

Reply to the Budget Speech
by Mr. Bernard Richard,
Financial Critic, Member for Shédiac—Cap-Pelé

Unofficial Excerpt from the *Journal of Debates (Hansard)*

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[Translation]

Daily Sitting 15

Assembly Chamber,
Thursday, December 12, 2002

(The House met at 3 p.m., with **Hon. Mr. Harrison**, the Speaker, in the chair.

Prayers.)

Debate on Motion 54 (Budget Debate)

Mr. Richard, resuming the adjourned debate on Motion 54, spoke as follows: Thank you, Mr. Speaker. I think that, during the year, there is no function more important for the government than presentation of its budget, followed by the budget debate and analysis of that budget. It is therefore a great privilege for me, as member for Shédiac—Cap-Pelé, to rise to speak today.

I would ask you to extend my most sincere wishes to the Lieutenant-Governor, Hon. Marilyn Trenholme Counsell, and, in particular, to convey to her all my admiration for the quality of her work, once again, on behalf of the children. She encourages and promotes reading by young children and their parents. In her position, she carries out extremely important duties, for which she is greatly admired.

Sincere thanks go to you, Mr. Speaker, and to the Clerk, Clerks Assistant and guests, to the Sergeant-at-Arms, to the commissionaires, to the pages, who provide us with very appreciated services, to the staff less often seen, such as translators and Hansard editors, and to the staff seen a bit more often, such as interpreters and cafeteria workers.

You all perform your work admirably, thus making our jobs easier. The job of a member is already hard work, as you very well know, Mr. Speaker. You have been an opposition member, a government member, and you are now Speaker. You are therefore acquainted with the hard work involved in performing a member's job. This work is greatly facilitated by the quality of the employees around us, working here at the Legislative Assembly.

I would be remiss not to acknowledge employees at the Office of the Official Opposition, who assist and support us tirelessly. All these dedicated women—the Opposition Leader's Chief of Staff, the Director of Communications, the Director of Research, and researchers and administrative assistants—

provide us with extensive support and, again, enable us to perform the work that constituents expect of us.

004

I would also like to mention the work of employees of the Liberal Party of New Brunswick. I think that all are militant members of a political party. Whether in the governing party, the New Democratic Party, or the Liberal Party, these workers at our political offices and the many volunteers working on behalf of the provincial executive committees and supporting the efforts of our leaders are the ones who enable us to put out a consistent message.

Because I represent a riding, I must mention briefly, but it is important to do so, the Liberal militants in my area for their unfailing support. I am referring to the president of my provincial association, Victor Boudreau. He is a volunteer, but he was my executive assistant when I had the privilege to sit as a minister in the former government. He has remained a loyal assistant and partner in the work carried out.

Of course, there are also all the members of executive committees, the directors, and the other volunteers. I want to thank them because they are serving their community. They do so because they believe in the cause and because they believe that they can contribute to their community by becoming involved in a political party. They are therefore to be commended.

Of course, I also want to mention Shediac constituents. Over the past 11 years, I have benefited from great support from each one of them.

[Original]

Many times I have been humbled by the level of support that I have been able to receive from the very good people of Shediac, Cap-Pele, Grand-Barachois, and the other regions that I have had the privilege of representing in the Legislature for 11 years and through three very exciting, interesting and, at times, difficult elections. Certainly, it is work that I enjoy greatly, and I have been able to do it because of the tremendous support that I have received from the voters of my area.

[Translation]

I also want to mention—I think it is customary to do so—the mayors and municipal councillors of Shediac and Cap-Pele, members of the rural community of Beaubassin East, and the hundreds of volunteers who make our region one of the most magnificent—I would even say the most magnificent one—in the province. I think that this is readily obvious.

The tax base increase in Shediac is approximately 8%. In Cap-Pele, the increase is approximately 9%, once again this year. These growth rates are among the best in New Brunswick and they stem in large part from residential construction. New houses and cottages are being built by people who do not always come from Shediac—Cap-Pelé but who want to live there, including former Premiers such as Mr. McKenna and Mr. Frenette, who have places there. Even Lieutenant-Governor Trenholme

Counsell has a cottage in Shediac, in Pointe-du-Chêne, at the Bluff more specifically. For several years now, she has enjoyed all the benefits of this area: the nice beach, the warmest waters north of Virginia, and a quality of life that she can enjoy in our region.

However, residential construction is not the only boost to our economic development. I want to note that I have the opportunity of representing a region that has several small businesses. Sometimes, these businesses are quite small. The number of small businesses our region is always surprising. These are people who provide jobs for neighbours—often their own cousins, brothers, or sisters—and who contribute tremendously to prosperity in the region and throughout New Brunswick. The fisheries sector is obviously very important in our region. It employs close to 2 500 people, either as fishermen or as fish processing workers, in the areas of lobster, crab, and smoked herring, which is a product very unique to the region and which is exported throughout the world. As I said, this represents a tremendous contribution.

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Reference could also be made to other sectors such as construction and tourism, which are very important in a region such as Shediac—Cap-Pelé. Technology is another sector to take notice of. There are new companies such as InteliSys, which is located on Ohio Road in Shediac and which contributes to diversification of the local economy.

I would also like to mention the following manufacturers: West-Wood, in Scoudouc, which employs over 250 workers; Glenwood Kitchen, which has a new owner, the McKenna family, but which has now served our region for dozens of years; and the former Consumers Glass, which is now owned by an U.S. company called Owens-Illinois and which has operated a major plant in the Scoudouc Industrial Park for several years.

I could also mention boat builders, who, although they practice a trade, are in fact craftsmen. I prefer to call them that because these are craftsmen who, with their own hands and for three or four generations, have built very high-quality boats. These boats are used by New Brunswick fishermen, but they are also exported to the United States, Quebec, and elsewhere in the Atlantic Provinces. These boats definitely have a reputation of good workmanship, of very high quality, and they provide employment for dozens of workers in our region and contribute to the local economy.

If there has been a dark cloud over the riding of Shediac—Cap-Pelé these past three years, it has been the absence of the public sector. Some Shediac—Cap-Pelé residents are here this afternoon.

It will be recalled that major highway construction occurred not too long ago. For example, there was the \$26-million Cap-Pelé bypass at the time Sheldon Lee was Minister of Transportation. This was major work, which probably saved lives and which allowed heavy trucks to avoid driving right through the downtown area. In fact, this was one of the only municipalities where such a large number of heavy trucks could be seen driving right through the downtown area. Therefore, this was major work.

The Barachois exchange on Highway 15 was a \$4-million project; this was a major project. There were also \$7-million improvements to the Parlee Beach Provincial Park and the school in Barachois.

[Original]

The improvements to the Shediac Cape School and to the roads in other parts of the riding have all stopped since 1999. In fact, it is, I think, almost disgraceful.

[Translation]

When I think that, from Shemogue, we built and improved Highway 950 right around Petit-Cap, Trois-Ruisseaux—or Léger Brook—through Bas-Cap-Pelé up to Moïse Bridge . . . Constituents familiar with this highway will confirm that we paved approximately 11 km used by very heavy trucks hauling fish. We built 11 km of highway, and possibly less than 1 km now remains to be done. Eleven twelfths of this highway was completed, but, for three years, despite our requests and those of the municipal council, the rest of this highway has remained uncompleted. This is truly embarrassing.

The other section of Highway 950, the Trois-Ruisseaux Road connecting to the main highway, Acadie Road in Cap-Pele, a stretch of slightly over 2 km, has remained totally untouched in the past three and a half years. This is shameful and embarrassing for a government.

The only thing that I find encouraging is that, when I talk to government members, they tell me that, in terms of highway construction, even in ridings represented by government members, the situation is not much better.

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This goes without saying, because, as soon as the government came to power the capital budget was cut back so much that someone had to pay the price. In fact, everyone paid the price. The price was higher for New Brunswickers, not for elected members. We do our work and we are paid for it. However, residents are the ones who have to drive on poor-quality highways. Of course, some of the worst highways are in northeastern New Brunswick. Frankly, this is hardly inexcusable.

In fact, I asked the former Minister of Transportation to think back on how much the former government had invested in roads in the northeastern region, in the Peninsula, for instance. He told me that, with the \$26-million Miscou Bridge—measuring barely a few hundred metres—the former government had invested more in the Acadian Peninsula than this government has invested in its capital budget for highway construction these past three and half years. This is rather embarrassing, but such are the facts. A single bridge of a few hundred feet represented a greater investment, probably, than the total spending of this government in the entire northeastern region, Restigouche, and Gloucester over the past three years.

The government did not even manage to complete the Tracadie bypass, which was already half built. Obviously, this work can be expected next year. Anyway, I do hope so, because it is a Conservative government tradition to build highways during election years. This work can be expected next year. I

will certainly have an opportunity to come back to this.

My new grandson Samuel Mathieu is one day old today. He was born yesterday. Looking forward to my analysis of the budget, he hastened his arrival in this world by a few weeks. He was expected in early January, but, this week, he decided that this event was something that would affect him and his entire generation. He therefore decided to come listen himself to my speech today. His parents, Lucie LaBoissonnière and Nathanaël, are surprised, I must say, that he is showing such a early interest in provincial politics. After all, the budget tabled this week could affect his own and his generation's development for years to come. Of course, he wanted to know what his grandfather's thoughts were on the subject.

[Original]

I have to say that as I was talking to my son last night, he told me that in the hospital room, they had the television turned on to the Rogers Cable channel and, of course, were watching very intently the work of the Legislative Assembly, and my grandson raised his little arm and said "Grandpa", pointing to the monitor. I believe that to be the case, although he was only two hours old then. It is very amazing, but I certainly believe that to be the case.

In fact, it reminds me of a little story I told my sons. I will be a grandfather for the second time in June, God willing, and I told my two eldest sons this story, which, I think, can actually be related to the budget in some way. I am sure the member from Dalhousie has probably heard of this before. It relates to a young couple going in to have their baby. This may have happened to the member from Dalhousie many times and to our own colleague the member for Victoria-Tobique.

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As they met their family doctor, he said: I have invented a new technique where I can transfer some of the labour pain from the mother to the father. Would you be willing to try it? The husband was a little reluctant, but the doctor said: I can control how much of the pain I transfer.

I know the reporter for the *Telegraph-Journal* will be very interested in this story, since she is awaiting a child as well.

They agreed to try it, and the doctor transferred 25% of the labour pains to the father. Things went very, very well. The father had no problems with it at all. The doctor had been very balanced, because he knew that men are not quite as good as women at taking pain. However, after a half hour or so, the husband said: If you want to transfer more of the labour pains, I am ready to take it. The doctor increased the transferred amount to 50%. Still, the husband was not having any trouble at all to handle the pain. Actually, after another hour or so, he told the doctor: If you want to transfer all the pain, I think I can handle it. The doctor then transferred 100% of the labour pain to the father, and they had a painless birth. Everything went well, and the baby was very healthy. They left for home, and when they got there, they found the mailman dead on the porch.

In a way, I think the story relates to the budget because the government would have us believe that it is painless. Of course, that is not true, and I will have a lot to say about that. It is not true, because this year and next, we will be running a deficit in our operating budget for the first time since the 1994-95 budget, when an operating surplus was registered. This year, 2002-03, and in the budget tabled by the Minister of Finance two days ago, we will be spending more than what we receive in revenues. We should not be proud of that. It is a step backward.

[Translation]

This is a major step backward that will not only affect the people living and working in our province but also Samuel's generation and others who will grow up, live, study, and be served by government in years to come.

[Original]

This is, more than anything else, the lasting mark of this budget and the one with which we are living today. It is a throwback to the years of operating deficits. No one would have thought, after hearing the Premier talk about prosperity and economic renewal and after his bragging about more jobs, that three and a half years into their mandate, their two last budgets presented would show that we are operating at a deficit. How embarrassing. I will certainly have a lot more to say about that.

[Translation]

You know, the nineties were a historical turning point, somewhat like the sixties. To fully understand and grasp the budget tabled on Tuesday, to learn why an operating deficit is occurring now, for the first time in seven or eight years, I think it is important to look at conditions in the province in June 1999 and at what kind of government the Premier inherited. What were the economic, fiscal, and social conditions, and how did Lord government decisions—or indecision—lead us to a second consecutive budget with an operating expenditure overrun?

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First, there is economic growth. Between 1997 and 1999, New Brunswick was an economic growth leader in the country. The province ranked among the top ones during those three years. In fact, New Brunswick had the third highest GDP growth rate, and its rate exceeded the national average.

[Original]

I have a few quotes that are important with regard to those years, because that was when New Brunswick was aggressively seeking investment in our province. The government was working overtime and, in fact, working so hard that it was accused of poaching jobs from other provinces. I do not think we have heard too much of that in the last three and a half years. For instance, regarding a Team Canada trip to the Far East in 1997, an editorial in the *Toronto Star* read:

Moments after the Premiers ended their final press conference, Gary Fillman accused Frank McKenna of trying to lure businesses from other provinces to New Brunswick.

We have not heard that in the last three and a half years. Nobody is accusing our Premier of bringing jobs to New Brunswick from other provinces.

In the *Hamilton Spectator* Business section, under “Head Offices”:

“No province has a monopoly on head offices,” Mr. McKenna said bluntly at a wrap-up news conference. “I make no apologies for our aggressiveness.

“We have a province which is poor and people are looking for work. I feel no sense of guilt for working very, very aggressively to try to make New Brunswick a better place.”

Here is another one, from the *Toronto Star*, September 1996:

Robertson said the New Brunswick loan was one factor in Air Canada’s decision to open a new centre. A bilingual work force, cheap rental costs and a technological infrastructure also helped, she added.

It’s the not the first time that McKenna has faced criticism for his aggressive efforts to attract jobs to New Brunswick.

In 1994, British Columbia cried foul when United Parcel Service announced it was moving hundreds of jobs from across the country to New Brunswick after receiving forgivable loans from the government.

Some will recall the comments of the member for Grand Bay-Westfield when he complained about the Air Canada jobs in Saint John. Not too many people are complaining about those jobs now.

Another article in the *Toronto Star* in May 1997 starts this way:

No politician in Canada has been more aggressive in seeking jobs for his citizens than Frank McKenna of New Brunswick.

It goes on and on.

He courts foreign investors, chases business opportunities and boosts this province tirelessly. He has been attacked by his fellow premiers for trying to lure companies away from their provinces. He’s been praised by employers for requiring high school graduates to be computer-literate.

Certainly, this was a government that was intent—one would almost say obsessed—on bringing jobs to New Brunswick and finding work for New Brunswickers. That was in difficult economic times, you have to remember. These were years when the federal transfers to all provinces were actually decreasing. It was not like today, when the money seems to be rolling in.

Again, here is a piece from the *Hamilton Spectator*, Friday, May 17, 1996:

Foreign investors are starting to sit up and take notice of Canada's tough new management style.

"It's clear there has been a real sea change," said Jim Johnson of Morgan Stanley in New York. "Canadians are really serious about getting rid of budget imbalances and getting control of their own destiny, of Canada's destiny, away from the international bond market."

Robert Kenia, of Lehman Bros., said Alberta Premier Ralph Klein and New Brunswick Premier Frank McKenna deserve much of the credit.

That was from an independent observer from New York.

The list goes on and on. This is another one from the *Toronto Star*:

The greatest accomplishment of Frank McKenna . . . was to have given his province a sense of collective purpose and a sense of itself.

He used his 10 years in office to make other Canadians notice New Brunswick, and so to make New Brunswickers notice themselves. He was thus that rare leader who doesn't simply respond to events, but who shapes events to his own purposes.

.....

Other Canadians noticed New Brunswick because of McKenna's tireless, relentless, shameless pursuit of job-creating industries, a good many of them, especially the telephone call centres, attracted from other parts of the country.

.....

McKenna refused to accept that his province . . . couldn't reach for excellence as he had done.

Further on in the same article, it says:

It would be pleasant to record that McKenna has achieved his objectives. He certainly has attained some key ones. A \$360 million budget deficit has been turned into a \$180 million surplus, which was rewarded by gaining the province the country's third-best credit rating.

We were third-best in credit ratings then.

A universal pre-kindergarten system has been established and the graduation rate from high schools has been increased to 85 per cent. The tourist industry has doubled in size.

That was in 10 years.

Again, as a result of tireless, selfless efforts to convert the economy of this province, to diversify, and to bring new jobs, IT jobs, call centre jobs, any kind of job . . . The Minister of Finance who is sitting in this Legislature today called them “Nintendo” jobs back then when he was in opposition. He called them “McJobs”, as though the workers at the Air Canada call centre in Saint John are “McWorkers”. Apparently, according to the Finance Minister, they are.

Again, from August 9, 1997, the *Toronto Star*:

KUDOS TO THE PREMIERS, particularly New Brunswick’s Frank McKenna, for at least shining the political spotlight on the plight of Canada’s jobless youth.

McKenna has to be singled out for praise because he delivered on a promise made to Canadian Imperial Bank of Commerce chairman Al Flood three months ago.

.....

And under 10-year-veteran Premier McKenna’s chairmanship, the first ministers came out fighting— rhetorically, at least—for Canada’s more than 600,000 jobless and underemployed young people this week.

It is particularly appropriate, I think, to quote this article after hearing this week the number of young New Brunswickers leaving the province to work in Ontario, in particular, but also in other parts of the country. The efforts seem to have stopped.

Another article, the *Toronto Star*, December 13, 1996:

McKenna’s tax cut a real voter reward.

What is it about Frank McKenna?

Like that little pink Eveready bunny, New Brunswick’s tenacious premier Frank McKenna just keeps on going and going and going.

.....

To pay for his tax cut, McKenna saved the money; he didn’t borrow it.

Remember that line: “To pay for his tax cut, McKenna saved the money; he didn’t borrow it.” This

year, New Brunswickers are enjoying a tax cut, but we are borrowing to pay for it. That is the great shame of this budget. That is the great embarrassment of this budget, that tax cuts are being given to large corporations and to other New Brunswickers with borrowed money because we are not balancing the ordinary budget.

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McKenna slimmed down the civil service gradually rather than slicing it up in chunks.

That is an interesting line as well, and I will be speaking more about this. I will be talking about the early retirement program that cost \$73 million. If you look at page 12 of the estimates book that was tabled by the Minister of Finance on Tuesday, you will find that the number of full-time equivalents in the system is, in fact, still increasing. Despite the fact that New Brunswick taxpayers were asked to cough up \$73 million, the number of FTEs is still increasing.

(Interjection.)

Mr. Richard: I am certain that the Deputy Premier is getting bored. He has done his share of boring us from time to time, and I certainly do not plan on entertaining him in any way. However, I think the facts should be known. New Brunswickers deserve to hear the facts, and these are the facts.

Again, there were tireless efforts to balance the Ordinary Account budget in 1994-95, 1995-96, 1996-97, 1997-98, and 1998-99. In fact, the new government—it was our budget—balanced the 1999-2000 budget. I think that is the one to which you added the depreciation of Point Lepreau in order not to balance it. I remember that one. The Ordinary Account budget was balanced, and the Ordinary Account budget was balanced in 2000-01. However, it is not balanced in 2002-03, and it is not balanced in 2003-04. For the first time since 1993-94, we are borrowing to pay for our groceries and our day-to-day expenses.

That is a far cry from what the current Minister of Finance and previous Minister of Finance, and the Premier promised New Brunswickers. They promised to manage smarter, yet they interrupted, during good economic times . . . Let's remember that. Revenues are at record highs. We have more money coming into the coffers of the government of New Brunswick this year and next than ever before in our history, yet for the first time since 1993-94, we have a deficit in the operating budget. That is a shame. Someone will pay a price for it, of course. Someone will pay a horrible price, and that will be the citizens of New Brunswick. There is also a political price to pay.

[Translation]

I believe that it is important to note other indications which existed in 1999 and which show that little progress has been achieved in New Brunswick since that time. The government loves to claim how much better it is doing than the former Liberal government. It was already demonstrated that such is not the case. However, let us look at unemployment figures. In June 1999, for the month when members opposite were elected, the unemployment rate in New Brunswick stood at 8.8%. In June 2002, the

unemployment rate was 9.6%, a difference of 0.8%.

If one prefers to compare with the rest of Canada, as this government loves to do, the national unemployment rate in June 1999 stood at 7.5%. The spread between the Canadian rate and the New Brunswick rate was 1.3%. In June 2002, the spread had increased to 2.1%. The spread between the New Brunswick unemployment rate and the Canadian unemployment rate has increased since June 1999, despite the claims of the Lord government.

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Again, the spread is growing. It is true that jobs were created; I do not want to deny the merit of government on that account. Jobs were created in New Brunswick since 1999, but a comparison must be made with the rest of the country, for jobs were also created in the rest of the country. We are not the only ones creating jobs. When the spread grows, this shows that ground is being lost, that others are doing better than we are. This should be of concern to all of us. I must say that is of concern to me.

Even then, with respect to jobs created in New Brunswick, I think that it is important to listen to what experts are saying. Allow me to quote Samuel LeBreton, an economist with Human Resources Development Canada, who said in the *Daily Gleaner* of July 6, 2002:

[Original]

the shrinking labour force is pushing down the unemployment rate rather than the economy creating new jobs. A similar phenomenon occurred in May when 2,600 people dropped out of the economy and the unemployment rate dipped below 10 per cent for the first time in almost two years.

[Translation]

If one does not like to compare the June 1999 figures with the June 2002 figures, one can look at the July 1999 and the July 2002 figures. The unemployment rate stood at 9.5% in New Brunswick in July 1999, compared to 10.5% in July 2002. The national unemployment rate stood at 7.6% in July 1999, compared to 7.6% in July 2002.

Therefore, while the national unemployment rate is not rising, the New Brunswick unemployment rate is rising. And the spread between New Brunswick and the rest of the country is growing.

The province was falling behind by 1.9% in July 1999, compared to 2.9% in July 2002. The comparisons could go on, because the New Brunswick unemployment rate was higher during the entire summer period of 2002 than it was during the same period in 1999.

[Original]

If this was not a sombre enough picture of the employment situation of New Brunswick, the jobs created are almost all part-time. Samuel LeBreton is an economist working for Human Resources Development Canada, and he said:

While some 33,000 jobs were created last month across Canada, New Brunswick lost about 1,500 positions, according to Statistics Canada's monthly labour force survey, released Friday. . . . In New Brunswick, however, unemployment jumped from 10.2 to 10.8 per cent.

We were told by this government that September was a good month. Well, the chief economist of Human Resources Development Canada in New Brunswick said:

Last month we had an improvement over many months of employment losses.

.....

There are 10,000 more jobs in the province now than a year ago . . . however . . . these new jobs are all part-time, not necessarily in high-paying areas.

This is from an economist. This is not my concoction. This is not my imagination. This is from an economist, an analyst, with Human Resources Development.

We can also look at the gross domestic product. It is a very important indicator as well.

[Translation]

Last year, New Brunswick GDP growth was the lowest in the country. Projections by APEC, the Atlantic Provinces Economic Council, place us this year behind Nova Scotia and Newfoundland. Statistics Canada figures show that the GDP grew by an average 6.72% from 1997 to 1999, compared to an average of 0.68% in 2000 and 2001. In 2002, the government foresees a GDP growth of 1.8%. This is a far cry from the nineties.

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Of course, the GDP rate will change in New Brunswick as it changes at the national level. This is understandable. However, the growing spread between New Brunswick and the rest of the country is what is and must be of concern. This is clearly what is happening, as confirmed by Statistics Canada.

[Original]

Again, our domestic exports in 2002 were down 7.5% from 2001, according to APEC. If that was not enough, bear in mind that the inflation rate in New Brunswick was 5.1% higher in October 2002 than in October 2001. It was the second-highest inflation rate in all of Canada after Alberta, which was at 5.2%. The Canadian average was 3.2%. I would wager that a great deal of that inflation was due to automobile insurance coverage going up dramatically, 40%, 50%, and 100% for some drivers, and other costs as well. However, government is playing a large part with significant increases in taxes on fuel, automobile insurance premiums, and other fees. Real property revenues are going up, and the list goes on. I will have some other opportunities to talk about that.

Again, I want to highlight what is the most important deficit in this budget, that is, the one on Ordinary

Account. In 1995, the government registered a surplus of \$76.2 million on the Ordinary Account. Despite having inherited a huge deficit in 1987, that deficit was gradually reduced until a surplus appeared on Ordinary Account, for the first time, in 1994-95. Every budget year after that, the past government and this government balanced the Ordinary Account, except for this year and next year. That is the most important fallacy in this budget, and the Minister of Finance and former Minister of Finance have the gall to brag about a balanced budget. That is clearly, clearly not the case. You cannot brag about a balanced budget when your debt is increasing. It just does not work that way.

(Interjections.)

Mr. Richard: I know the Minister of Business New Brunswick is throwing comments across the floor; but he should remember that the squeaky wheel does not always get the grease and that sometimes it gets replaced. That is what happened to him. Perhaps the Premier saw it coming. We know what kind of boondoggle the early retirement program was. In New Brunswick terms, it is the equivalent of the gun registry program nationally. The \$73 million for New Brunswick is far more, relatively speaking, than the \$1-billion gun registry program nationally. The former Minister of Finance should remember that, because he okayed it. He okayed spending \$73 million for an early retirement program, and the number of FTEs in the system is still going up and is higher than it was that year.

The government brags about a surplus. This year, when it tabled the budget, just seven short months ago at the end of March, it indicated it would have a surplus of \$21 million using the Fiscal Stabilization Fund. In fact, it is using \$80 million out of the Fiscal Stabilization Fund. Now the government's revised numbers indicate that it expects a \$3-million surplus using \$24 million more out of the Fiscal Stabilization Fund. Not only has the surplus been diminished—projected surplus, because I do not even think we will get the \$3 million . . . The projected surplus of \$21.3 million has been reduced to \$3 million, and they have had to take another \$24 million out of the Fiscal Stabilization Fund to reach that number.

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[Translation]

It is unlikely that this objective will be met. Even if one were to accept the fiscal shenanigans of this government, the fiction that it calls Fiscal Stabilization Fund has in fact become a reelection fund.

The projection for 2003-04 is somewhat similar—a \$7.5-million surplus. Again, the government is forced to dip into its piggy bank to reach this figure. It has to resort to fairly optimistic projections, I must say, to reach for these figures. I do not believe the government will achieve a \$3-million surplus this year and I do not believe it will reach a \$7.5-million surplus next year. In fact, this is a fiscal illusion. There is no surplus, because the operating budget is not balanced. I hope that, when the Auditor General tables his report next week, he will confirm that fact. Who can trust the projections of this government? Allow me to explain why I do not believe them and why these projections are shaky.

[Original]

A very clear example of why New Brunswickers need to mistrust this government and this budget is that in the current budget for this year, they had predicted that the return on investments, which is the income they receive from NB Power, the Workers' Compensation Board, and the New Brunswick Liquor Corporation, for instance, would total \$164 million. That was six months ago. Two days ago, the Minister of Finance revised those numbers. Now he is expecting a return on investment of \$64 million, \$100 million less in six months. That is incredible enough and certainly would cause one to question the minister's credibility, but he would have New Brunswickers believe, in this budget for next year, that the return on investment from these same sources will total \$187 million. That is a drop of \$100 million and then an increase of \$123 million over the next several months. It is absolutely incredible. Of course, it is better to paint a rosy picture if you need it to attempt to show that your budget is balanced, at least on the books, because they will be through an election before the audited financial statements come out, before the truth is revealed to New Brunswickers. In the meantime, they think we should believe them. Well, I do not.

[Translation]

I want to provide more examples of these investments. More specifically, some of the revenue projected by government was to come from NB Power. The projected \$40 million in revenue from NB Power for the current year in fact turned into a \$40-million shortfall. This is a difference of \$80 million for a single budget item. The government would have people believe that this will be fully reversed next year. I do not believe that a \$40-million shortfall can be turned into a \$40-million surplus next year. It will not happen. In fact, the concern is that, if the government does force NB Power to turn over such an amount, you can be sure that rates paid by New Brunswick consumers will rise. Members opposite will make up stories. They will endeavour to avoid the worst before the elections, but the numbers are there in black and white for everyone to see. They are easy to read and understand. One must also be able to read between the lines.

[Original]

The government is clearly being too optimistic in its projections.

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[Translation]

The Premier told reporters during a scrum yesterday that a revenue decrease was foreseeable, that this was due to circumstances beyond our direct control. However, these circumstances remain. You know that the Dalhousie Generating Station is dependent on Orimulsion imported from Venezuela, a country currently experiencing major problems. You know that the conversion of Coleson Cove is also dependent on Orimulsion from Venezuela. These all represent contingencies and uncertainties that exist and that could directly impact on NB Power revenue and the provincial government budget.

The minister expects Saint John River water level problems to improve in the coming months. He now claims to be meteorologist. However, NB Power projections with respect to the contribution of the Mactaquac Dam have always been overestimated. The Saint John River water level is decreasing. It is not reasonable to retain as a projection the average in past years. In fact, the more recent years do not

allow the government to make such projections. Those are the kinds of problems that the government may face.

Again, I want to deal with a serious subject, for, again, it shows the games and deceit practised by the Ministers of Finance in the Lord government, whether the current minister or the former Minister of Finance. I am referring to the net debt, which has again risen this year. It is increasing by over \$100 million this year. In the Minister of Finance's budget next year, the net debt will increase by another \$100 million.

The former Minister of Finance, the member for Southwest Miramichi, the current Minister of Business New Brunswick, is quoted in the March 28, 2001, *Telegraph-Journal* as saying:

[Original]

“A province this size can't afford to keep spending \$2-million a day on interest . . . We have to cap that.” Those were the words of the then Minister of Finance, now the Minister of Business New Brunswick. That was less than a year and a half ago, and this year our net debt will increase by \$100 million. Next year it will increase by another \$100 million. Of course, between 1995 and 1997, the net debt was reduced. The net debt is only one part of the problem.

(Interjection.)

Mr. Richard: The Deputy Premier refers to the highway deal. I will talk about that in due course. I hope that time will allow me to address the issue of the highway deal sometime as I reply to this budget. He is right to point out that issue. That is having an impact on New Brunswick and on New Brunswickers, a very serious impact. I will have time to talk about that.

As the net debt goes up, of course, another very serious problem arises, because it is costing New Brunswickers more in interest on the net debt. That is paid by bus drivers, fish plant workers, carpenters, electricians, and truck drivers who work hard to earn a living. This year they are being asked to pay \$24 million more in interest. The Lord government is asking them to pay \$24 million more compared to last year in interest on the debt alone. The government members cannot blame the highway for that. They can blame their own mismanagement of public finances.

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The Premier likes to talk about records. Well, this is a record. A sum of \$696.8 million is how much money we will be paying to service the public debt in the budget year 2003-04. No wonder the government chose to raise fuel taxes. This is a new high for New Brunswick—\$696.8 million to service the public debt. That is \$80 million more per year than it was in 1999, in the financial statements signed by the former Minister of Finance, the Minister of Business New Brunswick. That is a disgrace. It is a shame, and New Brunswickers are paying dearly for the mismanagement and loss of control by this government with respect to its day-to-day spending. This ship is adrift, and New Brunswickers will be paying the price for years and years to come.

Of course, they will use the Fiscal Stabilization Fund to try to cover up the deficit and the fact that we are losing ground. They have already tried to do that. They tried it last spring, and they are trying it again this fall. However, we know there is an election coming. What is happening now is the opposite of what they said, but certainly, it is what we expected would happen. It is what the former Financial Critic, the member for Bathurst, predicted would happen.

They are using the Fiscal Stabilization Fund to fool New Brunswickers into believing that this budget is actually balanced when it is not. As our debt continues to grow, we have record deficits on our operating budget. I remember her words very, very well and how often she said them: You can run and you can hide, but the net debt will find you out every single time. The net debt, once again, has found out this government.

Here, again, are a few quotes relating to the Fiscal Stabilization Fund.

[Translation]

The March 29, 2001, *L'Acadie Nouvelle* noted:

[Translation]

Premier Bernard Lord claimed that the \$100-million stabilization fund would not be used to fund government actions that could boost the Tories on the eve of an upcoming general election.

The article continues, quoting the Premier:

[Translation]

"If we did use the fund, we would need to tell New Brunswickers clearly why it was used, and they would see where the money was spent. The money is managed by the government on behalf of New Brunswickers, and it must be used for the benefit of New Brunswickers. At this time, there is no intention to use this money. If public needs do arise and if it is the only way (to find money), that will then need to be taken under consideration. The objective is to allow the fund to grow, not to deplete it," said the Premier.

.....
"There could be times when the fund will serve to offset a drop in provincial revenue more rapid than expected," added the Premier during the interview.

That is not the case this year, as revenue is up. I will continue. During the interview, Mr. Lord said:

pointing out that the province would not dip into the fund if it did not experience a deficit in a given fiscal year.

[Original]

The *Times-Transcript*, on March 29, 2002, read:

“This is one-time money. We don’t want to see it spent on operational issues”, Betts told the Times-Transcript yesterday.

The *Telegraph-Journal*, on March 29, 2001:

Mr. Betts said the province will only dip into the fund if it has no other means to pay for something on a one-time basis, such as building a bridge

It quotes the former Minister of Finance:

“I don’t want to suggest this is going to happen, but if the Miramichi Bridge happened to fall into the river for some particular reason and it created some situation like that

.....

“It will be used for one-time things. We cannot use this to build the budget base.”

That was said by the former Minister of Finance.

The last time I looked—it has been a few weeks since I have been across the Miramichi—I think the bridge was still there. I think the member for Miramichi-Bay du Vin might be able to confirm that. I hope it is still there.

016

(Interjections.)

The bridge is still there, but the Fiscal Stabilization Fund is gone. That is as good as if it were . . .

(Interjections.)

Mr. Richard: Yes, you are right about that.

In a column in the *Saint John Times Globe* dated March 28, 2001, Don Richardson, a famous columnist and now a famous employee of the Department of Health, wrote the following:

Imagine the following scenario: It is spring of 2003, and the economic boom of the 1990s has finally gone bust. New Brunswick has been hit hard by the downturn, with government revenues slipping and unemployment on the rise. The Tories would like to prime the economic pump with a crash construction program, as governments have traditionally done in election years, but the fiscal cupboard is bare. Pumping up the economy means running a deficit.

That’s where the “stabilization fund” comes in. The government pushes its budget into the red

to maintain existing programs while funding this pre-election construction spree, then takes a dip into the slush to put the books back on an even keel.

Don Richardson is now a civil servant with the province of New Brunswick.

That quote speaks volumes in a year when the former Minister of Finance said he would not use the Fiscal Stabilization Fund. That is what he said. His credibility is on the line. His credibility is shot, to be more precise. In a year when he said he would not use the Fiscal Stabilization Fund, it is being used. After three years of the horrible record on road construction, guess what? The 2003 season will be the better one in road construction.

(Interjections.)

Mr. Richard: The member for Nepisiguit should applaud, because it is the hardworking woodworkers and others in his riding who will be paying the price. This government is trying to buy votes with the people's own money. As the Premier said in one of the quotes I read earlier: This is the people's money. The government is simply managing it. Well, it is managing it to try to buy votes. That is very clear.

(**Mr. Bernard** took the Chair as Deputy Speaker.)

Mr. Richard: An editorial in today's *Daily Gleaner* is entitled: "Goodbye, dear rainy day fund."

Is it really raining?

That is what the editorial asks at the very start.

That's what New Brunswickers have to ask themselves after the Lord government decided to drain the province's rainy day fund (otherwise known as the fiscal stabilization fund)

I might add: Otherwise known as the "reelection fund".

in the 2003-2004 budget, which was made public on Tuesday.

Premier Bernard Lord's government will use the \$108 million that remained in the fund to pay for much of new government spending in 2003-2004.

That is exactly the opposite of what the former Finance Minister said it would be used for.

The Tories also took \$104 million from the fund for 2002-2003.

So now it's gone.

There will be an election before the next budget is brought down, so cynics will say that the Tories exhausted the fund to make the financial books look good so they can boost their chances of winning another mandate.

That certainly looks like the logical conclusion for any thinking taxpayer.

And for any thinking Financial Critic, I might add.

Did they need to spend the fund now, though?

Publicly, Mr. Lord and Finance Minister Peter Mesheau argue that the economy hasn't grown to the degree that they hoped and that there have been losses in areas out of government control.

017

"So we have used it appropriately for the right reasons," Mr. Mesheau told reporters on Tuesday.

Former finance minister Norm Betts said at one point that the fund would only be used in case of a disaster.

Where's the disaster?

—the editorial asks—

The pension fund needed \$75 million because of the market's spiral downward, argues Mr. Mesheau.

However, economic indicators don't tell us we are in the middle of a disaster. Interest rates are stable. The province's credit is in good standing. The unemployment rate is hovering around 10 per cent. The rate should be lower but it's not a disaster.

The Canadian and U.S. economies will return to stronger growth by the second half of next year after weathering a sub-par showing caused by financial and geopolitical uncertainties, the Bank of Canada's senior deputy governor said recently. The Atlantic Provinces Economic Council said New Brunswick's economy should grow by 3.2 per cent next year.

Thanks to the money from the rainy day fund, the government will balance its books again.

I argue with that.

Spending is going up in certain areas, however, something that does not sit well with our conservative minds.

Capital spending for highways will go up 17 per cent. The cynics will point to this as an election year spending increase. It's just New Brunswick tradition—when an election looms, a road gets paved.

That is not what the Premier said.

Health spending is up by \$78.4 million and education spending is up \$25.9 million. The government will collect \$130 million less in personal income taxes . . .

I continue a little further:

There will be additional revenue coming in. Gasoline taxes are going up by 1.5 cents per litre and tobacco taxes will rise by a whopping 50 cents a pack.

We disagree with these calculated thefts.

The word is a strong one:

We disagree with these calculated thefts.

[Translation]

In plain French, this would be called stealing. I am having a bit of difficulty with my English. In plain French, what the paper is saying is that these are calculated thefts. I am quoting from the Fredericton paper. These are strong words.

[Original]

Steal from an addiction that is government-condoned and from hard-working New Brunswickers who do not have the option of public transportation, in most cases.

This bears repeating. This is from the *Daily Gleaner* editorial of this day. I will read it again:

Steal

—s-t-e-a-l—

from an addiction that is government-condoned and from hard-working New Brunswickers who do not have the option of public transportation, in most cases.

We argue the government collects enough money already from us and that it's a case of resource allocation. You want to spend more on health care? Cut back on bureaucracy.

They are not doing it.

Hey, why not reduce the number of MLAs in this province?

Why not?

That would be a substantial saving.

I suspect that a substantial number of MLAs on the government side will be reduced, following the next election.

I continue reading from this dramatic and cutting editorial of the *Daily Gleaner*:

In light of the Romanow report, the government can expect more money from the federal government for health care and an economy that performs at a projected rate in 2003 should draw in more revenue.

Further on, it states:

It's clear the government has decided to spend more this year and that is why the rainy day fund is being run dry. To place the blame on an economic downturn is wrong. The Tories are spending more money and that's the bottom line.

Will New Brunswickers accept that? We will see.

018

We will see, we will see, because New Brunswickers are not fooled. New Brunswickers are smart, hardworking people. They know when someone is trying to fool them. They know that when a government says it has to take money out of the bank to build roads in a year when it cannot even balance its Ordinary Account, something is up. They know. They will not be fooled. They will not be bought. They know that this government is using the taxpayers' own money to buy their votes. It is clear.

The *Daily Gleaner* says it so clearly, so succinctly. I could not say it better. New Brunswickers will not be fooled. They know that when the government and the Minister of Finance argue that he is raising tobacco taxes because it will help to cut down on smoking, it is not the whole story. They know that if the government were serious about cutting down on smoking and about preventing young children and young adults from starting to smoke, it would ban smoking on school grounds, but it will not do that. They know, New Brunswickers know, that if the government really wanted to cut down on smoking, it would put money into prevention programs, out of the several million dollars more it will be collecting in tobacco taxes, but it is not doing that.

New Brunswickers will not be fooled. They know the government is trying to buy their votes, and they will not be bought. They will not be fooled by a Minister of Transportation who, at this time, six months

before the next election, all of a sudden, wants to build roads. Where was he last summer? Where was he last year? Where was he the year before?

[Translation]

For example, Tracadie-Sheila residents have been begging the government for three years to complete the Tracadie bypass. Where was the Minister of Transportation? Where was the Minister of Health and Wellness, the member for Tracadie-Sheila? Where were they? There were lost in the fog.

Next year, members opposite will try to have people believe that, all of sudden, they are interested in serving the public. That is untrue. People will not be fooled in this way; they know better. I have faith in New Brunswickers. They will not be bought by this government. They will know the difference. It is a sad thing to see.

People should know by now that the Tory government is unable to manage its own affairs. The *Daily Gleaner* agrees on that. Other observers also agree. A group from Saint John—I do not remember whether it was the Saint John Board of Trade—said the same thing, as I read in the papers this morning.

Last week witnessed a \$1-million fiasco or waste of money. Equipment worth \$1 million was sold for \$25 000. What a shame, when some children are without social workers, when they are not protected. What a shameful way to act.

I was a little surprised to see that the Minister of Finance bought Kodiak boots for his budget speech. He said he paid \$127 for them. He should have haggled a bit more, because, you see, these same Kodiak boots sell for \$59.98 at the Fredericton Mall. If the minister pays \$127 for \$60 boots, can he be trusted to manage the affairs of the province of New Brunswick?

Today, I am wearing my old boots, which I had repaired at the cobbler's not far from here, on King Street, because this budget does not warrant the purchase of new boots.

019

[Original]

They are small and not hard to fill. If this is the budget this Finance Minister is serving to New Brunswickers, he is right, they are small boots that are not hard to fill. We know what fills those boots. We now know, and you do not have to take it from me. I know it is hard to take, but do not take it from me. Take it from the *Daily Gleaner*. I will send you a copy of the editorial if you have not read it yet. It is just a devastating comment on this government's inability and this Finance Minister's inability to manage the affairs and the money of the people of New Brunswick. They promised to manage smarter. If this is smart, it was better when it was worse, to quote a famous line that was previously cited in this Legislature. They said it was bad, but it was better when it was worse.

Unfortunately, the story of the Finance Minister's shoes is a reflection of the budget he has tabled in this

Legislature. It is a budget of which he must not be proud. Certainly, it is a budget of which this government must not be proud. After promising not to use the Fiscal Stabilization Fund in this way, they are using it. After, I believe, eight consecutive balanced budgets, we now have a deficit on Ordinary Account.

While we are on the subject of the Fiscal Stabilization Fund, let's quote from the Hansard of November 29, 2001. This is the Premier:

when we go over budget today, it means taxes for our children and for our grandchildren. It means mortgaging the future of our children to do something today. That is an approach that we are not prepared to take. That is not the legacy we want to leave the children of New Brunswick.

This is the Premier of New Brunswick one year ago. Since that speech in the House, this government has twice tabled a budget that will increase the debts of the children of New Brunswick.

[Translation]

My grandson Samuel was born yesterday. Two things are certain. First, my grandson will have to pay for the mismanagement of this government; this is one certainty. The second certainty is that, I hope, he will never in his life vote Tory at an election. The third certainty, of course, is that Samuel will have to continue paying the hidden toll for the New Brunswick highway. New Brunswickers will pay a terrible price for all the major mistakes and the mismanagement of this government, and that is sad.

Allow me to underscore one item in this budget that really perturbs New Brunswickers. That item is the gasoline and motive fuel tax increase of 1.5¢ per litre effective midnight December 10, two days ago. Last year, the gasoline and motive fuel tax was raised by 2.3¢ per litre. The total increase is thus 3.8¢ per litre. The government claims to be lowering taxes. However, who do the Minister of Finance and the Premier think pays these taxes? Of course, hardworking people are the ones who keep our economy going. Think about it: The gasoline and motive fuel tax now stands at 16.9¢ per litre. The hikes represent a total increase of 29%.

020

Let us use another example, because it may be important to do so. The federal funding received by the government over the years has clearly increased. Whether for housing or highways, there is very clearly a lot of money for highways. There is also a lot of money that has not been spent over the past few years, whether for medical equipment or for children. In fact, the only improvements in programming for children are totally funded by federal transfers. What concerns me is how the money is managed by the provincial government. That is the greatest concern.

[Original]

New Brunswickers should know that the taxes they pay on fuel have increased by 3.8¢ in the past year. In fact, I think it was about the same day, on December 10 of last year, when the Minister of Finance tabled an economic update where he announced the increase in fuel taxes. That 3.8¢

represents a 29% increase in fuel taxes—and this government tries to convince New Brunswickers that it is putting more money in their pockets? That is not the case. They should be ashamed. In fact, this increase means that \$60 million more will be taken out of the pockets of New Brunswickers than when the tax increase was announced last year. It is \$60 million more a year out of the pockets of New Brunswickers—\$60 million.

I do not think the minister spent too much time on that issue when he delivered his speech on Tuesday. He would have New Brunswickers believe that this budget is painless and good. Well, New Brunswickers will not be fooled. They know better, and they know that they are paying through the nose.

What bothers me about this tax, which is a consumer tax, of course, is that it is the type of tax that hits the poorest people a lot harder. If you earn \$60 000 or \$100 000 a year, perhaps an increase in fuel tax will not bother you that much. However, if you work for minimum wage or you are a single mother earning \$10 000 or \$15 000 who is raising children and you have to use a car to go to work, because there is no public transit to speak of in New Brunswick, other than in the major urban areas, as the *Daily Gleaner* correctly points out, then you are really being hit hard. That is a 29% increase in a year. You are being gouged. Your eyes are being taken out by this Finance Minister and this Premier through a 29% increase in fuel tax. If the minister does not think it is a serious business, it is.

Of course, it is the poorest in our society who will pay the biggest price. Proportionally, they use up a bigger share of their income on gasoline to get to work, so it hits them harder. I heard the Minister of Business New Brunswick and Minister Responsible for Service New Brunswick announce the considerable tax break for the 52 largest industrial properties in New Brunswick, which is worth about \$12 million. Then I checked the budget on Tuesday and saw that the Minister of Finance is taking another \$30 million out of the pockets of the poorest of our people. I knew then that something was terribly wrong. There is no way that I can stand for it, and there is certainly no way that I can support it. I will not, I assure you of that.

021

[Translation]

Evidence of this was seen in highway construction, for example. Shame! Shame! Since the 1999 election, the slowdown in highway construction has been shameful. For 10 years, the construction budget, the capital budget of the former Minister of Transportation—and I am very proud to have sat at his side during 11 years—was on average \$200 million a year.

The first action of the Lord government was to cut back this budget by \$100 million. Shame! Lives were lost, and this is what bothers me the most. It is known that good highways save lives and prevent accidents. That is well proven and demonstrated. It is shameful that this government slowed down highway construction to such an extent.

Furthermore, jobs were lost . . . Excuse me, Mr. Speaker, but someone used a cellular phone in the

Assembly, and I think this goes against the rules.

What bothers me is that lives were lost. This is serious, particularly in view of the fact that, in a practically disastrous, certainly deplorable, financial and fiscal situation, where, after years of operating budget surpluses, there is now a deficit, the government has all of sudden decided to spend millions of dollars more on New Brunswick highways to build highways. This happens to take place during an election year. Again, this is to buy votes. What did the government do with the money it received for medical equipment? Shame!

[Original]

We made the national news when it was revealed in the government's own documents, sent to us under the *Right to Information Act*, that the government was spending the money for medical equipment on lawn mowers, shelving, and paper shredders. Certainly, it was not all of it, but imagine the effect on the credibility of the government when it goes knocking on Ottawa's door asking for more money: Give us more money. We do not want to be accountable for it.

(Interjections.)

Mr. Richard: I know that the Minister of Transportation feels a little embarrassed by his record as minister, and well he should be. He should be ashamed of himself. He should be ashamed of the blatant . . .

(Interjections.)

Mr. Richard: He should spend more time in St. Leonard.

Let me just give one example that has really bothered me, because the road builders, who were badly hit by this government's inability to invest in our highway infrastructure . . .

(Interjections.)

Mr. Richard: It sounds as though the Transportation Minister would like to give his speech now, but he is just going to have to wait, since I still have a few things I want to say.

Mr. Deputy Speaker: Order, please.

Mr. Richard: I just want to give this example because it is one that has bothered me. The road builders, who were hit very hard by this government's inability to build highways, reduced the number of employees. St. Isidore Asphalte Ltée is a prime example of where a couple hundred employees were laid off. Actually, it was 275. Imagine, this is in the Acadian Peninsula, which is already suffering from the highest unemployment rate in the province—275.

(Interjections.)

Mr. Richard: Yes, they are down to about 125.

If I want the facts straight, I know whom to ask. I ask the former Minister of Transportation, because the current one does not know. That is a certainty. If I want to know the facts, I know whom to ask.

(Interjections.)

Mr. Richard: You will have your chance. Someday, you will have your chance. In fact, you had your chance, but you lost it. The Minister of Business New Brunswick should remember that. He had his chance to table budgets in this House, but he lost it.

(Interjections.)

Mr. Richard: He had two that were not balanced—this one and next year's. He knows that. He wants to argue about it.

(Interjections.)

Mr. Richard: Read the *Daily Gleaner*. The Minister of Business New Brunswick should read the *Daily Gleaner*. It is well read in his riding. People will know exactly what he is doing. They will not be fooled. New Brunswickers will not be fooled.

You know, it is amusing, because the Minister of Business New Brunswick is saying we did not deliver balanced results, yet he signed the financial statements that indicated that the Ordinary Account of the province was balanced. He signed the financial statements.

Hon. N. Betts: On a point of order, I would like to set the record straight. I have in front of me the audited financial statements for the year ended March 31, 1999, the last year of the previous government. I might say that these are not my numbers. These are audited by the Auditor General, signed by Daryl Wilson. The bottom line clearly indicates a deficit of \$164.3 million. It is a deficit. It is not a surplus. It is a deficit, audited by the Auditor General. Very clearly, the member opposite is mistaken. He has had bad advice or whatever. I do not want to suggest what is his motivation, but I think he should very clearly recognize that the audited financial statements, audited and tabled in this House, show, for the year ended March 31, 1999, a \$164.3-million deficit.

Mr. S. Graham: The member knows full well that he has not raised a point of order. In fact, I think he is feeling the heat because his government has turned its back so incredibly, a one-hundred-and-eighty-degree turn, on what he brought forward in his Fiscal Stabilization Fund.

Mr. Deputy Speaker: Those are not points of order. Carry on, member for Shediac—Cap-Pelé.

Mr. Richard: I do want to thank the member, because that gave me the chance to rest a little. In fact, if he wants to raise more points of order, I invite him to do so, whether they are valid or not. I do not have a problem with that. It just gave me a little break. I want to thank the minister for that bit of respite.

Of course, it was not a point of order, and it was not even a valid point. He knows very well that the first thing they did when they came to power was to hire Grant Thornton, with a sole view. That was how it was done. They threw in everything but the kitchen sink, including a huge depreciation at Point Lepreau. He knows that. He knows that the operating budget was balanced. He signed the financial statements, and he knows that they threw in everything but the kitchen sink in order to produce the overall deficit to which he is referring. However, the operating budget was balanced, and he knows that. If he wants to stand up on another point of order . . .

Hon. N. Betts: I would like to rise on a point of order. We can attack each other's credibility, but fundamental to this Legislature is the credibility of the Auditor General. I think the member opposite is questioning the credibility of the Auditor General. The Auditor General does not report to government. He reports to this Legislature. He is appointed by this Legislature, and he reports to this Legislature.

023

The numbers that I quote are audited by the Auditor General. They are not audited by the current Minister of Finance or the past Minister of Finance. They are audited by the Auditor General, who reports to this Legislature. Those are his numbers. The numbers of a \$164-million deficit are the Auditor General's numbers. If you disagree with those, you disagree with the Auditor General.

Mr. S. Graham: On a point of order, it is unbelievable to see the former Minister of Finance stand repeatedly today on what are not points of order because he cannot take the heat. He knows that his credibility is being attacked and not for what we are saying. His own government turned its back on him when it took a one-hundred-and-eighty-degree turn in the Fiscal Stabilization Fund. It is his credibility that is on the line. He cannot stand by his own word, so it is important that the Minister of Business New Brunswick, who does not even want to remain in government, sits down and listens. The taxpayers of this province and the people he represents in Southwest Miramichi . . .

(Interjection.)

Mr. S. Graham: I am speaking, and I will have the opportunity, as Leader of the Opposition, to finish. If you have a legitimate point of order . . .

(Interjections.)

Mr. Deputy Speaker: These are points of clarification. There is a dispute as to the facts. I will ask the member for Shediac—Cap-Pelé to carry on, but I would encourage members to respect the order here.

Mr. Richard: Before I was so rudely interrupted, I think I was pointing out to the Minister of Business New Brunswick that, in fact, under his watch, they threw everything but the kitchen sink into that budget before closing the books. In fact, I think it was December that year before they closed the books, in order to fabricate. In fact, it was very smart politically to do so. I will admit that. It allowed them to have two balanced budgets, at least, before they started recording deficits on the Ordinary Account, as is the case this year—the Auditor General will confirm that—and as will be the case next year. The Auditor General will confirm that. We will see next Tuesday what the Auditor General has to say regarding the former Finance Minister’s Fiscal Stabilization Fund, and we will take it from there.

(Interjection.)

Mr. Richard: I am saying I do not believe you. That is somewhat . . .

Hon. N. Betts: Mr. Deputy Speaker, I think we know the protocol of this House. I think that you can judge on the words of the member of the opposition. However, very clearly, what I referred to were the numbers of the Auditor General of New Brunswick, who reports to the Legislature of the province.

This is not an issue of not being able to take the heat. It is very interesting that the Leader of the Opposition will not wade into these issues. I would like to tell him that I will take the heat from him anytime, anyplace, anywhere, on any subject.

[Translation]

Hon. E. Robichaud: It is normal custom in this House to take members at their word. If you refer to paragraph 481 of the sixth edition of *Beauchesne’s Parliamentary Rules & Forms*, page 141, it is clear that a member must not impute motives different from those acknowledged by the other member. In this respect, what the Leader of the Opposition did earlier, saying that he did not believe the former Minister of Finance, the Minister of Business New Brunswick, is clearly contrary to the rules of this House.

024

[Original]

Mr. S. Graham: On a point of order, I must say that I am very disappointed in the Minister of Business New Brunswick, who has risen a number of times to disrupt a very important debate brought forward by the member for Shediac—Cap-Pelé, who is debating the merits of this budget. We know that the merits are very few.

In fact, when the Minister of Business New Brunswick issues challenges . . . I recall that the other evening, on CBC television, when I specifically posed a question to the Minister of Business New Brunswick, he could not respond. In fact, he chose to ignore the question, because he knows that his own targets that he established in the Prosperity Plan were not met. If the Minister of Business New Brunswick were doing his job instead of looking for a new one, there would be all kinds of opportunities to ask him questions in this Chamber. Instead, today we have a very important debate. I

think the Minister of Business New Brunswick should allow the member for Shediac—Cap-Pelé . . .

Mr. Deputy Speaker: First of all, on both sides of the floor, many members have risen on what are not points of order. I would ask the members to please cooperate and keep order in the House.

To the member for Kent, I would like to say that there is no partisanship when I am in the chair.

Mr. Richard: I want to make sure that I am clear on this. I would never accuse the Minister of Business New Brunswick of lying. I would never do that. I just said I did not believe him. That is my problem, not his. That is a completely different thing.

Certainly, what I do know is that while he was Minister of Finance, they threw everything into the kitchen sink in order to come up with a financial statement that showed a deficit. Maybe it was not in order to do that, but certainly it was a very convenient thing to do. It included a huge depreciation of Point Lepreau that represented some 20 years, and it was put into the budget at one time. It is a mug's game. We could go on and on.

However, clearly, I would never accuse the honourable member of lying, because I think he is actually one of the most honourable members in this Chamber. I really do believe that.

Unfortunately, since I am a grandfather since yesterday, I must, for the first time in this position, use these to quote from a column of Don Richardson. I may have quoted from this column before, but certainly not these quotes and possibly not today. This is from a column called "The Province" that Don Richardson wrote on Tuesday, October 5, 1999:

The cost of the MLAs' new gear and millions more run up by the Lord administration since it took power in June, will be tacked on to the budget Blanchard drafted last December.

It will be the Tories' year, but the Liberals' deficit. All but three months of the 1999/2000 fiscal year will be on Bernard Lord's watch, but he is not going to take the blame for running the province back into the red.

The column goes on, saying that Lord told the editors of the *Daily Gleaner* last week:

We will give the people of New Brunswick the true picture.

.....

We will live within our means.

.....

Lost in the political rhetoric will be this simple question: whose deficit is it, anyway? The Liberal

finance critic offers the only true response.

“In the end, it’s everybody’s deficit,” said Richard.

He was quoting from me that time. In the end, it is everybody’s deficit because all New Brunswickers are stuck with it. Whether it was a convenient political decision on the part of the then Minister of Finance or whether it should have been there appropriately because it was an accumulated depreciation on Point Lepreau, the most part of it . . . In fact, more than the deficit on the books was the depreciation at Point Lepreau. Either way, it is still everybody’s deficit, and it is politically convenient for the government of the day to record it that way. They cannot argue that. It was politically convenient.

025

What is a fact today is that we are living once again under a government that is unable to balance its Ordinary Account. That was not done in 1994-95. We balanced the Ordinary Account. It was not the case in 1995-96, when we balanced the Ordinary Account under then-Premier Frank McKenna. It was not the case in 1996-97, when we balanced the Ordinary Account under then-Premier Frank McKenna. It was not the case in the year 1997-98, under then Premier Frank McKenna and interim Premier Raymond Frenette. Also, it was not the case in 1998-99, when we balanced the Ordinary Account under then Premier Camille Thériault.

I am very proud to stand in this Legislature and be able say that was the case. It was an important accomplishment, because it had not been done. I believe the previous time the Ordinary Account had been balanced before 1994-95 was in 1979-80, if memory serves me.

(Interjections.)

Mr. Richard: It was under Premier Hatfield, but there were a few bad years after that. In fact, I think . . .

(Interjections.)

Mr. Richard: I think the Minister of Transportation remembers some of the bad years as well as some of the good, but it was under former Premier Richard Hatfield, a man for whom I had a great deal of admiration for a lot of the work he did for New Brunswick.

(Interjections.)

Mr. Richard: Let me quote from a news release entitled “The McKenna Record: Important Achievements for New Brunswick, but Still a Work-in-Progress”. This is by Donald J. Savoie, a good friend of mine who was, in fact, in the Legislature last week.

Savoie argues that, without question, McKenna had a positive impact on the province's economy. Under his tenure, New Brunswick outperformed other provinces of similar size in several key areas. Between 1987 and 1997, the province put its fiscal house in order, streamlined the public service and made the greatest progress of any province in reducing its dependency on federal transfers. Per capita growth increased by five percentage points vis-à-vis the national average and disparities in income per capita were reduced. On the job front, McKenna succeeded in moving away from social assistance toward job creation and in lowering unemployment.

Most importantly perhaps, McKenna succeeded in instilling a 'can-do' attitude in New Brunswick. The premier convinced Canadians inside and outside New Brunswick, most notably the business community, that his province was no longer a supplicant but rather an ideal place in which to conduct business. In Savoie's view, that renewed sense of self-confidence and the accompanying increase in investment may well be the single most important element of the McKenna legacy.

I think that is very telling. Again, I am extremely proud to have served under this outstanding Premier, a man who made a considerable effort. Of course, when you are accused across the country of poaching jobs from provinces like British Columbia and Manitoba, you must be doing something right, and this former Premier was certainly doing that. He was aggressive. He was determined. He was obsessed with job creation.

026

He was obsessed with the one dream of converting this economy into a modern one, of diversifying our economic base, of bringing in new technology, of creating call centre jobs using the human resources we had here—thousands of jobs, in fact, over 15 000, from a standing start in around 1991. From a standing start, there were 15 000 jobs in about 10 years. When you think of it, it was an incredible feat for a small province that was known mostly for resource industries. We still have them, and they are important. However, this was just an incredible feat, and I am so very proud to have served under him in his caucus and in his Cabinet as well. I have certainly told him that, but probably not enough.

[Translation]

Again, when I was interrupted earlier, I was referring to federal transfers. These are additional funding received by the province, sometimes for the health care system. The transfers have increased. This was not seen in the mid-nineties. I was in Cabinet in 1995. What a difficult time to manage New Brunswick public finances! That was a time when federal transfers were on the decline. This was understandable, because the federal government had experienced a \$23-billion deficit in fiscal 1992-1993, the last year that Brian Mulroney was Prime Minister. It was a financial disaster. Imagine: \$23 billion. It would have required \$10-billion surpluses over four years to refund this debt and the accrued interest. It was unbelievable. It set back Canada terribly, and we are still paying the price.

True, this was a time when that government was replaced by a more responsible one, when efforts

were made to begin addressing these structural deficits in the federal budget. Slowly—it was not easy—the debt and the deficit were reduced. In fact, surpluses were actually generated.

In my opinion, this is a major accomplishment, and the federal government should certainly be acknowledged for this extraordinary turnaround, which makes our lives better across Canada today. In fact, this enables the federal government to transfer more funding for children, medical equipment, highways, and health to all Canadian provinces, including New Brunswick.

The Lord government should be happy about that, but, of course, it cannot ever get enough. It wants more. This is understandable. The government wants more money, but without accountability. This is what bothers certain Canadians, I believe. For governments to argue among themselves is one thing. However, when governments say that they do not want to be accountable for public funds, this should be of concern to all of us, and it is to me. Those are the reasons why I am concerned, and I will refer to an answer given by the Minister of Finance.

[Original]

The Minister of Finance, when he was responding yesterday to a question, caused me some concern, and I want to quote from his answer. I am reading from Hansard, of course.

I would be pleased to stake our credibility against the credibility of the budgets that existed in this province in the nineties. The previous government periodically took its head out of the sand to stick its head in the clouds to come up with the budgeting. I can assure the honourable member across the way that the budget we presented yesterday is built on firm foundations and predictabilities. We have scrutinized, with an intense “scrute”, exactly what is going on beyond this province.

027

Since I had to respond to the budget, of course, the first thing I did when I got back to my office was to get out my *Webster's* dictionary in order to be able to address the “intense scrute” that the Finance Minister had given this budget. I do not pretend to have a very strong grasp of the English language; so I went back to my office and took out my *Webster's*, and I must say I could not find it. I may rise on a point of order tomorrow to ask the Minister of Finance—I think it is an important point—if he scrutinized with an intense scrute. It may be some form of tool that I might use to scrutinize my own personal finances, since for the past couple of years, my RRSP investments have not been doing that well. I have to admit that, and I think that is true of most New Brunswickers. However, if I had an “intense scrute”, I might be able to scrutinize those finances and improve my own personal finances. In fact, if I used the scrute long enough, I might even come up with some extra dollars to put into an education fund for my new grandson, Samuel. Wouldn't that be nice? If it works for the Minister of Finance, it just might work for me.

Since I spent the last two days poring over the documents that were tabled by the Minister of Finance,

I have to tell him—and I wish he were here to hear it—that his scrute is not working because some of the things he said are really questionable.

(Interjections.)

Mr. Richard: I do not know if anybody in this House knows what a scrute is, but I hope the Minister of Finance has a good one. I really do, because it is important for all of us and it is important for all New Brunswickers. We are hoping he will do that.

Also, in trying to come up with a way to understand how this government and this Cabinet function, I was doing some research on the Internet. I know that it is not always reliable and that there are some risks to using it for research. It is a new tool for me, I must admit. I was never very adept with technology, but certainly, I have tried to learn in the past few years. I did find a piece on the Internet called “Smurfs”. Smurfs, as everyone knows, were in an eighties cartoon and were very popular. In fact, my own kids had Smurfs. The reporter from the *Telegraph-Journal* might take notice, because Smurfs might come back. Who knows? I will give her a copy of my findings.

The article states that the Smurfs used Smurf magic to erase the memories of the villagers. I felt that was very appropriate, because I think the Minister of Business New Brunswick, the Minister of Finance, and the Premier may have just come across Smurf magic to try to erase the memories of the people of New Brunswick. They may be using Smurf magic to try to erase the memories of the people of New Brunswick with regard to the Fiscal Stabilization Fund. That would be a good use of Smurf magic.

If they were to do so, I would assume that in their meeting at the Centennial Building, the Premier would be Papa Smurf, of course, because he would be the ringleader of the gang. Also, on the Internet, it says that Papa Smurf is the only Smurf cool enough to wear red. That could be the Premier. Of course, I would assume that the Public Safety Minister would be Smurfette.

028

There are plenty of Smurfs to go around, as I found when doing my research. The Minister of Business New Brunswick, of course, in my mind, would be Brainy Smurf. I hope he likes that. Brainy Smurf is constantly by Papa Smurf’s side, which is appropriate—at least, he was for a time. Of course, this must be an old Internet site. I read from the site that he sometimes seems to make more trouble than good. That would be Brainy Smurf.

Of course, Vanity Smurf might be the Minister of Tourism and Parks, who loves to look good—usually for Smurfette, of course.

Jokey Smurf, I thought, might be the Minister of Transportation. For instance, Jokey Smurf is a particularly generous Smurf, and we know that next year, he will be particularly generous with the Transportation budget. In fact, he is so generous that he gives packages to all the other Smurfs. However, the joke is that the packages often explode, although a lot of them blow up in his face. I am

reading this from the Internet site.

In my view, Grouchy Smurf would be the Minister of Natural Resources and Energy, because he is never in a good mood, according to the site. If he ever feels even the slightest bit cheerful, he would never admit it. He is quick to find fault with all the other Smurfs. That was an interesting comment.

The Deputy Premier, in my view, would be Astrosmurf, who is the Smurf from space.

Of course, Baby Smurf would be the Minister of Agriculture, Fisheries and Aquaculture. Baby Smurf was brought into Smurf Village by a stork. He is usually playful, but he sometimes annoys the other Smurfs, who do not understand that he is only a child having fun.

Sassette Smurf would be the Minister of the Environment and Local Government. She is the second girl in Smurf Village.

I guess the most important Smurf for today's purposes would be Baker Smurf, and I would guess that would be the Finance Minister, because he makes the most delicious desserts for the Smurfs. He gets mighty upset if anybody steals food or eats out of turn, and his favourite recipe is cooking the books.

Hon. E. Robichaud: On a point of order. The rules are clear. This is really tenuous. Maybe I could suggest that the member opposite has mixed up his speeches. This looks like a speech he would want to make to his grandchild and not necessarily in the House. I would advise him to look seriously at the speech to make sure he has the right one this afternoon.

Mr. Richard: I know the Minister of Health and Wellness is upset because I did not name him. However, I did have one for him, that is, Handy Smurf, because he is the village handyman. He has become an expert in building houses out of mushrooms, the only one in the world, in fact. We are hopeful that the community health centres will not be made out of mushrooms. I know he is able to do that.

(Interjections.)

Mr. Richard: The Minister of Business New Brunswick has had his turn to show his class in this Legislature. Therefore, I do not think he should be the one to throw the first stone, but he may if he wishes. That is fine. In fact, he may stand up on a point of order if he wants. That is fine with me as well. I will even consent to his doing so from a desk other than his own.

[Translation]

Of course, the government will try to buy votes with money received from Ottawa, by using it for roads and highway construction.

[Original]

That is not all that bothers me about this budget. I hope I do not run out of time, but certainly, that is not all that bothers me. An important part of this budget is the issue of increases in tax revenue. That is an important issue, and I think it is important to point out that the minister has been talking about putting more . . .

(Interjections.)

Mr. Richard: I am hearing sounds from space. I do not know if it is Astrosmurf or not. Do not worry about my last speech. I intend to be using the microphone quite a bit yet.

The minister has been talking about putting more money into the pockets of New Brunswickers by reducing personal income tax. Of course, he has, but what he forgets to mention is that at the very same time, he is taking money out of the taxpayers' pockets. The fuel tax increase is one that we have discussed before, and it is an important one—2.3¢/L and 1.5¢/L again this year. That is 3.8¢/L, which is a 29% increase, \$30 million or thereabouts this year and \$30 million or thereabouts last year. It is a very, very significant amount. We think it is close to \$60 million in new revenues directly out of taxpayers' pockets.

What a contradiction. Still, it is not the only one. In fact, there are many, many others. Property taxes are increasing in New Brunswick by 2.9%, while the national average is 2.2%. Again, who pays the bill? The taxpayers of New Brunswick do. It is all from the same taxpayers, whether they pay federal taxes, provincial taxes, or municipal taxes, and they are paying the bill.

The disturbing part is that this was during the same year the provincial government rewarded the 52 largest industrial properties with a reduction in assessments. In fact, this year, their assessments were frozen completely. It was a nice deal. Many New Brunswickers today, I am sure, would love to have the Finance Minister and the government freeze their assessments. That is not the case. Many New Brunswickers would like to see their tax assessments rolled back. Suppose the government decided it would not assess furnaces or foundations. That would be a nice gesture for all New Brunswickers. They did it for power wiring. They did it for equipment foundations, for the 52 largest industrial properties in New Brunswick. In fact, the assessments were reduced by the equivalent of \$164 million, or about 13% of their total assessments.

That is not all. Revenues from insurance premium taxes are going up. In fact, they are going up tremendously. They are going up by 44% over the budget estimate tabled just seven months ago. In March, when the same Finance Minister tabled his budget, he predicted that revenues from the insurance premium tax would be \$28.5 million. Now, he is projecting \$41.3 million, an increase of 44%. I think this is one of the most despicable parts of the budget. Here they are, and the Deputy Premier . . .

(Interjections.)

Mr. Richard: He will be hearing about Shawn over the next few months. Mr. Speaker, I am sorry. I realize that I should be addressing the Chair. I suppose the Deputy Premier should be addressing the Chair as well. He is not doing it, but I will, Mr. Speaker. He is right to point that out. I am glad he gives me this opportunity to pause in this analysis of the budget, to be able to say how impressed I am with the work of our leader. In fact, I am not the only one.

(Interjections.)

Mr. Richard: That is fine. The important part . . .

(Interjections.)

Mr. Richard: I do not expect the Minister of Business New Brunswick to believe.

(Interjections.)

Mr. Richard: No, no. That is right, and I am not lying.

030

I do not expect the Deputy Premier to believe me. What I do expect is that more and more New Brunswickers will believe me. They know when they have a leader of a political party to whom they can talk. They know when they have a leader of a political party who will listen to them, not with a police escort, as your leader had in Sussex when he went to meet the people of New Brunswick. That is not our leader's way. Our leader has been out and around the province meeting New Brunswickers. In fact, he was in Sussex that same night speaking on behalf of the farmers of New Brunswick while our Premier was being escorted under police guard. That is the difference in our two leaders, and I am very proud to serve under the member for Kent, because he has shown, in a very short time, under very difficult circumstances . . .

The member for Tracadie-Sheila says: I know. He is right, because he knows what it is to sit in the Legislature with only a few members. He is right to say that he knows how difficult it is to organize a political party under those circumstances, when you have to do the work of the Legislature and at the same time be crisscrossing the province. He has been there. He knows how it is. I appreciate the words of acknowledgment from the Minister of Health and Wellness, and I am glad he agrees with me.

It is a tough job, but imagine: After three and a half years of a new mandate—and this is unheard of since polls have been taken in New Brunswick—they have a lead in voter intention that is less than the margin of error. It is unheard of in a new mandate to have a 4% lead, less than the margin of error of 4.9%. I would not be bragging.

I remember the old saying that what goes around, comes around. Of course, I remember just three months before the last election, when the government of the day, of which I was a part, had a 20-point

lead in voter intention and won 10 seats. Therefore, if I were sitting around with a 4-point lead, I would not be feeling too smug if I were the members on the other side because anything can happen. That is the wonderful part of our system, that the people do decide at the end of the day.

When a government that has just tabled a budget tries to stifle debate in the Legislature by reducing the number of days of debate, I think we need to stand up for New Brunswickers. That is what I am doing this afternoon. I will be doing the same tomorrow, because I do not agree with the tactic of the Government House Leader of reducing the days of debate on this budget. It is the most important part of a government's work. If the Premier of New Brunswick can stand up for free speech when one of his members accuses nonsmoking advocates of being health Nazis, he has no business trying to stifle debate on the budget of the province. So I will stand and . . .

Mr. Forbes: On a point of order, I would ask the member of the opposition to read what I said and not to interpret it for his own political ends.

Mr. Deputy Speaker: That is not a point of order.

Mr. Richard: I will be pleased to read what the honourable member said. Then, I will be pleased to read what other people said about what he said. I think it is an important point. Democracy bears speaking about and defending, as the Premier said the other day, and this is an important part of democracy, of course.

031

Let me start by what other people felt about what the honourable member for Fredericton North said. This is an E-mail from Jacalyn Boone.

(Interjections.)

Mr. Richard: This bears hearing. This is an E-mail from the first nurse practitioner to graduate from UNB, a very commendable feat. In fact, she is going to work outside the province, which is another issue that I touched on the other day. This what she wrote to Peter Forbes:

Dear Mr. Forbes,

As a nurse practitioner, a parent, and a resident of Fredericton North, I am outraged by your recent statement regarding Health Nazis. I agree with the New Brunswick Lung Association's Ken Maybee that a public apology is in order. A public apology will send the message that you are prepared to give this very serious health issue the attention it deserves. If you are unwilling to follow through with an apology, then I would agree with those who have called for your resignation.

This is Jacalyn Boone, the first nurse practitioner to graduate from UNB.

I have worked as a nurse for over 25 years. Recently I graduated as a Nurse Practitioner. During my career, I have worked closely with many many people who have suffered . . .

Hon. E. Robichaud: Point of order.

Mr. Deputy Speaker: State your point of order.

[Translation]

Point of Order

Hon. E. Robichaud: On a point of order, paragraph 459 in *Beauchesne* is clear and refers to repetitions on the topic under discussion. In this case, I think the member for Shédiac—Cap-Pelé has made his comments. Normally, one must stick to the budget speech, and debate must relate to the budget. The member for Shédiac—Cap-Pelé is bringing up a debate that has already occurred. He is reading from articles with no bearing at all on how budgetary appropriations will be allocated in the province. Essentially, this is what *Beauchesne* states and requires. It is always a difficult matter, but dwelling on topics already debated goes against rules of procedure.

[Original]

Mr. Allaby: On the point of order, the honourable minister has cited a ruling that this is not relevant to the budget, but in actual fact, the Minister of Finance himself indicated that one of his tax measures was intended as a means to discourage people from smoking. It is quite clear that the thrust of the E-mail that was being cited concerned the serious health risks that tobacco use imposes on people, so it is entirely relevant to the debate on the budget. Furthermore, the minister's own colleague requested that this be read into the record. He actually requested this a very few minutes ago. I think it is very germane to the issues being discussed this afternoon.

Mr. Deputy Speaker: I will allow a certain amount of latitude; however, I would encourage the member to stick to the budget.

Mr. Richard: Thank you for the latitude, which I do appreciate. I will continue reading the letter from Jacalyn Boone because I think it speaks volumes. I appreciate the fact that the member invited me to read it because it is a striking letter that goes to the heart of tobacco taxes and smoking prevention. We have a bill on the floor of the Legislature to ban smoking on school grounds. All these issues are very important and part of this debate, so I thank you for your indulgence. The E-mail goes on:

During my career, I have worked closely with many, many people, who have suffered health effects from tobacco use and from environmental tobacco smoke. The preventable nature of these illnesses haunts me each time I encounter these patients. Two weeks ago, the devastation of tobacco use was brought even closer, when my partner's mother was diagnosed with advanced lung cancer that has spread to her bones. As I watched her in excruciating pain, my determination to advocate for tobacco reduction was renewed once again.

In my work role at the Stanley Health Centre, I have many opportunities to pursue tobacco reduction. Initially I found it difficult to talk to people about tobacco use. I feared the very reaction that you portrayed.

This was a letter to the member for Fredericton North.

Fortunately, the New Brunswick Lung Association was there to assist me. Together we developed a resource for nurses that was featured in a poster presentation at the World Health Association. In the process, I and my counterparts in the Region 3 (River Valley Health) Health Centres became comfortable addressing tobacco use and environmental tobacco smoke, as an essential component of health visits. Much to my surprise, I discovered that people appreciate tobacco cessation counseling. I also discovered that tobacco users, who are attempting cessation, appreciate smoke free spaces. Smoke free spaces make tobacco cessation a lot less painful. In addition, smoke free spaces ensure equal access for individuals with asthma who are discriminated against by current public policy. Most importantly, smoke free spaces are an essential component of a healthy work place. I would never accept exposure to environmental tobacco smoke in my workplace, but I realize that I am fortunate to have a choice. For this reason, I feel obligated to lobby on behalf of others who are not so fortunate, like restaurant and bar workers.

I am also the parent of three young adults. To my sorrow, all three of my children smoke. At this stage of their lives, they are unhappy with their decision to smoke and are working toward cessation. At times they are determined to quit; at other times they are determined to smoke. All of my children enjoy the bar scene, as do many of their friends. I am very hopeful that the city's decision to make bars smoke free will be instrumental in their success at cessation. Whatever the outcome, my children's enthusiasm for the bar scene will not waver because of the no smoking policy.

As a health professional, I can sympathize with your unfortunate comment, to a degree. I realize that denial is associated with addictions. I understand that name calling enables an addict to continue to live in denial rather than confront and accept the health consequences of tobacco use. Even so, I have worked with many people who have been able to overcome their denial and even become successful with cessation.

As a voter in Fredericton North, however, I cannot accept your statement. I will be watching for a public apology. I will also be watching for a provincial initiative that will level the playing field for all businesses. I commend the City of Fredericton for their outstanding leadership on this issue and I encourage you to move smoke free spaces forward provincially as a means of supporting the business community.

Sincerely,

(Signed) Jacalyn Boone RN MN

The reason Ms. Boone was so upset, of course, was the two E-mails that were published in the *Daily Gleaner* on December 6. They are the ones that the member has asked me to read into the record, and so I will. This is from an article by Heather McLaughlin of the *Daily Gleaner*.

Following are the texts of two e-mails sent by Fredericton North MLA Peter Forbes to a city councillor about the smoking ban.

The MLA sent the first message Sept. 25 prior to city council's decision to ban smoking in all indoor public spaces.

The second e-mail is Forbes's response to city council Nov. 27 after its decision to vote for a citywide smoking ban.

Sept. 25 message

I am finding those social engineers rather tedious these days.

If the sponsor or sponsors of this bylaw before council know what is best for me and are trying to protect me from myself, then I will have to be known as an ungrateful wretch.

I don't buy the secondhand smoke postulation.

This, I think, is where Ms. Boone disagrees so strongly with the member for Fredericton North.

Put it this way: If I, as a health Nazi, wanted to demonize smoking, the very first tactic I would go for would be to scare the non-smokers into thinking that if you go anywhere near smokers and thereby even smell smoke, you may die. At the very least, the back of your head will probably cave in. Show me the scientific evidence.

And while you are at it, give me the stats on the horrible deaths and shortened life spans of anyone working around fumes—truck drivers, garage mechanics, welders, B-B-Q operators, campfire and fireworks spectators and all that driving behind the exhaust of the car in front of you.

033

It was brought up to me about some (alleged) complaints from (presumably non-smoking) employees working in the bars around Fredericton. While I have been in many bars where smoking was taking place, I have never been in a 'smoke-filled' bar. The air was 99 percent of what it was outside. I'm sure these complainants will never give their names for fear that the Revenuers might tax the \$80-\$150 bucks a night in tips they get from the smokers.

And don't let them play the health-care cost card either. If, as they say, a smoker will live five years less than his non-smoking counterpart, then (that's) five years less that the State will have to support me in my old age.

Smoking bans have not worked in any city that has tried it and Ottawa's bars are going down like flies as everyone goes to Hull (now Gatineau).

I would suggest that some people go to Hull for other reasons, but the member did not raise that in his E-mail.

Lastly, as politically correct and fashionable total smoking bans come into effect, whatever happened to tolerance?

Indeed.

I'm sure there are lots of things that you do that I don't approve of. But live and let others live the way they want to. We're only goin' through 'er once.

That is the principal one. I will not read the other one, which is where the comment came from.

Certainly, Ms. Boone was not the only person who was not very happy. I will read from a letter from David Wiezel of New Maryland. I do not think he is a Liberal. I do not think he is a health Nazi or health advocate of any kind. He is the former mayor of New Maryland, and his letter certainly speaks volumes. I am pleased that the member has asked me to read this into the record.

Dear Editor: It is difficult to adequately express my outrage at the offensive and inappropriate style used by Fredericton North MLA Peter Forbes to attack anti-smoking advocates and a city councillor in Fredericton.

One could fill a book outlining how misinformed Mr. Forbes is on the issue of second-hand smoke, attributing it to being equivalent to breathing in campfire or barbeque smoke.

I'll leave that issue to the medical community and lung association to deal with. Or perhaps Mr. Forbes should talk to the waitress in Ottawa who is dying as a direct result of second hand smoke to see just how wrong his views really are.

I also think Mr. Forbes is serving up a large red herring by trying to make this a freedom of speech issue.

That is only trying to deflect attention from Mr. Forbes' unacceptable, bullying attack on a city councillor and others struggling with a legitimate health issue.

No one in public life has the right to use their position in such a disrespectful style. As someone

who has served the public on a school board, municipal government and with volunteer groups, I cannot find the words to describe how offended I am by Mr. Forbes' tirade against fellow citizens.

His unwarranted behaviour must be dealt with.

In a free society, we all have the privilege of openly disagreeing with others. However, we do not condone our public figures being as disagreeable and disrespectful when voicing another opinion.

Mr. Forbes will not be re-elected. People do not condone bullies.

An apology will not make this issue go away.

Mr. Forbes should announce he will not seek re-election.

If not, and his party hopes to retain his legislative seat, another candidate should be nominated. He should also be replaced as chair of the Fredericton regional caucus so that his elected colleagues do not suffer from the inevitable collateral damage should Mr. Forbes continue in that role.

Public life is about service. Mr. Forbes has crossed a line and will not be able to undo the damage. It is time he decided to butt out.

034

These are very strong words. I see the Minister of Finance address this issue simply by increasing tobacco taxes. I think that is a good way to address the issue of smoking, but as I read through his speech again this morning, I saw that his reference to tobacco tax was there—it is clear, and the numbers were there—but there was no reference at all to prevention. For instance, if he is getting the tobacco tax increase, \$15 million more than he had in the 2003 budget estimates, it went from \$70 million to \$95 million . . . It went up by \$25 million? What is this? It cannot be.

(Interjections.)

Mr. Richard: I am still looking for the “scrute”. Perhaps the Finance Minister will lend me his “scrute”, so that I can look at it. I do not have one.

In the 2003 budget estimates that he tabled seven short months ago, he predicted tobacco tax revenues of \$70 million—7-0-0-0-0-0-0. In the budget on Tuesday, he projected \$95.2 million in revenues from tobacco taxes. That is a \$25-million increase, yet in his budget, there is not a single word on prevention programs, on helping people to stop smoking, and on helping students not to be exposed to smoke.

(Interjections.)

(**Mr. Speaker** resumed the chair.)

Mr. Richard: I am talking about your budget. I cannot believe the Deputy Premier is that agitated this late in the afternoon. I am going to have to change Smurfs on the Deputy Premier. If he keeps this up, I am going to have to call him Grouchy Smurf.

That is \$25 million in revenues from tobacco taxes—new revenues. It is up to \$95.2 million projected in this budget that was tabled on Tuesday, yet there is not a word on prevention programs for smokers. There is not a word on how this government will help smokers stop smoking. On the measures that bring in revenue, they are quick to act—\$25 million, which is actually about . . . No, it cannot be . . . Yes, it is about a 40% increase in one year.

(Interjections.)

Mr. Richard: The minister asks me if I am a proponent of marijuana. Frankly, having read through his speech, I think he had perhaps been indulging in marijuana, given the way he is trying to sell this budget to the people of New Brunswick. He had better hope that enough New Brunswickers are smoking marijuana if they are going to believe the words in his budget. The only people who would be likely to believe the fiction in this budget would be those under the influence of marijuana or something else, as I read in the *Daily Gleaner* today.

(Interjections.)

Mr. Richard: That is fine. The minister wants to dish it out, so he can take it as well. I am sure he can, as a matter of fact.

This is an important issue. It is an important health issue. If the minister were so concerned, he would have spoken of smoking cessation programs in his speech. There was not a word—not a word. He did not have the courage to stand up and support schools in New Brunswick, such as your school in Hampton, Mr. Speaker, which so courageously took measures to prevent smoking on its school grounds. The Minister of Finance does not have the backbone to support those schools. He just does not have it. He should know better.

035

Then, there is the Minister of Health. How disappointing for him to have a member, who sits just three benches behind him, say that secondhand smoke is not a health issue. Since those statements became public, have you heard, at any time, the Minister of Health or the Minister of Education, who is a medical doctor, stand up in this House and say: These opinions are wrong; we should be encouraging people not to smoke?

(Interjection.)

Mr. Richard: I do not know what they are passing around there. I really do not know. I can only guess, but it is starting to have an impact, I can see.

The Minister of Business New Brunswick says: Be consistent. Can we find what he said about the Fiscal Stabilization Fund? Do you remember what he said about that fund, that it would be used when the Miramichi Bridge fell into the river? Talk about consistency. Just a while ago, perhaps an hour ago, I read into the record what he said about the Fiscal Stabilization Fund, and he has the nerve to stand up and defend the current government's use of it when it is completely opposite of what he said. Just a year and a half ago, he said the complete opposite, and he has the nerve to tell us to be consistent in this House. He should know better. He should know better, but he does not.

(Interjections.)

Mr. Richard: He is trying to shift the focus. What is the position of Business New Brunswick on the \$23-billion deficit that his federal party left Canadians with just 10 years ago? What is his position on that? Does he want to stand up and talk about it? We will compare records if that is what he wants.

(Interjections.)

Mr. Richard: I will let the hordes quiet down and read on from another letter that should be of concern. In fact, it is an editorial from yesterday's *Daily Gleaner*. It is an important issue. I think smoking cessation programs are one of the most progressive things this government could be doing, and it is not. We could talk about the AIDS strategy development that the Minister of Health put an end to in February or other similar programs. We could talk about the need for methadone programs in New Brunswick as well. The Minister of Business New Brunswick is quick to throw around all kinds of trash, after saying that I had no class.

(Interjection.)

Mr. Richard: At least I know I am hitting a nerve, and that encourages me for tomorrow, when I will have an opportunity to continue my analysis of this budget. At least I know they are listening.

(Interjection.)

Mr. Speaker: Order.

Mr. Richard: What dirty joke? My God, I am afraid the minister is a bit delusional this afternoon.

(Interjection.)

Mr. Richard: If you want to talk about consultants, we can talk about them for a while. If the Deputy

Premier wants to talk about consultants, we can talk about them. Do you want to talk about consultants? We can talk about consultants.

(Interjection.)

036

Mr. Speaker: The House needs to come back to order. This is a speech, not a debate, although it is a speech on the debate.

Mr. Richard: As I was saying, if the members will allow me, I think this is an important issue. I think smoking cessation programs are very important. You know, Mr. Speaker, as a former teacher, that many, many young people start smoking in school. If we can do anything to prevent that from happening, we should be doing it, yet the government is anxious to get \$25 million in new money, in tax revenues, without the equivalent programs. It is \$95 million in total, with \$25 million in new dollars, without a corresponding investment in smoking cessation programs.

It is no wonder. Imagine the caucus discussions they must have on smoking cessation programs. Imagine the member for Fredericton North standing up and saying: What is this smoking cessation stuff? Secondhand smoke is not a problem. He wrote it down. He must be saying it in caucus as well. I suppose he won the argument. I suppose the Minister of Health has not stood up in the Legislature to contradict any of the things he said. Basically, he is condoning it. Maybe the Minister of Health is condoning it, but the *Daily Gleaner* was not yesterday, when it wrote in an editorial:

Mr. Forbes made the news last week after it was revealed, again by this newspaper, that he had characterized anti-smoking advocates in Fredericton as "health Nazis" and "social engineers" in two e-mails sent to a city councillor.

Mr. Forbes later offered apologies for his choice of words but defended his right to free speech.

"I wouldn't use (the words) given where I am right now in front of all these microphones. Apparently it's attracted attention that I never intended," Mr. Forbes told reporters last week.

"It was a metaphor. It was a mere label."

It was a bad metaphor, Mr. Forbes, and a bad label. You should have just left your apology at an apology. There is no way to justify the words used.

We expect Premier Bernard Lord was busy talking with his minister and the MLA from Fredericton North late last week.

For our part, we'll sit here and adjust our sights in case he didn't.

These are strong words once again. There were numerous newspaper articles, comments from the New Brunswick Lung Association that were all very striking and very strongly expressed opinions. I would think this would encourage government—while, on the one hand, it is taking in revenue from tobacco taxes—also to agree to much stronger smoking cessation programs. That is something that New Brunswickers expect of it. If the government wants to take the money out of one pocket, it should be investing in smoking cessation programs.

Someone from this government—I would presume the Health Minister, or perhaps the Minister of Education, and surely the Premier—should stand up and tell New Brunswickers that secondhand smoke is harmful, that it does not do anyone any good, and that the member for Fredericton North was wrong when he said that secondhand smoke was apparently not harmful. That is the type of leadership that New Brunswickers expect from their government, but it is not the type of leadership they have been getting. It is surely a very sad week in the history of government in New Brunswick when a member can stand up and speak such frivolous, unfounded nonsense and then have the Premier of the province stand up and support him and not have the Minister of Health tear it apart. It was just disgusting to watch. It was partisan politics at its worst, I guess, but there it was.

037

I would argue, in the time that is allotted to me, that government should be more aggressive in addressing the issue of smoking. It is not enough to say we will put in more tax dollars. In fact, they are basically projecting that more people will smoke. Certainly, they are not projecting that fewer people will smoke, because their revenues are going to go up by \$25 million. They are basically throwing up their hands and opening the door of the vault and saying: Let's rake in the money while we can, and let's not try to have any impact on the smoking habits of New Brunswickers, let alone young New Brunswickers.

It is just the wrong public policy. It is bad public policy. I am glad the Health Minister is listening, because I am hoping for a strong statement from him on this issue during his estimates. I am sure he will have one. I know that he is a nonsmoker. I think he is a nonsmoker. I will not go there. I know he feels strongly about this.

I would hope that the government will act, not only to rake in the dollars, but to provide funding for smoking cessation programs for the children and young adults in our schools, who are from 14 to 18 years old, and for other New Brunswickers who want to stop smoking. Otherwise, they are empty, empty words. For the Finance Minister to stand up and say that they are putting these taxes on because it is the best way to encourage people to stop smoking while indicating on the revenue side that he expects to rake in \$25 million more is a contradiction in terms, and he should be ashamed.

I will be waiting for the Minister of Health to give the flip side, and I am hoping that he will, with a very aggressive, well-funded program to help young New Brunswickers to quit smoking and not to start smoking. We know that is the major challenge. A couple of my own sons started smoking in high school. Although one has since stopped, it is a time when many young New Brunswickers start to

smoke. We need a more aggressive and determined effort by the government other than simply saying: We are going to take in the revenues, \$25 million more, without the equivalent programs. I say that is just not good enough. It just does not cut it, and the words of the Minister of Finance sound hollow when he says this.

There are so many other issues that I want to talk about as I see the clock winding down. I will move on to one issue in the budget that has really upset me. Again, I am reading from the minister's speech, under Gross Ordinary Revenue By Source, Insurance Premium Tax. It shows an increase of almost \$13 million in insurance tax. I was trying to address this earlier.

Mr. Speaker: It is now six o'clock.

Hon. Mr. Green: Pursuant to Standing Rule 34(1), I move that the House continue sitting past the hour of six o'clock, for the purpose of allowing the member for Shediac—Cap-Pelé to continue his response to the budget, on behalf of the official opposition.

Mr. Speaker: Five members having stood in their places, the motion cannot proceed.

Mr. Richard: Tomorrow, Mr. Speaker, will I be able to continue?

Mr. Speaker: You will have the floor.

(**Hon. Mr. Green** moved that the House adjourn.)

The House adjourned at 6 p.m.)

[Translation]

Daily Sitting 16

Assembly Chamber,
Friday, December 13, 2002

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047

Debate on Motion 54 (Budget Debate)

Mr. Richard, resuming the adjourned debate on Motion 54, spoke as follows: I am pleased to resume yesterday's debate, because I did not have time to address important points, and I certainly want to do so. As I was very often interrupted yesterday, I would like to reset the context somewhat by recalling certain points that were made. I will do so very quickly.

Before beginning, I certainly want to make one point very clear. Over the past 11 years, I have sat with the member for Bathurst at the Legislative Assembly. I cannot recall one single time where I did not agree with her. We supported the same initiatives and the same bills, and we worked together, side by side, in various areas.

I must admit that, when listening to her this morning while I was working at my office, I was very surprised to hear her say at one point that there was no Santa Claus. I immediately called my son to ensure that little Samuel was not listening to Mrs. Mersereau's speech. Fortunately, he was not.

You will certainly recall that, last year, I had to rise in the House when Premier Lord said: Everyone knows that there is no Santa Claus. That is absurd; the opposite is true. Mrs. Mersereau will become a grandmother next year. I can assure you that, next year, Mrs. Mersereau will indeed believe in Santa Claus. She will be Santa Claus' biggest supporter, and she would not be the first. I would like to briefly quote the *New York Sun*.

[Original]

It is from an editorial in the *New York Sun*, 1897. It is entitled: "Yes, Virginia, There is a Santa Claus." There really is no doubt, but I want Samuel to hear this, and I want Mrs. Mersereau to hear it, because I know that she feels bad about what she said this morning. In fact, she found the editorial for me. It is very brief. This part, I think, says it all:

He exists as certainly as love and generosity and devotion exist, and you know that they abound and give to your life its highest beauty and joy. Alas! how dreary would be the world if there were no Santa Claus! . . .

Nobody sees Santa Claus, but that is no sign that there is no Santa Claus. The most real things in the world are those that neither children nor men

—and, I would add, nor women—

can see.

No Santa Claus? Thank God he lives and lives forever. A thousand years from now, Virginia, nay, 10 times 10,000 years from now, he will continue to make glad the heart of childhood.

I just want to set the record straight once again, as I did last year. I know that Mrs. Mersereau apologized, but I can assure you that by this time next year, she will be one of the prime supporters of Santa Claus. She will have somewhat more time to do that job, and I wish her well. I am sure her heart will be set on it.

I want to start by saying why I think it is important for me to keep speaking on this budget, as I have

been for over three hours now. Two weeks ago yesterday, the Premier stood in this House and said the following: “I believe in democracy. I believe in open debate. I believe in public debate. I believe it is important for people to express their opinions and to be allowed to express their opinions.” I agree with the Premier on this front. I think it is important. The budget is probably the most important piece of work any government will do. For the Government House Leader, the Premier, the Cabinet, and the caucus to try to stifle debate on this budget is sinful. They have tried to reduce the number of days of debate on this very important part of business.

It is already bad enough that they tried to hide this bad budget and some of the horrible things in it by tabling it, by making it public, a mere two weeks before Christmas. That is bad enough. It is bad enough that they are trying to hide the operating account deficit. This year, for the first time in eight years, we have an operating account deficit. We are going backward for the first time in eight years. That is bad enough. However, to try to stifle debate, to try to prevent our members from expressing their views on this very important item is absolutely unacceptable.

049

I have offered to the Government House Leader to return to the normal time of debates, to allow the debate to take place, with the Premier closing the debate on Thursday. I have offered that, but I have yet to hear from him. Until I do, I will continue. I have unlimited time. It is an important issue. I have the support of my colleagues in caucus and my leader. I intend to continue for as long as it takes. I know the maximum is six days. I have no choice but to stop after six days. I know the rules. The rules are there, and I am following them.

I am not stalling any kind of legislation because, in any event, the debate would last six days or five days if we agreed to make it shorter. Nothing is being stalled. The only difference is that I am the only one speaking on it. That is unfortunate, but that is allowed under the rules. I am just following the rules as they are. I will respect those rules, as I always have and as I always will, for as long as the good people of Shédiac—Cap-Pelé allow me.

This is an important issue of principle. It is not acceptable for the government to contradict itself in such a shameful way with this budget. It is contradicting what the former Minister of Finance said just a year and a half ago, by using the stabilization fund to hide a major structural problem in the Ordinary Account. The government is spending more money than it is taking in. It has not been able to rein in expenses. It has spent more money. Any government can do that. Spending money is the easiest thing to do in government.

The first year they were elected, they said: We are going to reduce the capital budget by \$100 million. That was said in a year when they had the means to build highways and to do things. This year, when they clearly do not have the means—we are adding a debt in this budget—they have a full capital budget, which we have seen in previous years, in a year when they likely should not have one. Of course, we know why that is the case. It is the case because they want to buy the people’s vote with the people’s own money.

[Translation]

That is unacceptable. It is cheap, very partisan, and it is the kind of politics that the Premier promised not to engage in, in this House. He promised, and he reiterated the promise many times. Worse, he promised openness and accountability, and this budget demonstrates quite the opposite. This budget is an attempt to hide the truth and a reality which is costing New Brunswickers dearly. This truth must be told, and this is what I intend to do during the rest of the afternoon, as well as on Tuesday, Wednesday, and Thursday of next week, in order that New Brunswickers know the real story behind this budget.

However, mine will not be the only voice. Others continue to speak out on this budget. In the *Acadie Nouvelle* editorial of Wednesday, December 11, Bruno Godin said: The government has taken advantage of a strong economy resulting from major construction projects such as the natural gas pipeline, the refinery, and the four-lane highway to ride a nearly three-year wave of economic prosperity.

That is clear. How many times was that stated in this House? I heard my colleague the member for Bathurst, the former Financial Critic, say as much on several occasions. However, the kicker in the *Acadie Nouvelle* editorial is this:

[Translation]

However, it must be said that, without the stabilization fund financed through initiatives of the former government, the Tories would have been in a very bad financial situation at election time. This government should thank the Liberals in power from 1995 to 1999!

050

That says it all, and the point is important. Again, this morning—it was almost funny—the Minister of Transportation rose in an attempt to engage in cheap politics—very cheap politics, frankly—after my leader introduced yesterday a very clear motion asking the cooperation of this government to seek federal funding for northern highways. Yesterday, the government clearly got caught with its pants down. Most certainly and definitely. The great majority, 47 out of 55 MLAs, did not want to listen; such is the strength of numbers.

If the government had wanted to prevent the Opposition Leader from introducing his motion, it would have sufficed that a single member out of the 47 refuse the unanimous consent requested by my leader. That would have put an end to it, and the Premier could then have been able to introduce his own motion. However, members opposite got caught with their pants down. Today, they are trying to run with their pants down, but that is hard to do, and they keep tripping and stumbling. They cannot run properly with their pants down; that is simply not possible.

However, this is what the government tried to do, with the Minister of Transportation in the lead, running ahead of the others, in an effort to regain some credibility for this government, which is running out of steam and which lacks credibility, instead of saying that members opposite would support the Opposition Leader's motion, which makes a lot of sense and calls for seeking federal support.

(Exclamations.)

Point of Order

Mr. Richard: On a point of order, if government members do not want to listen to my speech, they should go into the anteroom. I would like to be able to focus on the budget.

[Original]

Mr. Deputy Speaker: I would ask members to keep the noise down.

Mr. Richard: If the Minister of Finance is not interested in hearing what I have to say on the budget, I wish he would leave the Chamber. Thank you very much, I appreciate that.

(Interjections.)

Mr. Richard: Do not waste my time, and do not waste the time of the people of New Brunswick. I am pleased the Minister of Finance is leaving the Chamber. After what he has done to the people of New Brunswick this week, he does not deserve to be here. New Brunswickers know that as well.

(Interjections.)

Mr. Richard: At least they should have the decency to listen to what elected members of this Chamber have to say. If you want to rise on a point of order, then do it; otherwise, listen to what other people have to say.

(Interjections.)

Debate on Motion 54—Budget Debate

Continuing, **Mr. Richard** said: The member for Albert has said less in the last three and a half years than what I have said in this House since yesterday afternoon. Since I speak for all New Brunswickers as Financial Critic as much as the Minister of Finance speaks for all New Brunswickers as Minister of Finance, I deserve to be heard. If he has something to say, he should stand up and say it.

(Interjection.)

Mr. Richard: That is right. He has nothing to say that is worth hearing. That is why he sits down. That is why he does not say anything while his microphone is open. That is why he spews it out from some other member's desk.

Again, I want to say how insulting it was for the people of northern New Brunswick to see the Minister of Transportation stand up this morning in a desperate attempt to control political damage. How sad it was. All they had to do was say: We support the very same motion from the Leader of the Opposition.

But, no, they said they wanted to do it today. They could not wait until Tuesday. They have not built roads for three and a half years. Could New Brunswickers expect they were going to build over the weekend? They needed to do this today? They could not wait until Tuesday, after wasting three and a half years of New Brunswickers' time?

[Translation]

Northern residents are in the best position to know. Northern New Brunswickers—from Restigouche, the Acadian Peninsula, and Tracadie-Sheila—have seen no improvement to the Tracadie bypass in the past three and a half years. This a project that was started by the former government and that has seen no improvement in the past three and a half years.

051

Do you think that Tracadie residents believe that their situation will improve within three days, as a result of adoption of this crazy, ridiculous, and laughable motion introduced by the Minister of Transportation this morning? What a monumental joke! The Minister of Transportation should have asked someone else to introduce the motion. It was embarrassing for him to introduce the motion. After three years and a half in power, this man, who, I admit, has political savvy, should have known better.

People have waited three years and a half for this government to start investing in New Brunswick highways. Members opposite have not done so, although they promise to do so next year, of course, because of the election. They will run us into a deficit in order to build highways during an election year. What a mismanagement of New Brunswick public and fiscal affairs, after having promised to do better, to manage smarter, and to be open and accountable to New Brunswickers. What is seen is the total opposite.

Members of this government should be ashamed of the actions of their own Minister of Transportation. If he wants to do something for northern New Brunswickers, he should start building highways. He should at least complete the work started by the former Minister of Transportation, the member for Charlotte. He could at least do that, but he has not done so in the past three years and a half.

As I said yesterday, the former Liberal government invested more money in a single bridge—the Miscou Bridge—than the Conservative government has invested in highways over the past three years. In fact, during the summers of 1999, 2000, 2001, and 2002, the former Liberal government invested more in a single bridge than the Conservative government has invested in Restigouche and Gloucester Counties during the past four construction seasons. What a disgrace!

Members opposite take people for fools. Frankly, it is insulting for northern New Brunswickers to hear the government say that it will seek federal funding in order to build highways. Where was the government three years ago, after the election? Why did it not request federal money to build highways? Suddenly, at the eve of an election—I know the member for Fredericton North agrees with me—there is this great emergency to seek money elsewhere to carry out work that the government should have carried out over the past three years and a half.

That makes me feel ashamed. I think that people in the northern part of the province are too smart to swallow that. I believe that they know better, that they realize that, although the government may spend more on highways next year, it would be all over the year after. The day after the election would be the same as the day after the last election. The capital budget would be cut back by \$100 million. There would be nothing left. It would be claimed that public finances can bear no more highway construction. This is what a Conservative government would say, as it did three years ago, and northern residents realize that.

It is true that we could have done better. I said so very openly and I am not ashamed to say so. However, people understand that the financial circumstances were much more difficult, while this government benefited from a situation inherited from the former government. As the *Acadie Nouvelle* reporter said this morning, this government inherited a wave of economic prosperity. He said: The government has taken advantage of a strong economy resulting from major construction projects such as the natural gas pipeline, the refinery, and the four-lane highway to ride a nearly three-year wave of economic prosperity.

However, what did members opposite do with that economic prosperity? They squandered three years. They rode the wave, as editorialist Bruno Godin said in *L'Acadie Nouvelle*. Meanwhile, New Brunswickers, particularly northern New Brunswickers, paid the price. The members opposite should feel ashamed. It took them four years to react to a terrible situation in northeastern New Brunswick.

052

Everyone knows that, when a mine opens, it will close sooner or later. What has the government done in this region over the past three years and half? Absolutely nothing. The government has just announced a \$25-million program over five years, which means \$5 million a year. This is peanuts; it is embarrassing, in fact. The wage loss in the region, from the reduction of operations at the Belledune smelter alone, will take out as much from the regional economy.

This government has missed an opportunity to do what it should have done—fight to create jobs in New Brunswick, look for jobs elsewhere in the country, find a way to build on the New Brunswick economy, generate savings, boost public finances, additional revenue. However, what did it do? It squandered three, almost four years. What a waste! To think that New Brunswickers put their trust in this government. I assure you that many regret doing so. The government should have done better, but you do not have to take my word for it.

[Original]

You do not have to take my word for it. If I were the only one, I suppose New Brunswickers could say: Sure, he is the Finance Critic. He is a Liberal, and he is going to say that. However, more and more New Brunswickers are saying it. Every single editorial in every single daily newspaper in New Brunswick has lashed out against this budget viciously, like in the *Daily Gleaner* yesterday—very strongly. *L'Acadie Nouvelle* did as well. This morning, the editorial of the *Moncton Times & Transcript* talked about no accounting. I will read from it:

There is no accounting for government accounting.

They are talking about a government that promised to be accountable. They promised accountability. They even promised MLA responsibility. Not one of these MLAs is standing up to support the people in their ridings.

[Translation]

It is incredible that the members for Nepisiguit, Centre-Péninsule, Campbellton, Dalhousie, and Dieppe do not stand up to defend New Brunswickers. It is incredible. Allow me to quote from the *Times & Transcript*:

[Original]

Only government accountants could possibly engage in a form of bookkeeping in which one simultaneously, in the overall picture, loses money and saves money at the same time. Yet that is precisely what the 2003-2004 provincial budget indicates is happening in New Brunswick. If the province were a corporation, its books would show both a profit and large losses, mutually exclusive things. Since it is government, they talk of a surplus and adding to the provincial net debt, but it is the same thing. The only logical explanation is very creative accounting methods.

This is the Moncton *Times & Transcript*. Do not take my word for it.

The real bottom line is simple: The net provincial debt is increasing significantly, by about a predicted \$100 million in the coming year. There is but one explanation. The government is spending more than it is taking in. The budget is in fact not balanced, but rather predicts about a \$100 million deficit.

That was from the Moncton *Times & Transcript*. Yesterday, the *Daily Gleaner* said this:

Gasoline taxes are going up by 1.5 cents per litre and tobacco taxes will rise by a whopping 50 cents a pack.

We disagree with these calculated thefts.

Those are not my words. I am partisan. I will admit it: I am a Liberal. I will always be a Liberal. However, this is from the editorial in the Fredericton *Gleaner*, which is hardly a Liberal rag. This is what they had to say:

Steal from an addiction that is government-condoned and from hard-working New Brunswickers who do not have the option of public transportation, in most cases.

053

We argue the government collects enough money already from us and that it's a case of resource

allocation. You want to spend more on health care? Cut back on bureaucracy. Hey, why not reduce the number of MLAs in this province? That would be a substantial saving.

In light of the Romanow report, the government can expect more money from the federal government for health care and an economy that performs at a projected rate in 2003 should draw in more revenue.

At the end, it reads:

It's clear the government has decided to spend more this year and that is why the rainy day fund is being run dry. To place the blame on an economic downturn is wrong. The Tories are spending more money and that's the bottom line.

Will New Brunswickers accept that? We'll see.

What is clear is that the *Daily Gleaner*, the *Moncton Times & Transcript*, the *Telegraph-Journal*, and *L'Acadie Nouvelle* do not accept it. They do not accept the smoke and mirrors being fed to them by the Minister of Finance and by the Premier. They do not believe it. As I said yesterday, I do not believe it. Obviously, these newspapers do not believe it either, so I am not the only one.

Again, the letters to the editor are one and the same. Here is one that was in today's *Moncton Times & Transcript*, which is widely read in my riding. It has a very strong readership in all of southeastern New Brunswick and along the East Coast. This is what this writer said:

Premier Lord, your latest budget for the fiscal year 2003, released Tuesday Dec. 10, 2002, by Peter Mesheau will, I suspect, adversely affect the popularity rating for yourself and the N.B. Conservative party by an estimated seven to 10 percentage points.

It is not uncommon to levy a so-called "sin tax" on such things as tobacco and booze, but to place a 1.5 cent per litre tax increase on gasoline and diesel is uncalled for!

We in the Maritimes have been suffering through some of the highest prices for gas in the country—even higher than Quebec at times—and that's pretty much unheard of! Now, every single product that is trucked into, or produced in this province will ultimately cost us, the poor long-suffering consumers, more because of the 1.5 cent increase in fuel tax on gasoline and diesel!

As reported in Wednesday's Times & Transcript editorial, "The substantial increase, at a time when gasoline consumers are already feeling gouged at the pumps, will particularly pinch voters in a province that is about 50 per cent rural and must depend on their vehicles to travel to jobs and shopping and for other purposes."

Some of the hardest hit will be the struggling seniors of New Brunswick, who are desperately

trying to retain their independence and for whom their car is a necessity. In recent months, we have seen the premiums for the Atlantic Blue Cross Care Seniors Prescription Drug Program increase by 16%, the co-payment hiked from \$9.05 to \$15. The New Brunswick government has failed to revise their income ceiling for the New Brunswick Prescription Drug Program for at least three years (it still stands at \$17,198 for a single senior).

I will interrupt my reading of this letter to say that we had a motion last year on this very subject, trying to raise the ceiling. We have it again in our motions for this year. Of course, the government is stalling. It does not want to get to it, but this is a very valid point. Seniors out there and the writer . . . Well, he will get to it, and I will read on.

Car insurance rates for seniors have increased anywhere from 50 to 300 per cent . . .

I want to comment on this: The writer talks about car insurance rates. He probably did not know as he was writing this that the government is raking in the money from a tax on car insurance premiums—\$13 million more. The government is taking advantage of seniors who are already in serious trouble with regard to car insurance premiums and collecting money on those premiums—a bonus of 44%, one year over the next.

054

He could have said that New Brunswickers travel not only for work but also to receive health care, and probably more so as this government is looking to centralize some services in the regional hospitals, as the good folks of Minto already know.

I read on:

Car insurance rates for seniors have increased anywhere from 50 to 300 per cent and the all-party committee that was struck to study auto insurance costs proved to be weak and ineffectual, not coming up with a single recommendation to either curb or roll back the unconscionable increases that the insurance companies have levied on us seniors.

Why would they? Why would the reader expect that a government that had the majority on this committee, obviously, that has been asked . . . I know, because I have asked, for a year and a half, for the government to deal with this very important issue. It was clear a year and a half ago. I started in May of 2001 to ask the Minister of Justice and the Government House Leader to deal with this issue. You could see the writing on the wall. I was receiving calls from seniors then. I asked the government to do something about it. Here we are, a year and a half later, and a committee, where the government members are in the majority, has come up with nothing to relieve the pressures on automobile insurance rates.

Why would they? The Minister of Finance would say: We are raking in the money—\$13 million more in taxes on car insurance and other insurance premiums. We know which ones have been increasing:

automobile premiums. I hope I am wrong. I cannot imagine that the government would want to take advantage of the poor seniors and young drivers of this province who are being very hard hit by the increases in premiums. I cannot imagine the government would want to take advantage of young New Brunswickers and seniors while they are already down. I cannot imagine they would want to kick them while they are down by collecting \$13 million more in taxes on insurance premiums. That is precisely and exactly what is happening, and the writer notes this.

Now, every single product we buy and every litre of fuel we pump is to cost us more.

Premier Lord, I have been one of your staunchest supporters, since your landslide victory over the N. B. Liberals, but you have just lost the support of both myself, and I suspect thousands of seniors and other concerned voters in New Brunswick, with this ill-timed and poorly conceived budget.

This is signed by Keith J. Tindale. It is not good news, but I am especially pleased to read it into the record, because Mr. Tindale is from Shediac. I think this bodes well for Liberals in this province, who are seeing that more and more people who supported this government just three and a half years ago are realizing how much it has mangled the fiscal situation of the province. It has so mangled the truth. It has so mauled and mangled and trampled the truth that it is hardly recognizable as the truth now. You would hardly recognize it as the truth if you saw it. Certainly, I cannot recognize it as the truth. I cannot recognize as the truth that this budget is balanced, as the Finance Minister says. Members stand up during members' statements to say we have a balanced budget.

[Translation]

As the member for Nepisiguit did so this morning.

[Original]

If that is the truth, I cannot recognize it. It is just not apparent to me that it is the truth, but the government members are insisting on it. The Finance Minister is insisting on it. Premier Lord is insisting that this is the truth. I do not believe them, and I think fewer and fewer New Brunswickers are believing them as well. Certainly, Mr. Tindale does not believe them. He does not believe that he is better off, and more and more New Brunswickers are seeing this. This is a desperate budget.

[Translation]

What a disgraceful budget! And I will tell you why, since I have an opportunity to talk about it for a few minutes, possibly a few hours. I want to talk about it, because this is important for the people who are listening to us, the seniors, as Mr. Tindale pointed out in his letter in the *Times & Transcript*. It is important for him, and it is important that someone stood up and defended the interests of these people.

055

It is important that someone explained to these people how this budget penalizes them and how it digs into their pockets, while, at the same time, the government is telling them that it is lowering taxes.

People do not believe this line anymore. They no longer believe this government, and who could blame them? What this government is saying is no longer credible.

It is no surprise to see that the government is attempting to reduce the time spent on the budget debate. Members are ashamed of their budget. They want to put it to rest as quickly as possible. We will not allow them to do so. Members opposite want to hide the truth, but we cannot accept this situation, and we shall not. We shall fight, as it is incumbent upon us, so that people learn the whole truth behind this budget. People deserve to know the truth and they deserve to know what their government is up to.

I am not the only one raising these issues. Many banks are now beginning to comment on the government's budget, and their comments are somewhat of concern. This started last year. The Bank of Montreal stated last year that the government was somewhat optimistic with respect to its revenue and that this could cause problems. It can now be seen that the Bank of Montreal was right.

[Original]

I am reading from a commentary by the Bank of Montreal Financial Group. Obviously, banks are always understated in their comments. They do business with all governments, and I can understand that.

In short, the underlying fiscal balance for the year has deteriorated \$42 million to a deficit of \$101 million.

Further on, in reference to the budget for next year, which we are debating today, it says:

The \$109 million transfer will wipe out what remains of the FSF, which was built up in 2000-01 and 2001-02 as a rainy day fund to smooth out the fluctuations in annual surpluses and deficits.

Actually, that is not why it was created. They probably have not read the comments of the then Minister of Finance. I probably should send them his comments, which were that, essentially, it would be used when the Miramichi bridge fell into the river. What nonsense. He has a very unique way of expressing things, but he was trying to give a vivid example of how this fund would be used for very catastrophic occasions, something unexpected and very unusual in nature. It was a good example. I am glad he said it.

In fact, what Mr. Lord said regarding the stabilization fund is what I will quote from Hansard:

when we go over budget today, it means taxes for our children and our grandchildren. It means mortgaging the future of our children to do something today. That is an approach that we are not prepared to take. That is not the legacy we want to leave the children of New Brunswick.

That is exactly what this government is doing. That is exactly what this Premier, after having said that just a year and a half ago, is now doing. In fact, I think it was a year ago in December of last year. A year later, the Premier and this government and these Cabinet ministers and members are doing exactly

the opposite of what they promised. They have broken their promise. They are increasing the debt. They are increasing interest payments on the debt. Who do they believe will be paying for this? New Brunswickers.

(Interjection.)

Mr. Richard: Samuel, of course. He will be stuck with this bill, as will other young New Brunswickers. When the pages who are here finish their studies and start working, they will be stuck with this debt. After eight years of surpluses on Ordinary Account budgets, there will be a deficit this year and next year. Who do they think will be paying for that? This is sinful.

056

Again, the Premier stated in March of 2001: What happens if the economy is not as strong as we think it will be this year? What if the Canadian dollar continues to fall? In fact, it is going up. What happens if interest rates go up? They have not gone up much. What do we do then? If that happens, we will have the stabilization fund to help us, to make sure we do not fall back into deficits, according to the Premier. The government brought in a balanced budget on Tuesday, but the Premier warned it could be knocked out of kilter by economic changes beyond the control of the province.

In fact, this government has failed to govern. It has failed to manage smartly, to borrow its own words. It has failed to manage at all, in fact. It has relied on the expectation that the economy would continue to grow, and it has done nothing about it.

When I look at the budget today, I see the strategic assistance fund. It was always used to try to bring new businesses to New Brunswick, creating jobs. That fund was used to the tune of \$25 million or \$30 million per year, bringing Air Canada to Saint John, and how many other companies? The CIBC call centre and others created thousands of jobs for New Brunswickers. This fund is reduced to a measly \$5 million in this budget. Do you know why? This government is not attracting any new companies to New Brunswick. It is not out there hustling, as it should be. It is just not doing it.

[Translation]

Who knows that better than the residents of northern New Brunswick? Who knows that better than Acadian Peninsula residents? After hearing all those promises, the Mayors of Tracadie-Sheila, Saint-Isidore, and elsewhere are daring to speak out. It is hard for them to do so, but they are daring to speak out in order to tell their citizens and voters the true story and the plain truth. These mayors have spoken out to say that there is no economic renewal in the Acadian Peninsula, that it is smoke and mirrors, and that it does not exist. This is what the mayors told their citizens. So, there it is: merely smoke and mirrors in northern New Brunswick.

However, the government keeps claiming—rehashing, as they say back home—that its stabilization fund will save us. On the contrary, this fund only serves to mask the truth. The Minister of Finance and the Premier claim to have a surplus, but it does not exist. It is pure fiction, as pointed out by the *Daily*

Gleaner, the *Times & Transcript*, and a growing number of letters to the editor. People are calling me or are talking to members of our party. They must certainly be saying the same thing to government members as well. The government must be aware of that. What can you say? It is a sad thing.

I want to read you another comment made on March 29, 2001, by the former Minister of Finance, Hon. Mr. Betts, to *Times & Transcript* reporter Dave Francis when the Fiscal Stabilization Fund was created. With your permission, Mr. Speaker, I want to read from this article.

[Original]

Finance Minister Norm Betts isn't ruling out anything when it comes to spending a \$100-million "rainy day" fund established in this week's provincial budget, but he admits he does not want to see it used for operational expenses.

He was Minister of Finance, and it is being used precisely for operational purposes when we have an operating deficit. As I was listening to the Minister of Finance give his budget on Tuesday, it struck me that as they were preparing the 2002-03 budget, the former Minister of Finance, who is now Minister of Business New Brunswick, must have been against any use of this fund in years where you had operating deficits, because he said that was not the intended use. His whole credibility was at stake. No wonder he lost his job. He might have asked the Premier to be replaced.

057

This is a man of principle. He stood up and said that this fund was not to be used to balance the Ordinary Account. He said that in this House, so imagine his embarrassment when the government said: We do not care what you said. We are going to use it this way anyway. He must have asked to be replaced. I cannot see it otherwise. I think he is a man of principle and he would have resisted using this fund improperly. His own credibility was at stake, so he must have resisted very strongly. No wonder he was in such a bad mood yesterday afternoon, as I tried to analyze and explain why this was an improper use of the fund and tried to understand how this government had let the finances of the province slip the way they have over the past two years.

I think, in a way, I understand. As *L'Acadie Nouvelle* said, they were elected at a time when the economy was booming. There were thousands of jobs in road building, on the natural gas pipeline, and on the refinery refit in Saint John. There were thousands of well-paid jobs. The revenues were coming in. They say that in politics, timing is everything. What a wonderful time for this government to be elected. Revenues were coming in, so it was felt that it did not have to exercise any management of public finances. It seems that way, because our expenditures continued to grow beyond our means.

It is not what you spend but how wisely you spend it. This government has dropped the ball terribly, and I feel sorry for . . . Let's face it: We all have well-paid jobs. We serve the people, and it is a very difficult job; but it is a job we like, and it pays well. We earn a very good living, far above the average New Brunswicker. We have expense accounts, and we travel to Fredericton every week to do our jobs. Our expenses are covered. We have what I would call very high-mileage compensation

compared to most people. Most people are not paid for traveling to work. We are privileged in many ways to work at what we do, and I feel sorry for those New Brunswickers who have to pay their own way as they go to work and face this increase in fuel tax. I really feel sorry for them, and this government has really let those New Brunswickers down in many, many ways. I will have an opportunity to talk about this in the coming days and in the next couple of hours as well, as I continue to study and analyze this budget.

Let me quote again the Finance Minister—or the then Finance Minister. I stand corrected. I am referring to the member for Southwest Miramichi.

“This is one-time money, we don’t want to see it spent on operational issues,” Betts told the Times & Transcript yesterday.

The finance minister explained that if government were to use all or part of the fund to prop up salaries in the case of another strike by civil servants, for example, that cost would then be built into the province’s annual budget because the salaries would remain even after the fund was spent.

“That’s not the intent of it,” Betts said.

Noting that “we hope we don’t have to use it at all”, Betts said the stabilization fund was created to ensure money is set aside in case of unforeseen circumstances, such as the collapse

I think I need to put my glasses on for this one.

of a bridge or similar incidents. Spending the fund on wages isn’t ruled out, but it’s not why the fund was established.

“We could (use it to increase wages), but we wouldn’t.”

That was what the Finance Minister said. Well, they are.

058

As well, Betts said, it is not the province’s intention to take money out of the fund to pay off expenses in order to achieve a balanced budget by the end of the fiscal year. For example, Betts is predicting a \$35-million surplus in the coming fiscal year.

He was wrong about that too.

If unforeseen circumstances leave the province with a deficit as it approaches the end of the fiscal year, it is not government’s intention to simply pull from the stabilization fund the amount of money required to balance the books.

“That’s not the purpose of this fund,” he said.

How ashamed the former Finance Minister must be. How ashamed he must have been to sit next to the Minister of Finance and listen to him. How embarrassing it must have been for him to sit in Cabinet and study this budget and to sit in Board of Management and study this budget and to watch his government do the exact opposite of what he had promised, the exact opposite of what he had said they would do. How embarrassing it must have been for him. No wonder he is looking for another job. No wonder he wants out. Who could blame him? I will read on:

“We have no plans for this money,” Betts said. “It’s for unforeseen things.”

How the Tories use the fund could become the target of criticisms from the opposition parties and the public if history is any lesson.

This reporter had it right.

Again, there is an article by Don Richardson, who used to be a fine columnist and who is now a fine civil servant working for the Department of Health. I will read from his article of March 30 on the same subject.

The Lord government’s “rainy day fund” has come under the watchful eye of New Brunswick’s Auditor-General.

Daryl Wilson says he has questions about the government’s plan to set aside \$100-million of its current budget surplus to pay for future projects. He expects to see strict controls placed on how the money is handled and used.

Little did he know.

“We’re very interested to see how they treat this for accounting purposes,” the former Saint John city official said in an interview yesterday. “Other provinces have set up funds that are like this, but they have to be handled in a very specific way to meet the accepted accounting standards.”

If the government’s plan doesn’t meet those standards, the province’s financial watchdog said he may do to the Lord Tories what he did to their Liberal predecessors—rewrite the government’s financial statements to put those dollars back on the province’s books.

We will hear from the Auditor General on Tuesday, and I am anxious to hear what he will have to say. I know he has already noted that he is going to be discussing this fund.

What do other observers have to say about this budget? There are a few who have talked about it. The RBC Financial Group had this to say in August about New Brunswick. Obviously, it was not talking

about the province there, but it ranked the province. It prepared a provincial scorecard. I know the Premier talks about a provincial report card, but I have a little difficulty with that one, because it is prepared in the Premier's Office.

[Translation]

When I was going to school, I would have liked nothing better than to be able to write my own report card. That would have been nice. Just think about it for a minute. Like me, Mr. Speaker, you have been a school board member. Like me, you have been a student, I think. Imagine if I had been able to write my own school report card. How nice! My parents would have always been very pleased.

[Original]

My parents would have loved it. I am addressing the pages here somewhat, because I think they are all students. Imagine how much fun it would be if you could write your own report card. Your parents would love you, I am sure. That is what our Premier is proposing for the province. He wants the province to believe a report card he is writing on his own government. Imagine that. Would it not have been nice if we could all have done that when we were in school? It would have been nice for me.

[Translation]

I am convinced that little Samuel, who is a newborn, when he goes to school in six years, would be very pleased to be able to write his own school report card to show to his grandfather.

059

The member for Miramichi-Bay du Vin is looking at me and grinning. He is right. He too would have loved writing his own school report card, I am sure.

[Original]

I would have loved that.

(Interjections.)

Mr. Richard: He said he did, so he probably gave the idea to the Premier. He probably told the Premier: Mr. Premier, I have a great idea. Let's write our own report card. That is what I did. Look where I am now. I am the MLA for Miramichi-Bay du Vin. So that is where the idea came from. He said he did. I was wondering where that was conceived.

I am trying to picture the meeting in the Premier's Office. Probably, the Premier had already given the member a hard time for speaking out about a year and a half ago. Do you remember, Mr. Deputy Speaker? The Premier gave the member for Miramichi-Bay du Vin a very hard time. In fact, the member was quiet and hardly said a word in this House for a year. At the end of that conversation, I am sure the member apologized for criticizing his own government by saying that the neighbouring Minister of the Environment and Local Government, the member for Miramichi Centre, was stealing jobs from his riding. He complained about that in the Fredericton paper and in the local paper. After

that, he was told to keep quiet. The Premier told him that he had to be part of the team.

They were in the Premier's Office. The Premier had called him in, as a teacher would, for instance, for report cards we had not written ourselves. The member for Miramichi-Bay du Vin said: Mr. Premier, I have a great idea for the government. Let's write our own report card. That is what I used to do when I was in school, Mr. Premier. Let's do that. We will have straight A's if we write our own report cards. The Premier said: Well, Tanker—I am sure he calls him Tanker, because everybody does and he calls himself Tanker—I think that is a good idea. Let's try it. They did, and the report card was quite good. I have a copy of it.

The Premier thought his government was doing well. I am sure the Premier still thinks his government is doing well, since he is increasing fuel taxes and he is increasing tobacco taxes by \$25 million without a significant investment in smoking prevention, without a substantial investment in smoking cessation programs for those who already smoke, and without supporting my leader's bill on preventing students from being subjected to secondhand smoke on school grounds. Without doing any of that, the government is raking in, pulling in, and picking out of New Brunswick taxpayers' pockets \$25 million in tobacco taxes alone. Amazing. No wonder they want to write their own report card. They do not dare ask anybody else to write a report card for them. They are not going to ask the editorial board of the *Daily Gleaner* to write their report this week. We have already read its report card.

[Translation]

The government will not ask *L'Acadie Nouvelle* editorialist Bruno Godin to write its report card. This week, Mr. Godin already wrote the government's report card. In fact, Mr. Godin said this morning that the Lord government had the good fortune of inheriting in 1999 a wave of economic prosperity, as he said, from the Liberal government. This was on the day before yesterday, in fact, on Wednesday, December 11. Bruno Godin will not be asked to write the Lord government's report card. Of course not. The *Times & Transcript* will not be asked to do so either.

060

[Original]

They will not ask the *Times & Transcript* editorial team to write the government's report card. In fact, the Moncton paper wrote it this week, and what a nasty report card it was. I am sure the Premier will not take it back to his parents, not this Christmas. It is pretty tough talk. That is why the Premier wants to write his own report card, and who could blame him?

The RBC Financial Group wrote this on the provincial performance overview: employment, latest month, June, 6th in Canada; unemployment rate, 8th; retail sales, 10th—it does not get any higher than that—and housing starts, 10th. In May, we were 7th in Canada in residential units.

Therefore, we have had some good economic numbers. Certainly, construction has been booming, in Moncton, in particular. I think it was this morning that a Moncton area member talked about this. Certainly, in my area, it is true as well. The tax base in Shediac—Cap-Pelé has increased by 8% and

9% respectively, some of the highest numbers in the province. There has been residential construction. We cannot say that we are in an economic spiral that requires the government to borrow from the stabilization fund to balance the Ordinary Account, yet that is what it is doing. It is the exact opposite of what the government had said.

There are very serious concerns out there. I do not want to spend very much time on this because, in fact, the people of New Brunswick are analyzing the budget as we speak. They know what this budget is about. Anybody who has stopped for gas in the past couple of days knows what this budget is about. Smokers, including many who are trying to stop smoking, know that this minister is projecting that he is going to get \$25 million more out of their pockets without helping them to stop smoking. He does not want them to stop smoking. That is the only conclusion I can reach. He is projecting huge increases in revenues from those taxes. It is quite a shame.

The TD Economics *Provincial Economic Outlook* for November 25, 2002, predicts provincial economic performance in 2003-04. In terms of the average annual growth rate of real GDP, New Brunswick is ninth out of 10 provinces and below the national average. We had already said in previous days and weeks that with regard to GDP growth . . . APEC had said that we would be last not only last year—in fact, we were last this year—but also again this year. At least TD is saying that Prince Edward Island will not do as well as we, so that is a little better than what APEC predicted, which was that even P.E.I. would do better than we. As for real personal disposable income in 2003-04, Saskatchewan is tied with us, but only P.E.I. and Quebec are expected to do worse than us. Both of these are indicators the Premier used in his Prosperity Plan. What that means is that we are actually losing ground. The Prosperity Plan says we are going to close the gap with the rest of Canada, but we are well below the national average in terms of real personal disposable income and GDP growth. Instead of the gap being closed, the gap is widening. We are losing ground.

When we look at the sales volumes of resale homes in Canada, the percentage change per year, it was not a bad year—20% growth for New Brunswick. It was a very good year, except that the percentage for Canada was 27% and only Saskatchewan and Manitoba have a lower performance than New Brunswick. Again, we are losing ground to the rest of the country.

061

I could go on. I can tell you, it is pretty scary stuff. No wonder the Deputy Premier wants me to stop. He wants to pass. I guess he will have to wait until next year, and then they will pass the buck. Somebody else will have to do the job that they have been unable to do. In fact, they have dropped the ball. He said: Pass. We passed the ball in 1999, but you dropped it; so do not ask us to pass it again. You are going to have to throw it back to us next year. It is pretty scary stuff when I look at household indebtedness, the average debt to PDI, and our rank, which again is among the worst in Canada. As for mortgage debt, we are among the . . . I do not want to read more, because it is too much detail and it hurts me too much to read it.

Finally, let me read the last one, which is from Scotiabank. It is entitled: “The New Brunswick 2003/04

Budget . . . Stretching for Priorities”. It states:

The first provincial budget for fiscal 2004 reflects the trade-offs required to stay in the black as spending priorities continue to outstrip the revenues projected from moderate, rather than robust, economic growth.

.....

This budget is presented at a time of considerable fiscal uncertainty for New Brunswick. A new five-year Equalization arrangement must be negotiated for April 2004. In the meantime, transfer entitlements are being revised to reflect the softer population growth in the smaller provinces indicated by the 2001 Census. As well, the five-province Equalization standard has been lowered by the correction of a federal accounting error. Early 2003 will bring federal policy developments in health care and urban infrastructure. Additional federal funding is anticipated for provincial priorities, but it may be specifically earmarked or require a matching provincial contribution.

With no offshore energy projects promising increased economic activity and income, New Brunswick’s Prosperity Plan represents a very important strategy to further the province’s evolution from its traditional resource-based industries. However, the government’s ambitious proposals will likely require several more years of investment and support before they have a significant impact on the provincial tax base. Renewed fiscal caution may be needed to secure the Prosperity Plan’s longer-term benefits.

That means staying away from deficits on Ordinary Account spending, and we know the government has rejected that. However, where were we in 1999? This is the Institute for Research on Public Policy. This is from Donald Savoie, a very respected researcher and IRPP Senior Fellow who recently received a Ph.D. from the UNBSJ campus. The Premier often quotes him, actually. This is what he had to say in July 2001:

McKenna had a positive impact on the province’s economy. Under his tenure, New Brunswick outperformed other provinces of similar size in several key areas. Between 1987 and 1997, the province put its fiscal house in order, streamlined the public service and made the greatest progress of any province in reducing its dependency on federal transfers. Per capita growth increased by five percentage points, vis-à-vis the national average

Now we see that it is going down. In fact, the gap is widening.

and disparities in income per capita were reduced. On the job front, McKenna succeeded in moving away from social assistance toward job creation and in lowering unemployment.

Most importantly perhaps, McKenna succeeded in instilling a ‘can-do’ attitude in New Brunswick. The premier convinced Canadians inside and outside New Brunswick, most notably

the business community, that this province was no longer a supplicant, but rather an ideal place in which to conduct business.

That is from the institute and Donald Savoie, a very respected individual in New Brunswick.

062

My notes for this afternoon contain 24 pages. I have just completed page one, so I am well on my way.

(Interjections.)

Mr. Richard: I thank my colleague for her encouragement and support.

[Translation]

After all this, New Brunswickers must realize that this budget is horrible, terrible, and that it brings us back to a time that one would rather forget. That was a time when, year after year, starting in 1979-80, governments would run deficits. Our debt was increasing significantly. Employee pensions were underfunded. Employee pension underfunding reached \$1.6 billion. Imagine the problems encountered, year and year.

Finally, after much effort and the 1987 election, the people massively rejected this kind of fiscal management in New Brunswick. They elected 58 Liberal members, which was unheard of. All New Brunswick seats went to the Liberals. The people rejected the fiscal policies, the waste, and the lack of fiscal discipline of the former government. Everyone recalls that.

Now, after eight consecutive years and two balanced budgets, this government is bringing us back to that time. It is important to do something in order to prevent this government from continuing this awful handling of public finances in New Brunswick.

We cannot allow this government to continue down this path. We must do everything in our power to prevent this government from continuing to do what it is doing—pulling the wool over New Brunswickers' eyes, trying to have them believe that it is lowering taxes, while, in fact, it is imposing increases elsewhere. I will go through the list later. The government is raising taxes and increasing all kinds of fees that people need to pay to register documents. People must pay to use Crown land and provincial parks.

Pay, pay, pay. This is what the government is forcing New Brunswickers to do, while falsely telling them that it is lowering their taxes. It is clearly the case, and it is smoke and mirrors. New Brunswick no longer believe that line. I do not believe it either. It is time that people let the government know that enough is enough.

Do you know who pays the price? It is the seniors who are listening to us this afternoon. While their income is not rapidly rising, they are seeing hikes in their expenses under the Prescription Drug

Program, in their expenses for automobile insurance, in the tax on automobile insurance premiums, in the tax on the gasoline that they put in their car to drive to the doctor's office and the hospital.

Seniors are the hardest hit by this budget. Low-income earners, the most vulnerable segment in society, are the ones paying the highest price as a result of this terrible budget. It is time that these people got together—I encourage them to do so—and called their MLAs to let them know that enough is enough. I invite my constituents to give me a call and tell me what they think of this.

063

I am sure that constituents are not happy, as stated by Mr. Tindale this morning in the *Times & Transcript*. I am sure that they are most unhappy with this budget. I am sure that they are most unhappy to pay more tax on gasoline, on automobile insurance premiums, on medication, and nursing homes. This will be seen during estimates of individual departments, but the list is long. Personal income tax is higher, and the government is raking in \$924 million in taxes. This is an increase over last year. The government budget provides that corporations do not pay more, but individuals do. Again, there is a \$17-million increase since last spring in provincial property tax, which is the tax we pay on our homes. This is the largest increase across Canada.

The harmonized sales tax, the HST, that everyone pays on almost every purchase, is rising by \$35 million. This is incredible. This is \$35 million more in government coffers. This represents more tax paid by people who cannot afford to pay. Allow me to read a little further down. There is the gasoline and motive fuel tax, at \$237 million, which means a \$27-million increase over the budget tabled last spring.

That is not all. The government raked in more last year by increasing the gasoline tax. Who pays these taxes? It is the people who are listening. It is not the ministers in the Lord Cabinet. They have expense accounts and credit cards paid by the government. It is not the MLAs, and I include myself among those. Our expenses are reimbursed. We are not the ones who will pay; the people listening are the ones who will.

And that is not all. That is not it. There is also the \$25-million tobacco tax. True, this is a tax that is often deemed justified. There is a 35% increase. There are some people who want to quit smoking and who will have to pay this tax. Who is helping them quit smoking? Not the government. There is not a single word on the topic in the budget.

There is also the insurance premium tax, including on automobile insurance premiums. There is a \$13-million increase, which means a 44% hike. This government should be ashamed. When I think that northern New Brunswickers are the ones who will bear the brunt of this increase on automobile insurance premiums . . . Some companies are in fact leaving the region, and people have to rely on the Facility Association, which just raised its premiums by 46%. What a disgrace!

In the area of automobile insurance premiums, this government will rake in more tax on the back of these same people. This government should be ashamed. It is no wonder that it wanted to shorten the

debate and to silence opposition members by cutting short the budget debate. This government does not want the truth to come out. Again, I quote today's *Times & Transcript*:

[Original]

Government House Leader Brad Green forwarded the proposal to Richard, his opposition counterpart asking to wrap up the debate in five days and then have the Departments of Transportation and Health and Wellness deliver their capital budgets on Thursday and Friday.

In fact, that is not true. He offered to shorten the debate.

(Interjections.)

Mr. Deputy Speaker: I would caution about referring to or impugning the intent of other members. Continue, please.

Mrs. Mersereau: I am sorry. I certainly apologize. I did not mean to say that. It got away from me. I do not really know what happened. I truly apologize. It is really not like me to utter such statements. I would never say that the Minister of Justice lied. I just think he swayed from the truth. I apologize, again.

Mr. Deputy Speaker: Thank you. Continue.

064

Mr. Richard: This is the Moncton *Times & Transcript* article. There is no question. The Minister of Justice and Government House Leader sent me a note. He did not offer anything. He said: We want the budget debate to end next Wednesday. He never talked.

(Interjections.)

Mr. Richard: You did not like it then, and we do not like it now.

You said you would manage smarter. You said you would be an open and transparent government. That was what you said.

(Interjections.)

Mr. Richard: I am speaking, and I will continue to speak.

Imagine this. I will read from the article in the Moncton *Times & Transcript*: "The opposition's threat to filibuster is nothing more than power politics, according to Green." Imagine this. They have 47 members on the government side while we have 7 in the official opposition, and the minister says we are playing power politics? My God, what a laugh. They are feeling overpowered by the official

opposition, obviously. They are feeling overpowered, according to the Government House Leader. What a laugh. All they had to do was to say: We will debate this budget in the normal fashion. We will follow tradition in the House. Or they could ask for our consent. If they have a good reason, they can ask.

Never did the Government House Leader say: We want to do capital budgets on Thursday and Friday. In fact, they are already announcing capital budget projects outside the House. They do not need to do it in the House. The Premier was out yesterday reannouncing a capital budget project while we were sitting in the House, so they do not need the capital budget to announce capital projects. They are already doing it. In fact, last year, we had a capital transportation budget, and some of the tenders only came out in September of this year. It was a full nine months later before the Department of Transportation managed to send out some tenders for projects that were in the capital budget tabled in December of last year, so I do not buy it for a second.

The normal budget debate is until next Thursday, and we will keep it going until then. That is how it is going to be. They want to try to push us around, but it is not going to happen. They might as well think about it, because it is not going to happen. The member for Fredericton North is nodding yes, that they are going to push us around. He may try to push health advocates around, but he is not going to push me around. He thinks he can bully people, as the *Daily Gleaner* said this week, but we are not going to be bullied. We are not going to be bullied by the member for Fredericton North, we are not going to be bullied by the Government House Leader, and we are not going to be bullied by the Premier. No, that is not the way it is going to work.

The government members set the agenda. There is no doubt about that. They decide what time to start the session. The government decides when it will table the Ordinary Account budget and when it will table the Capital Account budget, but the opposition decides when all of that ends. Those are the rules. They have been the rules for many, many decades, since long before I was here and long before the Government House Leader was here. In fact, before the Premier was born, those were the rules. Long before the Premier was born, the Financial Critic of the opposition could take the time he or she wanted to debate the budget.

065

Even though they want to cut us off, even though they want to push us aside, even though they want to push us around, even though they want to cut off debate, even though they want to keep us quiet, even though they do not want us to talk about this budget, even though they want to keep the real facts, the truth, from the people of New Brunswick, even though they would rather we did not talk about it, and even though they would rather the people of New Brunswick did not know what is really in this budget, they are not going to have their way. It is just not going to work, so I will keep delivering this message until six o'clock, which is in another hour and a half, and continue on Tuesday afternoon, after we debate the motions, as well as on Wednesday.

[Translation]

I will go see little Samuel this evening. The member for Edmundston is looking at me. My grandson is so handsome. I will go him see tonight, and I am looking forward to it. However, I have a responsibility to New Brunswickers. Meanwhile, I can work and do what I must do to serve my constituents first and foremost. They are the ones I represent, the ones who elected me. However, I am also here to represent all New Brunswickers, no matter where they live, how they live, or how they make a living. They deserve our best efforts, they deserve the truth from their elected members. That is what they are asking of us, and that is why they have placed their trust in us. This applies to all of us, regardless of the party represented.

(Exclamation.)

Mr. Richard: The member for Bathurst does help me a lot with my speech.

(Exclamation.)

Mr. Richard: It is precisely because it is truth. I sense that the member for Bathurst would like to take the floor to give me a break. However, things unfortunately do not work that way. I will therefore continue, because this is important.

I will continue by reading something interesting. This was a speech delivered by a political assistant whom the Premier brought in from Ontario. David McLaughlin worked, I think, with the former Premier of Ontario and he also worked with Kim Campbell. His experience is mostly in Ontario. Premier Lord brought him to New Brunswick just before the most recent election campaign. Many people think that this gentleman is in fact running the show, that he is the real Premier.

The Premier often refers to the real Opposition Leader, but Mr. McLaughlin is probably the real Premier; he is the one running the show. Even backbenchers complain about it at times, because they wield little influence. However, Mr. McLaughlin clearly has a lot of influence. Let us see what he had to say recently, at a forum.

[Original]

The PolicyLink forum report, on page 26, talks about his keynote address:

David McLaughlin is the Deputy Minister of Policy and Planning, and the Secretary to the Cabinet Committee of Policy and Priorities with the government of New Brunswick. As he told members of the forum audience, he is at the center of a committee which, in his words, “drives the government’s policy agenda, vision and priorities.”

This is a civil servant, not a caucus member or elected MLA. This is not the peoples’ representative. He does not say that the caucus drives the government’s policy agenda, vision, and priorities. In fact, he is at the centre of a committee that, in his words, “drives the government’s policy agenda, vision and priorities”.

He began his talk by asking: Why policy?

- *Set direction*
- *Communicate priorities*
- *Focus decision-making*
- *Allocate resources*
- *Measure performance*

He outlined five basic policy sources used by the New Brunswick government today, saying, “If I dissected any NB government policy today, you’d find parts of some or all of these.”

066

Here they are, there are five.

- *the PC Party’s election platform, entitled “New Vision-New Brunswick,” which he referred to as the “old Bible”*
- *the three Throne Speeches which have been delivered since the government took power*
- *the various budgets delivered by this government*
- *the Premier and his Cabinet*
- *the recently released document entitled “Prosperity Plan for New Brunswick,” which he referred to as the “new Bible.”*

There is the “old Bible”, and there is the “new Bible”. Caucus is not even mentioned. It is something to be tolerated. I have heard very often the expression that children are to be seen and not heard. I suppose David McLaughlin would say the same thing about backbench members of the government: They are to be seen and not heard. Actually, I think that is what they told the member for Miramichi-Bay du Vin when he spoke out. He dared to speak out. He said: We are losing jobs in my riding. Young people are leaving my riding. He was quoted in the papers as saying that. He was doing his job as an MLA. I suppose David McLaughlin and the Premier changed that pretty quickly. They said: Mr. Member for Miramichi-Bay du Vin, you are to be seen but not heard. You are to be seen voting for government policy but not heard speaking against it. You are to be here and seen supporting this government but not heard supporting the people of your riding. That is what he was told, and he listened well. We have seen him a lot in this House; but we have not heard much from him, and the people of his riding have not either. He used to defend them. Basically, this is what Mr. McLaughlin was saying in this very interesting document.

(Mr. Speaker resumed the chair.)

Mr. Richard: I read on:

The public servants, who are part of the executive or administrative branch, have three main functions: they provide options for how policy decisions can be taken; they provide the executive

body with analysis and advice; and they oversee the implementation of government policy. The role of the caucus, according to McLaughlin, is to approve proposed legislation

—not to debate, not to discuss, but to approve proposed legislation—

while the full legislature has responsibility to pass/refine/reject legislation.

The Legislature can reject legislation, but the caucus has to approve it. The Legislature has to refine legislation, but caucus has to approve it, according to Mr. McLaughlin.

Further on it states:

In New Brunswick, we have, according to McLaughlin, the Executive Council that assists the executive branch with day-to-day business. McLaughlin made it clear that this council, especially its sub-body called the Policy and Priorities Committee, is at the centre of real decision-making in NB.

The caucus does not even have to approve that.

This is interesting reading, actually. I hate to move away from my speech since I am still on page 2, but I think this is worth hearing because this is a key player in how this government and this province are run. I am sure Mr. McLaughlin participated very, very closely in the decision to use the Fiscal Stabilization Fund in a way that the former Minister of Finance said it would not be used. The article goes on:

The Executive Council Office does the following:

- sets and forecasts the agenda of the P&P committee*
- shapes policy options and recommendations*
- analyses submissions to the P&P committee*
- writes minutes for and informs departments of decisions taken during meetings of the P&P committee.*

067

McLaughlin, speaking of the role of this EC office, said “We’re not very passive, in fact we are rather active, about directing departments.” He then reviewed differences between the role of the Executive Council Office (ECO), then (in the Premier McKenna days) and now (under Premier Lord):

Then—the ECO processed submissions

Now—the ECO analyses submissions

Then—the ECO responded to priorities set by departments

Now—the ECO sets priorities for the departments
Then—the ECO did passive analysis of government business
Now—the ECO does active analysis of government business
Then—the ECO was responsive to departments
Now—the ECO is directive to departments.

He is right. It is a substantive change. The Executive Council Office, the Premier's Office, essentially, and a few key staff, run this government, from A to Z. They decided to use the stabilization fund, contrary to how the former Minister of Finance said it would be used.

I am reading from this document, and I hope I have identified it correctly. I just want to make sure. For the purposes of Hansard, I may as well describe it correctly. The provincial forum was called "Forging Links: People, Community, Policy", and it was held on April 18 and 19, 2002, at the Howard Johnson Hotel, Fredericton, New Brunswick. This is the forum report of PolicyLinkNB. It was funded by Human Resources Development Canada and the John Howard Society of New Brunswick.

This is interesting reading. There is no doubt about that. This is what the report says.

Bottom line—departments are "not allowed" to make policy on their own.

Not the Department of Education and not the Department of Health—no department.

Bottom line—departments are "not allowed" to make policy on their own. The P&P committee, which is the heart of the Executive Council Office, now drives the government's policy agenda and its vision, and sets its priorities. McLaughlin says this is so that the P&P Committee can

He goes on, but I think I have said enough. I think the message is clear. We know who drives this government—not the backbench members and, in fact, not even all the Cabinet members—David McLaughlin does.

My colleague says I should go on, because there is more on page 28 of the PolicyLinkNB forum report.

How do people/departments get on the agenda of the P&P?

- *High priority is given to items on the agenda as outlined in the beginning—that is, if something is in a throne speech, in the "Bible," etc.*

- *Medium priority is given to departmental initiatives, and then, only when the department has done all its homework*

That is all right.

- *Low priority is given to new initiatives, or "things no one has heard of before."*

In essence, there is one main route to policy development and implementation in New Brunswick today—through the P&P committee.

But nobody has access to this government. It is all driven internally. It is all driven through the office of David McLaughlin, who was brought in from Ontario. How convenient for the Premier.

He indicated a list of key questions that might well serve the voluntary sector in preparing to influence policy direction.

- *Is it on the “priority” agenda?*

Is it already part of the government’s agenda? Basically, that is what he is saying. If it is part of the government’s agenda, that is fine. If what you are asking for is not part of the government’s agenda, we do not want to hear about it.

- *Do we know how much it will cost?*

That is reasonable enough.

- *What is the problem to be fixed?*
- *What problems might this cause?*
- *Who has been consulted?*
- *Can it be communicated to the public?*

That is another requirement. Can it be communicated to the public? Is it on the priority agenda? Is it already part of the government’s agenda?

It is very enlightening material. I would suggest, Mr. Speaker, that you might want to read it yourself. Certainly, government backbenchers might want to read it themselves so they know who is running this government, because they know they are not. This government is very, very interesting.

068

As I said in analyzing this budget, the Minister of Finance has been talking about putting more money into the pockets of New Brunswickers by reducing personal income tax. However, what he forgets to mention is the increase in just about everything else. In fact, personal income tax revenues are also increasing.

I have talked briefly about some of these items, but I think it bears hearing once again. There was a fuel tax increase of 2.3¢/L, from 10.7¢/L to 13.0¢/L, for a \$30-million increase last year. There is another 1.5¢/L this year. Before the Tories formed the government, New Brunswick had the second-lowest fuel tax rate in the country. Only Alberta had a lower fuel tax rate, surprisingly enough. Well, no, it is not surprising that Alberta would have a lower rate, of course. It is resource-rich country. New Brunswick

had the second-lowest tax rate in the country. Now we are fifth, and we are heading in the wrong direction.

The government brags about having low corporate tax rates, and that is fine. However, corporations only pay taxes on profits. Individuals pay taxes on gas, whether they are stretching their budgets to try to make ends meet or whether they are on fixed incomes, as are many seniors. They pay taxes on gas when they have to go to the hospital or to see their doctor or to buy groceries. Corporations only pay taxes when they make profits, and they have all sorts of ways and credits to avoid declaring profits and paying taxes. Individuals have far fewer ways to do that, as you know very well. Certainly, for seniors on fixed incomes, that is clearly the case.

As we drive up the taxes on fuel, who do you think pays the biggest price? Of course, companies are affected as well. Transportation companies are affected by high fuel costs. Do you not think that they pass those costs along to the consumers? Of course, they do. At the end of the day, who pays? The consumers pay. Individuals pay. The most vulnerable in our society, those who are paid the lowest, pay the higher price. They pay the lion's share of this increase, and they are hurt the most by it. That is why this particular increase has garnered so much attention.

When the people of Minto have to come to Fredericton for emergency hospital services, do you not think they will be paying more in fuel taxes? They have to travel now. It is 30 minutes, 45 minutes, or, in some cases, an hour away from Chipman and the surrounding areas. Now that their emergency services no longer exist, they have to drive to Fredericton to be served. They will be paying every single time they have to do that, when they have a sick child or a sick parent. We know that the health costs proportionally affect older people much, much more than younger people. Who do you think will be paying? Seniors on fixed incomes will be paying the price of this gas tax increase. That is why this particular tax measure is so reprehensible. It is hated, as we have read in the local and provincial newspapers and in letters to the editor. They got by last year, but I will tell you, it is not going over very well. Let me read a section from the editorial in the *Times & Transcript* of Wednesday of this week:

The government had let it be known that personal tax cuts would continue, and those already announced, the main beneficiaries of whom are those on the low end of the scale, but it failed to tell the public that it would claw those benefits back via a 1.5 cent-per-litre hike in gasoline and diesel fuel tax.

069

(**Mr. Ashfield** took the chair as Deputy Speaker.)

Mr. Richard: The Moncton paper sees through this scheme. Of course, people with incomes of \$10 000 or \$11 000 would not be paying much income tax. They might save \$50 or \$100 in a year. There you go. The Finance Minister has a hand in one pocket, saying: We'll give you \$50. Then he has the other hand in the other pocket, taking it right back, and taking more of it, in tax. In fact, he is taking more from the people who are more vulnerable. Those who are sick and those who have sick children

have to drive from rural New Brunswick to the hospitals in urban centres.

The editorial goes on:

That substantial increase, at a time when gasoline consumers are already feeling gouged at the pumps, will particularly pinch voters in a province that is about 50 per cent rural and must depend on their vehicles to travel to jobs and shopping and for other purposes.

Of course, the “other purposes” are, for instance, going to the hospital and going to see their doctors. You can think of a hundred things, such as visiting their families and visiting their grandchildren, as I will do tonight. These are the people who are being punished severely by this budget. With sleight of hand, the government is saying—of course, it emphasizes this—that it is putting more money into New Brunswickers’ pockets. It is saying that it has taken 20 000 people—I do not know the number—off the tax roll, with people saving \$25, \$50, or \$75. Then, with the other hand, the government is taking the money right out of their pockets again through new taxes on gas and insurance.

(Interjection.)

Mr. Richard: I have to agree with the member for Bathurst. Of course, she is right. She is almost always right, except this morning, when she talked about Santa Claus. Then she was absolutely wrong. However, she has seen the error of her ways.

Let me read on from this editorial of Wednesday, December 11:

It is precisely the wrong way to go, reducing disposable income rather than putting more money in the hands of ordinary people that will help boost investment and spending, which in turn leads to more tax collected. It runs counter to the whole philosophy the government has espoused behind the cuts.

The Moncton paper has it absolutely right. It says “the government has espoused behind the cuts”. It goes exactly against this government’s philosophy. It is a severe and tragic contradiction. I hate to use the word “misleading”, so I will not, but certainly, it is shameful. It is embarrassing for a government that said it would do better, manage smarter, be more efficient, and help people. We see now that this is not the case.

Fuel taxes are just the tip of the iceberg. I think probably the worst part of this budget is the fuel taxes, but that is not the only problem with it.

[Translation]

There are also increased property taxes, including other related costs such as school taxes. All this is going up in New Brunswick. Across Canada, the average property tax increase is 2.2% this year. In New Brunswick, it stands at 2.9%. Again, there is a growing gap between New Brunswick and the rest of Canada. People here pay more than residents in other provinces, and the gap is widening. Our

expenses are higher. The inflation rate in New Brunswick stands at 5.1%. Only Alberta—with a robust economy, for it is a wealthy province—has seen its inflation climb higher, up to 5.2%. In New Brunswick, the inflation rate stands at 5.1%.

070

Who is affected by these increases? You know as well as I do that it is the ordinary people, those who work hard.

(Interjection.)

Mr. Richard: The poor are not the only ones affected. The member for Bathurst mentioned the poor, but this also affects people who work hard to earn \$25 000, \$30 000, \$35 000, or \$40 000 and who have two or three children at home. These people have a hard time getting by when they have 15-, 16-, 17- or 18-year olds preparing for postsecondary education and they see tuition fees increasing at an alarming pace. This is a pace never seen before in New Brunswick. Since the election of this government, tuition fees have increased at a pace never seen before in our history.

Middle-income earners also pay. Of course, for the poorest people, the situation is outright tragic. However, even for middle-income earners with families, the situation is difficult. I tell myself that, fortunately, both my son and his girlfriend work and hold well-paid jobs. Samuel is better off than other children in the same situation, other children who were born on the same day as he was. That was on Wednesday of this week, on the 11th, the same as his father and his grandfather. I am no doubt repeating myself. You can sense my pride. I find it hard to contain my pride, and I know that the member for Edmundston understands.

Other children born on the same day will not be as lucky, because of the policies of this government and this terrible budget. I am not making this up. I am not the one who tracks information on property taxes. I am simply conveying information from Statistics Canada. The increase in New Brunswick exceeds the national average by 0.7%.

[Original]

What is a bit troubling for me is that this is happening in the very same year that, according to what I am reading from Service New Brunswick, 62 large industrial properties have seen their assessments frozen by this same government. Imagine that, 62 of the largest industrial properties in New Brunswick have seen their assessments frozen this year, while other New Brunswickers, seniors on fixed incomes who own their own homes and low-income homeowners, are seeing their property taxes increase by an average of 2.9%. We know it is a lot more in some cases. I do not know what the case is in Miramichi-Bay du Vin, but I know that in some cases, it is a lot more than 2.9%. All the while, the 62 largest industrial properties in New Brunswick saw their assessments frozen.

What a shame. We know what the members of the P&P committee that Mr. McLaughlin was referring to decided. They decided they know whom they are going to favour. They are going to favour the

mighty and the rich. The others will just have to fend for themselves. They reduced the taxes of the mighty and the rich but increased consumer taxes—the very worst thing the government could have done. I do not think Mr. McLaughlin is an economist, but the very worst thing they could have done is raise consumer taxes. Nothing hurts the economy more. If you were trying at the same time to bring in new businesses to create new jobs, at least that might tend to compensate, but we know it is not happening. Thank God—I am careful not to say “Thank the Lord”—the economy has grown as a result of the diversification of the nineties and the bringing in of IT companies, new technology companies and call centres.

071

We saw last spring when we were debating the estimates of Business New Brunswick how, essentially, the job growth in New Brunswick has been in this sector. Imagine if we had followed the advice of the Deputy Premier. I had a quote somewhere. I do not think I have it here, but I wish I had it. He talked about the technology centre when he was sitting on this side of the House. He said that this technology stuff is not for New Brunswick and that we are a resource economy. I wish I had the direct quote. I know I have it in my office, and perhaps I will find it before I speak again on Tuesday. If I do, I will read it for you.

However, imagine if we had not driven the technology centre in the nineties, not accepting the traditional view that New Brunswick could not compete with other provinces. No, we said, What others are doing, we can do better. We partnered with NBTel and developed the technology so that we could sell those resources we have—first, our human resources, our human potential, our bilingual, high-quality workforce.

We saw international companies coming into New Brunswick and setting up shop and heard comment after comment. They came for two or three reasons. They came for an NBTel network that was second to none in North America. It was high-speed and able to provide quality service to customers. They came because we had a high-quality workforce—bilingual people, willing and able to work, very competitive, and able to provide high-quality services to the clients of these companies that were setting up. They came because they were doggedly pursued by Premier Frank McKenna. Those were the three reasons. We did not accept that we were second-best. We did not accept that we were second-rate. In fact, Premiers from rich provinces across Canada were saying: Keep this Frank McKenna. We do not want to see him. He is stealing jobs from our provinces. Keep him. We do not want him.

Now, what do we have? We are no longer stealing jobs from other provinces. Now, the minister from Miramichi Centre is stealing jobs from the other side of the river, from Miramichi-Bay du Vin, and bringing them across the river to her riding. Instead of the Premier of British Columbia and the Premier of Manitoba saying that New Brunswick is stealing jobs from their provinces and that they have to do something, now we have the member for Miramichi-Bay du Vin saying: My colleague from the other side is stealing jobs from my riding. What a difference four years makes—incredible! Times have changed. There is no doubt about that. How sad it is.

How much have times changed? Now, our Premier went to Manitoba. He signed an agreement. The Premier of Manitoba said: Please, sign on the bottom line. I think he might have been interested in trying to promote himself perhaps to become a national leader of a once-national party, so he signed on the bottom line. Our Premier said: We will sign an agreement that we will not compete for jobs with Manitoba. Why bother signing? We were not competing anyway. We were no longer in the game. I am trying to remember the last time I heard a provincial Premier accuse us of stealing jobs from another province. It has been a while.

I do not want to be too hard on the Premier. I know my colleague, the member for Bathurst, would be much harder than I, but I do not want to be too hard on the Premier. In fairness to him, he has traveled across the country, far and wide. He was in Edmonton. He was in Edmonton again. I think he was in Edmonton three times. He has done a lot of traveling. He has been to the Albany Club in Toronto. He has traveled to Larry's Gulch to meet with a former Prime Minister.

072

There was a time in this province when we used Larry's Gulch to bring in CEOs, company presidents, so we could try to promote this province and convince them that this is a place to do business and a place of high quality. They loved to come here. Obviously, the fishing is great. This is the best place to fish salmon in North America. Famous people come from all around. For instance, the famous baseball player Ted Williams would come to New Brunswick to fish salmon. We used to use this fishing camp, owned by the taxpayers of New Brunswick, as a lure, and it worked. Companies set up shop here.

Now, how is it being used? We now have a Premier who uses it to promote his own career. He does not use it to promote New Brunswick. He uses it to promote himself. He brought in Brian Mulroney and George Bush in an effort to one-up the former Premier. It is incredible. A month after Mr. McKenna, the former Premier, brought George Bush to Moncton, which was paid for by companies in the private sector—no government money was used for that—Premier Lord could not have that. He flew Mr. Bush into Larry's Gulch and fed him lobster and salmon to promote his own image. However, guess who paid the price—the taxpayers of New Brunswick.

In fact, I would guess that the fuel tax increase we had last year helped to pay for the lobster and salmon that was served at Larry's Gulch for Brian Mulroney, who is probably the most hated Prime Minister in the history of Canada, bar none. He is a man who emanated from the business world and made a lot of money. He is a rich individual who left the country broke in 1993. He left the country high and dry and left poor Kim Campbell to take a browbeating at the polls. He skipped out in a hurry. He knew what was coming.

The country was nearly bankrupt. It is hard to imagine, because I do not think in these terms, but \$23 billion of deficit in one year. Can you imagine what you could do in New Brunswick with \$1 billion? Can you imagine what we could do in our education system and our health system?

[Translation]

Even the paving of Highway 950, from Shemogue to Cap-Pele, could be completed. Highway 180 could certainly be done. All that and not to mention northern region highways, which could be paved with gold, with \$1 billion. It was a \$23-billion deficit. This is shameful, really shameful. Shame, shame, shame.

It was this same former Prime Minister, hated by Canadians coast to coast to coast, as they now say, hated by the Inuit, Acadians, the Irish, the Scots, and by all immigrants who came in great numbers to this country. He was an utterly hated Prime Minister.

What did Mr. Lord, the Premier of New Brunswick, do? He invited the former Prime Minister to come eat some lobster and salmon, to do a bit of salmon fishing, all this in an attempt to promote his own image. Because, at that time, it was clear that he was not saying no. The door was closed, but not locked, as you will recall. The Premier's hand was even on the door handle.

[Original]

Our Premier said: The door is closed, but it is not locked; and I am reaching for the door handle.

Mr. McLaughlin must have been on vacation, because bringing in Brian Mulroney to try to help his image was probably not the right thing to do. I guess if the New Brunswick taxpayers were willing to pay for the lobster, why not give it a try? That is what they did with George Bush, Brian Mulroney, and the former chief of staff Fred Doucette, who is a nice individual. I have met him, but he is certainly no Liberal.

073

Let's get this political strategy in place. How can I position myself? Never mind that this province was going down the drain at the same time. This province was in desperate trouble at the very same time. We were operating with an Ordinary Account deficit. We were sucking out the very marrow of the Fiscal Stabilization Fund. We were overspending our way. We were spending more than we could collect in revenues at the very same time that our Premier was fishing salmon at Larry's Gulch with Brian Mulroney. He was trying to improve his own image and see if he could test the waters and become the leader of the fifth party in the House of Commons. Who was paying? The taxpayers were paying. He would make a little side trips to Edmonton and to the Albany Club in Toronto and maybe mix in a little business so that he could use the government plane. Why not? It is good for Mr. Lord, and the taxpayers pay. A million dollars here and a million dollars there. He does not pay. The Cabinet ministers do not pay. If Mr. McLaughlin thinks it is the right thing to do, why not?

There you have it. Our Premier, for about three months, toyed with the idea of running for the federal leadership of the Tory party and played around with the national media, being coy about it, saying: The door is closed, but it is not locked; and I am reaching for the door handle. He was still thinking about it. Who was thinking about the finances of the province of New Brunswick while the Premier was thinking about running for Joe Clark's job?

(Interjection.)

Mr. Richard: Actually, that is a good point. The Minister of Business New Brunswick was busy. He was applying for another job, and who could blame him? He was feeling pretty much abandoned by then. The government was abandoning his policies that he fought so hard to bring forward and defended so aggressively inside and outside this House. He was determined. He is a principled man. I really think he is a principled man. However, he did not have time to worry about the financial situation of New Brunswickers. He was applying for another job, probably lobbying the members of the board of governors of the university, as anyone would. You cannot blame him for that. Who could blame him for wanting to jump this ship? I think others should be doing the same thing. New Brunswickers are certainly thinking about it. Editorialists are thinking that this ship is sinking fast, and all the while, our Premier was crisscrossing Canada.

I remember one newspaper reporter wrote that it was pretty easy to get a half-hour interview with Bernard Lord in those days. You could give him a call and ask for five minutes, and you would get a half hour. This is from a national newspaper reporter. The Premier was spending a lot of time talking to national reporters about the federal leadership of the Tory party when he should have been looking after New Brunswickers. He should have been taking notice that our public finances were going down the drain. He should have been working with his caucus and Cabinet to try to do something to stop the flow . . . I am almost at a loss for words, but bear with me.

Our Premier should have been working to make New Brunswick a better place to work, to live, and to raise a family, as he has said many times. He was out looking for a better job for his own family. That is the way it is. I know the Deputy Premier does not agree with me, but that is the way it was. You could read it every day in the *National Post* or the *Globe and Mail*.

While New Brunswick's public finances were going down the drain, our leader was crisscrossing the province, trying to promote ideas like banning smoking on school grounds. He was talking to students and teenagers who were aggressively pursuing the same goals, such as in Hampton, which is in the Speaker's riding.

074

We heard from Oromocto. The member for Oromocto-Gagetown is listening intently, and well he should. The students in a class in his riding were very eloquent when they appeared before the education committee. Although I am not a member of the committee, I decided to go in that day, and I heard them passionately almost plead, accompanied by their teachers and a principal, with the government to follow their example. They said: If it could be done in Oromocto, it could be done anywhere. But no, I guess not.

[Translation]

There was the Clément-Cormier High School and its principal, Jacques Verge. He was there with a group of students, and what a nice presentation they gave. I had an opportunity to read a letter from the

Principal of Louis-J.-Robichaud High School, in Shediac. What a nice letter, which demonstrates that Shediac and its school decided not to expose students to secondhand smoke. Of course, the member for Fredericton North will try to convince you that there is no danger. According to him, the smoke bothers no one. What a joke!

That is why Jacalyn Boone, the only nurse practitioner graduate from the University of New Brunswick—she will be working outside New Brunswick, what a shame—wrote a very disturbing and well-thought letter outlining her convictions. She certainly told the member for Fredericton North what was on her mind.

It is no wonder, then, that the government did not want to support my leader's bill. First, the Premier had no time to think about it. He was too preoccupied by his own career and his own personal ambition, while New Brunswickers and seniors were being victimized by the decisions of his government.

I am already at page 5 of my speech and I have 24. I see that time flies. I have already spent two and a half hours on the first four pages. It is therefore clear that I will need much more time to complete my analysis of this budget and of its terrible impact on New Brunswickers.

There is something that I find deplorable, but I do understand, since I have been a minister myself. I realize that the Minister of Natural Resources and Energy could not be here at all times to listen to my speech. However, I am convinced that he would have been impressed by the arguments that I have put forward. He is certainly an intelligent man. I am sure that he would have understood.

I would have endeavoured, as I did with his colleagues, to convince him to change the policies of his government and to plead with Cabinet ministers. I do not know whether he is a member of the Policy and Priorities Committee of Cabinet, but he is probably a member of the Board of Management.

I would have endeavoured to convince him, as a minister and member of the Board of Management within government, to try to convince his own colleagues to remove this terrible gasoline tax, which hurts his constituents so much. His is a rural riding where people must travel to the Edmundston Regional Hospital for medical services. This will now cost them more. Sometimes, people must travel to Moncton for specialized service in French, such as oncology treatments.

In fact, it will be more expensive for people across the province—from Edmundston, the northeastern region, the Acadian Peninsula—who travel 2, 3, 4, or even 5 hours to receive oncology treatments. People will have to pay more because of this gasoline tax that the government just imposed, a tax that comes on the heels of the one it imposed last year.

075

I would have liked—and you can understand why—to convince the Minister of Natural Resources and Energy to change the minds of his colleagues and to reconsider this decision. This is a very bad tax that penalizes the most disadvantaged.

I am sure that the member for Restigouche West understands exactly what I am talking about. I have a sister who is experiencing the same thing and I have friends who are experiencing the same thing. The grandmother of a student working at our office is experiencing the same thing. This is a family of retirees who live on a low, fixed income and who must travel to Moncton day after day. You can imagine that their expenses have just jumped as a result of this budget measure.

I would have liked the member for Restigouche West to rise and tell his government that this is not the kind of measure that should be imposed on New Brunswickers, because it penalizes the poorest people, the disadvantaged, and those who live farther away from hospital centres. These are the ones who will pay the highest price. However, the government has unfortunately decided to proceed otherwise.

[Original]

I want to go back and mention the inflation rate in New Brunswick. Before I do, I just want to talk briefly about the inflation rate in New Brunswick. I mentioned it just very briefly. In October, the last month for which we have statistics, Statistics Canada indicated that the New Brunswick inflation rate was 5.1%. That is much higher than the national rate. In fact, it is the second-highest rate in all of Canada. Imagine the horror of New Brunswickers around the province when they read or heard about or listened to the speech by the Minister of Finance on Tuesday. They are already facing tremendous increases in their cost of living—the second-highest rate in all of Canada.

They were hit once again by this government, by this Finance Minister, by this Premier. They were hit once again with more costs—costs they cannot avoid. They just cannot avoid these costs. Again, this government has missed the boat. Any luck it has had with trying to build the economy, as I have said, was and is the result of the work of the previous government. That is clear, and please do not take my word for it. The editor of *L'Acadie Nouvelle*, Bruno Godin, wrote the same thing very clearly this week:

[Translation]

The government has taken advantage of a strong economy resulting from major construction projects such as the natural gas pipeline, the refinery, and the four-lane highway to ride a nearly three-year wave of economic prosperity.

.....

However, it must be said that, without the stabilization fund financed through initiatives of the former government, the Tories would have been in a very bad financial situation at election time. This government should thank the Liberals in power from 1995 to 1999!

You see, the evidence is there. Here is a list that the Department of Business New Brunswick provided me to indicate the call centres approved since this government was elected on June 7, 1999. The list is up to February 28, 2002. You will recall—I said so clearly, and others have said so as well—that the Minister of Finance used to call these jobs McJobs and Nintendo jobs when he sat on this side of the

House. In fact, government assistance totals \$44 million for these businesses. It is by far the sector that generated the highest number of jobs in New Brunswick since June 7, 1999. Let us look at the list:

076

CAA Maritimes Ltd., in Saint John, 8 jobs; CanJet, in Bathurst, 136 jobs; CIBC - President's Choice, in Fredericton, 350 jobs and \$5 million in government assistance; Clientlogic, in Saint John, \$4 million and 100 jobs created; Dun & Bradstreet Canada, in Moncton, 26 jobs; ICT/Canada Marketing, in Miramichi, 300 jobs; ICT/Canada Marketing, in Moncton, 90 jobs; Imperial Oil, 1 single new job; and I.T.S. Canada, in Moncton, 5 jobs.

[Original]

There are two lists from which I am reading. One list is incremental jobs, and the other is the number of positions created. I will read from both lists, so you can follow it.

Liberty Mutual Insurance of Canada, Saint John, \$300 000 of government assistance, 50 incremental jobs and 43 positions created; Marriott Lodging (Canada) Ltd., Fredericton, \$427 500 with 95 incremental jobs and 51 positions created; Minacs Worldwide Inc., Riverview, \$4 699 000, some 635 incremental jobs and 675 positions created; Moneris Solutions Corporation, Sackville, \$1 700 000, some 200 incremental jobs with zero positions created; MREDC, Virtual-Agent Services, Minto, \$90 000, no job numbers there.

The Qualiflyer Group in Moncton is an interesting one. An amount of \$3 600 000 was announced by the Minister of Business New Brunswick and the Premier about a year and a half ago. Approval was given at the Executive Council for \$3 600 000, but it was recently rescinded by Cabinet, although it was announced by the Premier at a press conference in Moncton. That is something he said he would never do. Remember that? My colleague remembers. He said: We will not announce jobs. When we announce jobs, they will be there. Obviously, that was not the case for the Qualiflyer Group.

The lists go on: RMH Teleservices, Saint John, \$2 880 000, some 576 incremental jobs and 600 positions created; Rogers Communications in Moncton—remember that one?—\$5 250 000. It is probably one of the richest companies in Canada, but it certainly received \$5 250 000 from our government for creating 700 incremental jobs. That means “eventually”, but 70 positions have been created to date. Spiegel Inc. in Saint John, \$3 970 000, some 778 incremental jobs, 500 positions created, and the list goes on.

For a total of \$44 190 000, some 5 857 jobs were announced, but we have to subtract the Qualiflyer Group from that. That is the large bulk. I think when we worked on the numbers last spring, something like 90% of government assistance through Business New Brunswick was for jobs in either the IT sector or call centres, after they criticized that type of industry so vehemently when they were on this side of the House. They called them “McJobs”, “Nintendo jobs”, “easy-come, easy-go jobs”, jobs that would disappear, jobs that would not stay in place. Clearly, that is what they did. They benefited from the work of the previous government. Thank God they had a previous government that created the

energy to bring these companies to New Brunswick.

077

As I said earlier, I want to speak a bit about the automobile insurance issue because it is important. I have here the report of the Select Committee on Private Passenger Automobile Insurance, the final report on auto insurance in New Brunswick. The report was made public in November, after we had waited three months for it.

The reason it is such an important issue, of course, is that it is a fairly significant revenue source for the government in the budget that was tabled on Tuesday. It represents about \$13 million in new revenues since March of last year. The same Minister of Finance in March of last year was predicting \$28 million in revenues from the tax on insurance premiums. Now he is predicting \$41 million, in the space of just six months. This is an increase of 44%. Because it is a 3% tax on insurance premiums, the revenue is going to follow the increase in premiums, of course.

If the government is getting 44%, or at least projecting a 44% increase in tax revenues, it means that New Brunswick seniors and young people, the two groups most affected, are subjected to more than 44%. We know that the average increase in premiums would be around 44%, if the minister is right, and I imagine he has the resources to make this calculation. If the average is 44%, that means seniors and young people especially are probably facing 50%, 75%. I have talked to people who are facing increases of up to 100% or 150% for their automobile insurance.

Imagine my shock when I read this number in the annex to the minister's speech, where he indicated that he was expecting this kind of growth in these revenues. What I was forced to conclude when I saw this in the budget was that the government really had very little intention of trying to wrestle with this or even to stop it. Remember, these are estimates for next year, starting April 1, 2003, so it appears that the government has abandoned any intention or hope of even stopping the increases in automobile insurance premiums since it is projecting, for next year, an increase of 44%. It is projecting this for the year starting April 1, so it must have abandoned any hope of trying to wrestle with this most serious of issues.

No wonder it took a year and a half before it finally came up with, at least, recommendations. I know the recommendations are not being well received by the industry. I know that, but at least there are some recommendations in the report that might have a chance of having an impact, if only the government would indicate what it is going to do with it. It took the government three months to make the report public after the committee finished its work. The committee finished its work at the end of August, and it was the end of November before the report was made public—three full months. Can you imagine? Every resident in New Brunswick receiving an insurance bill in those three months would see the increases just pile up, added to their already high living expenses. They would be wondering why this government was not doing anything about it. They would be hoping against hope that their government would do something about this very serious and important issue—but no. Not a thing has been done.

The government has had the report for three weeks, and there has not been a peep, not a word, not even one recommendation. You would think it would pick one or two and say: We are going to deal with these. We are going to do something about this recommendation. There are some in there that you would think it could do something with, but no, there has not been a word so far. It is hard to blame the government when its own Finance Minister is looking at a 44% increase in revenues from premiums. There seems to be no incentive. In fact, it seems to be the other way around. The incentive seems to be to drag this out as long as it possibly can. This is a desperate budget by a desperate government, so every million dollars in revenue is important to it. Why act on trying to wrestle with this important issue when it depends so heavily on this?

Let us look at this single item, this one item. There is a \$13-million increase in revenues, and the government is projecting a surplus of \$7 million that same year. If it did not have that \$13 million, if that revenue were flat, that would mean the government would have a \$6-million deficit, even using the stabilization fund. We have said already that if your debt is increasing by \$100 million, you are not balancing the budget, but imagine just how important is this item alone in terms of saving the government's face.

Where is the incentive, I ask you? There is no incentive for the government to deal with this issue, and New Brunswickers are suffering. For instance, some of the things in here are not that dramatic to endorse. Let us look at this one. This has to do with advertising. I am reading from the report. The issue is titled "Control of Advertising". Here is how it goes:

Recently, the number of billboards advertising the services of lawyers who specialize in auto accident insurance claims has been increasing in several regions of the province.

Recommendation

The Committee recommends that this matter be referred to the Law Society to explore in terms of the type and suitability of advertising.

It seems a like a pretty simple thing to do. We just want to refer it to the Law Society to see if it can deal with it. I know there are issues. In fact, this is an issue that has been tackled by the Supreme Court, if I am not mistaken. I cannot recall which Law Society it was, but it may have been in Ontario. At some point, it was challenged, and I believe the argument was that free speech allows lawyers to advertise their services. This is a very simple recommendation. You would think the government, on the very same day the report was released, would say that the Superintendent of Insurance or the Minister of Justice, who is responsible for the issue, would write to the Law Society of New Brunswick to say that there was a recommendation in the report and quote the recommendation. Three weeks have been lost just on that, and this is a very easy recommendation.

Another issue is with regard to auto insurance telemarketing. In fact, the member for Bathurst informed

me last week that her father, who is 89 years old, went to his broker. The broker said: I cannot insure you anymore. Your insurer does not want to renew your policy, but I can send you to the Facility Association. He has a driver's license. He still drives, and he is able to drive. His insurance would increase dramatically. I do not have the number, but it does not matter. The amount of insurance he would have had to pay was \$2 300. However, the broker said: I would suggest that you call this number. It was a 1-800 number, and actually, the call was to Quebec, to the Royal Bank, I believe.

[Translation]

So, Mr. Chiasson called this 1-800 number in Quebec and he spoke to a Royal Bank officer, who offered him Quebec-based automobile insurance coverage. The cost for Mr. Chiasson's automobile insurance is approximately \$1 500. This is \$800 less, for Quebec-based insurance. All this was suggested by Mr. Chiasson's broker, who told him: I should not tell you this, but give it a try.

079

Insurance is sold by telephone out of Quebec at \$800 less. This shows the problem to some extent. The committee raised this important issue and looked into it. This affects small businesses in New Brunswick, such as insurance brokers in my community. There are brokers in Shediac and in nearly all small communities in New Brunswick. This affects hundreds of jobs. I do not blame consumers; they are trying to save money and to make ends meet.

(Interjection.)

Mr. Richard: They have no choice. That is exactly the case. Mr. Chiasson is 89 and receiving a pension. Of course, if he can save \$800, who could blame him?

[Original]

The committee looked at this issue of auto insurance telemarketing. Let me read from the report:

The Committee members viewed the issue of auto insurance telemarketing and its effect on middle market availability with concern. Some telemarketers have no New Brunswick presence (i.e. may not have licensing agreements with the Office of the Superintendent). These marketers come into the province seeking easily serviced consumers on the basis of low-priced coverage.

Four things follow:

- Telemarketers often select the "best" clients, leaving local brokers to deal with less desirable clients who must pay higher premiums based on the amount of risk such clients bring to the table.*
- Secondly, it is clear that revenues generated through insurance telemarketing go out of local communities and likely out of the province.*

That is the case here. Evidently, the Royal Bank has branches in New Brunswick, but this call was made to an office in Quebec.

- *Telemarketers customarily do not make clients aware of the fact that a chargeable claim often results in policy non-renewal. Once the policy renewal date occurs, the client who is now without insurance must try to go back to the original New Brunswick agency or broker.*

I suppose if you are 89, you are not worried about that too much.

The original broker, however, is often not able to serve the client because of the marketer's refusal to renew. At this point, if the original/local broker is able to serve the client at all, a substantial increase in premium usually results.

The committee studying this made a recommendation, which is:

The Committee recommends that insurance telemarketing be more strictly licensed and regulated and that the enforcement of insurance telemarketing regulations be carried out by the Office of the Superintendent.

Of course, the reasoning behind this is that if the telemarketers are allowed to cream the market, and that is an expression that means to take the best clients out of the market . . .

(Interjections.)

Mr. Richard: Cherry picking is exactly the right term.

Then other clients in New Brunswick who do not have that same opportunity will end up paying more for their premiums because they are based on the territories that exist in New Brunswick and the claims that are made here. Therefore, this will result in higher premiums for the rest of New Brunswickers, but it will also result in higher tax revenues for the government. The government has not done anything on this issue either.

The issue of middle market growth was also addressed by the committee. I quote:

The Committee recommends that PUB ensure the continued presence and growth of middle markets by expedient disposition of Facility Association rate filing requests.

That is a pretty easy recommendation to adopt and to implement, yet there is not a word from the Minister of Justice on this. Here again, this is a recommendation that stays in the report and that has not been acted upon, despite the fact that this issue has been raised in this Legislature for a year and a half.

I will read on under "Office of the Superintendent of Insurance". It is a pretty easy recommendation. I quote:

The Committee recommends that there be a co-ordinated effort between the Office of the Superintendent of Insurance and the Public Utilities Board regarding the handling, monitoring and managing of auto insurance, making absolutely certain that the government is well informed and fully aware of emergent issues.

080

The Committee further recommends that the Office of the Superintendent of Insurance be reviewed and amended to bring its roles and functions in line with the recommendations in this report.

Those are pretty easy recommendations to implement. It will not have any impact on insurance premiums, but you would think the government would have announced the same day that it released the report that it would be prepared to act on this. There is nothing to it. There is very little cost, but there was not a word, not a peep, from this government. You would think that in the time that I have been addressing the budget, the last five hours and 50 minutes, that the government would have been able to act on a couple of these recommendations but, no, not a word, nothing.

This is an interesting one. It is entitled, “Control of Proof of Insurance”. I wish the Minister of Public Safety could participate in this debate this afternoon, because this is one where she dropped the ball miserably when, earlier this year, she decided that Service New Brunswick would no longer require proof of insurance to renew drivers’ licenses.

Certainly, the committee did not agree. They have recommended very strict measures to make sure that people who drive have insurance. It is a big issue. It is a big safety issue. Many people are at risk. They are at risk not only to themselves if they have an accident without proper coverage—they could be ruined—but also to everybody else who is on the highway. If they are involved in an accident with someone who is not insured, their chances of getting adequate compensation is much, much reduced. The people who cannot afford to pay their car insurance are those who do not have a whole lot of equity to begin with. Most of them do not have a lot of revenue. I spoke to a broker last week from the northwest region who told me that more and more of his clients are canceling their insurance, and he knows they are driving without it.

Therefore, I think this recommendation is a pretty good one, and it is one that I have raised in the Legislature many, many times:

The Committee recommends that insurance coverage be tied directly to vehicle registration with monitoring and enforcement processes as follows:

- *Print insurance certification information directly on the New Brunswick vehicle registration form with clear notice that canceling insurance means canceling registration.*

That is easy to do.

- *Develop the process through IT solutions developed by e-business.*

—again, the IT sector, which was so well developed by the previous government—

- *Synchronize registration and insurance due dates/renewals.*
- *Produce license plate stickers as proof.*
- *Those wishing to cancel insurance would be required to turn in their plates.*

Government has not reacted to this. I suppose they might have discussed it in Cabinet. The Minister of Public Safety might have said: Wait a minute, I am going to look bad here. I decided last spring that you would not be required to bring proof of insurance to renew your car registration. I am going to look bad. She may be arguing in Cabinet not to do this one, because she would lose face. However, it is a good measure that protects New Brunswickers. It is the right thing to do. They should be less concerned about their credibility and their image and more concerned about doing the right thing for New Brunswickers. That is what I hope they will do with this recommendation.

There are other good recommendations, such as looking at an arbitrated resolution process to try to reduce the legal costs of handling many claims. This might be a way of reducing the associated costs. Of course, every time a claim is brought before the courts, the insurance company is obligated to defend it, so their legal costs are quite high as well.

081

Again, this is a suggestion that is much more complex than some of the other recommendations I have talked about, but it is one I think the government should consider in an attempt to reduce the cost involved in resolving claims in automobile insurance. If you reduce the cost, then you should reduce the premiums, or at least control the increases in premiums. That is something the Finance Minister probably would not like to see happen because he is banking on increases in premiums.

There is a good recommendation on education. For instance, the committee is saying that we should have an enhanced graduated licensing program. Who can be against that? We should establish compulsory safety driving courses for all new drivers. I support that. If we reduce the number of accidents, without a doubt, we would reduce the number of claims. If we reduce the number of claims, we reduce the amount of money that is paid out by the industry. If we can do that, eventually, we should be able to reduce the amount in premiums that we all pay for automobile insurance. I do not know whether the Finance Minister thinks that is such a good idea; but I think it is good for New Brunswickers, so it is something that we should be looking at very closely.

There are other recommendations, such as:

- *Require mandatory vision testing by the Department of Motor Vehicles (or proof of vision*

fitness for driving from a licensed optometrist) every 10 years.

It is not that harmful or hard to do. Sure, it is another requirement, but again, if it can . . .

(Interjection.)

Mr. Richard: Yes, new vision New Brunswick, or better vision New Brunswick.

- *Require completion of mandatory safety driving courses for any repeat offenders convicted under sections of the Criminal Code of Canada that relate to vehicles.*

That is a pretty reasonable recommendation. There is not a word from the government on this one either.

- *Enhance classroom road safety programs.*
- *Place emphasis on educational programs that focus on accident prevention, saving lives and reducing injuries.*

Again, these are very reasonable recommendations that make perfect sense. You would think that the government would have reacted to at least some of them to try to grapple with this very difficult issue that is really putting a lot of hardship on New Brunswickers and, as I have said before, on the very poorest of New Brunswickers.

This is an important issue. It is right there in the budget. This relates to the government's new tax revenues from insurance premiums. I am concerned that the government is really in no hurry to see insurance premiums being tackled because the government is profiting. There is a conflict of interest here, very clearly. For the Cabinet ministers, their conflict is probably even greater, because they want to ensure revenues but they do not pay any insurance on their vehicles. They drive government vehicles, and the government does not insure its vehicles. It is self-insured. If you are sitting in Cabinet, you are not really bothered by this. It does not affect you much. You have a government-supplied car, you are not paying insurance, and you have revenues coming in at a rate of 44%, one budget over the other. I am worried about this one, really worried.

Another recommendation deals with road user safety. Again, it is a very important recommendation. I remember that when it was discussed in the committee, the intent was to try to reduce the number of accidents.

The Committee recommends that for repeat offenders of driving-related offences under the Criminal Code of Canada (CCC), the government act to

- *Establish an escalating fine schedule.*

- *Impose the loss of driving privileges with appeal after five years for repeat offenders under CCC and those charged under the impaired driving legislation.*
- *Ensure that stricter guidelines are in place for these offenders regarding the re-instatement of driving privileges.*

Mr. Deputy Speaker: It is now six o'clock. The time has elapsed for today.

Mr. Richard: Mr. Deputy Speaker, how time flies.

082

Hon. Mr. Green: That is more applause than the person who holds the title of Leader of the Opposition ever gets in that caucus.

(Hon. Mr. Green moved that the House adjourn.

The House adjourned at 5:59 p.m.)

[Translation]

Daily Sitting 17

Assembly Chamber,
Tuesday, December 17, 2002

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047

Debate on Motion 54 (Budget Debate)

Mr. Richard, resuming the adjourned debate on Motion 54, spoke as follows: I am very pleased to resume today the debate on the budget speech, because it deserves all the attention it is getting. The member for Albert County, who is making comments from his seat beside yours, Mr. Speaker, should be ashamed of the obscene gesture that he made and that I saw with my own eyes this afternoon. I do not think that voters from his county would be proud of him, as a result of the obscene gesture that he made from his seat this afternoon.

048

Point of Order

Mr. McGraw: The Speaker of this illustrious House has already ruled on that this afternoon. I think that it is most inappropriate for the member for Shediac—Cap-Pelé to insinuate that the member for Albert did in any way make a special gesture in his direction. The point was already raised in the House, and the Speaker has already ruled on the matter.

Mr. Richard: On the point of order, I want to state that the Speaker did not rule that it was not a point of order. The Speaker said that he had not seen the gesture; that is quite different. He said that he had not seen the gesture, but I did! I did see the gesture made by the member for Albert. I saw him do it more than once, and he should be ashamed. His constituents must be ashamed of their elected member, who makes an obscene gesture in the Legislative Assembly.

[Original]

Mr. Deputy Speaker: There was a previous ruling by the other Deputy Speaker. He had not seen the gesture and had ruled the point of order inadmissible. Please continue.

[Translation]

(Interjections.)

Mr. Richard: I am not challenging the Speaker's ruling. Listen carefully. I simply said that I did see the gesture made by the member for Albert.

[Original]

Mr. Deputy Speaker: I would ask the member to continue with his comments on the budget. There has already been a ruling on this matter.

[Translation]

(Interjections.)

Mr. Richard: I am not challenging the Speaker's ruling. I want to be clear on that. I did see the member for Albert make a gesture, an unacceptable gesture.

[Original]

Mr. Deputy Speaker: I will have to ask you to refrain from referring to this matter. It has already been decided upon. Please continue with your comments on the budget.

Mr. Richard: I do not blame you for being embarrassed. It was embarrassing to all of us.

(Interjections.)

[Translation]

Debate on Motion 54—Budget Debate

Mr. Richard: The Minister of Transportation is in no position to complain. He rose in the House to

defend an amendment that should have been an embarrassment to him after three years of inaction in northern New Brunswick. He tried to claim that he was seeking the cooperation of members, while he included wording that was totally false. He should be ashamed. It is known that the former government put more money into a single bridge in the riding of the Minister of Tourism and Parks than this government has spent . . .

[Original]

Mr. Deputy Speaker: I would ask you to address your comments through the Chair. This is getting a little heated, so please do that.

[Translation]

Mr. Richard: I am addressing my comments through the Chair. On the contrary, I am addressing my comments through the Chair. I can understand why the minister never ran for the leadership of his party. If he had been so strong, if he had been able to do so, he would have run.

(Interjection.)

Mr. Richard: Everyone knows your abilities. That is precisely the point.

Point of Order

Mr. McGraw: I feel that, when a member addresses another member and says, I know “your” abilities, the use of “your” clearly demonstrates that the member is not addressing his comments through the Chair but directly to the other member. Furthermore, I would urge the member for Shediac—Cap-Pelé to be cautious and to make an effort to address the budget.

[Original]

Mr. S. Graham: I wish the member for Centre-Péninsule would allow the member for Shediac—Cap-Pelé to continue with this debate. What he has raised is not a point of order. I respect your judgment in bringing that forward.

Mr. Deputy Speaker: I would suggest that the member for Shediac—Cap-Pelé continue with the debate but address his comments through the Chair and not directly to any other member in this House.

Debate on Motion 54—Budget Debate

Mr. Richard: I surely will do that. I thank you for the opportunity.

I do have a great deal more to say about this budget, which is absolutely horrible. It flies in the face of everything this government has been saying for the past three and a half years. It flies in the face of what the former Minister of Finance said would be done with the Fiscal Stabilization Fund. It is a complete denial of what the government said it would do.

I cannot imagine how the members of this government can stand up and defend this budget in this Legislature. In fact, I am not giving them too much of an opportunity to do so. I will admit that. They have other opportunities, and I cannot imagine that in the caucus meetings that they had . . .

(Interjections.)

Mr. Deputy Speaker: Order.

Mr. Richard: In fact, if they think I am helping them, that is not what I am hearing in my riding and from the people who have taken the time to write and E-mail me over the past few days. They are entitled to their opinions, and that is fine. Someday they will be able to express their opinions but maybe not for a few days yet, as we continue this debate on the budget.

I want to be clear. I am sure that some day the Minister of Transportation will have his day. Some people would say his day has passed already, and in fact, I certainly would be one.

He refers to the editorial in *L'Acadie Nouvelle*.

[Translation]

I do not mind referring to *L'Acadie Nouvelle*. In fact, I will quote from yesterday's editorial by Michel Doucet:

[Translation]

Consider some of the issues requiring urgent attention: pay equity, physician resources, the situation of postsecondary students, highways in the northern region and elsewhere, the energy situation, etc. One wonders how elected members still find the time to make jokes.

About a month ago, we introduced a series of motions specifically geared to those important issues: pay equity, automobile insurance, the situation of postsecondary students, physician and nurse recruitment in the health care system, and I could go on. One month later, we are still debating Motion 1, the initial motion introduced by my leader on November 20 last. Do you know why? Because the government is systematically prolonging debate on Motion 1 in order not to reach the major motions. For instance, there is Motion 10, which was introduced and which urges to the government to actively pursue an objective of ensuring that the *Pay Equity Act* applies to the private sector. The motion also urges the government to amend the *Pay Equity Act* so that it applies to all parts of the public sector. Government does not want to reach this motion, because it has a terrible record to defend. It has done nothing.

In fact, the minister responsible, when he rose in the Legislative Assembly last year, did not even know what pay equity was. It is no wonder that the government does not want to reach this motion. The government itself is systematically prolonging the debate to avoid a debate on these major issues. It is making Motion 1 drag on and will continue to do so.

Then, this government has the gall to accuse me of wasting the time of members. I am merely using the time allotted under the Standing Rules, and the time allocation is clear. The Financial Critic has unlimited time, up to six days, to debate the budget. This is a longstanding tradition in the British parliamentary system, which is the hallmark of the democratic system enjoyed in New Brunswick. This tradition is as old as the history of the parliamentary system in Canada.

I am merely exercising a fundamental right under the democratic system. If it was deemed unreasonable for a Financial Critic to speak for more than one hour, the tradition and the Standing Rules would be changed. However, in our book, the rules are clear, and they are there for a reason. I am merely exercising a right which has existed for decades, for centuries, in fact, and I think that it is important to be able to do so.

050

In fact, I am barely impressed by the criticisms leveled by reporters in this regard, because, if one looks at the budget debates last spring, the spring before, and the spring before that, one notes that almost nothing was said in the papers. The speeches made by members from both sides of the House, whether government or opposition members, on those budgets were of little interest to reporters. Very little was published on the budget debates.

This year, there is much more talk on the budget. This is one of the reasons why I have been speaking for more six hours now. In my opinion, it is important to draw attention to a deplorable budget, which digs into the taxpayers' pockets. In fact, this blatantly contradicts what the Premier, the Minister of Finance, and the former Minister of Finance have said.

New Brunswickers are entitled to learn the whole truth. If newspapers do not want to cover speeches by members on such an important issue, I have a duty to speak as long as it takes to attract their attention. In fact, it is working. The proof is that newspapers are taking note of the debate under way. In fact, over the weekend, my constituents encouraged me to continue the debate. They encouraged me to continue the debate because, each day, they learn new details on this budget.

No later than today, it was learned that insurance companies are \$7 million in arrears on money that they collected from holders of insurance policies, including automobile insurance policies. This is money that they have not remitted to the government of New Brunswick. It is shameful to see that the government is in no hurry to address this issue.

No wonder, when the government in turn collects in fact an extra \$13 million in tax on automobile insurance premiums. The government is benefiting from a 44% increase in the tax on automobile insurance premiums. It is no wonder that it is in no hurry to address this important issue, which burdens all automobile insurance policyholders in New Brunswick, no matter where they live. It is known that this burden is heavier for seniors and young people, who are particularly hard hit by hikes in automobile insurance premiums.

Therefore, I am not bothered at all—even less when I read the column written in today's *Daily Gleaner* by Brent Taylor, the former CoR member. Mr. Taylor should know better than anyone that each minute I spend on debating this budget is one minute that would otherwise be spent on debating this budget anyway. My debate represents no waste of time whatsoever. The Standing Rules provide for a six-day budget debate. The Government House Leader wanted to shorten the debate to four days. Unacceptable! My speech represents no waste of time whatsoever, and I will continue to analyze this budget.

In fact, I have the unconditional support of opposition members, including the Leader of the New Democratic Party, with whom I discussed my speech. Therefore, clearly, government members are the ones who would like me to stop talking on this budget. Who could blame them? This is a disastrous budget, which confirms that, for the second year in a row, New Brunswick is experiencing an Ordinary Account budget deficit. This is the first time since 1994-95, and it is shameful!

The Premier rises and insults the intelligence of New Brunswickers by saying that there was a \$264-million deficit in 1998-99, but he knows better. Not only should he know better, but he does know better. He knows that the 1998-99 deficit was the result of a writedown at Point Lepreau, which is worth tens of millions more than the \$164 million. This writedown over a 20-year period was recorded in one single year. The operating budget was balanced in 1998-99. The Premier knows better than that.

051

The Premier also knows that this is the first time since 1994-95 that the government is operating with a deficit in its Ordinary Account budget and its operating budget. This is disturbing for New Brunswickers today and for those who will need to restore fiscal order in this province as best they can, but this is nothing new.

After the next election, New Brunswick will see a Liberal government at the helm, I have no doubt about that whatsoever. Once again, a Liberal government will have to restore fiscal order in this province and bring public finances under control, which may take a year or two.

That has been the case at the federal level since 1993. The member of Campbellton is aware of that, because he lost his seat. This does not happen to everyone, but it does happen to many, and it is something that no one wishes on anyone. I should not go too far; I do not mean to say that one does not wish it on anyone. At this time, one does not wish it on anyone. Next year, however, there may be a change of mind.

In fact, I am convinced that several government members will lose their seat, due in part to this budget and to their mismanagement of public finances in New Brunswick. That is too bad, because it is unnecessary.

L'Acadie Nouvelle said last week that the Lord government benefited from four years of unparalleled economic growth in the history of New Brunswick, such as highway construction—as the former

Minister of Transportation just pointed out—at an unprecedented rate, which promoted the creation of hundreds and thousands of jobs in the province.

This government also benefited from construction of the natural gas pipeline and the retrofit of the oil refinery in Saint John, which created up to 2 000 jobs over a few years. This government benefited from the economic activity generated by a tireless government. The former government would seek out jobs across the country in order to bring them to New Brunswick. It was even accused of poaching jobs in other provinces.

As *L'Acadie Nouvelle* said, the Lord government inherited a very advantageous financial situation, but it wasted these advantages as a result of very bad decisions that were completely irresponsible. The first of these decisions was the Voluntary Early Retirement Window, which cost over \$70 million. The Auditor General concluded that this program was unnecessary in New Brunswick. The Auditor General said that these people would have retired in a year or two anyway. Why would it be necessary to spend \$73 million to encourage them to retire? The government response was that this would eliminate 1 300 jobs, thereby reducing the civil service and generating millions of dollars in savings.

This year's budget shows a higher number of civil servants today—more full-time equivalents today—than when the Minister of Finance introduced his Voluntary Early Retirement Window.

Not one cent was saved, and \$73 million was spent. Imagine what this \$73 million could have meant in terms of highway construction in northern New Brunswick, such as the Tracadie bypass. Not one cent has been allocated for this bypass since the 1999 election, while the government was throwing this \$73 million out of the Legislative Assembly window, wasting it on an unnecessary Voluntary Early Retirement Window.

052

Construction of the Tracadie bypass could have been completed, but it was not. How shameful for this government! This \$73 million could have been used to continue improvements to Highway 11. Passing lanes could have been built on Highway 11 to make it safer, over these past three years, since the 1999 election, but, again, this was not done. This \$73 million could have been used to improve Highway 17, but it was not. Clearly, this \$73 million was spent in a shameful and irresponsible manner.

Members across do not say anything, not a word, on this theft of New Brunswick taxpayers' money. How shameful and how lacking in political rectitude!

This government has betrayed New Brunswick voters by breaking its promise—clearly made clear when it was elected—to manage smarter. There is nothing smart about wasting \$73 million like that. In this way, government broke its word.

I think that this is precisely one of the things that lead the government to the situation we are facing today. This situation will cost New Brunswickers dearly. However, this is but one example. Reference could

also be made to the mess resulting from the removal of the tolls—or maybe I should say their replacement by shadow tolls.

[Original]

We know how much this ill-conceived, rashly made promise has cost New Brunswick taxpayers—this promise to abolish tolls when we know they were not even abolished. They are still being paid each and every day, but they are being paid by the taxpayers of New Brunswick, to the tune of almost \$100 000 daily. What a rash, irresponsible promise to make, and it is an even more irresponsible promise to keep.

We know it cost \$34 million up front. A cheque for \$34 million was written to MRDC, simply to open the contract. How much roadwork could we have done in New Brunswick with this \$34 million? A lot. That \$34 million is a lot of money.

(Interjections.)

Mr. Richard: The member for Campbellton is saying . . . It is a lot of money. We could have built the Tracadie bypass, we could have built four-lane highways, and we could have saved lives; but they opened the window of the Chamber of the Legislative Assembly, took \$34 million, and threw it out the window—well, not quite. They wrote the cheque to MRDC, a multinational company that had built this highway and built it well. This is a fine piece of work, this Moncton-to-Fredericton highway. It is a very safe piece of highway. Anyone who has traveled on it is pleased to do so. I do it at least twice, and sometimes four times, a week. It is a fine piece of highway, and writing a \$34-million cheque to MRDC simply to open a contract was irresponsible government and certainly not managing smarter.

If that were all, we could say: I guess the Premier wanted to keep a bad promise. It was not his money. It was the taxpayers' money, so he felt he could just write a cheque and do that. However, that was not all, unfortunately. It did not end there. In fact, very soon after the election, MRDC wrote to the government and said: We know you made the promise to abolish tolls, so you should know . . .

(Interjections.)

053

Mr. Richard: I have all week.

MRDC wrote to the Premier, to the government, to the Department of Transportation, and said: We are obligated by this contract to build tollbooths. We know you promised not to collect tolls, so if you do not want us to proceed with building these tollbooths, please let us know. MRDC got no reply. They did not even bother to answer the letter, so MRDC went ahead and built tollbooths at a cost of about \$6 million. The Premier and the Minister of Transportation did not even bother to answer the letter from MRDC and allowed it to go ahead.

What is even worse is that then they paid MRDC another \$3 million to tear down the tollbooths that it

should not have built in the first place. Is that managing smarter? I ask you: Is that managing smarter? What a horrible waste of taxpayers' money. I suppose the Cabinet ministers must have sat down—the member for Grand Bay-Westfield was in Cabinet then—and said: Well, it is not our money. Who cares? Let's go. Let's spend this money. Let MRDC build the tollbooths, and then we will pay it to tear them down.

As if that was not enough, they then wrote another \$25-million cheque to MRDC after the fact. It adds up to well over \$60 million, and what for? So that the taxpayers of New Brunswick, every month, cut a cheque to the lenders to pay for this highway. This is affecting our budget. We have forgone about \$30 million, according to the Deputy Minister of Transportation when he appeared before our public accounts committee, after I asked the question. We have forgone about \$30 million a year in revenue that could be used to build highways and safer roads to save lives in New Brunswick. We have forgone that revenue for some vain political reason, and lives have been lost as a result.

This government has the gall to call this a responsible budget. Well, it is not. New Brunswickers need to know the truth, and that is why I am up here doing this.

Every day, the government uses all kinds of tactics to avoid dealing with the issues in New Brunswick. How many times have people listened to question period in this House and heard ministers and the Premier refrain from answering direct questions that were asked? How much of the taxpayers' money is wasted by that, especially when you see ministers run off to a scrum in the corridors of the Legislature and give totally different answers to the reporters outside? What disrespect for this Legislature, and this goes on every single day in the House.

When we and the reporters send requests under the *Right to Information Act*, which we do very often, and wait months and months and receive responses that make no sense whatsoever, they show their true colours. They show their lack of respect for the Legislature of New Brunswick and for the people of New Brunswick. After dubbing this “the people's House”, they insult the people of New Brunswick every day that we sit in this Legislature and the Premier and Cabinet members refuse to answer questions and deliberately avoid answering those that are posed directly to them.

I take no lessons from the Premier, from the Cabinet ministers, or from the members opposite who do not stand up to speak when they have the opportunity but are quick to yell from across the floor. I take no lessons from them. I know that when I stand up in this Legislature day after day to speak on this budget, I am speaking on behalf of many New Brunswickers who have been blindsided by it. They are paying the true costs of this budget, and they deserve to be heard through me.

054

With the consent of the members of the official opposition and that of the Leader of the NDP, I am taking the time that I need to make New Brunswickers aware of important issues. I am not deterred one bit by editorials. For instance, the editorial from today's *Telegraph-Journal* states: “Until the filibuster runs its course, the provincial government's hands are tied, especially when it comes to capital

estimates.” That is absolutely ridiculous. The Premier started announcing capital projects last week. He was here in Fredericton announcing the Stan Cassidy Centre. He was in Moncton yesterday, in fact, announcing the renovations to Harrison Trimble High School. These are all projects that will be completed in 2005 or 2006. Imagine!

(Interjections.)

Mr. Richard: He may be a man of vision, as some members on the other side are crying out, but what I know for sure is that he is not a man of action. New Brunswickers want action from their Premier. They want him to act on his promises. They want him to act on his undertakings. Actually, the only people who are happy—in fact, the only people who will be busy—with the Premier’s announcements on the capital budget will be the architects and engineers of New Brunswick. They will be busy for two or three years, because it will be almost that long before we start building any of these projects the Premier has been very busy announcing over the past three or four days.

Therefore, the Premier is certainly not hampered by my debate on the budget when it comes to announcing capital projects.

[Translation]

On the contrary. In fact, experience in past years clearly shows that capital spending is announced upon completion of the budget debate. So, not one minute has been lost. In fact, over the past 10 years, estimates have been presented only upon completion of the budget debate—on the Friday after, which would be next Friday. Therefore, not one minute has been lost, and not one cent was spent that would otherwise have been spent. If the government were the least bit organized, it would have introduced its budget earlier.

[Original]

Last year, the government tabled its capital budget in December, yet some tenders of the Department of Transportation were only let out in September, or October even, of this year, a full 9 or 10 months later. I am not worried that the estimates will be tabled Friday instead of Thursday. One day is not going to make that great a difference. I am not concerned about that at all. We will be lucky if we have work on the highways. At the rate the government manages its Transportation capital budget, we will be lucky if we have work on the highways of New Brunswick next year.

In fact, the only reason we have an expanded capital budget this year is the election. We are going into a deficit in an attempt to buy the people’s votes, but they will not be bought. New Brunswickers are not as stupid as the government and its members think. They will not be bought by borrowed monies that they will be paying back for years and for generations to come. They will not be bought with borrowed monies on which they will have to pay interest in years to come. They know that if our net debt is going up, we are not balancing the budget. They know that if our net debt is going up by \$100 million, all the money the government will be spending on all these projects will be borrowed. They know the government is borrowing money to buy their votes, and they will not be bought, because they are smart. They are an intelligent people. They know better than that. They will not be fooled by the smoke and

mirrors of this government.

055

In fact, if the members think I am trying to invent something here, they would be well advised to read the Auditor General's report, released this morning. He addresses the Fiscal Stabilization Fund very clearly. This is what he had to say on it. This is important because it deals with a government attempt to hide the facts from the people of New Brunswick. They could not fool the Auditor General. He saw right through it. He asked a couple of questions on page 27 of his report, addressing the Fiscal Stabilization Fund:

- *What is the effect on the provincial financial statements of the Fiscal Stabilization Fund?*
- *How will the Fund report on its effectiveness?*

He answered:

2.61 *The quick and easy answer*

(Interjection.)

Mr. Richard: The member for Centre-Péninsule thinks I am cherry-picking when I am reading from the Auditor General's report. He should take the time to read it. With the six or seven hours I have left to debate the budget, I will not have time to read all the Auditor General's report, and that is unfortunate. There is some good reading in there. However, I would like to read from page 27. He goes on to say:

2.61 *The quick and easy answer to the first question is that the existence of the Fund has no effect at all on the financial statements of the Province. This is because the Fund is part of the government entity. The Consolidated Fund and the Fiscal Stabilization Fund are components of the government financial statements. In essence they are separate pockets in the same garment.*

In other words, he is saying that the government is taking money from one pocket and putting it into the other.

In preparing the provincial financial statements, each component is included, and any transactions between the two are eliminated. For financial statement purposes, the Fiscal Stabilization Fund is treated as if it did not exist.

This is what the Auditor General had to say. However, that is not all. He continued as follows. With your permission, I will use my grandpa glasses.

2.62 *Transfers to and from the Fiscal Stabilization Fund have no consequence for accounting purposes.*

That is worth repeating: "Transfers to and from the Fiscal Stabilization Fund have no consequence for

accounting purposes.”

Taking money from one pocket and putting it into another pocket in the same garment does not increase or decrease the total amount available.

The Auditor General is a very polite gentleman. He does not use harsh language or imagery, and this is a very telling comment on the Fiscal Stabilization Fund. What he is saying is that the government is using smoke and mirrors to hide the deficit in the current year and in the next year. Both are over \$100 million, and it is being added to the debt of the people of New Brunswick. The Auditor General clearly is not buying it.

That is not all he had to say, if I may read on:

That is why the published financial statements for the year ended 31 March 2001 showed a surplus of \$181.8 million, and not the widely reported but inaccurate figure of \$81.8 million.

He said “widely reported but inaccurate”. Again, these are the words of the Auditor General.

Similarly, the decrease in net debt for the year was \$181.8 million. And the financial statements for the year ended 31 March 2002 show a surplus of \$143.8 million, and not the widely reported but inaccurate figure of \$43.8 million. Net debt for the year decreased by \$143.8 million.

He went on in paragraph 2.63. Again, this is a very strong comment by the Auditor General, and it is worth listening to.

2.63 *Some confusion has no doubt arisen because of a note added at the foot of the Province’s Statement of Revenue and Expenditure for the last two years.*

Again, smoke and mirrors. He said “Some confusion has no doubt arisen”.

056

This note refers to the allocation of the surplus to the Fiscal Stabilization Fund. The note is carefully worded.

This is a diplomat speaking.

The surplus for accounting purposes does not change because the Fiscal Stabilization Fund exists.

If the surplus for accounting purposes does not change because the Fiscal Stabilization Fund exists, that means that this year and next year, the deficit for accounting purposes does not change because the Fiscal Stabilization Fund exists. It is very easy to reach that conclusion.

What the Province is indicating is that a portion of the surplus will be “allocated,” or set aside, and will be used for specific fiscal policy purposes.

He emphasized those words as he made the presentation to the joint meeting of the public accounts and Crown corporations committees this morning.

2.65 *Given the significant amounts the Province owes*

(Interjections.)

Mr. Richard: The members are saying I am cherry-picking this afternoon, but I was here in the House when the Premier cherry-picked from the Auditor General’s report. He skipped pages 27 and 28. He went to page 91. He cherry-picked this afternoon. In fact, if I use the member’s definition, he was cherry-picking, but of course, he was not. He was picking one part of the report that he thought justified his actions, and he was using it to make a point. That is what I am doing this afternoon. I am using a part of this report to make a point, and the point is very clear: The government, in the budgets for this year and next year, is hiding the true facts from the people of New Brunswick. It is hiding the fact that we are in a deficit, that we are adding to the net debt. The Fiscal Stabilization Fund does not do that, and the Auditor General makes that clear.

I will read on, much as it displeases the member for Centre-Péninsule and the other members on that side. In fact, this sentence surprised me.

Bank advances and short term borrowing, in effect the Province’s overdraft, were \$484.8 million at 31 March 2001, and \$352.3 million at 31 March 2002.

This is how he continues:

Moreover, we are uncertain as to how a transfer from one provincial “pocket” to another can achieve that objective. Transferring money into or out of the Fund does not increase or decrease the finances of the Province as a whole.

That says a great deal about this fund, but he does not end there. In fact, he questions. Given the balanced budget Act, there is no penalty, but it obligates the government to balance the books over four years. Given this Act, the Auditor General questions whether the Fiscal Stabilization Fund is needed at all. I will quote from his words so that you will not think I am interpreting beyond his meaning. This is what he says at the bottom of page 28 and the top of page 29.

Having said this, it is not clear why the second mechanism, the Fiscal Stabilization Fund, is needed.

This is how he concludes this section:

2.67 In our opinion, there is a need for further discussion around the balanced budget legislation, the Fiscal Stabilization Fund and the relationship between the two. We would like to see clear, measurable objectives for the Fiscal Stabilization Fund, and a means by which the Fund is able to report on its effectiveness.

Clearly, the Auditor General is saying that this is nothing more than smoke and mirrors, that it is really not changing the bottom line, and the bottom line is that we are spending more money than we are taking in. The bottom line is that the debt is increasing.

057

The bottom line is that in political terms . . . This is not the Auditor General. You can take this from the member for Shediac—Cap-Pelé if you want to. The bottom line is that this government has been mismanaging the finances of the province, has not been managing smarter, has been wasting horribly tens of millions of dollars of taxpayers' money, all in a vain attempt to hide the truth from the taxpayers of New Brunswick. New Brunswickers will not have it, after the government promised to be open and transparent. I am sure that other New Brunswickers are hurt by this as well, but it pains me to see this government try so hard to hide the facts from the people of New Brunswick with this mechanism. I call it a fiction that is entitled "Fiscal Stabilization Fund". I certainly cannot agree more with the Auditor General when he raises this very important issue and provides the real facts to the people of New Brunswick.

Again, I want to emphasize this, because it is an important point. It goes to the very heart of this government's management of the finances of the province. I see the member for Petitcodiac, who has an accounting background. It is clear that he has to agree with the Auditor General and essentially with what we have been saying now for two years, that if the net debt is increasing, if you are going deeper into debt, you are not balancing your budget. Whether you are a provincial government, a small business, or a family on a budget, if you are going deeper into debt, you are not balancing your budget. That is the reality of this budget. It is the reality of this budget year 2002-03, and it is the reality of the next budget year. We are going deeper and deeper into debt.

What is more reprehensible is that we are doing so while trying to buy the voters' votes. That is the worst part, because the government said it would manage smarter. In fact, the Premier said many times when he was preparing us for this budget that this is not old-style politics. He said: This budget will not be about old-style politics. We will not be like other governments, trying to buy votes just because there is an election this year. We will be responsible with this budget. This is what the Premier told New Brunswickers days before it was tabled.

Well, the truth is out now. This is old-style Tory politics at its best. After three years of absolute neglect of New Brunswick highways, all of a sudden, they are converted. They cannot even say it is because of the \$430-million deal that was signed last summer, because they are not spending even a penny of it—not a penny. They are still on the former agreement signed by the former Minister of Transportation. They cannot say that it is because they have all this money coming in from the federal government. That

is clearly not the case. They are spending the old monies until next year.

Therefore, after three years of saying we could not afford to build the highways, essentially saying that we could not afford to save lives, all of a sudden, after realizing that next year just happens to be an election year, they will be building highways. It might not be an election year. The member for Woodstock is quite wise to point that out because who knows? The Premier might decide once again to attempt his chances at the leadership of the fifth party in the House of Commons. He might once again try to become the next Joe Clark. If he does, they might wait until June 2004 to call the election. Who knows? They might even call an election next winter. They might call an election in February or March so that they can clear . . .

(Interjections.)

Mr. Deputy Speaker: Order, please.

Mr. Richard: I wish you would, actually. I wish you would.

(Interjections.)

Mr. Deputy Speaker: Order.

058

Mr. Richard: I will use the words of the former Minister of Transportation, because these are words he knows well: They might call an election in February or March of next winter so they can pave the way for the Premier's attempt to become the next Joe Clark, the next Brian Mulroney. Well, I wish him well. If that is the case, I wish him well.

(Interjections.)

Mr. Richard: Actually, poor Kim was really hung out to dry by former Prime Minister Brian Mulroney, so my judgment of Kim Campbell is not quite as severe as that of the Tory members on the other side. She was really set up by Brian Mulroney, and that is pretty clear. She was really set up.

That is the reality, but the former Prime Ministers deserve our respect. Apparently, they also deserve our lobster and salmon, because that is what we served former Prime Minister Mulroney at Larry's Gulch when he was up there. In fact, because the salmon and lobster were paid for by the taxpayers of New Brunswick, they are also part of the debt. Since the salmon and lobster were bought in this fiscal year, they will be part of the \$100 million with which we are going into debt. I think that money might have been better spent. It might be good for the career, the image, of our Premier. Maybe he thought that having a former Prime Minister at Larry's Gulch and serving him lobster and salmon would help his political career, but I do not think it helps New Brunswickers very much. I really do not.

(Interjections.)

Mr. Deputy Speaker: Order, please. Order.

Mr. Richard: I am glad the Minister of Transportation raises that point, because it gives me an excellent opportunity. I hope I still have some time today. If I do not have enough time today, there is always another day, of course. Tomorrow is another day.

(**Mr. Speaker** resumed the chair.)

Mr. Richard: Odette Babineau thought she had my number three years ago, but she had the wrong number. She found that out. She is still dialing that number three and a half years later. She needs to find another number.

I had some written notes for today, but they will have to wait for another day because the Minister of Transportation gives me an opportunity to talk about the backbone of New Brunswick, the small businesspeople who drive our economy. On this point, I know we agree. In fact, many of these businesspeople—small and, in some cases, larger—were invited throughout the years to meet businesspeople from other provinces and, in fact, other countries at Larry's Gulch. That was a legitimate, genuine use of this fine facility. I have been there. It is a wonderful place. Businesspeople from the rest of the country and from the United States love to go there to fish for salmon, talk business, meet New Brunswick businesspeople, and try to make deals. I think that is a legitimate use of this facility, but when it is used to prop up our Premier for his run at the Tory leadership nationally, that is not a proper use. That is wasting taxpayers' money. To wine and dine a former Prime Minister is not the proper use of this facility.

I am glad the Minister of Transportation led me into this, because I was moving on to another subject, but I think it is worth mentioning, because it affects our budget. It was \$1 500 or \$2 000 or \$3 000 or \$4 000. I cannot remember, but I think it added up to \$15 000. That is what those two days of fishing salmon and eating lobster at Larry's Gulch cost the taxpayers of New Brunswick. If my memory serves me right—and I stand to be corrected if it does not—it was about \$15 000.

059

To the Minister of Transportation, that is just peanuts, but to the hardworking people of my riding, that is a lot of money. To the people in my riding who are working for minimum wage and trying to make ends meet, pay the fuel taxes, which were just increased by this government, put their kids through university and through school, buy their clothing, put food on the table, and pay the premiums on their car insurance, \$15 000 of wasted money is a lot of money. It is a lot of money to the hardworking people of my riding. It is a lot of money to the hardworking people in the riding of the member for Centre-Péninsule, and he would stand up in this House and justify it.

I am glad the Minister of Transportation refers to my leader as the real leader, because he is right. He

contradicts himself sometimes in this House, but on this point, he is absolutely right. Our leader—the real leader, the next Premier of New Brunswick—has . . .

(Interjections.)

Mr. Richard: I would expect no more from the Tory members than laughter.

[Translation]

I know that the member is giving a forced laugh because several of his members will lose their seat at the next election. Our candidate in Centre-Péninsule, Denis Landry, was an excellent member whose work was second to none in his riding. While the member for Centre-Péninsule is making a fool of himself in the Legislative Assembly, the candidate is going door-to-door, meeting with voters in Centre-Péninsule. Of course, while the member for Caraquet is here turning pages and twiddling his thumbs, our candidate in Caraquet is meeting with people in his riding to discuss problems they are facing. The candidate is telling them the truth about this budget.

Again, I must thank the Minister of Transportation for referring to a member who performed outstanding work in this Legislative Assembly. I had the privilege of working alongside Pierrette Ringuette-Maltais at many caucus meetings, because she was elected at the same time as I was. In fact, she was elected in 1987 and reelected in 1991, two years after which she was elected as a Member of Parliament. She was recently appointed to the Canadian Senate. This was a very good appointment, which was an honour for New Brunswickers. This is all the more true because Prime Minister Chrétien once more demonstrated his resolve to increase the number of women senators. She has performed outstanding work since 1993, and Pierrette will be a credit to her region.

In fact, I fully agreed with the Minister of Transportation, when he rose in this House on Friday to point out the merit and excellence of this appointment. That was one of the more intelligent things he has said in the Assembly since he has been here. I agreed with him totally. He spoke with great wisdom. It is too bad that he does not speak with such wisdom more often, because he is admittedly capable of doing so, I am convinced. Unfortunately, he does not demonstrate often enough the wisdom that he admittedly has, which is too bad.

060

However, with regard to Pierrette Ringuette-Maltais, the minister was totally right. This was an outstanding appointment, which, I hope, may help us secure additional funding to complete the four-lane highway. Even with the \$430-million agreement, it is known that funding will still be short. We can now rely on Pierrette Ringuette-Maltais' support when dealing with the federal government.

The senator is known to have a very good relationship with the Prime Minister and his wife. This is known because Prime Minister Chrétien has often said so. When he is in a bind and he must make a decision, Aline is the one who makes the hard decisions. Prime Minister Chrétien said so himself. I think I am accurately interpreting his words when I say that, when the decisions are hard, Aline is the one who

makes them. If Aline decides, in view of the good relationship that exists between Pierrette Ringuette-Maltais and Aline, I think that New Brunswick is well placed to benefit from all the support required from the federal government.

I am pleased that the Minister of Transportation allowed me this little aside, because my speech is fairly well structured. In fact, I unfortunately have not yet had an opportunity to start reading my speech for today. Indeed, one hour is not a very long time to debate such an important issue. I would now like to move on to the notes for my speech. There may be an opportunity to come back to this tomorrow. Before, however, there is one other subject that I would like to address.

Since the Department of Transportation capital estimates are so important, I was surprised to see the amendment that the Minister of Transportation put forward to the motion introduced last week by my leader. I was surprised because, to my mind, it was not necessary to make certain comments in the preamble of the amendment put forward by the Minister of Transportation. It was clearly unnecessary.

It is clearly false that the former government neglected northern highways for 12 years, when one knows that quite the opposite is true. I was very pleased to hear, once again, the former Minister of Transportation refer to all the work done on Highway 180, the Tracadie bypass, Highway 11, and Highway 17 during his 12 years when the Liberals were in power. I have the highest respect for the member for Charlotte, the dean of the Legislative Assembly, who has given 24 years of service to Charlotte residents and New Brunswickers.

I was pleased to see the member for Charlotte rise on a point of order to straighten out the facts for the current Minister of Transportation. He set the current Minister of Transportation straight about the northern region. Clearly, the Minister of Transportation and the Premier have lost their way. They also risk losing the northern region at the next election, with this patent attempt to get back to their homework and to catch up on work that was terribly neglected over these past three years.

061

I was pleased to hear the former Minister of Transportation list all the projects completed during his mandate. When comparing what has been done in the past three years with what was done before 1999, I am not ashamed to have sat alongside the former Minister of Transportation, even when comparing with what has been done in the riding of the current Minister of Transportation.

The former Minister of Transportation often said that the New Brunswick riding where the most money was spent was probably the riding of the current Minister of Transportation, when the later was an opposition member. How times have changed! The member for Charlotte is nodding his approval. This amounted to \$94 million in a single riding of an opposition member.

(Interjections.)

Mr. Richard: On the contrary, a good Minister of Transportation. I know that certain opposition

members are not treated as well today, and I include myself among them. When the former Minister of Transportation outlined, one after the other, all the projects carried out, I do not even know whether he mentioned the Miscou Bridge, which cost \$26 million. He may have forgotten. In case he did, roughly \$26 million was invested in a bridge measuring approximately 300 m, possibly less.

The former Liberal government invested, in a 300-m stretch in the Acadian Peninsula, in northeastern New Brunswick, more money than this government has invested in the past three years and a half. This speaks volumes about the deplorable condition of northern highways. It is no wonder, because this government did absolutely nothing, although it had an opportunity to act, because the public finances it inherited were in very good shape. However, it missed its chance.

Alas, I realize that time flies. I did not even have an opportunity to reach the first page of my notes. This is sad, because I had very important points to make. I hope that, tomorrow, I will have an opportunity to pick up where I left off. This is important; some research went into these notes. We have here some sound arguments and some facts that will enlighten government members and New Brunswickers and provide them with the whole truth. It will be seen what the real Opposition Leader and my caucus colleagues decide tomorrow.

[Original]

Mr. Speaker: It is now six o'clock.

[Translation]

Hon. P. Robichaud: Since it is not yet six o'clock and the member for Shediac—Cap-Pelé seemed to be geared up, I would offer him, with the unanimous consent of the House, to continue the budget debate if he so wishes.

The member for Shediac—Cap-Pelé does not seem to want to continue, after the offer just made. Therefore, I will make him the offer one last time, to the effect that we are willing, with unanimous consent, to continue the debate.

Point of Order

Mr. Richard: I really appreciate the offer, but I would not want to deprive members of the warm welcome by the Lieutenant-Governor, who will shortly honour us with her presence at her residence. I therefore decline the minister's offer.

Hon. Mr. Mockler: Knowing what a nice person she is, I am sure that the Lieutenant-Governor would understand the generosity of the member opposite if he wanted to continue the debate this evening. The Lieutenant-Governor could be made aware of why the opposition was unable to attend.

[Original]

Mr. Allaby: The point of order is out of order, because Mr. Speaker has already ruled that the time has expired.

Mr. Speaker: When the Speaker gets up and declares the House adjourned at six o'clock, which is the given time on a normal occasion, technically, the House is not even in session. In the rules of the House, there is no real provision for the practice we have been using for years of a motion to adjourn, which is really done after the fact. The House is deemed to be adjourned anyway. At the hour of six, the Speaker simply declares the House adjourned, according to the House rules. I do not usually do that. I think I might have once. Anyway, that is the rule of the House. The only time we have a motion is when the House has not reached the hour of six. However, the practice is that we follow the custom, so I will recognize the Assistant Government House Leader to make that motion.

(Hon. P. Robichaud moved that the House adjourn.

The House adjourned at 6:01 p.m.)

Daily Sitting 18

Assembly Chamber,
Wednesday, December 18, 2002

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Debate on Motion 54—Budget Debate

Mr. Richard, resuming the adjourned debate on Motion 54, spoke as follows: Certainly, I am pleased to resume debate on this . . .

(Interjections.)

Mr. Richard: I hope not. It is going to be a long day.

I am pleased to resume debate on the budget. As I set out today—and there are about 50 minutes left before we break for lunch and then another four hours this afternoon—I think it is important to remind ourselves of why we are here and, certainly, why I am going on at such length in this budget debate. I think it is important to remind New Brunswickers of the importance of having this debate in this way. I want to do that, and I will be very brief in doing it, because I know there has been some controversy over it. Certainly, some observers, some reporters, and some columnists have been writing about it. I think it is worth reminding members once again of the importance of having this debate and doing what we are doing, specifically speaking for such a long time. It feels like a long time to me, and I am sure it feels much longer to the other members who have to listen to me.

(**Mr. Ashfield** resumed the chair.)

Mr. Richard: I am speaking for such a long time on this very important piece of business. The most important piece of business that any government does is the budget. It affects your everyday life. Frederictonians gassing up at the pumps this morning and paying 82¢/L at some service stations know exactly the impact of taxes on fuel and on gasoline that have been imposed by this government over the past year. There have been two increases in the space of about one year.

New Brunswickers know that a budget affects them. It affects them in a number of ways that they may not even notice when they hear the reports about the budget. The papers talk about deficits and surpluses in the millions and sometimes hundreds of millions—\$100 million being transferred from a Fiscal Stabilization Fund. For the New Brunswicker who does not have the time, as we do, to study these issues, it is pretty complicated stuff. It is complicated for us, so imagine how it is for New Brunswickers who are doing their daily business, doing their Christmas shopping, preparing for the festivities, going about their chores, taking care of their kids, and trying to earn a living. It is pretty complicated for them to follow all of this, so I think it is important to remind New Brunswickers of the importance of this debate and why it is being held.

First of all, I want to make one thing clear. The rules in this House are clear. Normally, we are allowed up to six days to debate the budget. That is in our rules by which we govern ourselves in this Legislature, the *Standing Rules of the Legislative Assembly of New Brunswick*. In the past, there have been agreements between the Government House Leader and the Opposition House Leader to reduce that to five days, but in most of the years that I have been here, it has been five days. It has been reduced from six to five. There have been some years when it has been six, but unless there is a specific agreement between the parties in the House, never has there been a reduction to four days. That was precisely what the Government House Leader and Minister of Justice as well as the government were determined to do at the start of this debate.

They did not ask. They did not say we should try to reach an agreement on reducing this debate on the budget. I received a note, as Opposition House Leader, saying: This is what we are going to do. We want four official opposition members to speak on the first Friday. We want the Leader of the NDP to speak on the first Friday following the budget. Then we would have had the Tuesday, where we normally have a couple of speakers, and the Premier would have spoken on the Wednesday.

023

In my view, that was a severe breach of tradition in this House, and it was not to be accepted. I indicated exactly that to the Government House Leader, but he was determined, and the government was determined, to reduce the number of days traditionally used to debate the budget. We can go up to six, but normally, it has been five. He wanted to reduce it to four. To me, that was stifling debate on an important part of the business of any government, and I would have none of it. I indicated that to the House Leader, and I received no response. When I got up to speak on Thursday, I was determined to stay up until we reached some kind of reasonable accommodation, and so I am still speaking, because

this is an important point. However, there are other important points to be made.

As I have been reading some of the columns and articles being written—mostly the columns—I have been surprised at the extent to which observers of the Legislature are so little aware of the rules that govern us. I was shocked to read that Brent Taylor, a former CoR MLA in this Legislature, would write that this debate is costing the taxpayers money. In any event, whether I am standing up or any other member is standing up, the same debate will be held, for up to six days. It is not unusual. It is five days in most years: Thursday and Friday and then Tuesday, Wednesday, and Thursday of the following week—five days after the budget has been tabled. That is not unusual. It does not cost a penny more whether I am standing here speaking or other members are speaking.

In fact, it is surprising that some columnists have been writing this, because they never cover our speeches during the budget debate. How many articles have you read on a member rising in the budget debate? They are very rarely covered, even the speech by the Financial Critic of the official opposition, which was the member for Bathurst last spring. There has been very little coverage of these speeches, so it is surprising to me to realize how little understanding there is, even from a columnist who happened to sit in this Legislature for four years.

I do not want to say anything disrespectful, but he was not reelected. Obviously, I watched them do their business for four years, and certainly, the CoR Party did not impress me. Obviously, it did not impress very many New Brunswickers because none of its members were reelected in the following election. It was not surprising, in a sense, and it was surprising because he was here. He was the Financial Critic, and he should know better. Obviously, he does not, so he has not learned. Certainly, he did not learn a whole lot while he was sitting here, and he has not learned a whole lot since, either.

Any time I am using does not cost the taxpayers of New Brunswick any more money than would have had to be spent in any event, because somebody would be speaking—if not me, someone else. I do not buy that argument at all. In fact, I think it has been an interesting exercise for me. It has been a little tiring but interesting just the same because more New Brunswickers are aware of what is in the budget than would otherwise have been the case. I am convinced of that. I suppose that rather confirms why the government wanted to stifle debate in the first place.

[Translation]

It is clear that the government did not want people to be aware of what is in this budget. Who could blame the government for not wanting to? The attempt by this government to stifle the debate by in fact preventing six members from speaking on the budget has failed. The attempt to reduce the attention paid to this budget has failed, because, upon reading the articles, one could see that more coverage was given than would otherwise have been the case.

It is not surprising that the government decided to introduce its budget two weeks before Christmas. Every year, in the past three years, the government, the Premier, and the former Minister of Finance have said in this House that they could not introduce the budget before the federal budget, because they did not know how much money they would get. Yet, in a year when the Romanow report has come out,

when governments in all provinces expect—rightfully so, I think—to receive additional funding for health care, one would have thought that the government would have waited until spring, if it had been consistent, if it had followed through on its own reasoning.

024

But no, the government chose to introduce this budget in a year, when, for the first time, there is an Ordinary Account deficit. I am under the impression that government knew that the Auditor General would say that using the Fiscal Stabilization Fund was smoke and mirrors. I think that it deliberately set out to reduce the attention paid to the budget, and that is too bad. A budget affects everyone. It affects everyone in the community.

It was seen that the gasoline tax affects everyone who drives to work to earn a living, everyone who has to go the doctor or to the emergency department, for instance. All these people pay the gasoline tax, and they are affected. They pay more gasoline tax as a result of the budget introduced on December 10.

So, again, this government is trying to turn attention away from this budget, to hide the budget to some extent, so that people are not aware of what it contains. In fact, the government is using tactics of its own. I cannot help but grin a little when I hear government members—the Minister of Justice, for example—say that this is a waste of time and that there are more important issues to debate in this Legislative Assembly.

The minister is right, of course. There are important issues to debate in this Legislative Assembly. For instance, on November 20, at the start of the session, we introduced a motion on pay equity. This is a very important issue for New Brunswickers. We also introduced a motion that would require government to move ahead with services for children with autism in New Brunswick, a motion that I strongly endorse. We introduced motions dealing with physician and nurse recruitment. However, one month late, we are still debating Motion 1.

Do you think the government is in a hurry to reach the other motions? No. Government would be embarrassed to debate some of these other important issues, including economic development in northeastern New Brunswick. Government does not want to reach those motions. It is itself systematically prolonging the debate in order to prevent us from reaching the other motions. Then, the Premier and the Government House Leader—the Minister of Justice—accuse me of delaying the business of the Legislative Assembly. However, that is exactly what they are doing, not once during debate on one particular motion, but every week, twice a week, by delaying 20 or so important motions dealing with important issues affecting the lives of New Brunswickers. Therefore, they should be ashamed of themselves.

[Original]

It is nothing more than spin-doctoring. Of course, we know they are very good at that. Spin-doctoring is something they have become extremely good at doing, and no wonder. It is hard to find an experienced reporter still working for a newspaper or radio station in New Brunswick. I could go down the list. Don

Richardson, a fine columnist, is now working for the government of New Brunswick. He was hired since the last election. Bruce Macfarlane used to work for the *Telegraph-Journal*. Now he works as a spin doctor for the government of New Brunswick, the Lord government.

[Translation]

There is Étienne Allard, who used to work at *L'Acadie Nouvelle*. He now works for the government of New Brunswick. There is Hermel Viennet, who was editor-in-chief and editorialist at *L'Acadie Nouvelle* before the last election, before he ran in Nigadoo-Chaleur. He now works for the Lord government. And that is not all. There is Luc Fournier, whom I know very well. He was a reporter, but he now works for the government of New Brunswick.

[Original]

Tim Porter was a fine reporter with the *Daily Gleaner* who used to cover the Legislative Assembly. I have talked to him many times. He now works for Communications New Brunswick. Chisholm Pothier, a very good reporter for the *Daily Gleaner*, now works for the Department of Health as a communications spin doctor.

025

Jason Humphrey used to work for a radio station on the Miramichi, and he now works for the government of New Brunswick. Steve Benteau was, I think, an editor with the *Daily Gleaner* and now works for the government of New Brunswick.

The government promised to replace spin doctors with real doctors, but there is a pretty good group of spin doctors here. Actually, I have nothing against them. They are very capable people, but they were hired by this government. Not too many who were working as spin doctors three years ago have left the government. In some cases, the government is calling these people policy advisers. That is a handy word. If you do not want to call them communications people, you can call them policy advisers.

Don Richardson has been speaking for the Department of Health. Anybody who reads the paper knows that he has been speaking for the Department of Health more often than the minister. I suppose that if they could bring him into the Legislature, they would, and he could respond to some of the questions, because he is responding to questions outside the Legislature on behalf of the minister very, very often.

This is a government that has developed expertise in spinning the facts its way. That is why this debate is so important. It is important to have it. Regardless of the toll that it takes on my vocal cords, it is worth having, because New Brunswickers deserve to have the unfiltered truth about this budget, not how it is spun by the government spin doctors. I just mentioned the new ones. There are scores of others. New Brunswickers need to have the facts on this budget unspun, and the facts are plenty. They are very numerous. Let me remind you of those as well, because I think it bears repeating, although I may have mentioned one or two of these items in the past seven and a half hours. I think that some of these are so important and will affect New Brunswickers so dramatically that they bear repeating. New Brunswickers need to be aware of these.

Before I mention the increases in tax revenues that New Brunswickers will be paying as a result of this budget, I want to correct one thing that has been said by the Premier and by the Minister of Business New Brunswick. When I have said many times that this current year and next year, the budget year, are the first years since 1994-95 that we have not balanced the Ordinary Account, the Premier and the Minister of Business New Brunswick have been quick to point to 1999, when the bottom line was a \$164-million deficit. However, they do not point out that under investment income in that year, there is a loss of \$202 million that is clearly and directly attributable to depreciation at Point Lepreau.

The depreciation was for 20 years of use of Point Lepreau. In some cases, it was hard use. They really tried to milk it in the early years for all it was worth. It ran at a very high capacity in order to generate some revenues. The depreciation should have been taken year after year. That was a debate that went on between the Department of Finance and the Auditor General for probably four or five years. Had the depreciation been taken every year, as you normally depreciate any item, then we clearly would have had a surplus in operating account, and a very comfortable surplus for that year.

You will recall that this is the year when the government hired Grant Thornton and threw everything but the kitchen sink into the final fiscal year of the previous government. It threw in provisions for losses increases on all kinds of loans. In fact, the government wrote off a loan to Algonquin—as I recall, several million dollars in that year. It threw everything but the kitchen sink into the Liberal government's final year. Even at that, if the government had not had a \$202.3-million loss on investment income, it could not have driven that last budget into a deficit position.

026

I think the Premier and the Minister of Business New Brunswick need to be corrected on that, because they are not being factual. In fact, they are mangling the truth on this issue so much that it is unrecognizable as the truth. Certainly, I do not recognize it, and New Brunswickers could not recognize it as the truth either. Therefore, I want to correct that for the record.

The other thing I wanted to correct for the record is that the government, of late, has been bragging about job creation. God knows, on both sides of the Legislature, whatever parties we represent in this House, we want more New Brunswickers to be working. That was the credo of the previous government and, certainly, of the previous Premier for 10 years. Mr. McKenna was driven by, obsessed with, the idea of creating jobs and bringing them to New Brunswick, diversifying the economy, bringing in new technologies and call centres, really promoting the strengths of New Brunswick and turning around our economy. Thank God he did, because we are benefiting from that now, and we have seen that job creation in the late nineties, even under this government, has been centred and concentrated in the IT sector, in call centres. That is where the jobs have been created.

Imagine if we had not had that vision in the early nineties, when this was really a completely fresh and new sector. Many critics were telling the former Premier and the former government: We are not in this game. We cannot compete with Ontario and the United States for high-tech jobs. We are really not in the same ballpark. We proved that we were. We proved that we could do just as well as, if not better

than, anybody else. NBTel was a strong partner in that effort.

Even this government criticized. I remember the Minister of Finance calling technology jobs “McJobs”. “Nintendo jobs”, he would call them when he sat on this side of the House. How wrong he was, and how wrong he is with this budget. I do want to get to the budget, because I think it is important, and I am sure I will eventually.

There was another thing we heard year after year—I think especially after Mr. Lord became the Premier. He would stand up in the House after he was elected in the fall of 1998 and say: We will not be making job announcements before the jobs are created. We will not be like the former government. He would stand right here on this bench, in this seat, and he would say: The former government would announce jobs, and they would never materialize. We will not do that. We will not fool New Brunswickers into thinking there are more jobs than there actually are.

Imagine this: About a year and a half ago, this same Premier and the Minister of Finance, who, I think, was Minister of Business New Brunswick at the time, were in Moncton announcing a great project. I have all the press clippings about it here. The Qualiflyer Group, based on a partnership of a number of air carriers and passenger carriers, was announcing 300 jobs. In fact, I think there was a \$3.8-million loan guarantee, or it could have been a forgivable loan, to the Qualiflyer Group. They stood in Moncton and announced 300 jobs. Well, those jobs have disappeared. They were announced by the Premier and by the Minister of Finance in Moncton, but they no longer exist. They flew away. They are gone. In fact, recently, Cabinet rescinded the \$3.8 million in assistance it had already approved for this company. I hope the company did not receive anything, because not a job has been created—not one, ever. This call centre was never opened, yet it was announced by the Premier. I would rather have the “McKenna Miracle” than the “Mesheau Mirage” any day. I think it worked better. Despite the Premier’s promise to be open and transparent, in this case, he certainly was not.

What is in this budget that is causing me such consternation? What is bothering me about this budget? There are several things, and they are very, very important. They go to the very essence of this budget. In fact, they go to the very essence of this government. This government, as I have just said, promised to be open and transparent, yet this budget is the biggest con job that anyone could ever imagine, for one simple reason, that is, the use of the Fiscal Stabilization Fund.

027

We even heard from the Auditor General yesterday. He is a very subdued individual, a diplomat, as I said. He would not go out and start screaming, but he used some language in his report yesterday that is really quite telling, and it bears mentioning in this House. He was talking about the Fiscal Stabilization Fund. Of course, he is limited in his analysis, because he is looking at the year that ended March 31, 2002. The fund had never had a withdrawal at that date, so he cannot comment on the use in the current year and in the next year. Basically, in referring to the fund, he says that it has “no effect at all on the financial statements of the Province”. He says: “For financial statement purposes, the Fiscal Stabilization Fund is treated as if it did not exist.” Later on, he basically says: “Moreover, we are uncertain as to how

a transfer from one provincial ‘pocket’ to another can achieve that objective. Transferring money into or out of the Fund does not increase or decrease the finances of the Province as a whole.” At the end he says: “Having said this, it is not clear why the second mechanism, the Fiscal Stabilization Fund, is needed.”

[Translation]

My leader, the member for Kent, introduced this morning a bill aimed at repealing the legislation that created the fund and at abolishing the fund, as it serves no purpose. The fund is smoke and mirrors, a barely concealed attempt to prevent New Brunswickers from seeing the true facts about this budget. It is an attempt to hide the truth about this budget, and, as elected members, this should be of concern to us.

The fund is a bad tool that, according to the Auditor General, serves absolutely no purpose other than to hide the truth from New Brunswickers. I am pleased that my leader introduced his bill and I look forward to discussing it, starting tomorrow. Basically, this fund was created for a very bad reason. In fact, the fund will be used this year and next year in order to argue that there is a surplus, but this is ridiculous. There can be no surplus when the debt is increasing. The people who are listening to us know full well that, at home, in their small business should they own one, or in their family budget, if, at the end of the year, their debt has increased, they have not had a good year. So, the Lord government has not had a good year, because the debt borne by New Brunswick taxpayers has increased by over \$100 million.

By using the Fiscal Stabilization Fund, the government has tried to hide this reality, but people know better. Moreover, what concerns me about this budget—I have already mentioned this, but I think that it is important to repeat it—is that it represents an attempt, after three years, to completely neglect New Brunswick highways.

In my riding, people in Shediac—Cap-Pelé know full well that absolutely nothing has been done. After good years that saw construction of the Cap-Pele bypass, construction of the Barachois exchange, paving of the Pointe-du-Chêne Road as well as work on other more secondary highways, absolutely nothing has happened over the past three years. There has been absolutely nothing.

Even when I talk to government members—members of the Conservative Party—they tell me that their own regions are roughly in the same situation, and it is no surprise. The Department of Transportation capital budget was cut back by \$100 million. Cutbacks had to be made somewhere. Residents in the Acadian Peninsula and northeastern New Brunswick know full well that they are the ones who are paying the price for these cutbacks.

028

The former government spent more on a single project, the Miscou Bridge, in northeastern New Brunswick than the Conservative government has spent these past three years and a half, these past four summers of construction work.

This is a rather striking fact. It is not surprising that many St. Isidore Asphalte workers lost their jobs. I think that 200 St. Isidore Asphalte workers, perhaps a bit more, who were working at the time of the last capital budget of the former Minister of Transportation, under the Liberal government, are no longer working today. They are out of work because this government has cut back the capital budget by \$100 million. This government then barely increased this budget over the next three years, except—and this brings me to the budget under debate—for next year, which will be an election year.

This is quite a switch for the government. There will be an election next year; so, spending on New Brunswick highways will increase. Again, this is a barely concealed attempt to fool New Brunswickers. However, New Brunswickers are no fools. They know full well that, if the government is suddenly spending tens of millions of dollars more to build highways, it is to buy their votes with taxpayers' money. New Brunswickers are no fools. They know full well that, in a year when the debt is increasing by \$100 million . . .

Three years ago, the government said that it had to cut back the Department of Transportation capital budget by \$100 million because it could not afford to spend all this money on highways. That was when there was a budget surplus. This year, when there is a budget deficit—our debt is increasing by \$100 million—the government has miraculously found money to spend on highways.

Of course, there is the coincidence of an election year. I do not want to be too cynical about this government. I do want to give it the benefit of the doubt. However, in this case, it is rather hard to give government the benefit of the doubt. In a year when the debt is increasing by \$100 million, the government suddenly finds tens of millions of dollars more in the budget.

This raises concerns. New Brunswickers know that this is actually borrowed money, because the debt is increasing by \$100 million. If the money were indeed there, one could say: The government has the money, and there is funding; so, let us invest in highways. But no, the debt is increasing by \$100 million, and this money is being borrowed. An attempt is being made not only to buy the votes of New Brunswickers with the money available but also with money not available. Money is being borrowed. Money is being borrowed that taxpayers will have to pay back, with interest, in order to buy votes by building highways in a year when government clearly cannot afford to do so. Everyone acknowledges that.

And it is not only highways. Reference was made to highways, but reference could be made to many other projects. In fact, this was one of the arguments made in an attempt to shut me up. Capital budget votes cannot be approved because the member for Shediac—Cap-Pelé is on his feet in the Legislative Assembly. What a laugh! What a joke!

The Premier is announcing capital projects, one after the other, day after day. I am delaying absolutely nothing, as far as those are concerned. In fact, members opposite rushed to announce the high school in Moncton, and this is a good project. In fact, I think the Premier must have read my column not too long ago, about two months ago, in the *Times & Transcript*. This was about the same time that the Premier was saying that this was not among his priorities and that he could not afford to build a high school in

Moncton. I put forward the argument that this project was not only a good one but also a necessary one in New Brunswick's only officially bilingual city.

Fortunately, the Premier understood my message, as well as that of the parent group which is working very hard and which has put a lot of effort into convincing the school district and government members of the importance of this project.

029

The Premier may have been convinced, in part, because of the election next year. I do not want to be too hard on him. Two or three days before introduction of the budget, this same Premier was saying that the government would not do as the old-fashioned parties and that it would not try to buy votes, simply because of the election next year. Surprise! Now, since this budget . . .

Can I come back to specific messages?

I will then continue with my speech on the budget. Since I only have 15 more minutes and I have somewhat disturbing news for elected members, I ask for unanimous consent to take the lunch hour now and to resume at 1:45 p.m.

[Original]

Mr. Deputy Speaker: We will recess until quarter to two. Do we have consent to do that?

Hon. Members : Agreed.

(The House recessed at 12:15 p.m.

The House resumed at 1:49 p.m., with **Mr. Bernard** in the chair.)

030-031

[Translation]

Mr. Richard: I am pleased to resume the budget debate. I will try to get back to where I was. I do not exactly recall where I was in my notes. In fact, I believe I had not started using them yet.

032

I think that some points must be identified with respect to this budget, and this is what I was trying to explain before the lunch break. These are very important points because they have a direct impact on New Brunswickers. I have gone over these a few times, but I believe it is important to remind New Brunswickers of the impact of this budget on their daily lives, their ability to enjoy a good quality of life, to make ends meet, and to take care of their families by paying their own debts and balancing their own

budgets.

The first example, which I already mentioned a few times, is the gasoline and motive fuel tax. This is an item where, I believe, the government has really tried to mislead New Brunswickers by saying: Your taxes are being raised, but more money will be spent on highways. It is absolutely ridiculous for the government to put forward this argument, when the former government spent, each year during the nineties, more money on highways than the Lord government has spent in four years, without raising the gasoline tax to the extent that this government has done last year and again this year. So, this argument is totally false. The aim is not to invest more in highways. On the contrary, this is a new tax that will hurt those New Brunswickers who already have a hard time making ends meet.

Government will collect 44% more in revenue from insurance premiums, primarily automobile insurance premiums. New Brunswickers are already facing enormous and unreasonable increases imposed by the automobile insurance industry. Now, they see their own government clearly and directly taking advantage of the situation to dig deeper into taxpayers' pockets.

There is a major increase in the tobacco tax. Tobacco is admittedly not a good thing, because it creates high costs for the health care system and is unhealthy for smokers. However, instead of collecting additional millions of dollars by again digging deeper into the pockets of New Brunswickers, of people who may want to stop smoking, the government should have announced at the same time additional resources for prevention programs so that young people do not start smoking and for cessation programs aimed at people who already smoke. However, there was not a single word to that effect in the budget of the Minister of Finance. Again, this is unacceptable.

In the past two or three years, the government, while boasting that it was lowering personal income tax, has raised document registration fees at provincial registry offices. These fees are paid by anyone who purchases a house or a piece of land or who has to take out a home mortgage. Ordinary people are the ones paying for these fee increases, and the hike was close to 60%.

There are also new registration fees for subdivision plans. Again, the fees have increased. While claiming to lower people's taxes, the government is digging deeper into taxpayers' pockets, with additional fees.

[Original]

The timber stumpage fees on Crown land increased by 5.4%; the fee for maple sugar leases went from \$12.50 to \$41 per hectare, a 300% increase in 2002; increase on peat mineral royalty fees on Crown land; tax assessment on rural areas increased; property tax revenues are up for New Brunswick, some of the highest increases in the whole country, much higher than the national average. Tipping fees at landfill sites have gone up \$13 per tonne; costs to file small claims suits have gone up from \$35 to \$50; veterinarian services to farmers have jumped 20%; and the rates for recreational use of NB Power property have increased by 25%. Public Safety has sent an increase of 7% to municipalities for RCMP services without increasing the unconditional grants to these same municipalities. Municipalities are finding out that other services are being downloaded to them.

It is all the same taxpayer. The same taxpayer is paying the brunt of these real property taxes, whether it is through what he is paying to his municipality or in personal income tax. All the province is doing is reducing personal property taxes on the backs of municipal taxpayers, and that is just not fair. It is not right.

The employers' share of workers' compensation has increased. It was 15% last year, and there is another huge jump this year. For some employers, it is an enormous increase. If you are an employer, you do not pay workers' compensation on your profits. You pay it on your payroll, so whether or not you are making money, this has been a huge increase, after consistent decreases in workers' compensation rates for employers in New Brunswick over the nineties. We had actually attained about the lowest levels in the whole country, and now these are going up at a tremendous rate: indirect taxes, indirect fees, indirect costs to New Brunswickers.

Blue Cross fees for seniors have increased tremendously. Driver's licence renewals have increased, as have gas and tobacco taxes. Fees for building permits have increased in unincorporated areas. The government eliminated the HST credit for new home construction and home renovations for people who are starting out and building their first homes. Camping fees at provincial parks have increased, as well as golfing fees at provincial parks, except for the Premier. I am sure he gets free passes at the Mactaquac Golf Course, which is owned by the province. On and on it goes. Despite the fact that this government claims to reduce taxes, it is increasing fees and costs and taxes of all sorts that it is imposing on the residents of New Brunswick. The most despicable and worrisome part of this budget is that the government is trying to hide this fact from the people of New Brunswick.

[Translation]

This government is trying to hide things by underestimating its revenue and certain expenditures. It assumes that winter highway maintenance will cost less, for example. However, there have been annual increases over the past 10 years. This is not realistic. The only reason the government is doing this is in order to try to show that this will not be a deficit budget, but people will not be fooled. Absolutely not.

Literacy services have been cut back, despite a terrible report that indicated that we are failing in the area of literacy. This is one objective that the government should keep at the forefront.

We recently learned in the New Brunswick Teachers' Federation news bulletin that, in 2000, spending per student decreased for the first time in about seven years, after consistent increases from 1992 to 1999, I think. Yet, the government claims to be spending more on education! It is spending more, but this is meaningless when investment on a student basis is going down. This is unacceptable.

What is worse, of course, and I have already said so, is that government is trying to hide the facts from New Brunswickers by using this fiction called the New Brunswick Fiscal Stabilization Fund. Yesterday, in his report, the Auditor General again confirmed that use of this fund is totally unacceptable. In fact, use of this fund is unnecessary and is not even the meeting the objective that government had set when it

created the fund. The former Minister of Finance made one of the more direct comments on the subject, and it was clear for everyone in New Brunswick.

034

[Original]

The former Minister of Finance said: We are creating a Fiscal Stabilization Fund, but it will be used for onetime, catastrophic-type occurrences. In fact, he gave a wonderful, very vivid example. He said at the time—it was quoted in the New Brunswick newspapers—that if the Miramichi Bridge fell down, that would be an appropriate use of the Fiscal Stabilization Fund. Well, the last time I looked, the bridge was still there, yet the government is using this fund contrary to the purposes for which it was intended. The Minister of Finance, I think, should be ashamed. I am absolutely convinced that he is embarrassed. In fact, it could be one of the reasons he is no longer Minister of Finance and is now Minister of Business New Brunswick. He had said that this fund would not be used for that purpose.

Again, there is an improper use of the fund, trying to hide the facts, and the facts are clear. This Ordinary Account budget is in a deficit position for this year and for next year, and this cannot be hidden from the people of New Brunswick. They deserve to know the truth.

[Translation]

New Brunswickers deserve to know the whole truth about this budget, and this has been my pursuit day after day, hour after hour. I am telling you that I have lost confidence in this government. I believe that New Brunswickers have also lost confidence in this government, because it has misled them with this budget. It is telling them half-truths. New Brunswickers are entitled to know the whole story. Since I have lost confidence in government, I wish to move an amendment as follows:

Proposed Amendment

Mr. Richard moved, seconded by **Mr. S. Graham**, that Motion 54 be amended by substituting, after “That”, the following:

WHEREAS this government has made unrealistic revenue and expenditure forecasts in its 2003-04 budget;

WHEREAS the government of New Brunswick has depleted the Fiscal Stabilization Fund in order to hide an Ordinary Account deficit;

WHEREAS it is becoming obvious that the provincial government is headed for deficit financing;

[Original]

WHEREAS this Government does not provide any means to protect the people of New Brunswick from rising automobile insurance rates and in fact they intend to increase its revenue base from taxes on rising insurance premiums;

WHEREAS this budget does not adequately address the recruitment and retention of Health Care Professionals;

BE IT RESOLVED that this government lacks the confidence of this Legislative Assembly.

(Debate on the amendment continued, and the amendment was defeated on a vote of 40 Nays and 6 Yeas. The main motion, “That this House approves in general the budgetary policy of the government”, was carried on a vote of 40 Yeas and 7 Nays.)