, I am going to correct a few statements that were made. I will start with the member for Riverview, who said on ATV last night that it is a shame the winter maintenance budget has been cut again. The fact is that after years of austerity and cuts by the Leader of the Opposition when he was Finance Minister, we have increased the winter maintenance budget by 15%, and there is an increase again this year, contrary to what the member for Riverview said on ATV last night.

The member for Carleton-York said that we had cut the amount of salt being used on New Brunswick roads. The fact is that the tonnage of salt used on New Brunswick highways actually increased under our mandate, as opposed to when the Leader of the Opposition made all the cuts to DTI with his austerity budget when he was Minister of Finance.

I will come back again because I have something for the member for New Maryland-Sunbury West. I will get it in, in the next question.

Mr. Jeff Carr: This is a great opportunity to exchange information.

(Interjections.)

Mr. Speaker: Order.

Mr. Jeff Carr: It is just great this morning, is it not? We are exchanging information back and forth here in a timely manner. Nobody is questioning their ability to spend more money on things and to add 15%, but New Brunswickers are not seeing results. The roads are not getting better. They are getting worse for some reason. I do not know why.

DTI operators are no longer allowed to put piles of sand outside the gate. For some reason, they are cutting that back. Our sand sheds are almost empty of sand. A lot of them are empty, and there are no stockpiles outside. When the government decided that it would tender out the salt to an outside company. . .

(Interjections.)

Mr. Speaker: Order. The member for Shediac—Cap-Pelé will come to order.



Mr. Jeff Carr: The minister's spokesperson at the time said that DTI was going to buy 180 000 tonnes of salt. Just before Christmas, the minister confirmed that it was only 150 000 tonnes of salt. Where did the other 30 000 tonnes of salt go?

Mr. Speaker: Time.

Hon. Mr. Fraser: It is very amusing to listen to the member opposite talk about honesty today. I will go to the member for New Maryland-Sunbury West, who made a statement—I have a video, actually, of his statement—that the salt coming into New Brunswick and being used on New Brunswick roads is being shipped in from Egypt and Chile. That is what the member for New Maryland-Sunbury West said to the people of New Brunswick. In fact, the salt is coming from our neighbouring provinces, and it is from the same supplier that supplies salt in Nova Scotia, Prince Edward Island, and Quebec. It is the same standard of salt. It meets all the same standards and all the requirements that we always met with the previous supplier.

The member for Kings Centre, quite ironically, would have learned this in the meeting that he had with the people from the potash corporation and the mayor and council of Sussex just last week. In fact, when they were complaining about the salt being used on the roads, much of it was stuff that was left over from the previous contract. Get your facts straight.

(Interjections.)

Mr. Speaker: The member for New Maryland-Sunbury will come to order.

[*Translation*]

Medicare

Mr. Coon: Pharmacists can treat minor infections for which people currently seek treatment in hospital emergency rooms. A lot of money could be saved if Medicare covered medical care provided by pharmacists instead of making people get expensive emergency services. Reimbursing pharmacists for these services is actually the norm in most other provinces, so why does the Minister of Health not want to include health care services provided by pharmacists in the Medicare system?

Hon. Mr. Bourque: Listen, I appreciate the question from the leader of the third party. What I can say is that we are very proud to work with the pharmacists in our province, who play a very important role in providing care in our health care system. We will continue to work with pharmacists to ensure they offer the most comprehensive services for the benefit of everyone in the province.

We are looking into various options, including the one you mention, but we are aware that work remains to be done, and we are working to ensure pharmacists, like all health care





Legislative Assembly of New Brunswick

Oral Questions

providers, reach peak performance. We are considering what the member opposite is suggesting.

