

**Reply to the Budget Speech
by Mr. Shawn Graham,
Financial Critic**

April 1, 2004

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[Original]

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(The House met at 2 p.m., with **Hon. Mr. Harrison**, the Speaker, in the chair.

Prayers.)

Debate on Motion 65—Budget Debate

Mr. S. Graham: Mr. Speaker, I want to begin today by thanking my wife Roxanne, who is here with us. She has been a tremendous partner and confidante and also a tremendous asset to the entire Liberal team for the past number of months. I think the Liberal team on this side of the floor should give her a great round of applause.

It is also comforting to know that Mr. Lord's wife Diane and Roxanne do share conversations. For anyone in public service, relationships are often difficult because you are on the road for so many hours of the day, meeting people across the province. I think it is a testament to our families and to their commitment to our cause, which is to better serve the people of New Brunswick and to provide our guidance and leadership. All political families in New Brunswick deserve a round of applause today.

I also want to thank Roxanne's parents, who are here today, because in this new journey on which we have embarked, they have also been introduced to political life.

004

Nineteen additional Liberal MLAs would not be in this Chamber today . . . It is because of your effort that we have the strongest opposition that this province has ever seen.

I am pleased today to have the opportunity to respond to the government's 2004-05 budget. I would like to be thanking the Lieutenant-Governor for presenting the throne speech, but unfortunately, this government has failed to deliver one. I am pleased, however, that we have finally returned to the Legislature.

We have just concluded a very difficult investigation into the Orimulsion fuel supply deal. We heard from numerous witnesses over several days, in dozens of hours of testimony. It is clear that more investigation must be conducted. That is why we have repeatedly requested that the Auditor General be called in to independently review this matter. After careful consideration of everything we heard during the testimony, one thing is becoming clear. I have concluded that I believe the Premier when he says that he did not know, and that is the real tragedy.

The Premier of this province, the man who is entrusted to lead the people of this province, the man who swore to defend the interests of this province, could not be bothered to inform himself about one of the biggest projects undertaken in the history of our province. He could have known. The Deputy Minister of Energy warned him of the risks last September, and the Premier only said: Keep me informed. He could have called NB Power and demanded an update, but he did not know because he chose not to know.

What should the Premier have done? He should have done what any responsible Premier should have done: He should have had NB Power officials report twice monthly to Board of Management. He should have met monthly with the CEO of NB Power. He should have engaged the deputies to keep him fully informed. He should have demanded that ministers know as much about this file as NB Power officials. Also, if at any time the risk spiked, Cabinet should have been asked to assemble to explore the options that were available.

That is what should have been done. That is what our current Premier should have done. However, our Premier, by his own admission, did none of that. He abdicated all responsibility. We have no choice but to believe the Premier when he says he did not know about the Orimulsion fiasco. He did not know, and he still went out and announced the project to a roomful of Tory Party faithful on October 10, 2002. He did not know, and he still talked about making Saint John the energy hub of the Maritimes.

[Translation]

The Premier did not know, but he nonetheless allowed hundreds of millions of dollars to be spent on a major capital project.

[Original]

He did not know.

[Translation]

He did not know.

[Original]

He did not know, and most critical of all, he did not ask. That is his greatest mistake today.

It is unfortunate that the Premier is not listening. He is taking time to talk to the Minister of Finance. He should have been talking to him months ago, when this project started to unwind.

Let's put this into perspective: At \$2 billion, the Orimulsion fiasco is 20 times larger than the \$100-million Sponsorship Program and far more significant, if we look at it relative to the overall budget. This is all because our current Premier chose not to know. Long-lasting damage has been done. For want of political leadership, the recent hearings have been a travesty of justice. For want of political leadership, civil servant has been pitted against civil servant.

[Translation]

For want of political leadership, work relations have become tense and have broken down.

[Original]

For want of political leadership, friends have turned on friends. For want of political leadership, a climate of suspicion and mistrust has settled over the province's largest and oldest utility, all because Bernard Lord chose not to know. This lack of leadership, this lack of vision, and this lack of commitment to the issues of importance have become alarming hallmarks of the current government.

It is troubling that since the June 2003 election, we have sat for only 16 days and the government has limited its legislative agenda to a two-page speech on insurance.

[Translation]

This government has failed in its task. It has failed to outline its vision in the throne speech. To some extent, a budget outlines the principles that a government wants to apply to governance. However, the budget of this government points to the principles that the government has chosen to forsake.

In December 2003, the government outlined changes to its reporting model for financial statements. We supported this model and, more importantly, we supported the inherent principles on which this new model is based: integrity, transparency, accountability, financial condition, and financial performance.

Since the Minister of Finance tabled a document on this model in December 2003, we simply assumed that this government had endorsed these principles as well. Today, it is clear that we were wrong to make such an assumption.

[Original]

Let's look at integrity. The Minister of Finance undertook a budget consultation process using a presentation that showed revenue growth for the next year at 0%. He did this to build support for cutting government programs. Miraculously, in Tuesday's budget, the revenue forecasts are about \$230 million higher. New Brunswickers today are asking themselves the question: What changed in the past few weeks?

How transparent can a government claim to be when it has changed the way civil service employees are accounted for? The new workforce profile will no longer show department FTEs and fiscal year changes. There are about 750 jobs being downsized, but due to this government's lack of transparency, no one can figure out where these cuts are coming. All of this after the

Premier met with the unions last week and told them not to worry. Now we see that this government will implement \$260 million worth of wage restraints.

Lack of accountability is becoming a trademark of this government. After all, it refused to present midterm financial statements. It refused to admit that it has run back-to-back deficits. I know the Minister of Finance is not listening right now because his government does not want to acknowledge the back-to-back deficits that it has run up in this province. It is a time-honoured tradition in this Chamber that when someone is speaking, one pays attention.

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This government has even made up new accounting terminology to try to hide the true financial picture from the people of New Brunswick. It says that it is for fiscal policy purposes. More accurately, it is for PC Party purposes. Our Premier says it is just semantics. We say, on this side of the Chamber, that it is a truth deficit.

The Premier asked me yesterday what I would do differently. For one thing, I would ensure that the government was up-front with the people of New Brunswick on the state of the province's finances. No voter should ever again go to the polls without knowing the real financial record of the government. That is why on Tuesday . . .

Mr. Premier, you should pay attention to this, because you failed to do it in the last election.

No voter should ever again go to the polls without knowing the true finances of this province. That is why on Tuesday, we, on this side of the Chamber, will be introducing the *Fiscal Transparency Act*. You may not want to pay attention today, but on Tuesday, you will have to decide whether you support that legislation.

One of the key measures of financial condition is vulnerability, and this budget is nothing if not vulnerable. Many of the assumptions that form the basis of this budget are questionable, from providing only 1.8% increases in hospital service expenditures to choosing the most rosy of GDP growth projections. Realistically, this budget could be in a deficit position by the end of the first quarter.

Finally, we look at the financial performance. With back-to-back deficits and an extremely vulnerable budget for the upcoming year, bond rating agencies may very well have to look at this budget and adjust our province's credit rating. That will have an impact on New Brunswickers, because it will mean higher interest payments to service our public debt—a debt that has increased by approximately \$1.1 billion since this government took office.

It is clear that this budget marks an abandonment of very important governance and financial principles. While it also lacks principles, it entirely lacks vision. The financial crisis, the economic stagnation, and the tears in our social safety net are not the result of some unforeseen force at work. They are the direct result of this government's inactivity, this government's dithering, this government's lack of vision, this government's decision to put politics ahead of people.

The current government is in a mess of its own creation. Unfortunately, the members opposite are trying to get out of this chaos with the same level of thinking that put them here in the first place. They have learned nothing, and herein lies a key failing of the Tory government. They are not approaching the challenges facing our province with a higher level of thinking. They are not looking at new ways of doing things. Instead, the current government has retreated into tired habits: Blame everyone else, and never take responsibility. When something goes wrong, hide it. Let it get worse. Then, as our Premier has done time and time again, deny having known anything at all. It is not a very inspiring way of governing. Maybe they do not see the opportunity they have to lift up our province. Maybe they see it, and they just do not care.

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I have reflected a lot over the past number of weeks about our provincial motto: Hope Restored. I believe that if there was ever a time that the people of our province needed to have their hope restored, it is now. Our team, the Liberal team, is here to tell them that it does not have to be this way and it will not always be this way, because someday, the people on this side of this House will be sitting on that side of the House, and there will be a whole new way of governing in New Brunswick. It will be a government under my leadership, which will be committed to uniting New Brunswickers, not practicing the politics of division as seen under the leadership of Bernard Lord.

[Translation]

The Equal Opportunity program is the legacy of Louis J. Robichaud and a right of every New Brunswicker. Just as Premier Robichaud envisioned and built a province bringing together our linguistic communities, I envision a province that brings together rural and urban communities, a province that leaves no one behind. Together, we will be strong for the entire province.

[[Original]

It will be the dawn of a new era for our province, because it has to be. We cannot face the challenges of today and tomorrow by using yesterday's thinking. New Brunswickers deserve better. They deserve better than a government whose standard response to the growing crisis in health care is to blame Ottawa.

This government's confrontational approach has not worked in four and a half years. I cannot possibly imagine why it continues to employ it. Are Mr. Volpé and Mr. Lord really so unimaginative? The fact is, Romanow does call on the federal government to provide more money for health care. More accountability and more innovation are also called for, but these are things that this government has been unwilling to provide.

[Translation]

Now, imagine what might have happened if, instead of refusing to be accountable for federal dollars, the government had put people ahead of politics and had entered with the federal government into a new health care agreement based on accountability and innovation. That is why, during the current session, we expect to debate a motion calling for the addition of accountability as the sixth principle in the *Canada Health Act*.

[Original]

Imagine what might happen . . .

Mr. Volpé, will you pay attention, please, because this pertains to you.

Imagine what might happen if, instead of spending money on ads to criticize the federal government, we invested money with the federal government to deliver health care in new and innovative ways. Imagine what might happen if, instead of being a national leader in complaining about the politics of health care dollars, we were leaders in the provision of health care services here in New Brunswick.

Mr. Premier, I am going to provide you with a history lesson, so you may want to pay attention to this speech for at least five seconds.

008

At one time, New Brunswick was on the cutting edge of extramural care. It was a great program, and to give credit where credit was due, it was one of the most significant contributions of Richard Hatfield's Conservative government. Frank McKenna's commitment to expand this program to all corners of this province demonstrated that truly innovative and worthy health reforms transcend political partisanship.

We led the country before in finding new ways of doing things. There is no reason why we cannot become leaders once again. The Romanow commission recommended the establishment of rural health service centres. New Brunswick is the most rural province, and with our bilingual population, we can—and more importantly, we should—be the leaders in rural health care in the entire country. That is why I have written to federal Minister of Health Pierre Pettigrew to start the dialogue about what these sites could look like. A provincial Liberal government will set the standard for rural health care in Canada. Our rural health care system will be the envy of the nation.

I believe that we can be leaders in lowering the wait times for treatment. According to the Fraser Institute, New Brunswickers spend more time on wait lists for treatment and to see specialists than almost anyone else in the country. A government under my leadership will set the goal of having some of the shortest wait lists in the country, and we will achieve that goal by attracting the necessary health care professionals and implementing innovative health care programs.

Quality, innovative health care will also be enhanced by New Brunswick-made single electronic patient records. An investment in this technology has both social and economic paybacks. Single electronic patient records have been strongly recommended in combating abuse of such prescription drugs as Dilaudid. As well, single electronic patient records can identify potential complications with drug therapies before they happen. It is clear that an electronic patient record will be a key tool in 21st century health care. It is also clear that we have the potential to be leaders at home and across this country. All that this requires is a government that has the vision to make it happen, and that vision will be held by a Liberal government.

[Translation]

We are creative and innovative in health care, and I believe in our potential to become leaders across the country through economic development that is both creative and innovative.

When the government talks about how it expects to get out of its financial mess, it seldom mentions an aggressive economic development strategy. Deep down, it knows that no economic renewal can be achieved through tiny tax cuts or a 10-year that is out of touch with reality.

However, the government is once again touting tax cuts as a means to achieve prosperity. These cuts do not work.

[Original]

We are at the back of the pack in economic growth in Atlantic Canada, after this government inherited one of the strongest economies in the region in 1999. The current government was so busy dividing up the prosperity left by the last government that it forgot to grow its own.

Mr. Volpé, if I could have your attention for one minute, please, this part of the speech pertains to you. Mr. Volpé, please.

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A recent article in *Progress* magazine listed the top 40 fastest-growing companies in Atlantic Canada. In the year 2000, New Brunswick companies represented a full 50% of the fastest-growing companies in the region. Since then, our representation on the list has dropped steadily. In 2004, only 9 New Brunswick companies have made the list. That is a drop from having 50% of the companies to having only 9 New Brunswick companies on the same list today. It is pretty clear that the Tory government's tax cuts are not working, yet that is the solution it continues to put forward. Is it because that is the only thing it can come up with? Is it because the current Premier is so dogmatic about the virtue of tax cuts that he would rather see our economy stall out than admit that there might be a better way? There needs to be a better way. We know there is. We have seen it.

We were all saddened recently by the passing of Harrison McCain, but in Mr. McCain's life, we saw possibilities transformed into realities and we saw potential fulfilled. Here was a man who took a small family-owned business and turned it into an international empire. What a difference it made to Carleton County: the lowest unemployment rates in the province and a culturally diverse population. He took New Brunswick to the world, and Mr. McCain brought the world to New Brunswick. He proved to New Brunswickers that size does not matter, that even though a community or a province is small, we can do better than anyone else in the world. There are numerous New Brunswickers who share that determination and can-do attitude. I believe that it is incumbent on the government not only to support that vision but also to share it.

I envision a New Brunswick that is self-sufficient by the year 2020. I believe in the potential of our province to be transformed from a have-not to a have province. I believe that the time has come for New Brunswick to be a contributor to the confederation of provinces. I believe that our

people have the ability to turn this possibility into reality. Our team is ready to accept that challenge, because we on this side of the Chamber are ready to govern.

[Translation]

Upon examination of those regions and communities that have transformed their economy and changed their fate—such as Carleton County, Charlotte County and Moncton—we note the importance of building on the grassroots. Yes, it is important to seek out-of-province investment, but our local entrepreneurs, those businesspeople who feel attachment and loyalty to our province, are the ones who will improve the lot of our fellow citizens over the long term. We must recognize it when a region has the potential to do better than anyone else and we must support that region.

[Original]

When Charlotte County was facing staggering unemployment rates and a crisis in the traditional fisheries in the eighties, government knew that the answer was not going to be a call centre. It knew that the solution was going to come from the communities and the citizens themselves. What did Charlotte County have? It had good conditions for growing fish, and now it has an aquaculture industry that is the most lucrative agri-food industry in the province. It did not happen because government got out of the way. It did not happen because government did less. It happened because government gave the people the infrastructure, knowledge, and skills to grow the industry.

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[Translation]

When Moncton was hit by the closure of the CN shops, the government of the day did not say: We reduced your taxes, good luck. No! The government, community leaders and businesspeople saw that, because of Moncton's bilingual labour force, the city was ideally positioned for the new knowledge economy. Government invested in knowledge, technologies, and education. A miracle happened in Moncton because people dared imagine the possibilities.

[Original]

I wish the Premier had spent as much time talking to the officials of NB Power as he is talking to the Minister of Finance today.

[Translation]

Government needs to invest aggressively and strategically in training, infrastructure, and the labour force required for economic renewal, because a growing economy is what will enable us to retain our young people here and bring others back to the province. We must create a climate that will attract young workers, if we are to reverse the population decline.

Growing a new, young labour force requires real investment in education. It was staggering to learn yesterday that, for each \$20 in reduced taxes, there is but \$1 in new funding to be allocated to classrooms.

We need smaller class sizes in the initial school years. We must ensure that gifted children as well as special needs students have the necessary resources to achieve their full potential. We must ensure that tuition fee hikes do not prevent young New Brunswickers from obtaining the postsecondary education that will enable them to compete in the labour force of tomorrow.

In addition to investing in people, we need to invest in communities. Government must ensure that municipalities have sufficient funding to make the necessary investments. That is why we endorsed the funding model put forward unanimously by all municipalities last fall.

When municipalities invest in streets, water and sewer, or recreational facilities, they are investing in the future of their communities.

Each year that goes by without the municipalities receiving the required funding is a year of lost opportunities. Government should never be satisfied to allow opportunities to be missed.

[Original]

It is not enough to say that we are going to build on the strength of our cities only. We must maintain and enhance the social and economic infrastructure in our rural communities as well. We must ensure that our rural communities can flourish and prosper in our new New Brunswick.

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Government must be prepared to go in a new direction when the old way of doing things is just not working. On the subject of things that are not working, let's talk about the government's insurance reforms. The only people they are working for are the out-of-province insurance companies. New Brunswickers are still being gouged. We need real and meaningful reforms to automobile insurance. It has gone beyond a pocketbook issue. It is now becoming a regional economic development issue, as many of our colleagues from northern New Brunswick will attest.

Tomorrow, our colleague from Saint John Harbour will present the report of the Select Committee on Public Automobile Insurance. We can only hope that the government will take action on the recommendations of this report and not allow it to sit on the shelf and gather dust, as it has done with so many other critical reports. After all, it has been three years since we first raised a red flag on this issue. At what point will this government finally decide that enough is enough?

Our position is clear: We support public insurance as the best option for achieving stable and affordable insurance rates. We support a made-in-New Brunswick solution. What is not clear to the people of New Brunswick is the position of our Premier and his government. At what point, Mr. Lord . . .

Please pay attention.

Bernard Lord, at what point do you stop defending the interests of the big insurance companies

and start defending the interests . . .

Mr. Speaker: I have to remind you that we do not single out members, either by naming them or by identifying them individually, on either side.

Mr. S. Graham: At what point will the member for Moncton East, the current Premier, stop defending the interests of the big insurance companies and their record profit-taking and start defending the interests of New Brunswickers? The Liberal team will not only fight for a New Brunswick that is more prosperous, but we will fight for a New Brunswick that is more just. That is why, in addition to the *Fiscal Transparency Act*, we will be bringing forward other legislation to protect New Brunswickers.

We will propose mandatory inquests after all workplace fatalities so that New Brunswick workers are safe on the job. We will bring forward legislation to create an office of the public trustee to protect the interests of those New Brunswickers who cannot protect themselves. This was a recommendation of the current Premier's own Health Quality Council. To the member for Moncton East, we will certainly be looking for your support on this important piece of legislation. We will seek to establish a child and youth advocate, as recommended by the *Children Come First* report in the year 2000, because no child should be left to the mercy of society. We have a responsibility to protect the most vulnerable, and our children will be protected by a youth advocate in New Brunswick.

These have been longtime commitments of the Liberal team, but they are all the more important now. It is my great fear that it will be our workers, our children, and our elderly, who will pay the highest price for the current Premier's bad choices.

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My comments needed to be broad in nature today because of the failure of the government to present a throne speech. As for the budget, we all know that the devil will be in the details, but there are a few things we have to reinforce today. The official opposition predicted a deficit in the 2002-03 fiscal year, and unfortunately, we were proven right by the Auditor General. The official opposition predicted a deficit in the 2003-04 fiscal year, and unfortunately, we were proven right by the minister yesterday. We predicted that the government had botched the Orimulsion deal, at a tremendous cost to New Brunswickers, and unfortunately, we were proven right. Today, we can predict that this budget is vulnerable, based on revenue projections that are too optimistic, health budgets that are far too low, and wage freezes that may never happen. This budget is built on such a shaky house of cards that we can predict that this government will be in a deficit position by the end of the first quarter, and sadly, I believe we will once again be proven right.

The real tragedy is that it did not have to be this way, and that is what we will prove to New Brunswickers in the coming months. There are choices to be made and principles to defend, and at the end of this session, it will become clear who will restore pride, who will restore hope, and who wants our province to be strong together. We will show that investing in people is not just the right thing to do but also the right thing for the economy. We will show that instead of giving

away our prosperity in tax cuts, we can build prosperity through education, knowledge, and infrastructure. We will show that an economy does not have to be something that happens to governments. It can be something that works for people. Most of all, we will show that there is a better way to govern and a better team to lead. Beyond all the tired, discredited thinking in this budget, there lies a better New Brunswick waiting to be built, and this team, on this side of the Chamber, is ready to start building a better New Brunswick.

(Hon. Mrs. Dubé moved adjournment of the debate.

Hon. Mr. Green moved that the House adjourn.

The House adjourned at 2:53 p.m.)
