

DATE

Dear Krista, Adrienne, and Thomas,

Thank you for your letter and your questions concerning the Progressive Conservative Party of New Brunswick's (PCNB's) positions on economic growth. I appreciate the chance to be able to share my party's positions with your 4,000 members.

My party also "Chooses Growth" and I hope these answers will give you an idea of how we will approach these challenges, if we are given the privilege of governing our province in September.

I can start by assuring you that my party will address all five of your priority areas in our campaign. I will expand on how we propose to address these priority areas, including any barriers and our plans to overcome them, below.

1. A private-sector-driven economy

New Brunswick needs a stronger private sector. A private sector that creates jobs based on the need for goods and services, not the decisions of government agencies driven by electoral cycles over market needs. Government should facilitate private sector job creation by creating a welcoming legal and regulatory environment, not picking winners and losers in the economy.

Government programs that have worked – like the One Job Pledge – will be expanded and simplified. If a company creates a new job they should receive a fully refundable tax credit. No bureaucracy, no mess, no politics: if you create a job, whether it's at a corner store or with a multinational, you get a tax credit. If you create one job, you get a tax credit. If you create 500, you get that same credit, times 500.

We need to reform our tax and regulatory systems. Regulation and laws are introduced and passed, with the best of intentions, but start to overlap, conflict, and create confusion for civil servants and businesspeople. A PCNB government will work to aggressively reduce regulations that do not protect transparency or health and safety, and to simplify regulations whenever possible. We will review the tax system with the same goal in mind.

Our economic development system doesn't work. If it did, the billions spent should have made New Brunswick rich. Government needs to open doors, working with business to reduce barriers for exports, help in the development of local markets, and provide assistance to start-ups. Handouts to established and profitable corporations make for good photo-ops but bad policy. Bailouts for companies that cannot compete hurt companies that are succeeding; we need to embrace a culture of risk and entrepreneurship across the province that ensures our response to failure is to give people the tools they need to recover and take risks again, not to pretend that failure never happens.

2. Responsible resource development

My recent announcement concerning shale gas, that regions interested in safely developing that resource should be able to do so if they have local support, led to a commitment less than 24 hours later that Corridor Resources would invest \$70 million in New Brunswick, if that policy is put in place.

We can't be the province that always says no to resource development. Our government spends money sent to us from other provinces, through the federal equalization and transfer programs, that is often generated by resource extraction. We need to step up.

Resource development is often, unfortunately, controversial. We intend to establish a Human Health and Environmental Protection Agency, operating at arm's length from government, to ensure any resource development initiatives don't create any unduly negative impacts on human health or the environment. Quickly establishing clear and consistent regulations, up front, will give confidence to citizens and to industry, creating transparency and allowing government to establish a fair royalty regime.

As discussed above my party is committed to strengthening the private sector. We will not support direct government investment in the resource sector. Our job is to create the political and regulatory environment to encourage that growth and then let the private sector do the work.

3. Improved export performance

New Brunswick has to take a leading role in opening Canadian markets. We are the most export-driven economy in Canada, making us vulnerable to restrictions on intra-national and international trade.

My party will work to make New Brunswick more competitive by making our province more attractive to investors. We aim to reduce the regulatory burden borne by the private sector and to increase the speed with which government decisions are made. Businesses operate in a 24/7 world and government must catch up.

We will look for partnerships in the region to harmonize laws, regulations, and taxes with the other Maritime provinces.

We will work with partners across Canada to pressure Ottawa to reduce trade barriers between provinces that apply to goods, services, and labour. A great 150th birthday gift for Canada would have been the elimination of intra-provincial barriers, with fairness for both goods and services. I will be a champion for free trade and work to make open markets a priority for our federal government. I want to reduce our dependence on assistance – if Ottawa gives us the ability to sell our goods and services I know your members will rise to the challenge of growing our economy.

4. Labour force development

Education is the most powerful form of economic development. Your members need skilled, motivated employees ready to be part of your success. That starts with an education system that teaches financial literacy from an early age, moves on to include a focus in school on trades and entrepreneurship as equal to careers in the arts and sciences, and then creates opportunities through mentorship, apprenticeship, and work experience programs.

New Brunswick's population is aging and, while an energized economy is the best way to retain and attract young people, we have to give today's workers the skills they need to adapt to a work environment that is changing every year thanks to technology and an unpredictable world economy.

That means training programs must be available for workers throughout their careers. If a company goes under we shouldn't subsidize the company, we should invest in the workers so they can move on to help other companies grow. That access to training must include access to first and second language training so any New Brunswicker can improve their literacy skills and learn our two official languages.

5. Responsible financial management

It's easy to promise responsible financial management but, as we have seen, politics often gets in the way. I have made responsible management of our tax dollars the cornerstone of my time in politics and, as Premier, it will be at the heart of my government.

A PCNB government will introduce financial penalties for Ministers who do not meet their budgets. The Premier will also be penalized.

Government finances will be made as transparent as possible; many US states have nearly every penny of government spending accounted for online – there's no reason we can't do that here.

A PCNB government will work with our capable civil servants to find efficiencies within government so every dollar spent is a dollar delivering results for New Brunswickers. We don't have a spending problem, we have a results problem. I want New Brunswickers to expect more from their tax dollars and more from the elected officials elected to manage them.

I will end the chaos of MLAs fighting to get the Premier's attention for local projects, creating ever-increasing pressure for projects to be centrally funded, regardless of merit. MLAs are elected to serve their community and they should be trusted to manage a fund to support the constituency-based programs. This will encourage responsibility amongst MLAs, who today have little ability to directly help their communities. This will also

allow voters to judge their elected representatives based on their management of this fund.

As discussed above, as Premier I will change the way we manage economic development to focus on training workers, opening markets, and supporting a start-up culture.

I am convinced an energized public service will play a major role in helping us reform government so New Brunswick taxpayers' see increased value for every tax dollar spent. This will be seen in the steady improvement of government services and opportunities to allow the private sector to grow.

More taxes are not required. It is time to get actual results for the money being spent. The Gallant government has added \$1 billion in new taxes and spending, without result. With our economy back in gear and government playing its proper role, we look forward to reducing our tax burden while enjoying better public services.

None of this is a dream. I have seen the capacity of our civil servants and our private sector from up close. My thirty years in business allows me to view the operation of government through a different lens - unique to politics perspective. My eight years in politics has shown me the possibilities are real. I know what needs to be done to grow our economy. It's a question of choices and that is why, like you, I choose growth.

Together, we will build a team to achieve it.

Sincerely,

Blaine Higgs, Leader
Progressive Conservative Party of New Brunswick