

## **Open letter to Brian Gallant**

Mr. Gallant, now that the dust from the provincial election has settled, you now hold, in your hands, the responsibility of a province which, like many Canadian provinces, is facing important challenges.

Those challenges are very real, whether at the level of finances, public program delivery, economic growth or job creation. They must be taken seriously if we want a stable and sustainable economy, and if we want to ensure quality of life for all citizens.

In the last few months, Richard Saillant, Donald Savoie, Frank McKenna, just to name a few, communicated their vision of those challenges and proposed solutions. They give us an apocalyptic vision of the financial situation that requires quick decisions (without analysing the long-term consequences); otherwise it will be pure chaos in the province.

### **Broadening the debate**

Mr. Gallant, the debate must be broadened to include the whole population (workers, young people, seniors, artists, etc.) if we want a more balanced vision of the situation and find long-term solutions.

To facilitate the debate, a reflection tool, for example a white paper on sustainable development, would be essential. It would allow for a much broader vision. Talking only about oil pipelines or shale gas as tools for economic development, as promoted by some, is too simplistic.

### **Our challenges**

Obviously, Mr. Gallant, our public finances represent an important challenge. However, according to the 2013 Report from the New Brunswick Auditor General, 2.6 billion dollars are due to the provincial government and cost 94 million dollars in interest annually. Making efforts to recuperate half of that amount would enable us to reduce by half what we are paying in interests. To increase public finances, we should also increase personal tax rates, particularly tax rates for rich people, and increase corporate income tax to the same level as in the other Atlantic Provinces.

According to a recent report from the Broadbent Institute, since 2005, 10 per cent of the richest people saw an important increase of their wealth while the opposite is true for 10 per cent of the poorest people. Such a high concentration of wealth in the hands of a few millionaires who control near fifty per cent of the wealth in

the country must be part of our analysis, and the situation must be addressed immediately if we want to find solutions to the present financial situation.

### **The proposed model**

Mr. Gallant, many proposals have been submitted by D. Savoie and F. McKenna to rebuild our economy. They would like to see our province become the best place to do business, not only in the Atlantic or Canada, but in North America. We would become the new Mecca of investors; nothing less.

Less provincial regulations, privatization of publicly-owned companies and the development of the energy sector are among the solutions they are proposing.

Allow us to point out that the idea of less regulation is not new and has been disseminated for quite a while. We have to wonder whether or not there are still regulations that have teeth.

As for the suggestion of privatizing Crown corporations, such as NB Liquor, you will agree with us that it is a little strange since NB Liquor generated near 160 million dollars in profit each year in the last years. It's completely baffling.

Another proposed measure is to open our arms wide and embrace the TransCanada Energy East Pipeline project (another possible pipeline for gas this time) and shale gas development. Those projects are presented as an economic Grail: thousands of jobs created, repatriation of workers who headed west, development of a new petrochemical industry, a second refinery, a secure provincial source of energy, and lower gas price at the pump. A genuine economic bonanza.

Mr. Gallant, we all know that the two pipelines and the shale gas wells are meant to export energy goods to international markets and have nothing to do with the development of our province. New Brunswick would only be a staging site. Dreams of a second refinery, of gas at a lower cost and of a secure source of provincial energy must be dismissed for what they are: illusions.

Mr. Gallant, in its 2014 report, the Intergovernmental Panel on Climate Change, stressed the need for substantial reduction of our greenhouse gas emissions rather than increasing them. Developing the energy sector through non-renewable resources is certainly not the direction to take if we want, as a society, to do our part in slowing down global warming.

In closing, Mr. Gallant, we want to ensure sustainable economic development, benefiting all New Brunswickers, rather than Canadian or foreign investors. Such

development must necessarily be aimed at reducing rather than increasing our consumption of greenhouse gas, namely oil and natural gas.

We urge you not to involve us, hurriedly, in directions which will have long-term consequences for our province without, first, including into the conversation all sectors of the population and not only the private sector.

Mr. Gallant, your government's decisions will have consequences for thousands of women, men and children, and over many generations. That is why you must take the necessary time to reach the best decision that will benefit all New Brunswickers and not only the private sector.

Jean-Claude Basque,

Provincial coordinator of the NB Common Front for Social Justice.