

# HANSARD



## PRINCE EDWARD ISLAND LEGISLATIVE ASSEMBLY

Speaker: Hon. Mildred A. Dover

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2:05 p.m.

#### MATTERS OF PRIVILEGE AND RECOGNITION OF GUESTS

##### EASTLINK TELEVISION COVERAGE

**Speaker:** Honourable Members, it's my understanding that Tuesday night, the Proceedings were not available on Cable 10, and that is the responsibility of EastLink. The Honourable Member... the Leader of the Opposition asked me about it yesterday, and it is the responsibility of EastLink. It's not the responsibility of the Speaker. But, we checked with EastLink and apparently their VCR was down. But ... so it wasn't on on Tuesday night. But, my understanding is it was on last night, and supposedly will be available every night. But it is the responsibility of EastLink. Okay. Matters of Privilege and Recognition of Guests and Recognition of Guests. The Honourable Premier.

##### RECOGNITION OF GUESTS (continued)

**Premier:** Thank you Madam Speaker, and I'm pleased to know that cable viewers are back with us again after one night's missing the Question Period and Proceedings of the House, and I do want to as well as welcoming our cable viewers back, welcome those who are in the Public Gallery today. I see Everett MacLellan, who's the President of the District 17 PC Association. I believe there are a number of representatives of the of injured workers in the Gallery today, and to them and everyone else I say welcome to the Legislature. (Applause)

**Speaker:** The Honourable Leader of the Opposition.

**Leader of the Opposition:** Yes. Thank you, Madam Speaker, for checking into that. It's just that there's so many people ... even got phone calls about it last night, and you're quiet correct, yesterday proceedings was on, and I want to thank the many phone calls that are watching it and give me some extra questions here, especially from our senior citizens who spend a lot of time, and I will have some questions on everything across the Province. But, also I'd like to welcome all the people in the Gallery. It's great to see so many. I believe Trevor Youland, injured worker, is here. I

believe Mr. Gallant, the President, Gordon Gallant, the President...Workers Organization are here, and many more that are here today. I see my good friend up there in the Gallery, and I've just can't get into naming everybody. It's great to see so many people here today, and even it's good to see the Member from the Western ... the Premier introduced here today the ... of his Party or something. It's good to see them here today. (Applause)

**Speaker:** The Honourable Government House Leader.

**Elmer MacFadyen (PC):** I, too, want to extend a warm welcome to everybody in the Gallery. But, I rise to inform the House that the Minister of Health and Social Services is in Quebec ... hoping to get more money from the Federal Government, and I hope he will and have an announcement next week. (Applause) Thank you.

##### STATEMENTS BY MEMBERS

**Speaker:** Statements by Members. The Honourable Member from Montague-Kilmuir.

2:09 p.m.

##### ROTARY YOUTH PARLIAMENT

**Jim Bagnall (PC):** Thank you Madam Speaker. Friday, immediately following the regular sitting of the Legislative Assembly, members of the 14<sup>th</sup> annual Rotary Youth Parliament will begin their 2-day session. Students assume the role of Island legislators, including the Speaker, Clerk, and Pages, and then conduct business within the guidelines of the Canadian Parliamentary tradition.

This event gives Island students the opportunity to experience first-hand how government operates and to gain insight into issues elected officials deal with on ongoing basis. Madam Speaker the list of suggested topics planned for this year is impressive. Debates will include raising the minimum wage, the use of Island nurse, nurse practitioners, the liability of parents for acts committed by minor children, and even free university education.

Students have worked hard to ready themselves for

Rotary Youth Parliament and from what I've seen in past years they come prepared to listen to others as well as state their own point of view. I'd like to thank everyone involved with organizing this event, including the Rotarian Clubs of Prince Edward Island, provincial school boards, the Department of Education, and your office Madam Speaker. I encourage everyone to drop by tomorrow or the next day to watch the proceedings. Thank you Madam Speaker. (APPLAUSE)

**Speaker:** The honourable Deputy Speaker.

### SOURIS CHRISTMAS PARADE

**Andy Mooney (PC):** Thank you Madam Speaker. Madam Speaker I would like to invite you, as well as, as well as the rest of the honourable members in this House to take a trip to Souris this Saturday as this the 21<sup>st</sup> annual Souris Christmas Parade is taking place this Saturday at 1:30. As many people know the Souris parade is considered the largest Christmas parade east of Toronto.

**Leader of the Opposition:** Bigger than Charlottetown?

**Andy Mooney (PC):** Certainly is honourable member! Madam Speaker the parade marshals for this year will be members of the band Kindle, formerly known as Celtic Tide. Spectators will be entertained by more than 70 floats, plus clowns and marching bands. Please don't forget to bring along donations for the 4-H food drive. Post-parade activities include a crafts and bake sale in the Matthew MacLean Building, a showing of popular, of the popular movie "The Grinch that Stole Christmas", an adult dance later in the evening with music by Big Tilda.

It has been a busy week full of fun-filled events Madam Speaker, including caroling at the Colville Manor, the Souris Hospital, and at the Bayview Lodge, the Santa Pageant, pancake breakfast, childrens' craft and story hour, bakery bingo, and a family costume skate. Tonight is the annual tree lighting ceremony and will follow this event, everyone is invited to join in the candlelight walk to St. Mary's Hall and enjoy some hot apple cider, cookies, and entertainment by Mark Haines.

Madam Speaker I would like to thank the organizers and volunteers and the strong community spirit of Souris

and area residents for making the best Christmas parade on PEI. Thank you Madam Speaker. (APPLAUSE)

**Speaker:** The honourable member from Crapaud-Hazel Grove.

### NATIONAL HOME FIRE SAFETY WEEK

**Norman MacPhee (PC):** Thank you Madam Speaker. November 24<sup>th</sup> to the 30<sup>th</sup> is National Home Fire Safety Week and this year the Canadian Safety Council reminds us that the most dangerous room in the home when it comes to fires is the kitchen.

Fortunately Madam Speaker most fires in the home can be prevented by taking some precautions. By never leaving cook, never leave cooking unattended; to deep fry foods always use a CSA-certified electric deep fryer; keep your burner pans and your stove top clean and have a fire extinguisher nearby in case of an emergency.

Madam Speaker last year two-thirds of the fire calls Island firefighters responded to were fires in the home. Smoke detectors are the most effective early warning device available. It's important that Islanders test their smoke detectors often and replace the battery regularly.

Madam Speaker this time of year as we prepare to move into the holiday and winter season it's a good, it's a good time to stop and think about fire safety and fire prevention. I'm happy to say that last year there were no reports of Christmas tree fires in Island homes. But once again I would like to take this opportunity to remind Islanders to keep live Christmas trees well watered. When brought inside a Christmas tree should readily take up water and to help the process you could cut at least a half an inch to an inch off the base of the tree trunk. A fresh, well-watered tree will not burn easily. But when a tree ceases to drink water it should be removed from the house as it becomes a major fire cause.

I urge all Islanders to do everything possible this year to keep this Christmas season a safe and happy one. Thank you. (APPLAUSE)

**Speaker:** Questions by members starting with responses to questions taken as notice.

**RESPONSES TO QUESTIONS TAKEN AS NOTICE****2:14 p.m.****Speaker:** The honourable Minister of Tourism.**BEER HAULING CONTRACTS (further)**

**Hon. Greg Deighan (PC):** Thank you Madam Speaker. The honourable member asked me two days ago why Willard MacDonald's tender wasn't accepted, beer hauling last year. And the reason was Mr. MacDonald did not have cargo insurance submitted with the tender documents and that was the reason why it didn't qualify for the competition.

**Speaker:** The honourable Leader of the Opposition to begin Question Period.

**ORAL QUESTIONS****2:15 p.m.****APOLOGY TO OWNERS OF THE FORMER FAIRYLAND PARK**

**Leader of the Opposition:** Yes thank you Madam Speaker. I want to thank the minister for getting back the answer. Madam Speaker I'll ask a question to the Minister of Tourism. I have a person that lives in my riding. The former owner, the owner of the former, of Fairyland, the owner of Fairyland. You made some statements outside the House that weren't true. You said the company, the previous company Fairyland had gone bankrupt and what you've done by that is you put a very cloud over him and his whole family. And I see the Guardian has retracted, saying that the minister, was quoting the minister. I won't get into theirs.

But what he asked me he would like you to do is apologize to him and his family. I'm not talking about the new owners of Encounter Creek. I'm talking about the previous owner. This is a person----Madam Speaker I want a little time on----they worked hard all his life and never owed the government, he said, one cent as far as any loans with any government or anything. Ran a successful business for years. And he was very disturbed that the minister would use that

type of derogatory, whatever you want to call it, remarks against him----not so much him but his whole family, a cloud. He would like you to apologize to it in the House here today in Question Period and also send a letter of apologize and table it in the House. Will you do that? And if you do that, if you do that he consider the matter closed he has assured me. If not he will have to go further.

**Speaker:** The honourable Minister of Tourism.

**Hon. Greg Deighan (PC):** Thank you Madam Speaker. Certainly will apologize to the former owner. I understood, I had the information wrong but the business was out of, was out of business for a year or two previous to the owners taking it up and I had the wrong information. So I'm certainly will apologize to the former owner of Fairyland, that I was given the wrong information.

**Speaker:** The honourable Leader of the Opposition.

**Leader of the Opposition:** Just another question. I want to thank....(APPLAUSE) I want to thank the honourable member for doing that. Also, the owners, former owners would like you to table a letter so it's, it's in the, in the House there for his family and the future generation. It's a, you know, it's a....just an apology, we'd read it into the minutes or something and he consider the matter stopped. Person is, I'm not saying, he's getting up in age. He's been retired. But if you could do that. Would you do that also and I think the matter would be stopped.

**Speaker:** The honourable Minister of Tourism.

**Hon. Greg Deighan (PC):** Thank you Madam Speaker. Certainly a letter will be forwarded to the former owner giving my apologies for the, for the incident and certainly didn't mean any intent to belittle the former owner or not. But certainly will and I'll forward a copy to the honourable member.

**Speaker:** The honourable Leader of the Opposition.

**Leader of the Opposition:** Yes, I want to thank the, thank the member. I think that the gentleman assured me that as late as half an hour ago on the phone. I said, now if I go through the House with this

and...(INDISTINCT) and so the matter should be stopped. I thank the member for doing that

**DUNDARAVE GOLF COURSE (further)**

**Leader of the Opposition:** Now a question for the Minister of Tourism on a new matter. How much did your government pay to buy the Dundarave golf course?

**Speaker:** The honourable Minister of Tourism.

**Hon. Greg Deighan (PC):** Thank you Madam Speaker. Paid 6, \$6,950,000.

**Speaker:** The honourable Leader.

**Leader of the Opposition:** Supplement. Did you think that was a good deal? Do you think taxpayers got fair value for the six hundred and ninety-five thousand, six million, nine hundred and fifty thousand, millions invested in that course?

**Speaker:** The honourable minister.

**Hon. Greg Deighan (PC):** Thank you Madam Speaker. Certainly the former government paid almost \$10 million for Crowbush so in, in the light of that I would say it was a good deal for the taxpayers.

**Speaker:** The honourable Leader.

**Leader of the Opposition:** Well I have to go back, just a little statement there. Mr. Minister I think that, you know, we know that you got to get advice and we know that from time to time the debate here, somebody that's, like, anything can happen. And the question I have, you just said the former government paid 10 million for Crowbush. Have you got the documents to back that statement up or is that just a statement? You said it, that it cost..... What was the cost? I asked you that question. What was the cost to the taxpayers of Prince Edward Island for Crowbush? And you're prepared to back that statement up?

**Speaker:** The honourable minister.

**Hon. Greg Deighan (PC):** Yes. Thank you Madam Speaker. Yes, they are documented, the cost of, of

Crowbush.

**Speaker:** The honourable Leader.

**Leader of the Opposition:** So the member is prepared to, to take that back to the House and table it in the House for me. Would you do that?

**Speaker:** The honourable minister.

**Hon. Greg Deighan (PC):** Thank you Madam Speaker. Yes.

**Speaker:** The honourable Leader.

**Leader of the Opposition:** New question. How much did you....you know, now my new question I have Madam Speaker. Do you....you thought that was a good deal, the 6 point, \$6,950,000. I got to sort of take my time here because you guys like to deal in the millions, not the hundred thousands, and the billions. A new question. How did you decide of the price you paid for Dundarave?

**Speaker:** The honourable minister.

**Hon. Greg Deighan (PC):** Thank you Madam Speaker. It was negotiations that were carried on.

**Speaker:** The honourable Leader.

**Leader of the Opposition:** A new question to the minister. You had a report done. You paid consultant company nearly \$20,000 to put a value on the golf course. You hired a consulting company. What did they recommend as the buying price for the course?

**Speaker:** The honourable Leader or Minister.

**Hon. Greg Deighan (PC):** They didn't recommend any price. They said in, at the end of the lease that it would be worth in their estimate over \$10 million.

**Speaker:** The honourable Leader.

**Leader of the Opposition:** I don't think I want to go that far, maybe at a later date. Madam Speaker the consultant report says very clearly that the course was worth 6 million. So why did you pay nearly 7 million for

the course? Why did you pay a million more than what your own consultants valued the course at?

**Speaker:** The honourable minister.

**Leader of the Opposition:** And you hired the consultants!

**Hon. Greg Deighan (PC):** Thank you Madam Speaker. The consultants said at the end of the 10-year lease period, in their estimates, the course would be worth a little over \$10 million. Thank you Madam.....

**Speaker:** The honourable Leader.

**Leader of the Opposition:** Well if he wants to go there Madam Speaker I'll go there. You don't tell the whole story of the consultant report. It would be worth \$10 million if you raised the price of the golf fees up by, to \$104 or somewhere in those figures—a major increase in the golf fees. And it was all based on a magic number of what you could raise the golf fees. Now I know you've been raising them and trying to get there. So, you didn't tell the whole story. How come you're not telling the whole story on that question?

**Speaker:** The honourable minister.

**Hon. Greg Deighan (PC):** Certainly if I hadn't told the whole story I think the honourable member has. It's been in Public Accounts for the last 2 years. You have many written questions last year; questions this year. The Auditor General has written in his report so.... And he has did all his audit on, on the dealings of, of the Dunderave. So I don't know what's holding back or what lack of information the honourable member doesn't have.

**Leader of the Opposition:** Well I got....

**Speaker:** The honourable Leader.

**Leader of the Opposition:** .....the other day, the KPMG Report, the second one, I guess, that was done. And when you go to buy something I would imagine you would buy it at what it's worth today and what it might be worth at a later date. And what they're saying here, it would favor \$6 million for you people, it would be roughly what it would be worth now.

So I'll just continue on to, we'll go into the 10-year deal or whatever it's going to be worth at a later date. So, you spent nearly 7 million. Why did you spend 7 million, I'll ask you again, when your own report, done for your department---which I never had until I kept after it and I got it from you the other day, and I want to thank you for that. Why did you pay 7 million when your own report that you hired, your group, paid 20,000 to, said that it was worth roughly \$6 million was the price. Why did you go out and pay an extra million dollars more for it?

**Speaker:** The honourable minister.

**Hon. Greg Deighan (PC):** Thank you Madam Speaker. No, the report exactly didn't say that because it said, at the end of the lease that we'd already signed with the owners of Dunderave, a 10-year lease and that's what we're dealing with. We said if we bought it at the end of the 10-year lease period the consultant said it would be worth a little over \$10 million. So that's what we were looking at if we had bought it, as we did, last year.

**Speaker:** The honourable Leader of the Opposition.

**Leader of the Opposition:** A new question for the same minister. The report goes on to say, and I quote, this, and I'll quote, this is from your report. The report goes on to say, on your consultants that you hired, and I quote: this represents the highest amount the province should be willing to pay out ignoring political considerations. And that 6 million was, you know, ignoring political considerations. What were those political considerations that you were looking on when you bought it?

**Speaker:** The honourable.....

**Leader of the Opposition:** And that's your report.

**Speaker:** The honourable Minister of Tourism.

**2:25 p.m.**

**Hon. Greg Deighan (PC):** Thank you Madam Speaker. I, I don't know what the honourable member means by that. But the consultants dealt in figures and they appraised it at the end of 10 years so it's a projection. And if golf is growing at the rate it is every year for 10-

year period, that's what they're projection is based on. And we're saying that if we waited and paid the lease payments for 10 years and we paid 635,000 a year for 10 years we'd have 6,350,000 paid and still, if we had decided at that time to buy the course, it would still be over \$4 million to buy. So we thought it was a good deal to buy it.

**Speaker:** The honourable Leader of the Opposition.

**Leader of the Opposition:** This is getting very strange again! No wonder the minister is not up to, to speed on what's going on. Now Madam Speaker, let's add it up. You gave the developers more than, than the course was worth. The land was worth 600,000, that's your estimate that you give them. Developers took in about 250,000, probably, timber sales I believe you tabled in the House here. You paid them about a million, not quite a million in lease payments. There was a half a million, you bought used equipment from or close to it. You're following that? And that's about 3.4 million Madam Speaker. And who got it? Some close friends of this government. My question to the minister is how can you defend this on the floor of the House?

**Speaker:** The honourable minister.

**Hon. Greg Deighan (PC):** For the second year in a row I'm defending it. But the honourable member seems to have a problem listening to the answers. And he's got the report. He's got the Auditor General. He sits as chairman of the Public Accounts Committee. He has the Auditor the last 2 sessions in front of him. He never asked a question that I know of of Dunderave when he had the Auditor in front of him. So, like, I, I have problems here with the written questions that we answered last year, again this year, and he had the Provincial Auditor in front of him for 2 occasions for as long as he wanted to. He asked lots of other questions and he didn't want to ask any questions on this when he had the Auditor in front of him. Madam Speaker the facts are there. We're not hiding any of the facts. We think it was a good deal to buy it when we did and that's why we did it. (APPLAUSE)

**Speaker:** The honourable Leader.

**Leader of the Opposition:** Look at them. Look at them question. You had this estimate, the value and

operating review, Dunderave golf course, June 2000. I just got it from you the other day. I reviewed it. The 27<sup>th</sup>, 11. It's a KPMG report. You hired them to do it. It lays it all out in the report what I'm talking about. Have you read this report Mr. Minister and do you understand this report?

**Speaker:** The honourable minister.

**Hon. Greg Deighan (PC):** Thank you Madam Speaker. Yes the report was used when we, we looked at purchasing the golf course. That's why the report was, we hired KPMG to do that because it was a lot of projections involved when you're looking down the road, where is it, where is golf going. They were the company that could, nationally ranked in North America that does that type of, of business. Knows the golf industry; knows where it's going. So when you're projecting down the road 10 years you got to have people that know what they're doing. And that report states what it would be worth at the end of a 10-year period and why we bought it last year.

**Speaker:** The honourable Leader of the Opposition.

**Leader of the Opposition:** Madam Speaker it's very strange here! You get a report. You, they tell you the present value....we would favor the midpoint of \$6 million. That's from your report. You paid 20,000 for it. That's like you're telling me, like, you know, if a real estate agent had a house for sale at \$100,000 and you got a appraiser in. You paid for the appraiser. You could do it yourself. And said the house was worth between, probably, 98,000 to \$102,000. With your logical thinking that, and it was be, it might be or may be, you go back to the person that's selling it to you, the real estate, and you'd offer them about \$130,000 for the house. You'd say, would you take 130 when you're only asking, the report, the value was only worth roughly a hundred thousand. Is that the kind of logic you're using in this department? Is that why we have students in the Gallery that tuition fees are raised 6% in this year? Is that your logic?

**Speaker:** The honourable Minister of Tourism.

**Hon. Greg Deighan (PC):** Thank you Madam Speaker. Knowing the honourable member being a farmer and a potato farmer and buying land is a big part of being in

that business and if you could have known a few years ago where land was going you'd likely have bought a lot more than you did. So it's the idea of knowing where the golf is going, how important it is to, to get ahead of a course when you can, to put it into the 36-hole complex that we have there at Brudenell. So when you have the evidence, you know where it's going and it's a good time to buy. When you have a chance to buy you make a move and you make that decision.

A lot of things come into play down the road. Like, everybody tells us KPMG Report tells us that golf is growing, it will be growing for the next 10 to 15 years. So with that type of information you make decisions and I think it was a good buy for the people of this Island to have that course under government ownership.

**Speaker:** The honourable Leader.

**Leader of the Opposition:** You know Madam Speaker, this is the minister that completely ignored his own report and it doesn't make business sense. He refers to farming. I know all kinds of farmers bought land on spec to farm and they took a report that it was going to be worth so much and a lot of them are out of business today. You got to look at the value Mr., Madam Speaker of what it is today. And you could project all you want. And I'll refer to the Report. I think you should read that Report.

And I'll go on to the Premier. So I'll give a question to the Premier. Last year you told Islanders the course would be worth \$10.6 million at the end of the lease. You didn't tell them that estimate, that estimate, which your Minister of Tourism referring to, was based on increased fees at Dunderave to more than \$100 a game. Why did you or your minister leave that part out when you're explaining this? Answer that Mr. Premier.

**Speaker:** The honourable Premier.

**Leader of the Opposition:** It's like you didn't tell all the story.

**Premier:** Madam Speaker I think the honourable member is forgetting all the story here too. When he reads the KPMG Report he's leaving out the part that tells us that at the end of the 10-year period the course

would be worth 10.4, \$10.5 million. So if the government had continued to lease the course from now 'til the end of the 10-year period we would have paid 10 years of lease payments at 635,000. Ten times 635 is 6, 6.3 million. And then we would have, be looking at a purchase price of 10.4. So you add that on top and it's substantial amount of money.

The reason we paid 6.95 is because we could negotiate a deal at that price and it was a much better price than we would have had to pay at the end of the 10-year lease and the fact that we could avoid the lease payments in the meantime. Now he could argue yes but we're making payments in the meantime and that's right. And we are continuing to pay on an annualized basis, as I understand it, about the same amount of money we were paying under the lease payments. So it's not costing us any more in terms of our cash flow and it's saving us a lot of money at the end of the day.

**An Honourable Member:** Here, here. (APPLAUSE)

**Speaker:** The honourable Leader.

**Leader of the Opposition:** Well Madam, Madam Speaker the report is there. And a new question to the, to the Premier. You wasted millions here, handing out those millions to a select few developers. What do you say to the students in the Gallery here? What do you say to these young people Madam Speaker? How do you explain this outrageous waste of taxpayers' dollars against the voice of a consultant? I have the report right here.

**Speaker:** The honourable Premier.

**Premier:** Well Madam Speaker, you know, the honourable member, of course, forgets some things. Forgets to do some comparative analysis. And I remind him that when the Crowbush course was built, before there were any buildings, the initial price and this is confirmed in the Auditor's Reports I believe, that shows that Crowbush, before buildings and before upgrades, cost 7.4 million. Following the completion of the buildings and the various other upgrades had to be done to the course it's estimated that they spent over \$10 million, probably about 10½ in regard to the Crowbush course.

Madam Speaker that course was built quite a number of years ago, presumably when costs were lower. And we've had...so we had lower costs at that time compared to the Dunderave course. We also had inflation over the years since the course was built. And so if you compare again this course and the cost to Crowbush, you know, it's easy to see that this was a good buy. Now I'm not saying that it was the best buy but compared to the price that his, his government paid for Crowbush I think it was a good buy.

**2:35 p.m.**

And Madam Speaker if he wants to talk about tuition fees, it's interesting that when his party was in office, I think, from 1990 to 1996, tuition fees at the University went up by 61%.

**Hon. Greg Deighan (PC):** Oh no! No.

**Hon. Mitch Murphy (PC):** No credibility!

**Premier:** Sixty-one percent Madam Speaker. Since '96 to today, the increase has been much lower. It's in the vicinity of 24% Madam Speaker. (APPLAUSE)

**Speaker:** The honourable Leader of the Opposition, followed, followed by the honourable member from Belfast-Pownal Bay.

**Leader of the Opposition:** I'll get into the tuition fees on a later question. I'll go back to the Premier. And I'll quote from, this is your report, your government report. Present value of existing management agreement etc. (INDISTINCT) or lease buyout at the end of the term assuming the (INDISTINCT) the imaginary increase in golf fees to, to \$25 increase in golf fees by the year 2001, up from what it was \$25. They're predicting that it could be worth \$10.4 million at the, at the.....providing the golf fees are up now and keep continuing going up. You know, you could be up to over \$200 in that time in order to, to, say, to justify the course because Madam, Madam Speaker----a little long on this----but what it is here is, the Provincial Treasurer is taxing golf by the amount of money that generates. So I guess that's how you value it. So if, if you, you could use....

A question Mr. Premier. If you said this was up to, by the year 2009 or 8, you could say in the House Madam,

Madam Premier, Mr. Premier I mean Madam Speaker, that you could say that this golf course was worth 25 million, whatever you want, whatever you want to put on those numbers. Now my question goes to the Premier Madam Speaker. And I want to.....sorry I was a little long on that. It's the story of this government Madam Speaker. It's the story of lost opportunity, wasted chances, and helping your friends. Premier, you should be ashamed you have been part of this deal.

**An Honourable Member:** Question?

**Leader of the Opposition:** Well I'll go then to the Minister of Education. You want me to give a question. I'll give it to him or I'll give it to the Premier on education. I'll go to the Minister of Education if you want me to change. You're getting touchy over there! A question to the Minister of Education Madam Speaker. I have a number of questions for the Minister of Education, and I was surprised to hear this morning that he wouldn't be here today. But he is. That's good to hear that. And this is a very important matter so I'm glad. I was told you were going to be here then I was told you weren't going to be here. But that's really not your fault.

#### TUITION INCREASES AT UPEI

**Leader of the Opposition:** The University of PEI is one of the greatest assets that we have here. And I'm sure that the minister agrees with that, the students, and the General Assembly. It is our only university Madam Speaker that this government continues to ignore very serious issues. Can the Minister of Education tell the House how students are supposed to deal with 6% increase in tuition at UPEI?

**Speaker:** The honourable Minister of Education and the Attorney General.

**Hon. Jeff Lantz (PC):** Thank you Madam Speaker. First of all I would agree with the honourable member's statement that UPEI is one of our greatest assets. It is. And I think it is growing in stature every day with the quality of students, professors, and researchers that they have there. And they very quickly, under the leadership of Wade MacLaughlin, becoming one of the premiere universities in this region I believe.

I've talked to students on numerous occasions about tuitions last year and this year and will continue to do so. That will be an issue, I'm afraid, for some time to come. UPEI is probably one of the best quality universities or best bang for the buck in the region. Tuitions are high everywhere. But in the Maritime Provinces UPEI, I believe, is about third and UPEI ranks about fifth on the average nationally. So we, we have made progress with tuition, trying to slow the increases down. As the Premier quoted under previous administrations increases were 61% over a period of time. We slowed those down to 24. We will do everything we can to help with tuition rates. We have a number of issues in education, health and other issues. We have to budget our money the best ways we can. And tuition is important to our students. It's important to our whole economy. And we'll continue to listen to the students and other people and try and do what we can.

**Speaker:** The honourable member from Belfast-Pownal Bay.

#### QUALITY & LEVELS OF ISLAND WATER

**Wilbur MacDonald (PC):** Thank you Madam Speaker. My question is to the Minister of the Environment. Last night I attended a meeting in my riding where water was discussed and some concerns were raised. At the same time Mr. Minister, you were attending a panel discussion at the University of PEI. Could you inform the House what, what took place at the panel discussion and what were the concerns raised?

**Speaker:** The honourable Minister of Fisheries, Aquaculture, and the Environment.

**Hon. Chester Gillan (PC):** Thank you Madam Speaker. And in reply to the honourable member we had a very comprehensive lively discussion last evening and very well attended by the community at UPEI. It was sponsored by the new Department of the Environmental Education under the leadership of Professor Don Mazer. And Madam Speaker really what it was about was the quality of Island water, drinking water in particular. But from there we quickly departed of course into other areas of topics, such as waste water and the abundance this year of water in a drought year. And there was concern expressed from the panel

members as well as from the audience as to just how low the water tables did reach this year and the consequences. And there was considerable discussion around the low water table.

**Speaker:** The honourable member.

**Wilbur MacDonald (PC):** Supplementary Madam Speaker. At the meeting last night the concerns were raised, because of the very dry summer, some water wells going dry and in particular the concerns were raised about the ponds and small creeks which seemed to have gone dry. And you've indicated about the water level. Could you give us some indication of the water level and what that will mean? In particular, these people were concerned about next year's crop.

**Speaker:** The honourable minister.

**Hon. Chester Gillan (PC):** Yes Madam Speaker. We were particularly fortunate this past winter to have such a heavy snowfall. And with little or no frost in the ground with the resulting snow melt it did filter down into the ground and didn't take it's normal course off in the freshet of the, of the spring, which would mean a lot of spring runoff. So we were able to put a lot of water into the ground in this coming, in this past spring. So even though we had the drought-like conditions this summer the experiences of the farmers in the main were not as bad as they might have been.

Now Madam Speaker let me quickly go back to 1994---- and some of the members may remember----at that time, once again, it was an extremely dry year. We did have more disastrous results in '94 than we did this past summer. Notwithstanding that and the member suggests the stream flow, 50 to 55% of the recharge—that is the melted snow and the rain water---- is necessary to keep the streams and the ponds full. And those are usually the indicators of just how the water table in the ground is fluctuating. And this year they took, in other words, a beating honourable member. And it was very evident that, obviously, the water table was falling down.

And it just Madam Speaker----I know this is a long response----but in the steeper areas, the highland areas of Prince Edward Island the water table can fluctuate 4 to 5 meters, up to 20 feet or in the low-lying areas only

one. So particularly in steep areas the situation was quite grave this summer.

**Speaker:** The honourable member.

**Wilbur MacDonald (PC):** Final supplementary Madam Speaker. Then I take it Mr. Minister that the fluctuation of the 4 meters could mean why some wells, water wells have gone dry. Could you indicate then to us how much moisture we would need during the winter months so that next year we wouldn't have such a dry summer as we had this year. Or can the, can the winter months recuperate enough water so that we won't have the same conditions as we had last summer?

**Leader of the Opposition:** You got to know how much snow you got!

**Speaker:** The honourable minister.

**Hon. Chester Gillan (PC):** Madam Speaker the recharge really starts at the end of the growing season because once the majority of the plants have been harvested then the amount of water that the plants would normally take up through transpiration is at a close and then the fall/autumn rains falling. Those, the combination of those two start a recharge right away in the fall. That's why we need the autumn rains. We've had some but we should really have had more this fall. So it really is now dependent upon a good snowfall this coming winter.

For many people, the traveling public on the roads, they are hoping that we don't get very much snow. But the farming community and others realize the importance of this. So we do need a considerable snow pack this year. And I, I am hopeful that with the recharge, the limited recharge that we got this fall, with a normal snowfall that it would put the levels back to where we need them for the growing season next fall, next spring.

**Speaker:** The honourable Leader of the Opposition.

**2:45 p.m.**

**Leader of the Opposition:** Yeah thank you. It's very interesting. I want, I appreciate the Minister of Environment for answering those questions. They're

very....especially to a farmer, to tell him that you need snow to charge up and I think it's very well, informative and I want to.....you're up to speed and I appreciate that, for those farmers that don't understand that.

#### FUNDING TO UPEI

**Leader of the Opposition:** Now, another question Madam Speaker to the same minister. I was looking back at some of the figures the present, in the present government and in a written answer I did. When you look at the funding grants provided by the Government of PEI it really amazes me that the Premier could make them statements here Madam Speaker. Back in 1995/96, the province give 21 million to University of PEI in grants. But it really amaze me. So this is from your information Mr. Minister. Why you didn't get up and correct it I don't know. But '99/2000, the province gave less than they did 5 years before that. It's right here in grants. How is it possible that grants to our province only university will go down in 5 years rather than go up 5 years? How could that possible? I have it here.

**Speaker:** The honourable Minister of Education and the Attorney General.

**Hon. Jeff Lantz (PC):** Well Madam Speaker post-secondary education is not only a provincial responsibility. It's a federal responsibility as well. And we seen CHST payments drop dramatically in previous years and they're just coming back to levels they were at back in '94/95. When the federal government dropped other federal programs as well it's up to the province to try and pick up the slack and it makes it difficult for us to put the money where we would like to. So we, we are doing that. In the last number of years we have increased funding to our post-secondary institutions.

Madam Speaker we now are or, 2 years ago I believe it was, we increased our base budget funding to both UPEI and Holland College with the result that both institutions will have an extra \$6 million to their base budget. (APPLAUSE)

**Speaker:** The honourable Leader.

**Leader of the Opposition:** Madam Speaker I'll tell you one thing. We have a good education system in the

Province of Prince Edward Island whether it be in our schools or university because I think this is the first time Madam Speaker that I really have the minister and the Premier on the ropes. And these questions were wrote by the students from the University of Prince Edward Island. Deserve a lot of credit on their voice in here. We have the Premier Madam Speaker saying that, blaming it on the province and then when he found out his government put in less to the University the Minister of Education, the one I'll ask the question to, blamed it on the federal government. Don't want to take responsibility.

So my question goes to the Minister of Education. This government is taking in over 200 million more in revenue than it was first elected when you refer back to '95/96. Transfer payments are up; taxes are up; everything is up but you give less to the University of the Province of Prince Edward Island. Why are you ignoring the needs of post-secondary education in this province Mr. Minister? If you and the Premier, you could both answer the question to the students. Both get up if you want to.

**Speaker:** The honourable minister.

**Hon. Jeff Lantz (PC):** Thank you Madam Speaker. The honourable member is right, there are a lot of things up. But as I mentioned earlier one thing that is down is CHST, which is the federal government's way of funding post-secondary education which they haven't done over the last number of years and we've been forced to pick up that slack in other areas. And as I said before we are picking up that slack. We are increasing funding and hopefully, at some point in time, we'll be able to do that even more. Things aren't very rosy at the future but education has done very well by this government and will continue to do so when circumstances permit. It is a high priority for this government. I've been very lucky to have the support of my cabinet colleagues. Education generally has done well. Post-secondary starting to do better than it has in the past under previous government and under previous circumstances we've been faced with. So we recognize the importance of post-secondary education and I expect that I will continue to get the support of my cabinet colleagues.

**Speaker:** The honourable Leader.

**Leader of the Opposition:** Madam Speaker now he's blame....the Premier has blamed the present government or the previous government. It will probably the present government pretty soon---I guess that's a forerunner---the way things are going. The Minister of Education has blamed the federal government. And then when they both got on the ropes by my questions from the students from UPEI they've gone now, it's not the weather you're blaming but I think it was.....I didn't catch that other.....oh, his cabinet colleagues aren't giving him enough money. He gone to his cabinet colleagues.

Now another question for the minister Madam Speaker. I believe that any young Islander who wants to go to post-secondary school should be allowed to do that. They should be encouraged to do that Madam Speaker, you being a teacher yourself and a good one. Money should be not a barrier. Not at all. UPEI students Madam Speaker, UPEI students, the Student Union president said recently that if tuition keeps raising, rising it's just going to be the rich students that can afford to go to school. Does the minister believe that these are young Islanders out there, do you believe that there's young Islanders out there who are not able to attend post-secondary education school because they and their family can't afford for them to go? Do you believe that?

**Speaker:** The honourable minister.

**Hon. Jeff Lantz (PC):** Thank you Madam Speaker. First of all I just want to correct one thing the honourable member said about my cabinet colleagues not giving me money. I don't believe he heard me correctly. I said the opposite---I had the support of my cabinet colleagues and they've been very helpful to me and to education in general. So I want to clear that up.

In relation to his other question. He's right, it is a challenge for a number of students to make an investment in education, which is what a university degree is. It's a, it's an investment. It's an expensive investment but it's one that's well worth it in this day and age. And we recognize that. We will continue to work towards helping students with their tuitions. We've done that in a number of ways already. We've provided increased funding to UPEI, as I mentioned earlier, and that allowed UPEI last year to put a freeze

on their tuition. We've had the Island Student Awards, which award \$600 to third and fourth year students at UPEI, as well as a student at Holland College. And we will continue to do things like that in an effort to help students so that they do get the best possible education they can so that they do become productive members of our society and in most cases, they'll probably be leaders in our society.

**Speaker:** The honourable Leader.

**Leader of the Opposition:** You know (APPLAUSE) I'm sure if the minister has the support of his colleagues he'll support the student Resolution this afternoon in freezing tuition fees to the present level. I'm sure he'll be able to.....we'll see 'cause you have the money you said. So my question is to the, to the minister. I know he, he likes to, he's been in a law court a lot but the facts still come out. And he noticed that he did increase, which is correct, funding last year. Nineteen ninety-nine, two thousand, is that the year we're talking about? Or was it '98/99? I just.....which year did you increase the funding?

**Speaker:** The honourable minister.

**Hon. Jeff Lantz (PC):** I'm not sure I understood the honourable member's question.

**Speaker:** The honourable Leader.

**Leader of the Opposition:** I'll just go on with the question. You increased.....I'll go on with another one. You increased funding because you were, you're lower in '99, '96/97, you're low; '97/98, you're lower than '95/96; '98/99, you're lower than was in '95/96 to the University of PEI. And 2000/2001, you're still lower. I don't worry about that. You must have went to law school and not math!

Now another question Madam Speaker. It's disturbing to see so many Island, Islanders a couple of weeks ago take, talking about the death of post-secondary education at the University of PEI. What did the minister think of that demonstration? You must have been very disturbed about that. That's your students, our students, our people here in the Province of PEI marching, marching to bring a problem to issue.

**Speaker:** The honourable minister.

**Hon. Jeff Lantz (PC):** Thank you Madam Speaker. I didn't personally see the demonstration. I believe it's similar to one, other ones we've had in other years from what I could understand. But I think it's great the students do bring this to the attention of everyone so that we can, altogether, address the issue. My colleagues, other people within society who are able to help. It's always good to bring an issue to the forefront. And I'll say it again. We are committed to education and we will continue to do what we can within our budget.

**Speaker:** The honourable Leader of the Opposition, final question please.

**2:55 p.m.**

**Leader of the Opposition:** Well I think that Madam Speaker, what the minister has got to do is, is he always uses within his budget. I mean, we know the Development and Transportation has wasted millions of dollars, we know that, that could have been better spent on our education. So my question goes back to the minister Madam Speaker. The UPEI Student Unions—and this is not me saying this----the Student Unions are saying the average 4-year debt at...the average 4-year debt at UPEI student jumped from 8,800 in 1990 to over 25,000 in 1999. I think it's safe to assume that today young people graduating from university could owe a debt of 30,000 or more. Surely Madam Speaker that must make it almost impossible for some people to go to university. And there all that money and all those students that they got to, own the amount of stress that's on them and trying to hold down, maybe, 2 jobs at minimum wage, that your government won't raise, puts a lot of pressure on them Madam Speaker. What is the minister going to do to help Island students that are financially strapped and their families from getting a good education in the province? What are you going to do? Are you going to freeze tuition fees or not?

**Speaker:** The honourable minister.

**Hon. Jeff Lantz (PC):** Thank you Madam Speaker. First of all it's up to the University to set their tuitions. We worked with them in the past to allow them to freeze

them in previous years. What we will continue to do is place education on the forefront of our agenda, to give it the priority it deserves. And we will continue to increase its budget where we can and when we can. And as I said many times already this afternoon, it is important to our whole society that our society is well educated and we will continue to give priority to education when and where we can.

**Hon. Greg Deighan (PC):** Hey! Hey! (APPLAUSE)

**SPEAKER: END OF QUESTION PERIOD**

2:57 p.m.

#### STATEMENTS BY MINISTERS

**Speaker:** End of Question Period. Statements by Ministers. The Honourable Provincial Treasurer.

#### PROVINCE'S CREDIT RATING BY STANDARD & POOR'S

**Hon. Pat Mella (PC):** Thank you, Madam Speaker. Madam Speaker, on November the 9<sup>th</sup>, 2001, Standard and Poor's Credit Rating Agency provided a long-term credit rating of "Single A" for the Province of Prince Edward Island. Prior to this announcement, the Province's rating was "Triple BBB+". The revised credit rating by Standard & Poor's reflects the following positive credit considerations.

- PEI has a low and stable debt-to-GDP ratio which compares quite favourably with many other Canadian Provinces. Using Standard and Poor's approach, debt was approximately 24% of GDP at the end of fiscal year 2001.
- The Province had good budgetary performances in past years, and it is likely the Province will remain committed to balancing its budget in future years, despite the possibility that the Province could post a deficit this year.
- The good performance of the economy on a trend basis in the past five years reflects solid gains in manufacturing, in exports and incomes.

Although there is a near-term uncertainty on the economic front, Standard and Poor's expects the Provincial Government will undertake the necessary

remedial measures allowing it to remain on track with its stated objective of maintaining fiscal balance. Despite the slower growth the Province has a good track record of managing its expenditures. Spending as a share of GDP fell slightly to 27 percent from 28 between fiscal year '97 and 2001. Debt interest charges declined by 11 percent of total revenue in fiscal year 2001 from about 13 percent in '97. The Province's debt also showed marked improvement during the same period, falling to 24 percent of GDP in fiscal 2001 from 27 percent in '97.

Madam Speaker, I should note that Standard and Poor's and the Canadian Bond Rating Service have combined their operations in Canada, and I would further note that the latest credit rating from Standard and Poor's now provides this Province for the first time in many years with three long-term credit ratings of "A" from the Bond Rating Agencies. (Applause)

**Speaker:** The Honourable Member from Transportation and Public Works, do you have a statement?

**Leader of the Opposition:** I have a...

**Speaker:** Oh, the Honourable Leader of the Opposition.

#### POINT OF CLARIFICATION

**Leader of the Opposition:** So what the Provincial Treasurer is telling us is that our rating has gone up and that the province is in...if your bond rating is gone up, means the province is in great shape and that you have lots of money then to...or a little bit of money then to help these students or whatever. Is that what you're telling me by that report? I just ...make sure I understand is.

**Speaker:** The Honourable Provincial Treasurer.

**Hon. Pat Mella (PC):** Well I'm not sure if that's a Point of Clarification, Madam Speaker. But I wanted to inform the general public that we now have three bond rating agencies who are the real objective assessors of whether or not we're managing our finances properly, and they are the key to determining what companies will come to PEI, what confidence investors will have, what rate of interest we'll pay if we want to borrow money etc. So, in terms of the students in the Gallery,

the fact that the province has now an "A" rating across the board, is very good news for them because it means that Government is going to be able to borrow at reasonable costs in order to fund everything including Post Secondary Education. (Applause)

#### STATEMENTS BY MINISTERS (continued)

**Speaker:** The Honourable Minister of Transportation and Public Works.

#### CONSTRUCTION OF TRANSPORTATION AND PUBLIC WORKS SERVICE DEPOT FOR WEST PRINCE (ALMA)

**Hon. Don MacKinnon (PC):** Madam Speaker, I'm pleased today to announce plans for the construction of a Department of Transportation and Public Works service depot for the West Prince area. The new facility will consist of 3600 square feet and will be constructed in the Community of Alma on Route 2. Operations to be located within the facility will include functions from both the Capital Projects and Highway Maintenance Divisions as well as other related staff throughout the year depending on the seasonality of operations.

Currently the Department's functions in West Prince are spread across three separate leased facilities and by locating most of these functions under one roof, a central point of contact for enhanced service to the travelling public will be created in the West Prince Community with related cost savings.

The tender process for the building envelop has been publicly advertised and closed on November 22<sup>nd</sup>, and the tender process for site work has been completed and awarded to Kildare Construction. Plans are for the work on the facility to commence immediately with an anticipated opening date of late next Spring.

Madam Speaker, initiatives like the Western Service Depot are another example of how the Department of Transportation and Public Works is continually exploring ways in which to improve the quality of service delivery to the public in the most cost effective manner possible. (Applause)

#### PRESENTING AND RECEIVING PETITIONS

None

#### TABLING OF DOCUMENTS

**Speaker:** Presenting and Receiving Petitions. Tabling of Documents. The Honourable Provincial Treasurer.

#### ANNUAL REPORT PRINCE EDWARD ISLAND LOTTERIES COMMISSION (Period ending March 31)

**Hon. Pat Mella (PC):** Madam Speaker, by command of His Honour the Lieutenant Governor, I beg leave to table the Annual Report of the Prince Edward Island Lotteries Commission for the period ending March 31<sup>st</sup>, and I move, seconded by the Minister of Development and Technology that the said document be now received and do lie on the table.

**Speaker:** Shall it Carry?

**Honourable Members:** Carried.

**Speaker:** The Honourable Provincial Treasurer.

#### ANNUAL REPORT CIVIL SERVICE SUPERANNUATION FUND FOR 2000-2001

**Hon. Pat Mella (PC):** Madam Speaker, by command of His Honour the Lieutenant Governor, I beg leave to table the Civil Service Superannuation Fund Annual Report for 2000/2001 and I move, seconded by the Minister of Technology that the said document be now received and do lie on the table.

**Speaker:** Shall it Carry?

**Honourable Members:** Carried.

**Speaker:** Report by Committees. Oh, sorry, Honourable Treasurer.

#### BANK ACCOMMODATIONS BY WAY OF OVERDRAFT (Since last report of March 30, 2001)

**Hon. Pat Mella (PC):** Madam Speaker, by command of His Honour the Lieutenant Governor, I beg leave to table the Bank Accommodations by way of overdraft since the last report of the 30<sup>th</sup> of March, 2001 and I move, seconded by the Minister of Development and Technology that the said document be now received

and do lie on the table.

**Speaker:** Shall it Carry?

**Honourable Members:** Carried.

#### REPORTS BY COMMITTEES

**Speaker:** Reports by Committee's. The Honourable Member from Park-Corner-Oyster Bed.

#### REPORT OF THE STANDING COMMITTEE ON COMMUNITY AFFAIRS AND ECONOMIC DEVELOPMENT

**Beth MacKenzie (PC):** Thank you Madam Speaker. As Chair of the Standing Committee on Community Affairs and Economic Development, I beg leave to introduce the report of the said Committee and I move, seconded by the Member from Evangeline-Miscouche that the same be received and do lie on the table.

**Speaker:** Shall it Carry?

**Honourable Members:** Carried.

**Beth MacKenzie (PC):** Madam Speaker, the report that I'm tabling here today, I have to say that it was a pleasure to Chair this Committee. All Members of the Committee worked very well together. During the 2<sup>nd</sup> Session of the 61<sup>st</sup> General Assembly, the Member from Souris-Elmira tabled for consideration of all Members of the House, draft franchise Legislation as prepared by an organization called Islanders for Fair Franchise Law. This draft Legislation is not presented to the House as a Private Members Bill pursuant to the Rules of the Legislative Assembly of Prince Edward Island, but rather tabled by the Member for discussion purposes. And subsequent to the tabling of the draft Franchise Legislation, the Legislative Committee then duly considered and carried out the following Motion; that the draft Franchise Legislation be referred to my Committee, that the Committee be authorized to sit during the second and third sessions of the Assembly and that the Committee make a report to the House within 10 sitting days.

Permanent Members of the Standing Committee, myself as Chair, the Honourable Minister of Agriculture and

Forestry, the Honourable Minister of Fisheries Aquaculture and the Environment and the Honourable Member from Evangeline-Miscouche and the Leader of the Opposition. Our Committee would also like to extend special appreciation to the Member from Charlottetown-Spring Park for his special interest and his contribution to the work of the Committee. He served as a replacement at several meetings held by the Committee and his insight was helpful in assisting the Committee in reaching the conclusions.

Further, your Committee was assisted in it's work by Mr. Edison Shea of the Office of the Attorney General, and your Committee wishes to thank Mr. Shea for his time and diligence in ensuring that the Committee was in the best position possible to make an informed decision on this matter. We held public hearings which were well attended. We also received written submissions, Madam Speaker, and the draft Legislation stated its purpose as follows; To require Franchisors to disclose information about the Franchise, the Franchisor, and it's associates and the attended Franchise relationship so that perspective Franchisees can make informed investment decisions. (2) To establish minimum standards of fair dealing between Franchisors and their associates and Franchisees throughout Franchise relationships and (3) to provide a remedy so that disputes between Franchisors or their associates and Franchisees can be dealt with effectively and efficiently.

Two provinces in Canada presently have Franchise Legislation, Alberta and Ontario. This draft Legislation is introduced into our Assembly and it bares little resemblance to the two statutes and the other province. As a result there was little practical Canadian experience to draw from in assessing the performance or merits of Franchise Legislation in the form that we had.

We had a very good debate, we had, I believe both sides of the spectrum presented to us in the deliberations and the following recommendations, Madam Speaker; Having considered presentations received, your Committee is of the opinion that the draft Legislation as prepared by Islanders for fair Franchise law does not form a good base from which to devise Franchise Legislation for this province. Having stated this, your Committee is of the opinion that legitimate

concerns were expressed to your Committee during the conduct of hearings that are worthy of further consideration and may well indicate a need for Franchise Legislation in some form in this province. Your Committee does not feel that all Franchisees and Franchisors in the province were comfortable in coming before a Legislative Committee in a public forum and openly articulating their views on the subject. As a result, we do not feel that we have the benefit of all the information required to make the best decision possible on the advisability or form a Franchise law. Accordingly, your Committee recommends that the Office of the Attorney General proceed with preparing a draft Legislative proposal using but not limited to, the utilization of the Ontario and Alberta Legislation as a reference document. In preparing the draft proposal your Committee urges the Office of the Attorney General; be mindful that the draft should be based on disclosure such that Franchisors must be required to disclose, to perspective Franchisees sufficient detail to ensure that Franchisees have the information necessary to make and form business decisions and (2) uniformity. The draft should be as consistent as possible with other Canadian jurisdictions to ensure that Franchisors are not confronted with a different set of rules in each province in which they wish to establish business.

Cost of establishing and conducting business in a province is one of the most important considerations for any perspective business. With a population of only 140,000 people, PEI must be careful not to send a message that it is a difficult place to do business. We must encourage businesses to establish here and foster a positive business climate. In so doing however, it is important that protection for prospective Franchisees from unscrupulous Franchisors be considered. The Committee recognizes that this recommendation will not be realized in very short term. Conversely your Committee is of the opinion that Legislation that envisages the insertion of Government and private business arrangements through Legislative and or other means, must necessarily be proceeded with cautiously. Again, your Committee does not dismiss the necessity of Legislation in some form to cover disclosure essentials of business relationships between Franchisors and Franchisees. It is for this reason that your Committee is recommending that the Office of the Attorney General proceed with the drafting of the Bill

that will serve to equitably address the concerns as expressed by Franchisors and Franchisees.

I move that the report be adopted.

**Speaker:** Shall it Carry?

**Honourable Members:** Carried. (Applause)

**2:57 p.m.**

#### INTRODUCTION OF GOVERNMENT BILLS

**Speaker:** Introduction of Government Bills. The Honourable Minister of Transportation and Public Works.

#### **BILL NO. 11 AN ACT TO AMEND THE HIGHWAY TRAFFIC ACT (1<sup>st</sup> reading)**

**Hon. Don MacKinnon (PC):** Madam Speaker, I beg leave to introduce the Bill to be intituled *An Act to Amend the Highway Traffic Act* and I move, seconded by the Honourable Minister of Development and Technology that same be now received and read a first time.

**Speaker:** Shall it carry?

**Honourable Members:** Carried.

**Clerk:** *An Act to Amend the Highway Traffic Act* Bill No. 11 read a first time.

**Hon. Don MacKinnon (PC):** Madam Speaker, this Act allows for a number of things including the (INDISTINCT) of a requirement that only persons with a valid emblem on their vehicle may park in a disabled parking space, and it amends the schedule of penalties to provide penalties for operating a vehicle on the highway when the vehicle registration has expired or while the registration is revoked or suspended and provides penalties for parking in a disabled parking space without a valid emblem.

**Speaker:** Thank you. You have another Bill there, Honourable Minister?

#### **BILL NO. 12 AN ACT TO AMEND THE ROADS ACT**

(1<sup>ST</sup> reading)

**Hon. Don MacKinnon (PC):** Yes, Madam Speaker. I beg leave to introduce a Bill to be intituled *An Act to Amend the Roads Act* and I move, seconded by the Honourable Minister of Development and Technology that same be now received and read first time.

**Speaker:** Shall it carry?

**Honourable Members:** Carried.

**Clerk:** *An Act to Amend the Roads Act* Bill No. 12 read a first time.

**Speaker:** The Honourable Minister.

**Hon. Don MacKinnon (PC):** Madam Speaker, this Act amends certain definitions to harmonize those definitions set out in the agreement on standards respecting vehicle weights and dimensions in Atlantic Canada.

**Speaker:** Motions other than Government.

#### POINT OF ORDER

**Elmer MacFadyen (PC):** Point of Order, Madam Speaker.

**Speaker:** Point of Order.

**Elmer MacFadyen (PC):** When the Leader of the Opposition tabled the Resolution that he is more than likely going to call this afternoon. At the time that it was tabled, the Minister of Education was out of the province. The Acting Minister of Education signed as seconder. I did call the Leader of the Opposition's office this afternoon to ask for permission that the Minister of Education would be the person who would second the Motion and he had agree. So, I would now ask for unanimous consent of the House to have that process followed.

**Speaker:** Do we have the unanimous consent of the House that the Minister of Education now be the seconder as opposed to the Acting Minister?

**Honourable Members:** Agreed.

#### MOTIONS OTHER THAN GOVERNMENT

None

#### ORDERS OF THE DAY (GOVERNMENT)

**Speaker:** Agreed. Thank you. Motions other than Government. Orders other than Government.

#### RESOLUTION NO. 9 UPEI ASSISTANCE

**Leader of the Opposition:** Motion would be No. 9.

**Speaker:** Motion No. 9 has been called. Shall it carry?

**Honourable Members:** Carried.

**Clerk:** The Honourable Leader of the Opposition moves, seconded by the Honourable Minister of Education the following Motion:

**WHEREAS** post-secondary education is rapidly becoming a fundamental requirement for young Prince Edward Islanders entering the workforce;

**AND WHEREAS** the University of Prince Edward Island is this province's only university;

**AND WHEREAS** grants to universities in Atlantic Canada, including the University of Prince Edward Island, have fallen from 63 percent of operating revenue in 1984-85 to 46 percent in 1997-1998;

**AND WHEREAS** this has resulted in an increase of tuition fees as a percentage of university revenue from 14 percent in 1984-85 to 24 percent in 1997-98;

**AND WHEREAS** the University of Prince Edward Island has been forced to increase tuition fees by six percent this year;

**AND WHEREAS** tuition fees have increased by 89.1 percent between 1990 and 2000 at the University of Prince Edward Island;

**AND WHEREAS** two years after graduation, 1995 university graduates owed at least 60 percent more in student debt than their 1990 counterparts;

**AND WHEREAS** if current trends continue, this figure is expected to continue on an upward spiral;

**AND WHEREAS** the Government of Prince Edward Island's expenditure on post-secondary education has declined by 28.5 percent from 1992 levels, the most significant decrease in the Atlantic region;

**AND WHEREAS** legislated, long term freezes in tuition have improved accessibility to post-secondary education in other provinces;

**AND WHEREAS** the province of Newfoundland and Labrador has dropped tuition fees in 2001-2002 by 10 percent from the previous year;

**AND WHEREAS** tuition fees have been frozen for the fifth consecutive year in the province of Quebec;

**AND WHEREAS** tuition fees have fallen by 6.6 percent in the province of British Columbia over the past five years;

**AND WHEREAS** the University of Prince Edward Island is facing many millions of dollars in deferred maintenance costs;

**AND WHEREAS** these costs are growing significantly on an annual basis;

**AND WHEREAS** the University of Prince Edward Island can no longer postpone these capital maintenance requirements;

**AND WHEREAS** if the Government of Prince Edward Island does not provide adequate financial support, it will be necessary for revenues to be made up through a further increase in tuition fees at the University of Prince Edward Island;

**THEREFORE BE IT RESOLVED** that this Provincial Government work to address the capital repair needs at the University of Prince Edward Island;

**AND BE IT FURTHER RESOLVED** that the Provincial Government consider working with the University to keep tuition as reasonable as possible for the 2002-2003 school year.

**Speaker:** The Honourable Leader of the Opposition to open the debate on the Motion.

**Leader of the Opposition:** Thank you very much, Madam Speaker.

**3:18 p.m.**

**Leader of the Opposition:** Could I have the podium. It's good also, Madam Speaker, when I'm on my feet, to see so many people in the Gallery today, and especially so many of our young students that are here today. I think it's great you took time from your Universities to come here. I know that your President, Calvin Moore, is on a scholarship at the University. But, he is concerned about other students that have a problem with tuition fees. He had also, but he has spent a lot of time, and normally I don't recognize people, but I know he spent a lot time, a lot of hard work on this, and your students, and your student union, and you deserve a lot of credit because you people are here today supporting some other people who can't afford to go to University. And there is a 6 percent increase, and I think that it's been echoed to here earlier. And it's been proven that the Province is in good financial shape. The Provincial Treasurer has alluded to that here by the bond ratings. The Minister ... the Premier of the Province always likes to blame the previous Government. But, I did table the document of the House that ...

You know, it's ridiculous that they're are putting less money into UPEI then they did back in 1995-96., and then they switched to the Federal Government to blame. Well, they're in Power, and then they switched to the colleagues, and then they switched to ... if we have money, and the colleagues ...their colleagues supported it.

**Speaker:** Honourable Member, address your comments to the House, please.

**Leader of the Opposition:** Alright. So, I'm very pleased to have the opportunity to bring this Resolution forward. I'm disappointed, however, that it is not the Resolution I wanted to make here on the floor of the House at this Assembly. I know I'm not the only one disappointed, Madam Speaker, by this. There is a number of students at the University of Prince Edward Island who are also let down by this actions of the Government. They helped to write the original Resolution, and put in a lot of dedicated time. I had

meet with the students, the union, at the University of Prince Edward Island, and they asked me what I could do, and I asked them for a challenge. I said I'm one person in here whether you like it or not, that's the way democracy works, and I know and I said I asked somebody, and they said, well can we be any help to you. And I was very pleased that the offered to help and do research because there's many issues, many issues that ... as the Leader of the Opposition, that I got to be briefed on. I remember I was critic for Transportation and Public Works and Agriculture, and ... I mean that seemed to be a lot to be briefed on those portfolios in order to ... because nobody, Madam Speaker, knows all the answers. We know that. So, you got to check out the facts. You got to be very careful when you's check out the facts that ... the Minister of Tourism made a slip up and he didn't do it intentionally. He made a slip outside the House ... and I mean it's not too bad I mean if people got money from the Government, whatever. But, these do happen, and there's a lot of pressure on myself. There's a lot of pressure on the students, a lot of pressure on the Speaker here in order to keep us under control from time to time, and ... that's the way it is, and also our Clerk, and some other people here. And ...

But, you know, Madam Speaker, Government doesn't share my views that Islanders deserve to have a voice in the House. Instead, Government prefers to use the majority of 25 to 1. There could of been a slip. As I was explaining to the students, this is democracy and how it works. The Speaker is neutral. So, it would be 27, 26 so... you would have to eliminate the Speaker... 25...I think, if I'm correct, Madam Speaker. The only ... to only allow debates and motions they feel are appropriate My initial Resolution, the one the students at the University helped to draft, outlined a very good case toward ... more money to our Provinces only University, and it's not this year, it's next year in the Budget. It's a very strong Resolution, and I guess it's just ... it's just too strong for Government, Madam Speaker, because I couldn't get a single Government Member to second it.

I want to thank the Government though for second by Resolutions, and I know when we were there, I think the Provincial Treasurer could allude to it, and I think there was somebody designated to second it ... second the Resolution on the floor of the House. And I think it

was Mr. Clark at the time, or somebody. She could always try around ... get somebody to seconded it.

Now, Madam Speaker, not one Government Member had the courage to at least let this go to the floor for debate the original Resolution. There's not much courage over there, Madam Speaker. Not much courage in here. They don't like the Resolution the way it was written. The way the students wrote it. They should have least the courage to stand up and tell them why they wouldn't support it, Madam Speaker. This is a special place, Madam Speaker. This Assembly should give people, voice to be heard. I'm like a paid employee, you're elected, but you're a paid employee of the public of the Province of Prince Edward Island, same as everybody else in here. Your Cabinet runs to Government. They make the discussions, but the final discussions are made in Legislative Assembly. We're all Members of the Legislative Assembly. Cabinet has to have solidarity to a great degree because there's... could be eight or nine Cabinet Minister elected to the House, and they've ... you can 't have one Cabinet Minister criticising the other Cabinet Minister, which we do see probably from time to time but very little of it. But, the MLA, the Members, like myself, the backbenchers, whatever, have a right to have their voice heard in the House, and then the majority, when it comes to vote, decides, and that's where you come in, Madam Speaker. You call ... would oversee the vote.

Now, Madam Speaker, it's ... sometimes my glasses get foggy. This Assembly, as I said, should give a voice to our students. These students understand ,and today the thought their voice was going be heard, instead, Government has used its power, in fact... I would say they have used their power and taken away the voice of the Opposition, and they (INDISTINCT) these students. It's wrong, Madam Speaker. I can pretty much fend for myself in this House. Pretty much look after myself or defend myself in this House, Madam Speaker, some days are a bit harder then others. But, I'll do what I can ... being one person in the House. But when the Government chose ignore the concerns of a group of students of University of PEI, and when they chose to bully them with the majority in the Legislative Assembly, then there's a problem. I've never spoke about this before, but there's a problem, Madam Speaker, and they can't get away from it.

A lot of University students took time away from their studies today so they could be here for this Resolution, to see their elected representative debate a Resolution they've worked hard on. I think it's only right that they have a change to do that, Madam Speaker. This is their Resolution, Madam Speaker.

So, at this time, to the Resolution...and I still want to thank the Government for at least signing it even though they edited down. At this time, Madam Speaker, right now, I would like to make amendments to the Resolution which what was written by the students of the University of PEI. I would like the first resolved to read, Madam Speaker. **THEREFORE BE IT RESOLVED** that the Provincial Government address the capital needs at the University of Prince Edward Island. And I like the second resolve to read, **AND BE IT THEREFORE RESOLVED** the Provincial Government work with the University to ensure a fully funded tuition fees...fee...freeze agreement for ... not this year ... 2002-2003 ... a Cabinet year. I believe it's a very important Resolution, and a very important issue.

**Speaker:** Honourable Member, do you have that in writing for the Clerk?

**Leader of the Opposition:** Yes. I will have it when I'm done.

**Speaker:** Oh, you're not done.

**Leader of the Opposition:** I'm not finished of the Resolution.

**Speaker:** Are you not ...

**Leader of the Opposition:** No, I'm not finished of the ...

**Speaker:** Of the amendment.

**Leader of the Opposition:** No.

**Speaker:** Are you finished of the amendment?

**Leader of the Opposition:** Well, I can give it to him then if he wants those amendment. We can make a copy and send it back. I only have the one copy.

**Elmer MacFadyen (PC):** Point of Order, Madam Speaker.

**Speaker:** Are you finished of reading the amendment, Honourable Member?

**Leader of the Opposition:** Yes.

**Speaker:** Okay.

#### **POINT OF ORDER (Request for Speaker's Ruling)**

**Elmer MacFadyen (PC):** Point of Order.

**Speaker:** Point of Order, Government House Leader.

**Elmer MacFadyen (PC):** Just for clarification, for the students who are in the Gallery, we do feel that tuition fees are climbing up, however, when you're operating in the Legislature here, and the Leader of the Opposition tables a Resolution ... when he puts in the Resolution, an implantation that it is authorizing the Government to spend money, we have to challenge the Resolution. Rather than putting it on the floor, I, as Government House Leader, went over to the Leader of the Opposition and told him that we could not support the Resolution. We could challenge it on the floor. He agreed that... to the changes that were implied, so, we then signed it.

Furthermore, this afternoon on the Resolution that he's asking to amend, I believe it is a substantive change to the Resolution, and I believe he's also asking the Government to commit funds.

**Speaker:** So, are you asking us to make a ruling on that?

**Elmer MacFadyen (PC):** Make a ruling on that. Yes.

**Speaker:** Okay. I would like to go in back for a few moments to check with my Clerk. We'll continue shortly, and just have a short recess.

**Leader of the Opposition:** Five minutes.

**Speaker:** No. We'll only be a minute or two.

**Wes MacAleer (PC):** Madam Speaker, could I ask a

question concerning procedure on the matter like this?

**Speaker:** Yes.

**Wes MacAleer (PC):** Is it appropriate for the mover of a Resolution to amend the Resolution before it's seconded? Could I have this at your...guidance in that regard?

**Speaker:** I'm sorry, you're asking if the Resolution can be amendment ...

**Wes MacAleer (PC):** ...Can be amendment before it is seconded.

**Speaker:** The Resolution has been seconded by the Minister of Education.

**Leader of the Opposition:** Yeah, it's already been seconded.

**Wes MacAleer (PC):** In other words ...

**Leader of the Opposition:** Already did that.

**Wes MacAleer (PC):** ... it's been seconded.

**Speaker:** The amendment hasn't been seconded yet.

**Leader of the Opposition:** No.

**Wes MacAleer (PC):** No. So, therefore, I'm asking whether or not the Resolution in fact can be amendment prior to it being seconded.

**Speaker:** It has been seconded.

**Wes MacAleer (PC):** It has been seconded.

**Speaker:** We'll report on that as soon as I come back.

**Wes MacAleer (PC):** Okay.

(In recess)

#### SPEAKER'S RULING

**Speaker:** Honourable Members, in consideration of the amendment as presented to the House, first thing is

that the amendment should have had a seconder right off ... right immediately, and it didn't. Thirdly, it is alright to amend your own Resolution. But, as I said, you do have to have a seconder. But, when we checked into Beausnesne 6... Rule 616 and I quote, is says, "Motions purporting to give the Government a direct order, a direct order to do a thing, which requires the expenditure of money are out of order." So I rule the Amendment out of order.

The Honourable Member wishes to proceed with the Resolution, please.

#### RESOLUTION NO. 9 (debate continued)

**Leader of the Opposition:** Well, Madam Speaker, the students are leaving the Gallery. I will allude to a few more as ... to the House here. Can I have a drink of water first?

**Speaker:** Do you want a drink of water?

**Leader of the Opposition:** I'm alright. I got it.

**Speaker:** Okay.

**Leader of the Opposition:** Now, Madam Speaker, as I said earlier, tuition fees are becoming a barrier for many of our young people entering University. It shouldn't be that way. But, the facts are clear, money is becoming an issue for more and more young Islanders who want to persuade a higher education. That is the real problem here, Madam Speaker, and we have a responsibility to do whatever we can to bring those barrier's down. Education should be a right. It should be something that is available to anyone who wants to study. Money should not keep people away from Universities, and it's that simple. And I want to hear ... you know, Madam Speaker, and the Universities want to hear...students ... the vast majority of what's left have but, Government has said the rule...the minimum was challenged, and the Speaker had a rule on it. So, that's fine.

The Government can have a right to challenge it, and it's also correct, the Minister of Environment said that ... I mean I did realize after I made the amendment that I didn't wait for seconder, and he was quite correct in that. But, the ... whether if I got

a seconder or not, that's another thing to see. But, you know, those students are very disappointed in this Government, and this Education Minister, especially in ... for the things, and the Premier.

So, you know, Madam Speaker, in speaking to the Resolution, the reason this is a going importance, Madam Speaker, is that the post-secondary training is becoming more and more vital to those young Island students preparing to enter the work force. This Resolution states the fact in the first **WHEREAS**. In the past, a post-secondary education is being guaranteed for good employment for our students, our graduate students.

Now, Madam Speaker, post-secondary education guarantees only that a young person has a chance for employment, and especially with this Government, as the Member from Alberton-Miminegash alluded to about the young ... the pressure on our children. It's ... happen to leave the Province after they get an education, they get a job. They just can't stay around here and work the Call Centre's that are going out of business so quick that you could hardly know which is the next Call Centre that's going to be going out of business. Million of dollars is going out the door there, and we don't have money for our students.

So, you know, that's why they're leaving. The only real guarantee in the present environment, is that if you don't have a post-secondary education training, you'll have a tough time finding a good paying job, and that's a fact. That's why it's important that we give young Islanders every opportunity to success. They deserve every chance we can give them to go to school, to learn, to persuade whatever they want ... to pursue whatever they want. And I believe, Madam Speaker, that if they have a chance to pursue some sort of post-education training, they will take it. One of the main problems facing University of Prince Edward Island right now, Madam Speaker, is the amount of work that needs to be done to the buildings, and I had a tour with the President of the University, Madam Speaker. Four of the buildings at the University needs millions and millions of dollars in repairs, and the University doesn't have the money to do all the work that has been done, Madam Speaker. There are three main sources of revenues for the University, Madam Speaker. As we have already talked about, there is a money thing

generated for tuition fees, and right now, those levels are high as they can possible go. So, I thought it was not unreasonable for the students to ask for a freeze in tuition fees...freeze in tuition fees, they didn't ask them to lower them they asked for a freeze in tuition fees, and Madam Speaker, I didn't think it was unreasonable. But, in a way, that's they way it is if we expect the University to be an option for many of our young people.

Secondly, Madam Speaker, there are fundraising activities at the University. But, if you talk to anyone at the University, UPEI, they will tell you that it is very impossible to raise money for capital repairs. You may be able to raise money for a new building, but it's difficult for the maintenance of capital repairs. You may be able to raise money for a new building, but even that it difficult. For capital repairs, it's almost impossible. So, where will these millions of dollars come from. The other sources of revenue is the Provincial Government, and I'm this Government is not doing it's part, and the students ... I mean, the University of PEI seem to agree with that. It's falling on deaf ears. This is a Government that promised I know to look after their own, or people that supported them ...or whatever, but, they also promised to listen to Islanders, to do what Islanders wanted, and the Government is not listening.

Between 1996 and 2000, ..

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**3:48 p.m.**

**Leader of the Opposition:** ... grants at universities, actually, went down. I know it's hard to understand, Madam Speaker, but those are the facts. Even though the Premier wasn't up, I tabled it in the House so he can have a look at it. So, there's building's with some real problems that have to be dealt with and not enough money to do it.

If the government won't help and the universities can't fundraise for capital repairs, that leaves only one other option, tuition increase. But the students can't afford any more, Mr. Premier. They can't afford anymore. Six percent raise in tuition fees. Six percent. And that's why I'm asking in this Resolution for government to help the University deal with capital repairs and most important, Madam Speaker, the province has to work

with the University to put in place a tuition freeze. I'm not asking you to lower it. To freeze it. To freeze it. Young Islanders deserve a chance to go to their own university.

You know, this is a government that refuses to raise the minimum wage, that a lot of students work in the summer, to \$6.50 - \$6.75, that would give them a little help. I know that when I look around, the students that come and visit at my place with my son and his...you know, students that are making \$5.85 or whatever it is, it's very little money. I wonder how they can go out at 8:00 o'clock at night and work in a restaurant, or work somewhere, until, maybe, 3 - 4:00 o'clock in the morning to be able to afford an opportunity, so they can put away for their education.

If you look at...it's very fortunate for us that live in Greater Charlottetown area such as Stratford, such as Cornwall, old Charlottetown, the new Charlottetown because our students, my son, can stay at home but what about the children from Souris. What about the children from Tignish or Summerside that's got to commute or rent apartment in the town? So here we have developers that are making off our young people.

We, in the Greater Charlottetown area, especially the University gets tremendous spin offs from it. There's no denying it. The amount of apartments that were built and the amount of taxes the Minister collected on them. The amount of tax she collects on the phone bills, or whatever, when they're phoning home to their families, or their mother is phoning. You know, the amount of taxes. Or they're phoning their acquaintance...or, is a...I don't know what you call it today, my day we called it girlfriend-boyfriend. So when they phone their...the young fellow phoned his girlfriend, or the young lady phoned her boyfriend...I don't know, I guess they still refer to the same, you tax them on their conversations. I mean this is a government...this is a government that's got out of touch. This is a government got very arrogant.

You know, it's not me saying this. I have noticed it. I'm going to not repeat those words too many times, Madam Minister, because the more arrogant they get, the better chance we have to win elections. I guess, because that's what happened to the previous

government to a certain extent and that's why government gets thrown out. So the better...you know, like the Mr. Minister, Mr. Popular there, the Minister of Development, I remember he was before the committee...Public Accounts, I asked him a question and he said look at the polls. Look at the polls, we're popular. Mr. Popularity. I mean, I can go on and on. I mean, I don't take that as an offence, I saw that whole thing happen in our own Caucus. I sat in Caucus and I'd say we have problems here or we have problems there and some other Caucus...Kevin would say, well look at the polls. Well, the polls are only good for that particular snapshot in time, or that time, (INDISTINCT).

In one hand, I'm happy to see the government get very arrogant, which they did and been doing in the House and another thing, I feel bad for the people that they're being affected. The people like our young students and that. I mean, I know how hard some of these students have to work and I've said we're very fortunate that we have a university here. Very fortunate, as I repeat it, that we have it so close to this area. But that's one of the reasons we have the major growth around here because a lot of people want to go to university. They know today it's very important. We need more doctors, we need more nurses.

You know, the Minister of Health is not here, but he goes on about...(cough) the Honourable Member has a problem over there? Or is she...

**An Honourable Member:** Sneezing.

**Leader of the Opposition:** Sneezing, alright. Anyway, Madam Speaker, if you look at the amount of jobs that are out there for these students, there's very few. If you look at...I imagine if you lived in the Premier's own riding down there, and you want to get education through university, you got to travel to Charlottetown, you got to pay more for your licenses than ever before, more for this, more for tuition fees. And you got to also, you got to go to rent an apartment, probably two or three girls to try to cut the cost down. I was amazed by building my own home, my wife and I in 1974, and I was amazed at what people are asking for rent now. I mean, I wouldn't want to be facing it. They try to work at different jobs, Madam Speaker.

There's all kinds of people, including some of my own friends, that are doing quite well because of the situation they are at the University by leasing out apartments to, or renting out apartments, by (INDISTINCT) services. They're doing quite well. But you know, it's hard and I know that the Minister...or not the Minister, but the President of the University made a challenge to government, or was going to, that he would raise...the government would give a capital program over seven years, and he would match them 50 percent. For every 50 percent that the government here would put in, he would match it by 50 percent at that particular time. It was a good idea because right off the bat a capital repair program, the provincial sales tax is 10.7 percent, the spin off on the jobs. These are very important things.

If you look at...the problem you have with these new computers, the problem I'm seeing is, like a new farm tractor, you just can't go and cross the starter anymore and if it doesn't start, hope it starts. There's all these new computer and wires and gadgets and there's machines you got to hook them up to test them, I know it's modern and that's why children need a good sound education. Maybe more so than in the early days. If you go back to my father's day, a college education was considered quite a luxury and it was great to have it and you became a doctor, accountant, or a lawyer. But since then, Madam Speaker, the trades people is a good area, too. If you look at it, we need more welders, more plumbers, or whatever.

So, I'm just going to close this off by saying I hope this government understands it. I hope that...it's not asking for this budget this year, it's asking for next year. If you go by the...there's not a Resolution you can put on the floor that's not asking government to use money. Everything would cost, anything you would do, but it's not costing the government money because of the...see my argument on that was, it's not...even though you froze tuition fees, it's not costing the government one dime.

**Speaker:** Honourable Member, you're not arguing with the Ruling of the Speaker, I hope.

**Leader of the Opposition:** No, no.

**Speaker:** Okay, would you continue and get...move on

to some other topic instead of rationalizing your amendment.

**Leader of the Opposition:** No, I mean...I'm just trying to explain out, like how...

**Speaker:** No, don't...

**Leader of the Opposition:** Alright, I'll use it like this then, Madam Speaker. If, for instance, we...like, with a debate coming on here on assistance for small farmers, young farmers, that the government works towards, if the Minister of Agriculture seconded it, and if you assist small farmers in low interest rates, or whatever (INDISTINCT), there could be concern to be a cost but there's actually not a cost.

**Speaker:** Honourable Member.

**Leader of the Opposition:** What.

**Speaker:** It seems to me that you are trying to justify the amendment you put in and saying that no matter what you do, you are directing government to spend money. The other Resolutions that you put into the House asked government to consider, but the amendment that you made was directing government to spend money. So, I would appreciate it if you would move off a discussion of whether or not I made the right decision or whether or not you had justification for putting in your amendment. Just move on to the rest of the Resolution and leave the discussion of the direction of money out of this.

**Leader of the Opposition:** Okay, Madam Speaker. I wasn't...anyway, you made the Ruling. I'll move on. If the tuition fees...if you look at the Province of Quebec, have been frozen for the fifth consecutive year. Newfoundland-Labrador, tuition fees have dropped by ten percent. "AND WHEREAS legislated, long term freezes..." in other provinces have made universities more accessible. I think that I'll wait to wrap up the remarks, and I'll see what the other people have to say.

**Speaker:** The Honourable Minister of Education to second the Resolution.

**Hon. Jeff Lantz (PC):** Thank you, Madam Speaker.

With the courtesy to the Honourable Member, I am pleased to rise to second his Resolution.

It's unfortunate that the students have left. I think, despite the fact that the Resolution wasn't amended to what the Honourable Member wanted, I think the debate here will still serve a useful purpose to highlight the problem of high tuition rates and what it is for certain students.

I note that the Honourable Member referred to Caolan Moore as the President but, just to correct him, Cynthia Dennis who is the President, Caolan Moore is the Vice-President; it's unfortunate that they all had to leave.

There are a few key messages that I want to put across here right now and that is that our government is, I said earlier in Question Period, our government does place a high value on learning. Whether it's learning at post-secondary level, elementary, whatever, it's a life long learning process that we want to promote because in this day and age you have to be forever learning.

As I mentioned, as well, in Question Period, my Cabinet colleagues are committed to providing post-secondary institutions with adequate funding so that they can provide this education. And students are our greatest resources and they are our future. As I mentioned earlier, too, they will be our future leaders. Any money we put into the system now is a great investment which will pay off dividends for us all in the future.

I've said it in here before, and I'll say it again, I wish I had the power just to snap my finger or blank cheque to resolve a lot of issues that face us in here from time to time. It'd make my job and everyone else's job here that much easier but we do have a responsibility to handle the public purse and there are many demands placed upon that public purse, and we have to put the money where we feel our priorities are. Education is a priority to us and I think we've demonstrated that over the last few years.

In relation to tuition, specifically, I mentioned earlier and I'll say it again, the Provincial Government, this Provincial Government, has and will continue to work with the University to keep tuition as low as it can. We have to understand this, under the *University Act*, it's the University that sets its tuition and we had an

agreement with it, or I guess a gentleman's understanding in years past when the tuition was frozen, that they would do that and they did that in a period when we agreed to increase their funding to them over the next several years. That's what we've done. We've been providing increases in their operating grants since 2000-2001. In that year, we provided 1.2 million extra dollars and committed to increasing that amount every year such that by 2002-2003 their base budget will...or there'll be another six million dollars into their hands.

Tuition is high in this area but I think we've done a pretty good job, the University's done a pretty good job. UPEI's undergraduate tuition is the third lowest in the maritime region. The lowest are St. Thomas and Université de Moncton. That's before you consider our 600 dollar Island Student Award which is 600 dollars to each second...or third and fourth university student. So, that would probably impact on our numbers, as well.

So, it was back in 2000-2001 that UPEI didn't increase their fees. But the University is under certain pressures and they come from different areas, and they had to make a business decision this year and that was to increase their fees this year to cover their costs. UPEI does a great job, as I said. They provide a high-quality education and they are, I think, one of the best values, or better values, in higher education in our region. I think they're fast becoming one of the most recognized universities in Atlantic Canada, if not, even in Canada. If they're not recognized in Canada, they will be soon. As I mentioned, Wade MacLauchlan, as President, has done a tremendous job in his short stint there, thus far, and this is a man that has very high expectations for the University. He's a dreamer and he dreams in big numbers and he thinks he can attain big numbers when it comes to fundraising or dealing with Provincial Governments or Federal Governments and I applaud him for that.

In addition to the Island Student Awards, which I mentioned earlier, not only does this provide 600 dollars to them, in third and fourth years, but it also encourages these students to stay at home and go to UPEI which is where we'd like the most of them if they could stay here because we feel it's a good education for them. Since the Program was introduced last year,

1190 Island students have received awards under this program.

Now, in addition to that Program, we have the Community Service Bursary Program. That was also introduced in 2000. It's another measure which we've tried to help offset the cost of tuition. Now, it's not a great amount, the maximum award is 500 dollars but every little bit helps. And it's more than just 500 dollars; this Program gives students in grade 11 or 12 the opportunity to participate in a volunteer organization within their community. It gives them valuable experience, or I'd say education, and it also gives our volunteer organizations the benefit of these students, their employment, and it, I think, develops these students to become volunteers in the future.

I know that myself and many of my colleagues have been active in the volunteer community and I always felt that I got more out of it than I put in. It was a great learning experience for me, there's a lot of great people involved with volunteer organizations and I always learned a great deal from them. So, I would encourage students that are not participating in this Program to take part in it. Since this Program began in April 2000, more than 600 students have participated in this Program and more than 200 community organizations have signed on with the Program.

Now, as I said, it's unfortunate that the students have left here today. I've engaged a dialogue with them and last year we'd meet on regular basis, twice a year we'd meet, my office at one point in time and then six months later we'll meet at the Student Union with the Student Union students. And, I'll continue to do that and we've got to continue to work together on this issue.

As I mentioned earlier, Madam Speaker, the Federal Government has role to play in this. I've mentioned this to the students, and I hope that they take their concerns to their MP's as well. The Federal Government has not lived up to their responsibility and I know that when we sit around the table at the Council of Ministers of Education Canada this has been one of our biggest priorities to deal with this issue. How to deal with the Federal Government to try and realize...or get them to realize the error of their ways in not funding post-secondary education to the extent that they have in the past and should at the present and into the

future.

The Federal Government has not provided additional funding as the cost of post-secondary education has increased. In fact, the Federal Government has, actually, reduced funding to the provinces for post-secondary education. As a result, we have to try and make this up in other ways and it puts strains on other areas of our education system.

Now, you can look at UPEI in isolation and you can look at post-secondary education as a whole. If you look at post-secondary education as a whole, we've, actually, increased expenditures since 1992. In 1992, the expenditures per the Public Accounts was 41 million and the estimates for this year show 46.3. But we have more than just UPEI and...but we recognize the importance of UPEI and, as I've said, we've initiated steps to increase the funding to UPEI.

Another issue that's been raised today is the student debt load, and I've mentioned government initiatives about...that have addressed this issue. We've increased funding, we've got the programs like the Island Student Awards, Community Service Bursary, they all help in some small way with debt loads.

We've also introduced various measures to help reduce debt levels and help students repay their loans. Our government, with its limited financial ability has done more than reducing debt...has done more in reducing debt than the Federal Government and some other provinces. We have our Debt Reduction Program and that grants up to 2,000 dollars per year of study upon graduation from the Program. Students are, therefore, eligible if their combined student loan is 6,000 dollars or more per year in studies. So, they could, technically, get 2,000 dollars per year up to five years, I believe, to knock 10,000 dollars off their debt.

**Premier:** That's a good program.

**Hon. Jeff Lantz (PC):** It is a very good program and what surprised me, when I was first appointed to this position, was that we had a very low take up on this program; and I'm not sure if that was our fault or someone else's but we've seen those numbers go up now so that students are aware of this. I stress this every time I meet with the Student Union, to stress it to

their student body to look into this. It's indicated on the Student Loan Forms, but for some reason, students...some students seem to miss this and it's a big big thing for them. They could really knock a lot off their loan by taking advantage of this Program.

The other program is...

**4:10 p.m.**

**Hon. Jeff Lantz (PC):** .... interest relief, and that's a safety net for those who are in repayment of their loan and either underemployed or unemployed and unable to make payments. And they can seek release for up to 60 months under this program.

Another issue that's been brought up as a result of this Resolution is in relation to Infrastructure. This is another matter that has certainly been forefront on the Council of Ministers of Education Canada's agenda. I think every University in Canada as a result of decrease funding on behalf of the Federal Government finds itself in a real problem in relation to Infrastructure. We met with the President and Members of the Board of Governors, when I say we, the Premier and Cabinet met with them back in September 18<sup>th</sup> to discuss among other things, physical facilities and Infrastructure challenges to the University. As a result of that meeting, Cabinet, or the Premier, directed that a working group of deputies from the Department of Education and Provincial Treasury that it be formed and tasked to develop a concept or proposal that would look at various options. In fact, the first meeting of this group is scheduled for Friday, tomorrow, November 30<sup>th</sup>. So we'll be interested to see what sort of ideas we can come up with to tackle this pretty mammoth problem.

The Government, or this Government has committee to Infrastructure at the Student Union Centre or at the University, through the Student Union Centre and we've committed a million dollars towards that project. Now we could have left it to the University to get that money for the students but we felt that this was an important initiative. It was an important physical structure to the University and we committed a substantial amount of money towards that centre. In addition, the Atlantic Premiers Action Plan for regional cooperation identified the need for a collective strategy to work on this problem in relation to Infrastructure

deferred maintenance as well as some of the other provinces and post-secondary education.

Another area where we've tackled this issue is, we've increased the Universities renovation, alterations equipment budget this year by 125,000. Now that is not enough as really needed actually, but it's a step in the right direction. And a lot of these little steps over time will make a difference. As I said earlier, I just can't snap my fingers or Cabinet can't snap their fingers and pull a lot of money out of the air to address the so many issues that face Cabinet every day.

So we are hopeful of, that is, the Federal Budget that is coming down shortly, we're seeing signs I guess, that the Budget may contain indirect research costs and that may allow the Universities to direct some of their research money towards the cost of better equipped laboratories and to better maintain their research equipment. Any additional funding that would come out of this would certainly allow the University to redirect funds, that would otherwise would be used to cover these indirect costs. And this really highlights another problem that the Federal Government is putting upon the Universities. They're talking about all this increased training and research etc., but all they're really doing is increasing the demand upon these Universities and structures. They're increasing demands there, but they're not following up with money for Infrastructure and if they continue to do that, they're only going to worsen the problem over time.

The Government is committed to building capacity at UPEI and we've shown that in ways such as, this year announcing the creation of 14 new seats at the UPEI School of Nursing this fall. And that's going to bring the total number of seats to 59 and that's an increase of 31 percent. So in the four years....in four times there will be a total of 56 additional places in the UPEI School of Nursing.

Now, I mentioned earlier, that overall we do fairly well as far as being placed in tuitions in this region and across Canada. We're third in the Maritimes, we're fifth in on average across Canada. And the Resolution speaks to other provinces raising tuition and dropping tuition, but that's probably to get back to be more competitive with tuition rates that we're seeing here. I

think they recognize the problems in being higher and they're taking steps to move back to where better placed provinces like us are.

Now the...I support the Resolution the way it's worded here now. To amend the Resolution to what the Honourable Member wanted, we'd kind of be working across purposes with the two Resolutions at the end. To freeze tuitions it's going to place extra strains on the University, they're going to have to find other revenue sources to make up for that freeze. And what they'd end up doing again would be deferred maintenance again and that would exacerbate that problem. So the Resolution is well intended but it kind of works across purposes, unless there is a big Federal infusion or unless we're able to come across a substantial amount of money that we don't think we're going to have.

So in the end, Madam Speaker, I think it's a good Resolution the way it's worded now. We certainly have to look at capital repairs at the University that it is a big problem. We've heard that from the students themselves, we've heard that from the President and we have tasked a Committee to look at possible solutions to address that problem. As far as keeping tuitions reasonable, I've outlined a number of ways that we tried to do that. We've been successful in doing it in the past. I think we've been successful in slowing down the increasing the tuition. And we will continue to do that. I will continue my dialogues with the President, the University, the Student Union and their Executive and I think we have to continue to do that and we will do that. It is very important that our students are well educated. We know that any investments that we make will pay off in big dividends later and we will continue to do that.

So I would support the Resolution as put forward.  
(Applause)

**Speaker:** The Honourable Minister of Fisheries Aquaculture and the Environment to speak to the Resolution.

**Hon. Chester Gillan (PC):** Thank you, Madam Speaker. And the Minister of Education has very ably outlined a lot of the financial contributions that this Government has contributed to the University of Prince Edward

Island in the past. I realize that it is University of Prince Edward Island that we are speaking about, but just let me depart, Madam Speaker, for a moment and indicate that higher education in this province, after public school, also includes Holland College. And that institution has been the recipient of Government financial support for the past five years as well. And I just want to enter in the record, that our support has been substantial in that area and now I will go back to the University of Prince Edward Island Motion.

Madam Speaker, I will be able to support the Motion. I think the Motion has been well thought through. It has been well written and the final Resolution's are suggestive of the fact that this Government is supportive and that we will continue to be as supportive in the future as we have been in the past. Since the Minister of Education has, as I have stated, very ably provided the facts and the figures regarding the financial support that our Government has been able to give to the University. I'm going to restrict my remarks to some general generalities, Madam Speaker. And allow me first of all, to start off on the research path. You will remember that only a couple of years ago there were not Masters degree level programs at the University, and now through the support of this Government that we do have those particularly in education and in science. They have proven very successful in attracting higher calibre students to our University and the output of the type of research is helping, not only students and faculty Members in the land of academia throughout the nation, but also we are feeling the impacts here at home. Madam Speaker, I speak now directly to the Masters of Education Program and the Faculty of Education at UPEI. I know that students in the past two years, because this is only the second year for the Masters Level Program, are tackling good research, topics and subjects in school administration, in special needs and where it is needed in the front line in the school system, in other words in the classroom.

My daughter for instance, and her husband, they are both part-time students at UPEI pursuing those type of courses and research topics. And the answers and responses that they and their student peers are finding out, are going to go back into the classroom and be shared with the other teaching colleagues and then that will be felt throughout the entire teaching and learning

system in our public school system. So there is a very direct short link from the money that was supported...put in here by the province to the degree granting University to the students taking the courses and that positive effect is being felt.

Also, let me speak briefly to the science faculty and you will remember, Madam Speaker, that we were quite deliberative and some people would say slow, in seeing all the positive aspects that would come about as a result of the faculty of science having their ability to reward Masters in all of the science faculties. Well, thank goodness that we were convinced at the end of the day, because now it has been proven, that the Masters students undertaking their higher studies in various biology and chemistry and physics are indeed addressing the problems that need to be addressed at the higher education level. And I know that there are many students out there working on for instance, coyote research, Madam Speaker, which was a timely topic in the last session of the House here. We do have a student and there is a student going to be doing some research on that particular aspect.

Another aspect that possibly one would question as to whether or not we need to do research on is mosquitoes. And we have through research found a few more species. I think that we lay people can attest the fact that there are a lot of mosquitos, we may not know them by name, but there are plenty of them out there and it is important to be able to know their habits and through that to be able to come up with some control measures which would alleviate some of the pestering that does go on from time to time. Madam Speaker, quickly, insects and frogs are being examined in detail and we all know for instance, that what the canary story would be to the miners of long long ago, the frogs are not to the health of the habitat. And indeed, in some places in Prince Edward Island, there is not as many as we would want to. However, having been the subject of a national study here this past year, apparently our frog population is better than in most other provinces. So the habitat on Prince Edward Island, according to the UPEI students is in good shape.

Madam Speaker, the reason why I brought those examples up at the post-secondary level, is those are true indication that the public purse through the wise

investment of Government is being put to good use. We do need to know the answers to those questions and to others. The Minister spoke about the... there is a need for more seats in nursing and this Government has seen fit again to support those. And so on it goes. One other area in the level of post-secondary, is environmental education. And, Madam Speaker, you know that I am certainly a proponent of that aspect of education. We have had environmental education programs in the public school system now for the last 25 years. The University of Prince Edward Island this coming January is going to embark on a minor at the post-secondary, the post-graduate level in environmental education. This is an interdisciplinary effort which simply means that the student would not only be taking science type courses as one would suspect for environmental education, but also taking other courses throughout other aspects of the curriculum which would give them a very broad base and a good intellectual penetrating type of mind which would be able to explore all aspects of the environment, not only the scientific. I mean for instance the economic, the social consequences and problems within environmental education. And that program will be starting under the leadership of Professor Don Mazer in January at the University and I will be very closely monitoring the results and...of their students and the topics of research that they will be undertaking as well.

Madam Speaker, it has often been trotted out as a saying in our province and in others, that our students are our greatest resource. That statement is as true today as it always has been. The students that we saw today in the Gallery were representative of the 2000 public school students and the 2500 students at UPEI. They are tomorrows leaders, they are good examples of the next generation, they are very worthy positive examples. There is no way that we would not invest, Madam Speaker, in their future. We have given in the past and will continue to give, the financial means to the students so that they will be able to access their careers.

Now, Madam Speaker, I could go on at length on the attributes that they will be able to reap in later life having been able to obtain a University degree. It is well documented, it is well known, that a person with a University degree will enjoy a better career

opportunities and a better life style. Now this is the difficult stage that you're going through. They're trying to obtain that degree. We understand the difficulties. We understand the limitations. We understand the stress that a lot of them have to undergo, not only going through their academic courses and all of the examinations and the reports, but many of these students also are out working at a part-time job. Now one could argue, Madam Speaker, as to whether or not every student is using the proceeds from the part-time job for the very best means, but that's up to the individual. They made that decision, they want to work part-time. Be it to pay rent or for leisure or entertainment. It is certainly up to them. However, if they can get through this stage of their learning and their career, I know that they will see the rewards very soon down their career paths.

Madam Speaker, let me also just for a moment indicate that the type of student that is showing up at the University of Prince Edward Island is indicative of the faculty and the administration. Again, the Minister of Education alluded to this with the capable presidentship of Mr. McLaughlin through his energy and enthusiasm and envision, he has been able to attract the type of teaching faculty and researchers which in turn attract high calibre students. We are now seeing the benefit of that in the classroom. We're also seeing, Madam Speaker, the very same type of student being reflected on the athletic fields. Be it basketball, be it through the hockey team, be it through the ruby team, etc. So, it all is a multiplier effect, that if you can create a happy learning environment, then the University is going to personify that in many many different aspects of its life.

The recognized faculty at UPEI is one that is quickly gaining recognition throughout the other learning faculties mainly in Canada, but also down in United States. And one only has to look at the health institutions in the Southern United States in particular and the North East market, that where they're reaching out to are recent graduates and saying we would love to take you directly from the classroom into out health institutions. It's a difficulty that we face but the positive aspect is obviously we are doing a lot of good teaching, learning in our University so that they do get those opportunities.

Madam Speaker, the Minister of Education needs to be applauded and is recognized by his colleagues here for interacting on a very regular basis with the students. This is not the Government that does not want to meet with the students in this case. There are trying meetings. I know he's not able to as he said, snap his fingers and provide instant gratification regarding finances, but they do sit down, they do deliberate and at the end they do come to an understanding, if there is a little bit more money or if there isn't, what other measures in (INDISTINCT). I know that this has happened in the future...in the past and it will continue in the future as well.

**4:30 p.m.**

**Hon. Chester Gillan (PC):** I'm only going to make one to two brief mentions to financing, and that is that along with the regular contribution of the Government to the University, I got back to the last three years in 1998-99, and 2000, and I see before me on a sheet here that there was special grants of dollars given to the University as well. It is through these meetings with the student union, that the Minister of Education is able to identify an area of concern of interest of the students, that if we could only get this special grant from you as the Government, it would make our life easy. I refer in 1998, Madam Speaker, to for instance, the Computer Acquisitions. They were able to get a 125 thousand to fill that particular need. A funding assistance was giving to the value of 200 thousand in 1998, and in this past year, in 2000, they were putting a very active recruitment effort forth Internationally, and this Government was able to sponsor it as well. So, we have looked out above and beyond the regular funding patterns, and able to recognize the student needs.

I have been disappointed with the role of the Federal Government regarding finance. I know that I had the opportunity to work with the other Ministers of Education in attempting to get for the students of Canada, and of course, in particular the students of this Island, a Millennium Scholarship, which would in essence bring the Federal Government to the financial trough to speak, to help the students. Well, the Millennium Scholarship was a step in that direction. But, there it stopped, and while it is advantageous to the recipients, not enough students can access this scholarship, and it is only advantageous to a small

number, and not really has had the impact that we would have liked to have seen in this Province. A number of other financial incentives, therefore, had to be picked up and financed by this Government, and they have been previously elaborated upon.

Madam Speaker, as I mentioned when I rose, I will be able to support this Resolution. I think it is a good Resolution. I think it is very timely as the students begin their preparation for their examinations. The time has gone quite quickly. In September, they were full of all aspirations and enthusiasm, and I know those aspirations and enthusiasms are going to be put to the test now in the next two weeks. I want to wish them the very best in their academic preparation and to write good examinations, and I will be able to support this Resolution when the question is called. Thank you, Madam Speaker. (Applause)

**Speaker:** The Honourable Member from Belfast-Pownal Bay speaking to the Resolution.

**Wilbur MacDonald (PC):** Madam Speaker, I rise to support the Resolution. I know most of the details have been covered, but I am disappointed with the students leaving the Gallery when they did. Madam Speaker, when you made your ruling, I looked up and every student over here, is looking at somebody over here, and the all rose in one body. So, they were being lead by somebody who asked them to leave, and it's unfortunate because I think if they had stayed, they would understand a few things a little better.

And, I'm just ... the reason why I'm rising, Madam Speaker, is ... I think I want to speak on behalf of parents, and parent's responsibility. They talk continuously about students having to raise all their money. I first started educating my children in 1976, and for 25 years, I've been paying for their education. I have 7 graduated from University. None of which lives in the Province.

**Leader of the Opposition:** The all had to go away to jobs.

**Wilbur MacDonald (PC):** And that's because of ...mostly because of what they took. Three of them graduated from Mount Saint Vincents, and in 1976, I think my oldest daughter cost \$3 thousand to be a

resident there. Ten years later, my youngest daughter went and it was exactly doubled in ten years at that University, and she's gone since to be ...her Master of Public Administration. And of course, being the daughter of a MLA in this Province, she's now working for the Provincial Government in Ontario with Department of Health, and she's associated with the Minister's Office. And I think perhaps she's making more money than all the rest of my family who were ... some who are engineers, and pilots, and so on. So, it depends an awful lot as what education they take, and I found that I was a very poor father to try to tell my children what to take (INDISTINCT) impossible. I always said ... you know, you decide what you want to do. I would questioned them on it. But, I could never say, don't take that. You know, because you may not get a job because I could be wrong down the road. So, I always left it up to them.

But, I do think that parents, today, most families are two children, three children, or four, and I think parents have a major responsibility. Is it not the responsibility of parents to educate their children? At least, that was the way I understood it. Still understand it. And we do put an awful lot of empathises on the student trying to raise their own money, and it is ... in my idea, it is the parents responsibility. Mind you, there is some parents who can't afford to do that. But, you can ... you can ... a student doesn't have to pay back their loans, for example, until they go to ... until they go to work, and you can participate in that as a parent. You can help your student ... help your children to pay back their loans. As indeed, as they go to work and so on. So, it's not ... it's not a ... I suppose in my case, I've been paying for 25 years, and I'm not done yet, Madam Speaker, cause my two youngest students ... my two youngest people have just graduated, and their student loans don't come due because their still in University in other ways. So, I've said to them when they come due and they start paying, I will be a participant in that, and I think we have to do that. And I think we're letting parents off too easy cause we always talk about the student having to pay. It's the parents responsibility too.

And I am pleased too, Madam Speaker, that the Government has raised the minimum wage. We all recall that the minimum wage was \$5 for a long, long time. It is now 5.85, and I believe it's going to \$6.00 very soon.

And now ... and we also should encourage young parents, there is programs federally where you participate starting as a ... I think you get \$400 per year for a child from the Federal Government if you contribute so much to your education. So, what we should be doing is, encouraging parents to begin to contribute at a young age, so that when the student goes to University, they will have a considerable amount of money, along with grants from the Province and Federal Government. A lot of students can get their education, and it's not a great deal for the parents if they contribute now as young. I know some of my family are doing that now, contributing along with the Federal Government under the new program, and it makes a big difference as their children go to University.

And, of course, Madam Speaker, I think as the Leader of the Opposition, indicated that if you don't live in the town, for example, three of my children live in Halifax. Well, they got Dalhousie, they got Mount Saint Vincents, they got Kings College, Mount Saint Mary's, and they'll be able to live home. So, their education cost will not be near as much someone who has to go to the city or the University to board. So, a lot of that depends, and that's why a lot of young people are moving to Halifax, for example, because of the education possibilities that are there. And that's unfortunate in some ways, but in some ways it is not because ... you know, they have a tremendous ... well, Nova Scotia has the largest group of Universities I think in Canada. I think they have 11 if I'm not mistaken, and it is really a ... Halifax is really a University town in some ... in some times of the year.

So, Madam Speaker, I simply rise to support the Resolution, and at the same time to say, let us not forget the parents. They have a responsibility to educate their children. That's part of being a parent, and we shouldn't allow them to put that responsibility on the student, it is really on the parent, and the parent has that responsibility to educate them. And I support that part of making them responsible because that's ... that's part of being a parent, and part of being a proud parent. It's a great thing to be able to support your children in their education. And, of course, we need education. I myself, graduated from St. Dunstan's High School in 1951, and I think it cost \$400 to go to St. Dunstan's at that time, and I'm still kicking myself on

the bottom why I didn't go onto University. But, I could have, but I didn't. I made that choice.

So, I've been pushing for University 'cause University education has changed this Province. When I was very young, and I went to school, if you got Grade 8, roll of kids just quit as soon as they got Grade 8. That was it. You had Grade 8, and then it moved onto Grade 10, and you had to have the Grade 10 exam. Remember you couldn't go to University or ... you couldn't leave the country schools, or any school if you didn't have Grade 10, and then you went onto high school. There was no high schools for example in my area until after we were married, and I participated in the Montague High School. That would be about 1960. So, really we're only talking 40 years since there's been a high school in rural ... in my rural area of the Province, Southern Kings and Queens. Montague had an high school. But, that was strictly for the Montague town, and it burnt down, and that's how we got a consolidated school.

So, education has raised a lot of things on PEI. It's changed the thing continually, cause this was a poor problem til about 1950's, and education has been part of that. That's how come we have changed in this Province is because people are getting educated. And I keep saying to other groups of people that, that is the key. That is the key for any Country, is education, and I encourage people to do that, and I encourage parents to support them in that education. And, indeed, grandparents, if they have the money also, should be involved in that, and it's better of for grandparents to educate their grandchildren, then to wait later on supposedly when they pass on. Pass on the money. Seems to me that if they had their children educated, you don't have to worry about their future from there on.

And I know that in the past, we've had occasion when employment was not that great, and people were educated and couldn't get jobs. But, we're moving into an area of where ... I know my daughter, for example, tells me that the Department of Health in Ontario, they're crying for people to help, to work, and she ends up working from 7:00 o'clock every night, and so on because they just don't have the people to go there to work. And, so, there is tremendous amount of challenges for people. But, there is also a lot of things

out there that can help people who are educated and who will be able to move into the jobs, whether they're in this Province or some other Province. As we move along in this Province to better and more Economic Development, then we'll have ... be able to have more children stay here.

So, Madam Speaker, I rise to support the Motion. I think it's a good Motion, and I'm only disappointed that the students left before they heard all the different discussions that would take place on the Motion. Thank you, very much, Madam Speaker. (Applause)

**Speaker:** The Honourable Member from Charlottetown-Spring Park.

**Wes MacAleer (PC):** Yes, Madam Speaker, I guess like the previous Speaker, I am disappointed that the students left because I would like them to have spoken directly to them, and that's because partly the majority of students at the University of Prince Edward Island live in fact in District 14, which I represent. And in addition to that, I find myself supporting this Motion partly because I've been on the Board of the University for at least 3... 2 terms. I was on the Scented. I helped raise money for the Chemistry Centre. I've supported the two children that have gone through the University.

I owe my own education to St. Dunstan, which is a (INDISTINCT) to this institution. So, naturally I have a perspective on this that I'd like to lend to the Legislature, and I thought that I could contribute that best by speaking from the point-of view of a student because I happen to be involved with supporting two of my family members who are currently attending the University. So, I'm aware of the cost.

It's interesting that we should be talking about money in this particular case because I think one of the major problems we have, of course, in Government, is money and not. When you've talk to young people about money, and one of the challenges you have is try to explain to them the value with money and what money can do because many of them have not had the opportunity to see what money can do. Either they haven't had an opportunity to budget themselves, or they haven't had a lot of money. And, as a result, they have difficulty equating money with what can be done with it.

I'd like to say that as a Board Member of the University, some of the best administration I've seen in institutions was as a result as my experience on the Board at the University. I think that we were very fortunate in this community to have had people run the University of Prince Edward Island, to in fact, interpret their role at the University as one of operating a family. A family business, and many of them have for years taking their roll very seriously, and as a result, that institution I think has survived in many ways because of those people and their attitude. But, that's ... that's certainly not enough.

I'd like to explain ... I would like to have explained to the students, that their contribution to the University, which is through tuition, represents a portion of what it cost to operate the University. It's only 25 percent for the cost of operating the University comes from tuition fees. Seventy-five percent of the cost. (INDISTINCT) operating the University comes from public purse or fundraising. And, when students say well, my tuition fee should count to some extent. They should realize the extent of the subsidy, which is giving to them by the community. To have the privilege of gaining a post-secondary education.

Post-secondary education is important. It bills character, it's good for democracy, it provides an individual with an opportunity to get better employment, and we're all better off as a result of having an educated work force, which students have to realize in the post-secondary education field, that they are a minority, a minority in our Society. Only about 2 to 3 percent of the community gets to go to a University, and when you start divvying up the public purse in support of them, they have to realize that there are other needs that have to be dealt with in the community. Would they suggest that we take money out of health care, that we lower welfare assistance, that we have fewer samples of the water supply to protect your water, or that we invest less in small business so they can have jobs to come to after they get out of University. And, they would say, well, no you don't cut any of that. Well, reality is, as public administrators, we have to make those discussions. And, from the University point of view, when they look at the tuition fee at UPEI, they have to look at the market place, and the Minister of Education has just pointed out, that the tuition at UPEI is the third lowest

in Atlantic Canada. On the average, the fifth lowers in Canada as a hole. Are the students at UPEI getting a good deal? I would say, yes, and it's relevant to what they would have to pay if they were to go outside of Prince Edward Island.

So, is there an incentive for the University to increase its tuition fees? Yes, there is. But, they have not done that, and I maintain they have not done that because Government has saw fit in this stage, I think, particularly the Provincial Government to support this institution. And the Minister of Education, explained in many cases where we've added to the financial resources to the University, either directly or indirectly by support of the Student Union Building, and supporting students in terms of interest relief, in terms of Bursary Programs.

I think that the Provincial Government should be congratulated by that kind of support, and I applauded, and I realize that the Federal Government may not be putting enough money into this. But, I would look to the students ... I would look to the students, and tell them this, that if they want public policy to be in support of their needs, then they better take ... be cognisant of the fact that number (1) their education has a value, and that value comes from the fact that when they leave University, they're employability increases by about 30 percent. And also, the salary that they would receive, increases dramatically over those without a university of education. It does have a higher value. So, whether they go to an institution in Canada, the United States, they are going be better of as a result. If they went to a America University, such as Harvard the tuition fee is astronomical . In order to go to Harvard the tuition fee for one year alone is \$27 thousand America. That's 41 or 42 thousand Canadian. Now, we never want to reach that level. We couldn't afford to live in that kind of (INDISTINCT). But, is Canadian Universities a good deal for Canadian students? Is the University of Prince Edward Island ...

**4:50 p.m.**

**Wes MacAleer (PC):** .... within a range of affordability that would allow our students to attend? I would say yes. Now, the problem is this. That's only a portion of the cost that is endured by a student. I think it will be

pointed out, maybe by others, that the biggest single cost attending University is the living costs, which are twice the cost of tuition. And one of the problems that students have with respect to those other costs which is rent and food and lodging and so forth, is they all want to have an automobile. And one of the major problems at UPEI, is not the maintenance of their building, but maintaining a parking lot. Just talk to the administrator at the University. One of the biggest costs is not only paving the parking lot and policing it, but dealing with students who complain that they can't get to class because they didn't get a parking stall on time. Now, that maybe not that important when it comes to the individual student, but in terms of dealing with cost, it's certainly present.

I was at an event this morning which it was called a group of Council of Canadian Unity. And it's interesting to point out that in terms of voter turnout in Canada, that 40 percent of the elected choses not to vote. And one of the largest portion of that non-turnout, happens to be young Canadians. And all I'm saying is to the students if they had been here, if you really are interested in public policy, if you want to have public policy sensitive to your needs and become politically active, and that does not mean showing up in the Legislature for one day of the year, it means participating in political parties on your campus, whatever the political party might be. But to get involved in public policy. And the other problem that the student can deal with, is making the University relevant to the community, so that people like ourselves can justify spending more money on the University.

One of the big challenges that the University have, is making themselves known to the community because only a very small portion of the community ever gets to go to University. And for some how over the years, Universities have always considered themselves apart, apart from the community, that they shouldn't be touched by Government policy, that professors should be allowed to do their own thing, be separate, no interference. Well, I could tell the students that that day has come to an end. That if public dollars have to be pumped into the University to keep it going, then that....those institutions have to be sensitive to the public...what the public wishes to happen. And what I'm saying to these students is, that recently we had a leadership conference at the University for younger....for students. And while there was a good

turnout, and while those who attended were enthusiastic, the turnout from the University was extremely disappointing. If that's indicative of their interest in public policy, then I have a very difficult time for example, representing their interests in a Legislature like this that says, that they should get more of the public purse because some how or other they just need it.

**Leader of the Opposition:** Well they do.

**Wes MacAleer (PC):** There are many others out there that demand the courtesy of Government support. And all I'm saying to these students, if they are really interested in getting that support, then they better become interested in public policy and participate in it. And I would hope that that would be a message that would get to them even though they're not here, Madam Speaker. From someone who is interested in ensuring that students in fact are fairly treated and get the share of the public dollar that they think they should deserve. Thank you. (Applause)

**Speaker:** The Honourable Provincial Treasurer speaking to the Resolution.

**Hon. Pat Mella (PC):** Thank you, Madam Speaker. I, too, want to speak on the Resolution. I basically support the Resolution but I think that there is a bit of misinformation in it, and there a few points that I just want to make myself, in terms of this whole issue of tuition at the University. The most important one which has already been made by the Minister himself, is that it's very important that students at the post-secondary level understand who sets the tuition rates at Universities. And it's important for them to know that it isn't us. We do not set the tuition rates at UPEI. That is a decision of the UPEI Board, of the UPEI President, and whoever else is making the decisions at UPEI. So as much as they may think that it is our decision, it is not our decision and UPEI would not be willing to let it be our decision. Universities are very protective of their environment. They want to run the Universities as Universities. And they don't feel that we as politicians are necessarily experts on what the best way is to run a University. They may be right.

But having said that, they want to be independent of Government. Therefore they have their own Board,

their own Senate that decides the decisions that are going to be made in terms of what is funded, where it's funded, how it's funded and one of those is tuition fees. So I don't know how many of those students that were here today know that fact, because there seems to be always this discussion every year about Government not giving enough money and so tuition are going up. If we gave UPEI 30 million dollars cash today, they could still raise the tuition rates. There is not necessarily a connection. If the University wants to expand research, if the University wants to create more graduate programs, if the University wants to build a student services centre, if the University wants to do any number of things, they can decide where the money goes.

So in fairness, it is a decision and it's important. I agree with that approach. I don't think we should be telling the University where they should spend their money. They have the money and they decide. Now, I also agree as has been said by other members, that it is probably true, they're not getting enough money from the province. But, you've got to look at where else we have to put the money. It is a myth to think that education is in silos. Education from our perspective is not in silos, it's not. Post-secondary education by itself which is what these people today are concerned about, it's not kindergarten by itself, which is what the group two years ago was about. It's not Grade 1 to 12, which is what...you know, that group of teachers are concerned about. It's not just Holland College, it's all of those things put together, plus money for research, money for buildings and money for salaries for staff. So it's a big envelope and it goes from birth to almost death at this stage, because there are a lot of seniors. They have some very good programs at UPEI and there are a lot of people who are participating in them.

So the reality is, that...and the numbers are...everybody has got a different set of numbers and everybody thinks you cut back here, you didn't increase. The reality is, you got to take all of the money together to figure out whether people are getting more money or less. You have to take what we put in. We put a million dollars into the student centre at UPEI. Now is that considered...that's not part of their grant. That's a million dollars to the student centre. And we didn't need to do that but we agreed, the University came along asked us to partner. We said yes. We put

the million dollars in. We have \$600 to each student in third and fourth year at UPEI. I think we're the only province in Canada that gives a cheque \$600. to every third and fourth year student. That is worth something. That costs money. (Applause)

Now the reality is, that we have, since we took office, increased funding, this is '96 to the present, increased funding in education. And I'm not just talking about the University, I'm talking about education because it was a priority of our Government. We have increased funding since '96 by 30 million dollars. (Applause) 30 million dollars, and that is factual. You can go to the Public Accounts, you can go to the budget directory, you can go wherever you want.

**Leader of the Opposition:** (INDISTINCT) table it.

**Hon. Pat Mella (PC):** That's factual. It's 30....yes I will table it.

**Leader of the Opposition:** Good.

**Hon. Pat Mella (PC):** 30 million dollars in new money to education. Some went to kindergartens, some went to UPEI, some went to Holland College, some went to grants, whatever. But it's 30 million dollars. That's a lot of money to give any sector. And it's a lot of money to raise. Now the real issue is where are we getting this money? And I think the Minister of Fisheries and Aquaculture addressed this himself. And that is...when I was coming in today to work, or I...it was around 12:30 and a University student was being interviewed about them coming in to the Legislature to try to get a freeze on tuition. And her comment was; well, the Government is getting all this money from the Federal Government and they're not handing it through to us. That was basically her approach. That is not true. That's absolutely not true. Now what is happening is the Federal Government...these kids, these students today should have been in Shawn Murphys office, in Joe McGuire's office, in Wayne Easter's office and most importantly in Lawrence MacAulay's office. They are reducing the funding to post-secondary education every year. (Applause)

I'll adjourn the debate, Madam Speaker.

**Speaker:** Thank you. This House stands adjourned till

7:00 o'clock this evening.

**7:00 p.m.**

#### MOTIONS OTHER THAN GOVERNMENT

**Speaker:** Government Motions. Government House Leader.

**Elmer MacFadyen (PC):** Madam Speaker, the Member from Souris-Elmira got consent from the Leader of the Opposition so we could revert back to business...Motions other than Government in order for him to call a Resolution that he wishes to.

**Speaker:** Okay. Do we have a unanimous consent for the Honourable Deputy Speaker to call that Resolution under Motions other than Government?

**Honourable Members:** Agreed.

**Speaker:** Agreed. We, also, need unanimity to discuss the Resolution being as it hasn't been sitting on the desks the required length of time, I believe. Do we have the unanimous...

**Leader of the Opposition:** Just...

**Speaker:** ...Do we have the unanimous...Honourable Government House...

**Leader of the Opposition:** Just before we get into...

**Speaker:** Honourable Leader of the Opposition.

**Leader of the Opposition:** Just before we do get into it, I've agreed to settle it...second it seeing that the gentleman's not here, and I give you the unanimous consent to do whatever you want to do. I don't care, take it on the floor, debate it, whatever.

**Speaker:** Okay. The Honourable Deputy Speaker.

**Andy Mooney (PC):** Madam Speaker, I would ask that Motion No. 10 be called, please.

**Speaker:** Shall it carry?

**Honourable Members:** Carried.

**RESOLUTION NO. 10 HERRING SEINERS ISSUE**

**Clerk:** Motion No. 10 The Honourable Member for Souris-Elmira moves, seconded by the Honourable Leader of the Opposition the following Motion:

**WHEREAS** the P.E.I. Fishery is an integral and important sector in the Island economy;

**AND WHEREAS** the lobster fishery in the North Shore of Prince Edward Island (LFA 24) provides a large percentage of income for over 630 fishers;

**AND WHEREAS** landings in this area have been relatively stable for the last decade in contrast to many other lobster fishing areas throughout the Atlantic Provinces;

**AND WHEREAS** large herring seiners based in the Province of New Brunswick in recent years have been harvesting large quantities of herring close to the North Shore of PEI;

**AND WHEREAS** fishermen fear that the large nets used by these seiners, in carrying out their fishing operations in relatively shallow water, can damage lobsters and their habitat;

**AND WHEREAS** the spring and fall quotas for herring were substantially reduced for the year 2001, in the Southern Gulf with fish appearing less abundant to the P.E.I. fishermen;

**AND WHEREAS** fishermen fear the large New Brunswick based vessels could harvest a large component of a single spawning stock;

**AND WHEREAS** P.E.I. fishers recognize that the herring seine fleet has a legitimate quota to be harvested on an annual basis;

**AND WHEREAS** the P.E.I. fishermen are requesting protection for both herring stocks and lobsters and their habitats;

**THEREFORE BE IT RESOLVED** that the Legislative Assembly of the Province of Prince Edward Island call upon the Federal Department of Fisheries and Oceans to:

1. Facilitate discussions among the two groups to seek a satisfactory resolution of this problem;

and

2. Place an appropriate zone along the North side of the province to protect inshore fishing interests from seiner activity if no resolution is possible through the aforementioned discussions.

**Speaker:** The Honourable Deputy Speaker to begin the discussion on the Resolution.

**Andy Mooney (PC):** Thank you, Madam Speaker. And I would just like to thank the House for unanimous consent to move back to this because I believe, not just for my area, but for the province, it's a very very important Motion. I think what I'd like to do is just, basically, go through the Motion and put my points in as we go through.

With the first **WHEREAS**, "the PEI Fishery is an integral and important sector of the Island economy;" When you look at between 1999 and the year 2000; in 2000, the income from fisheries and aquaculture to Prince Edward Island was 145,250,000 which is a tremendous boost to our economy.

"**AND WHEREAS** the lobster fishers on the North shore of Prince Edward Island (LFA 24) provide a large percent of the income for over 630 fishers;" Well, Madam Speaker, when you look just at what lobster sales were, as an example, for the year 2000 being 87,769,000 it's a substantial part of our fisheries income. Up in my area, like the Port of Souris, there's about 27 to 30 boats; and on the north shore out of North Lake I think there's 109 boats, so it gives you some idea on the proportion of how many fishermen work on the North Shore versus on the South.

"**AND WHEREAS** landings in this fishing area have been relatively stable for the last decade in contrast to many other lobster fishing areas throughout the Atlantic Provinces;" And Madam Speaker, this could...this definitely is a very true point. Landings on our North Shore have been substantially higher than on the South Shore and for the last...as long as I can remember, things have been strong. I know at one point, landings were very weak on the North Shore but it hasn't been that way in the last number of years.

In the fourth **WHEREAS**, "large herring seiners based in the Province of New Brunswick in recent years have been harvesting large quantities of herring close to the North Shore of Prince Edward Island;" Well, Madam Speaker, the herrings fleet of the large seiners out of New Brunswick, basically, traditionally, used to get all of their herring in the Bay of Chaleur and because the stocks were dwindling the Federal Government, basically, told them that they wanted them only to harvest 50 percent of their quota here and go elsewhere. The problem being most other provinces have some boundary lines put in that keeps the large seiners off their immediate shoreline which protects their lobster grounds or the scallop beds, or what have you. As an example, the Magdalen Islands, I believe their boundary line goes out to nearly 30 fathom of water which gives them tremendous protection. Even along the Bay of Chaleur, there's lines in and all along the coast of New Brunswick that keeps them out into deeper water. Prince Edward Island, on our south side, is protected but on the North Shore, from the east point it's not bad but it goes down to nothing about the Morell area. So, from Morell down to the western part of the province there's absolutely no protection.

"**AND WHEREAS** fishermen fear that the large nets used by these seiners, in carrying out their fishing operations in relatively shallow water, can damage lobsters and their habitat;" Well, my understanding is that a herring seine, which is the net they use, are 30 fathom deep. If you look, the Federal Government fund having...acoustic surveys done by some boats to identify where the herring are actually schooling and you look at the maps that, basically, show where the herring are schooling along our North Shore, they're, basically, between 20 fathom of water right into our shore. So these herring seiners have 30 fathom nets, most of the fish are in, like, 20 fathom in, so if they go into 10 fathom of water with a 30 fathom seine, when they start pulling their nets tight, their bottom cables are going to be along bottom which is dragging on our lobster ground. And the bottom line is when you see the amount of money that the lobster industry means to this province, it's just not worth the risk.

In the next **WHEREAS**, where "the spring and fall quotas for herring were substantially reduced for the year 2001, in the Souther Gulf with fish appearing less abundant to the P.E.I. fishermen;" Basically, Madam

Speaker, I guess the reason that these seiners have moved out of the Bay of Chaleur is because the herring counts there started to drop substantially. So, they want them to move 50 percent of their fishing out of that area. Well, they have been fishing off our coast the last two to three years and the numbers of herring that are available to our fishermen have dropped considerably. There's a debate on what herring their catching, like our herring that are native to around here, basically, spawn on Fisherman's Bank and a few areas along our North Shore. The herring they're, actually, after, I believe, are different schools but when our herring aren't schooling, it's thought that they, basically, just mix in with these northern herring as they're coming down. So, in actuality, the amount of tons that they're harvesting, basically, are taking a lot of our own herring stocks, as well.

Now, how important are these herring stocks to our area doesn't just get reflected in our herring catches. In the year 2000, there's the stats I'll be using while I'm speaking, the dollar value to Prince Edward Island in the herring that's been cropped were 4,767,000 dollars which is substantial. But other things that have to be factored into this is that our large bluefin tuna, that Prince Edward Island is quite famous for, they don't come here for the scenery of our lovely coastline, they're coming here chasing feed fish which, basically, are herring and providing a lot of feed them. If the herring are fished out, there's no reason for the tuna to come. The tuna industry on Prince Edward Island, just for the year 2000, was 2,189,000 dollars which is just tremendous.

Examples of where lines have been put in; I have attended Fishermen Association's meetings that were very heated at times when there's debates between the scallop fishermen and the lobster fishermen. For these very same reasons, the lobster fishermen felt that when the scallopers were out dragging along the North Shore that they could damage lobster beds, as well. So, they've come to a compromise, where the scallopers agreed to stay out in so deep of water, which would keep them off some of the prime lobster beds, and it was a compromise that worked for both because a lot of the scallopers were lobster fishermen, as well, and they didn't want to hurt the other side of their income. When this was agreed on, the Federal Government acknowledged the work they've done and they've just

stayed that way, sort of thing.

When you look, as far as the Federal Government, are basically supposed to be the caretakers of fishing industry, when it come to conservation of lobster stocks with carapace size, they had no problem stating that the carapace size for lobsters should increase...increase their production of lobster. The escape mechanisms should be larger on the traps. They control the length of seasons. So, I really feel that they should go an extra step and protect that lobsters habitat.

In another **WHEREAS**, is the "fishermen fear that the large New Brunswick based vessels could harvest a large component of a single spawning stock;" which is referring to our herring, again. I guess, one point that's been made to me by some of the fishermen is that the large seining fleet, they have a spring allocation of quota and a fall allocation, and 4,200 metric tons is their spring allocation but in their rules if they don't catch it in the spring, that quota can be transferred on top of their fall allocation plus 20 percentage overage. So, basically, it puts a power of pressure on during the fall and, I guess, it may be a bit of an exaggeration but these fishermen...I guess, one point I should make is that it's well agreed on by our fishermen that "**AND WHEREAS** P.E.I. fishers recognize that the herring seine fleet has a legitimate quota to be harvested on an annual basis;" and they're not disputing that because the herring fleet that was in Souris, they had objections to it, but not that fact that they were doing it, they just wanted to make a stand to show the Federal Government they had concerns about their lobster grounds being disturbed. The fishermen I spoke to said that these fishermen that are from New Brunswick, fine fellows, they are tremendous fishermen but, also, they have very large boats and tremendous technology. So when you combine all that, without any line on our North Shore protecting the fish stocks, the only place the herring would be safe on our North Shore would be curled up on the beach reading a book, to tell you the truth, Madam Speaker. (Laughter) It might be a bit of an exaggeration but not to far astray.

So, where I head with this Resolution is "**THEREFORE BE IT RESOLVED** that the Legislative Assembly of the Province of Prince Edward Island call upon the Federal

Department of Fisheries and Oceans to:

1. Facilitate discussions among the two groups to seek a satisfactory resolution to this problem;" And what that's basically asking, Madam Speaker, is there's meetings coming up on the 3<sup>rd</sup> and 4<sup>th</sup> of December, which is just next week, where these two groups will be present at the table and I think the Federal Government should, basically, point out that they should really work toward coming up to a compromise. As our local fishermen are saying, they have a right to fish, they have a quota allocated, but with the fish stocks dwindling the way they are, we don't want to, basically, be talking about this in ten years time when you can't find a herring along the North Shore, or anywhere, for that matter.

If you look at two ways of how conserving the herring stocks, you could put a cap on the quota or lower it down but that's not what our fishermen want. Our fishermen just want a line put in that the herring will have a chance, if they're inside the line, and it also protects the lobster bottom and the lobsters that live here. So, it would basically do both.

And if, in fact, these two groups can't come to a consensus, the number 2. on my **THEREFORE BE IT RESOLVED** is "Place an appropriate zone along the North side of the province to protect inshore fishing interests from seiner activity if no resolution is possible through the aforementioned discussions." So, basically, what this signal from the Federal Government would do is send out that you boys have to sit down and come up with a compromise that you both can live with. And the word that should be sent down from Ottawa is that if the two groups can't come to a consensus where both are happy, then the Federal Government, it's their responsibility and it's their mandate that they should come in and put in these measures. They got no problem in other areas such as the carapace size for lobsters when they know it's the best for the industry. And some of the fishermen weren't overly happy when the carapace size increased but talk to many of them people and think it was the right decision. And it was made by the Federal Government, well this is another one that...initiative that should be done for the same reasons, both for lobster and for the herring. Not just for them, even when you consider how valuable the tuna industry is to Prince Edward Island, without herring and other types of food

fish for the bluefin tuna, they just wouldn't be here.

Madam Speaker, I had our Provincial Department of Fisheries send me over an idea of where the boundaries where around the rest of the Maritimes, and Quebec, the Magdalen Islands, just for our own information. Also, an idea where these seiners have been fishing. So, basically, it shows where the boundary line goes from East Point and down to next to nothing in Morell. The seining fleet have been fishing right on the line, is in shallow water as they possibly can. It just goes to show that if there was proper line put in place that kept them off the lobster grounds, this would do both things we wanted to accomplish and that is to conserve some of the stocks that our local lobster fishermen fish for fresh bait in the spring. They haven't been near as plentiful for the last year. Our herring fishery, itself, that goes later in the summer, the herring just didn't show up the way they used to last year and the year before. It's bad enough that it's hard to get a price for herring but when you go out it's an awful lot of work for people to get set up, there's a lot of changes to their boats to make and when they get out there, the herring just aren't appearing. It just makes you wonder where they're going.

So, Madam Speaker, I think this is a very very worthwhile Motion and I would like to thank the Honourable Leader of the Opposition for seconding this for me because, I think, along our whole North Shore, this is the difference between them having good seasons, mediocre seasons, or poor seasons depending on what the herring seiners and our Fisherman's Association can come to an agreement or what the Federal Government do.

So, Madam Speaker, I believe this is pretty well all the points I wanted to make but I just thought this was something that was very important for this House to support and very important to do it on a timely basis because of these meetings coming up the first of the week. I sat down with a couple of fishermen this week for a few hours to go over a lot of the points and everything that they were concerned with is in here. I think the points that they want to have really strongly made is that they're not in opposition of these herring seiners being allowed to fish, they're not in opposition of the quotas they're allocated, it's monitored by the Federal Government but the bottom line is they just

think it's in the best interest of the seiners not to fish everything out in a couple of years and the best interest in our North Shore fishery, inside fishery of all kinds to protect the habitat of lobsters and other type of fish.

So, Madam Speaker, they were all the points I want to make and I'd like to thank the House for their permission to revert back to this Motion tonight and thank you very much. (Applause)

**7:20 p.m.**

**Speaker:** The Honourable Leader of the Opposition to second the Motion.

**Leader of the Opposition:** Thank you, Madam Speaker. I think it's a good Resolution. I want to thank the Member from Souris-Elmira on behalf of the fishermen, the workers for bringing this forward. But as the colleague from Souris-Elmira says, it pretty well explains the Resolution itself. It's only too bad the Minister of Fisheries wasn't here tonight to listen it. He might learn a few points, Madam Speaker. I don't see him in the audience, I don't see him behind here. Because I believe there was a group of fishermen protesting this on the wharf in Souris, is that not correct?

**An Honourable Member:** Yes it is, yeah.

**Leader of the Opposition:** And herring was coming in and being trucked out of here. If you look at **WHEREAS** the PEI fishery is an important sector of the Island economy. **WHEREAS** the lobster fishery on the North Shore of Prince Edward Island (LFA24) provides a large percentage of income for over 630 fishers. Madam Speaker, I would like to add the word, not only 630 fishers, but also for plant workers and truck drivers and whatever. Do I have to make an amendment to put a word in?

**Speaker:** You have to.

**Leader of the Opposition:** I'd like to...just to...this is a very important Resolution, it's going to the Federal Government. We want something done, the Island people want something done. **AND WHEREAS** the lobster fishermen on the North Shore of Prince Edward Island (LFA24) provides a large percentage of income

to over 630 fishers. And also a large number of labour employment whether it be fork lift operators or whatever, so I'll call it our working people in our plants and our truck drivers. I would like to have that be added to that AND WHEREAS. Could I have a seconder for that?

**Andy Mooney (PC):** I'll second it.

**Speaker:** The Honourable Deputy Speaker seconds that. (Applause) Is there a discussion on the amendment?

**Beth MacKenzie (PC):** Could you repeat the amendment please?

**Leader of the Opposition:** Basically this is a very important Resolution and the amendment is just adding a couple of words. **AND WHEREAS** the lobster fishery, down on the second one, **WHEREAS, AND WHEREAS** the lobster fishery in the province...lobster fishery on the North Shore of Prince Edward Island (LFA24) provides a large percentage of an income for over 630 fishers and plant workers and truck drivers. And I have a seconder.

**Clerk:** Do you have that Honourable Clerk? Question. Those who are opposed to the amendment please say nay. Those in favour of the amendment please say aye.

**Honourable Members:** Aye.

**Speaker:** Amendment has carried.

#### RECOGNITION OF GUESTS

**Leader of the Opposition:** Thank you, Madam Speaker. Also on a Point...with your permission I'd like to welcome the people in the Gallery, District 22, St. Eleanors-Summerside is the President of the Liberal Party from there is Paul Walsh, nice to see you down here. District 5, I believe is the Premiers riding, Murray River-Gaspereaux, Roger MacLeod is the President of the Liberal Party from down there, it's nice to see you here tonight. Allan Johnston, Jamie Miller, Michele O'Brien and I also heard that the President Gary Harris might be dropping in at a later date. He's probably caught in the detour of having to get up here that the Minister brought in. So it's nice to see you all here

tonight in the Gallery. And I'll be bringing your questions to the Premier and other people on the floor here.

#### RESOLUTION NO. 10 HERRING SEINERS ISSUE (debate continued)

**Leader of the Opposition:** So getting back to the Resolution, Madam Speaker. **AND WHEREAS** landings in the fishing area has been stable for the last decade to many other lobster fishing areas through Atlantic Canada. So basically what this Resolution does is, brings the intention of the people that were on the shore having problems with the herring coming in, having problems whether it is in the Members riding, having problems, scared it could affect their livelihood. The Member already alluded to herring got to eat, lobsters got to eat, the fish species. The damage that could be caused in the shore, the bottom of the shore where our lobsters multiply.

#### RECOGNITION OF GUESTS

**Leader of the Opposition:** Also with permission, when I'm standing on my feet, I'd like to recognize Arnold Stewart from Crapaud and William Kennedy who is a good friend of Cecil Godfrey, good friend. I don't know if it...I don't think it goes any further but a good friend of Cecil Godfreys. And I believe Arnold Stewart and I had breakfast this morning about 6:30 or so in your fine restaurant in Crapaud, and if many of the Members from this area ever get an opportunity to drop in, it's right by the rink there and for less than \$5.00 you can have bacon and eggs. And it's good to see you.

**Beth MacKenzie (PC):** How much?

**Leader of the Opposition:** For less than \$5.00 you can have bacon and eggs. Yes, you'll have to drop in...

**Hon. Greg Deighan (PC):** No tax.

**Leader of the Opposition:** Oh, they're will be tax there. (Laughter)

#### RESOLUTION NO. 10 HERRING SEINERS ISSUE (debate continued)

**Leader of the Opposition:** Madam Speaker, getting

back to this Resolution. Now this is one of the problems we have with this Government. They want to not pay tax for anything, themselves, but charge everybody else. But anyway it's nice to see you here and I'll get back to the Resolution here. And, it's very important. Especially the North Shore. Large quantity of herring has been the....fish close to the shore, the North Shore. And I mean this is a lot of jobs. I know how the Minister of Development must feel about this, if the lobster catch goes down, if plants happen to close down or something because there is not enough lobsters to keep them running, those are jobs that have been here on PEI for a lot of years. And they apply a lot of employment to families in the rural part of Prince Edward Island. They're way more important than these new high-tech jobs or telecommunication jobs or whatever that move in, and last a year or two, then pull out. These plants have been there for years. People have worked there for years and PEI lobster is known all around the world, Madam Speaker.

So it's quite obvious why the Member, especially from Souris-Elmira is concerned about this because this is a major industry to him and also to second District of Kings, where there is not much employment been created in that area. Where the employment has more less been created around the greater Charlottetown area, the greater Summerside area. There has been some jobs been created around the Montague area, but there's been some major jobs been lost. So it's very important that we get an agreement, get an agreement of satisfaction when these groups meet. And this is very important... and Ocean Canada... the Federal Department of Fisheries and Ocean Canada which is the Federal Government, got to work awful hard, and I know how hard it's to get the group meet. It's like in this House, it's very hard to get....the Member and I agree on this one tonight, it is a very important one but we're Members of the Legislative Assembly and it's awful hard to get an agreement from Cabinet almost, and anything over there.

So I know what the Federal Government would be going, the Department of Fisheries to get an agreement from these two groups to satisfy it and that's the way I'd like to see it happen. But if it doesn't happen that way, the Federal Government has got to come in and protect the lobster inshore fishing interest. And that's at the last, I think that they just got to come in, they

got to draw, as the Honourable Member referred, to the lines. They got to move it out far enough. We don't mind these people coming in and fishing, but we don't want to cause due hardship or damage to our local fisheries that runs the economy. Farming, tourism and fishing are our major industries we have here in the Province of Prince Edward Island. Well we know how bad the potato drought is this year and the packing plants are having problems. Something that they had last year, the problem was not enough of potatoes to pack last year, you couldn't sell them because the wart. We don't ....the lobster fishermen has it going good here in the last few years that there has been lots of work for employees in these plants. There's been lots of lobster caught and the price has been holding. There is a problem with the price now, somewhat in Nova Scotia and that and I hope that our buyers here, that have lobsters in storage will still be able to market these lobsters very successfully. And you always have an up and down but just think if there was lobsters reduced in that (INDISTINCT) 30 or 40 percent. Just think what that would be like. The price is high, they're not going to get anymore out of the market than it is now, if (INDISTINCT). So this is very important.

So I think that the Minister of Fisheries who is probably responsible at the Department of Federal Fisheries and Oceans, Dhaliwal I do believe, is Minister of Fisheries. I know he helped us well out here and he deserves credit for the extra shrimp that was allocated to the Province of Prince Edward Island. But also this is a time that we got to...it's not a (INDISTINCT) dispute, it is a dispute of the danger to our fishers and our plant workers in the province. It gives me great pleasure to second this Resolution. (Applause)

**Speaker:** The Honourable Premier to speak to the Resolution.

**Premier:** Thank you, Madam Speaker. I certainly want to support this important Resolution. The herring fishery is very important to the North Shore area under discussion here, but it's also important to the rest of Prince Edward Island. It's certainly important to my area where lobster fishing District No. 26 is located. It does constitute an important part of the livelihood of the fishermen and their helpers, but also the many plant workers who are involved in processing of herring. And that does change from time to time, at certain times

there is a strong market for herring roe which time the companies will pay a good price, usually depending on the Japanese market. And as that goes, so goes the price of herring and the demand.

Madam Speaker, there is a conflict here between the inshore and the offshore herring seiner and of course, for Prince Edward Island we're not in the offshore herring seiner business but our fishermen are very much a part of the inshore fishery. And clearly our boats cannot...don't have the same access to herring that some of these large seining fleet has, and it seems to me that this is a very reasonable proposal that a Resolution be brought about between the parties here. I think the Department of Fisheries and Oceans has an obligation to move on this. The division of quota licenses are clearly the responsibility of the Federal Government, and I can't understand how it's gone this far without having had some Resolution. One sector of the industry should not be able to impede upon the livelihood of another and if that was happening anywhere else, there would be a major uproar. And indeed there should be a major uproar over this, Madam Speaker, because it represents a potential serious blow to the livelihood of Island fishermen and that should not be tolerated.

I can't understand why the Department of Fisheries and Oceans hasn't already taken serious action on this matter. I can't understand where the Federal Members are, who should be looking into this. I mean, we've had Members like Wayne Easter and Joe McGuire, they've both not only been on the Fisheries Committee, I think in Ottawa, the Standing on Fisheries and Oceans, I think one of them is even Chairman of the Standing Committee on Fishery and Oceans. So where are they on this issue.

**Hon. Pat Mella (PC):** (INDISTINCT) get some action.

**Premier:** I haven't seen any sign of them whatsoever. Somebody is not doing their job as I see it, Madam Speaker, and this should not be happening. I know the Solicitor General is pretty busy at the moment taking care of Canada's National Security so we'll let him off the hook a little bit right now but not too much. Because he is our representative in the Federal Cabinet and he should have Mr. Dhaliwal's ear. On any given day he should be able to have a little chat with him and

intervene and make sure that something happens.

But I want to support the Resolution. I think we should keep an eye on this, if something is not happening we might have to have some follow-up discussions on this in the next little while. But I would urge the Resolution... I suggest the Resolution also go to all of the Federal MP's from Prince Edward Island to garner their support, and I know that this House sees this as an important issue and I'm sure everyone will support it.

#### RECOGNITION OF GUESTS

**Premier:** While I'm on my feet, I want to welcome everyone in the Public Gallery this evening as well. Billy Kennedy must have enjoyed it the other day, I see he's back again. And Arnold Steward, he brought Arnold along tonight now to have an idea of what's taking place here and see the work the Government and the Opposition Leader is doing. Also, I want to recognize and welcome people from my own District down home, I can't see everybody very good from here, but it's good to see them here in the House tonight and I hope they enjoy the session and get a little better idea of what takes place. I might point out that this evening is primarily devoted to Resolutions and a Resolution is a...usually takes place in the way of a Motion that somebody moves and another person seconds and we send that wish of the House, if it's agreed upon, off to Ottawa or other parties depending on what the Resolution says. It has no...it's not something that anybody is obligated to carry out but it indicates the wish of the House. And the wish of the House on this herring issue is that the seiners be kept away from the inshore area that Prince Edward Island fishermen derive their living...their livelihood from and, in that regard, I'm pleased to support the Resolution. Thank you, Madam Speaker. (Applause)

#### RESOLUTION NO. 10 HERRING SEINERS ISSUE (debate continued)

**Speaker:** The Honourable Member from Park Corner-Oyster Bed.

**Beth MacKenzie (PC):** Thank you, Madam Speaker. I rise to support the Motion that's on the floor this evening. The area that I represent also has a strong

interest in the fishery. As the Honourable Leader of the Opposition has said, there is many spin-off industries that are affected as well. We have plant workers, fishers, we have the gas stations, we have the local stores, the restaurants, many people depend on this. So it affects many Islanders. And I think we have certainly learned the lesson from Newfoundland and have seen what has happened to their fishery with large trawlers coming in and fishing in the water and reducing the stocks, and now the Island is having a hard time even maintaining the people who are there and many of them are having to leave. So, on PEI this is an opportune time for us to realize that people with large fishing equipment shouldn't be coming within our boundaries and to establish a boundary so we do not have the over fishing to take place within our jurisdiction.

I commend the Honourable Member from Souris-Elmira for bringing this forth. I know there has been a lot of media attention to the port of Souris because the fishers have been coming in there to unload, but it affects right across PEI and any village or town that's affected on PEI, affects all of us. I would like to commend you for this and the Honourable Member for seconding your Resolution.

The over fishing would be very detrimental, especially to the herring stock. But also, if their nets are going to disturb the bottom of the sea bed. We know not a great deal actually about lobster and their habitats. We are studying them continually, but their habits really are not known and they seem to travel quite far distances during the course of their life. Scientists have tried to tag the fishers...or the lobsters and get a sense of it, and they thought they had it figured out how a lobster season when in it's life cycle, but they're learning all the time. Certainly anything that's going to disturb the sea bed, we certainly do not want to jeopardize the spawning area for our lobster.

On the South side there was a lot of concern over the building of the bridge and how it would affect the lobster stalks on the south shore. I think that's still to be seen. The stocks have been down there, but I believe the numbers are coming up since the bridge has been completed.

So along the North Shore we certainly want to guard

and protect the sea bed and our lobster fishery and with this Resolution, it certainly should go out to our Federal counterparts for them to come and have their voices known, too, about what is going on because for all we're PEI and this is a Provincial jurisdiction, the Federal Government does play a role in this. So I would certainly hope our Members in Ottawa would be able to assist all of us in this, and realize the importance of this to the industry here on the Island. Thank you, Madam Speaker. (Applause)

**7:40 p.m.**

**Speaker:** The Honourable Minister of Community and Culture Affairs to speak to the Resolution.

**Hon. Gail Shea (PC):** Thank you, Madam Speaker. It's my pleasure to rise in support of this Resolution because, Madam Speaker, fishing is by far the main industry in my district of Tignish-Deblois. I certainly agree with the Honourable Member from Souris-Elmira that with today's technology fish are not all that hard to find. We track their movements, you know, we have step sounders, we have fish finders, we have GPS, and ... you know, that makes I think the role of the conservation officers so very much more important. And I think that DFO needs to put that extra effort into ensuring that the stocks and habitat of various species are protected.

The tuna fishery in the last few years has been rebounding, which is great to see. Although, when you and I, Madam Speaker, went tuna fishing, we didn't catch any, and ... you know, as we've heard many of these larger fish are being caught of the North Shore of PEI. So, we must ensure that the habitat ... the tuna's protected.

The habitat of the lobster, which is the staple of our fishery has to be protected I think at all cost. The lobster fishery has been here for a long time as the Honourable Leader of the Opposition has stated, Madam Speaker. In my district, as I'm sure many others on the Island, fishery, ...it's a way of life. It's much more than just making a living. It's a way of life. And, actually, my ancestors, were lobster processors in West Prince once upon a time, and provided much employment to residents.

They're many other measures which I believe should be taken to ensure this substantially of the lobster industry, but I'll leave for another day because I believe lobster is just too important to our communities and to our Provincial economy. I have three harbours in my district, two of which are on the North Shore. And many people from these harbours fish some of the 50 million plus pounds of herring that are caught off our shores. The industry has been doing very well, Madam Speaker, and I'll certainly do whatever I can to ensure that it remains profitable.

The Honourable Member from Park Corner-Oyster Bed talked about the spin off effects of the fisheries. I think that one of the spin off effects of the fishing industry includes tourism, because I don't believe that there's anything more beautiful than a picturesque harbour with beautiful blue water to a tourist who comes to our Island, and in deed to many Islanders. So, it certainly is my pleasure, Madam Speaker, to support this Resolution. Thank you. (Applause)

**Speaker:** Are there any other Speaker to the Resolution? The Honourable Minister of Fisheries, are you speaking to the Resolution?

**Hon. Mitch Murphy (PC):** No, I'm not speaking.

**Speaker:** So, the Honourable Deputy Speaker to conclude the discussion.

**An Honourable Member:** (INDISTINCT)

**Leader of the Opposition:** (INDISTINCT) Yes it is. You should of been there.

**An Honourable Member:** Yes.

**Speaker:** My apologize, Deputy Speaker. The Honourable Minister is going speak to the Resolution.

**Hon. Chester Gillan (PC):** Thank you, Madam Speaker, and while I get myself organized here. I believe I have notes to speak.

**Leader of the Opposition:** You mean, you don't know if you wrote them or not.

**Hon. Chester Gillan (PC):** I write so many, Honourable Member.

**Leader of the Opposition:** Can't remember. Could be interesting.

**Hon. Chester Gillan (PC):** Thank you, Madam Speaker, and in rising to speak to this particular Motion, I know that there has been concern expressed in various ports, and in particularly, on the Eastern end of the Province for a number of weeks regarding the issue which is before us this evening. And I think it is very timely, and I commend the Honourable Member opposite for bringing this Motion to the attention of the Assembly, so that we the Members would have opportunity to share our thoughts on it, and to possibly provide a little bit of a insight and/or a path that the two parties involved in a dispute might be able to share.

Now, allow me, Madam Speaker, to indicate that at the outset ... that both obviously have a validity of concern, and the quota of the herring as it is presently divided, certainly is on the favour of the inshore fishery. The fishers do not dispute that, rather it is the method of fishing, and exactly where it is taking place. And, if I go back, Madam Speaker, somewhat in time to the later 60's into the early 70's, the shoe if you will was on the other foot where the seiners, the offshore fishers had the majority of the quota, and the inshore fishermen at that particular time, were at a tremendous disadvantage. A lot of meetings where held. There was a lot of stress in various quarters, and finally through a good ... some good resolution on the parts of both sides, and the Department of Federal Fisheries, that the quota over time changed to where it is presently established. And that is that the inshore fishery has roughly 76 percent with the seiners or the offshore roughly 24 percent.

Unfortunately, it is the proximity to the North Shore which is really in dispute now, as opposed to the quota itself. The proximity of the line which starts in the middle of the Province on the North Shore, in the Covehead area, and then angles in a easterly direction, ending up of the East Coast of Prince Edward Island, East Point to approximately 7 miles off shore. But, it's the proximity to the North Shore that is in dispute here, and the line definitely does pose hold considerable

anxiety to the inshore fishers.

The biggest area, Madam Speaker, is the fact that these large toilers in order to be able to get their same nets out, require a lot of water. Hopefully, they would be putting down the same in an area that would approximate 15 to 20 fathoms, which is an excessive 100 feet. Many times, however, that is not possible, and their gear goes to the bottom, and there is the possibility of habitat destruction, or at least disruption. That is the main concern at this particular time of the inshore fishery.

How to resolve that dispute is paramount, and I think that it is only through sitting down both parties, and DFO has to be an attendance at that meeting to be able to come up with a solution. I do know that last year, the total herring quota in the Southern Gulf was 71 thousand metric tons. This year, it has been reduced back 60,500. Now, with this reduction, the sacristy of the herring stock is not in jeopardised, but with a downward trend, there's certainly is concern there that we can not afford the health of the herring stock to be comprised by over fishing.

The herring is used, obviously, for the fishery and the herring spawn is very important. Heents the importance of the fish itself. But, other species of fish depend upon the herring as food stock. I'm thinking of the herring spon, for instance, which is fed up by any number of fish in the food ... in the water column, and the large tuna, of course, do feed on herring as well. So, it is a fish that fishery has developed around. It is important stock, and the depletion of this stock, would certainly indicate a tremendous down turn in our fishery. So, the PEI fishers have ligament concerns, Madam Speaker, in raising the issues of the potential damage that the seiners may inflict on the lobster and their habitat.

When we speak of the economic significant of the fishery, Madam Speaker. This past year, as the year draws to a close, the lobster landings on the North Shore, which would be area 24, were 11.7 million pounds. Now, in comparison to the Island total of 18.9 million pounds, you can see that the North Shore Fishery represents a significant amount to the fishing sector. We simple can't tamper with or stand idle by when the habitat of such a precious fishery of that

magnitude, maybe potentially damaged.

Madam Speaker, the lobsters as a whole in Prince Edward Island, the 18.9 million pounds, represents 65 percent of our total fishery. Now, the total fishery, all of the fishing sectors combined provide an Island value of \$300 million. So, you can see ... and providing employment for over 92 hundred individuals. So, you can see the significant of one sector of that, which represents 65 percent of those figures. So, it is a concern that we have to put a lot of credit and attention to, and that is the reason why I am supportive of speaking at this Resolution this evening.

The Bay of Chaleur was the home area for the (INDISTINCT) fishery, traditionally the Bay of Chaleur, most of the quota was taken from that. However, those in our neighbouring Province of New Brunswick, saw fit that they wanted to protect the quota. And the quota was changed so that no more than 50 percent of their quota can be fished in the Bay of Chaleur area, and in fact, they can't start fishing that sector until after September the 1<sup>st</sup>, and then filling 50 percent of their quota, they must move them out into the Gulf. And in our case, the Southern Gulf to finish their quotas. Now, when they do reach their quotas, then obviously they must cease fishing, or they can fish until December the 31<sup>st</sup>, whichever comes first, either fulfilling their quota, or continuing to fish until the end of this calendar year.

This concern is not new, Madam Speaker. For a number of years, the concerns have been raised. The Magellan Islands, protective fishery or protective zone has been expanded in the past. There is a management plan that certainly does protect the inshore fisheries in that particular area. At a meeting last December of the small (INDISTINCT) group in New Brunswick, this very same type of information was put forth, and no action resulted as a matter of attempting to come to a better persuasion of DFO to move the line from where it is now situated on Prince Edward Island. That is the reason why we want to go back in early December this year, to continue the arguments and to present again, very forceful arguments to DFO at these small (INDISTINCT) advisory committee meetings in Moncton in early December to again, to outline the arguments that this House is putting forth, and that I am echoing this evening.

This is the only way that we, Madam Speaker, can ensure the long-term sustainability of this fishery. If we let this opportunity slip by, a down turn in the fishery is a descent likely hood. So, I am calling upon all of the Assembly Members that are here this evening to endorse this Resolution as it goes forth. I think that the Resolution that is ... the way it is worded and that it is presented, indicates that the inshore fishers do have a logical agreement to put forth, that theirs is a legitimate reasoning. They have used ... a plain talk, they have put a lot of earnest thought behind this, and I am hopeful of good deliberations, and a better solution this year then in the past from those talks in Moncton, New Brunswick. Thank you, Madam Speaker. (Applause)

**Speaker:** Are there any other speakers to the Resolution? If not, the Honourable Deputy Speaker to close the debate.

**Andy Mooney (PC):** Thank you Madam Speaker, and once again, I would like to thank the House for their support on this very, very important Resolution. It wasn't that many years ago, Madam Speaker, that on the North Shore, the fishermen catches were very, very low. You know, one very witty fishermen up in my area, said he was quite sure every time he pulled a lobster out of a trap, the lobster would wink at him, and he said it was because that poor little fellow was put under the measure so many times, and was short, and throwing in, and caught again, he said they were just adapting to it. You know ... so, they've been use to some pretty poor years, Madam Speaker, and I would make the point ... when a lobster fisherman looks into their trap with despair, every business in the area looks into their cash register with a equally same amount of despair because if fishermen have money, they spend it. And if they don't have money, the whole community suffers. So, I think when you see ... a fishery is important as our lobster industry, and our herring industry on the North Shore, it's something that's very, very well worth protecting.

The Honourable Minister of Fishery and Agriculture gives some facts and figures recent, this past season with the lobster catches on the North Shore being in excess of 11.7 million pounds, and as the Honourable Leader of the Opposition stated, not only does this effect the fishermen ... fishers I guess is a better term,

but also, the amount of people on shore, whether it would be trucking companies, whether it would be people buying on the wharfs, or the plant workers. It's just tremendous how far reaching this industry is on Prince Edward Island, and especially, in my area of the Province where we still need more jobs created because employment is still an issue, between the Babineau Plant that's now (INDISTINCT) by Polar, and North Lake Fish Coop. I dare say that they'd employ in excess of 400 people. North Lake Fish Plant, actually is still in full operation up there, employing quite a few people. They've been doing a lot of work with alternative species, and these alternative species, they've been doing work with are a lot of the species that depend on the herring for food basically. So, it's something that's ...it's a tremendous chain reaction. If one species is pulled out of the spectrum, then an awful lot of them are affected all the way down the line.

So, Madam Speaker, just once again, I would like to thank the House for their support in this very important Resolution. It's very important to my area. I would like to thank the Honourable Minister of Fisheries and the help of his staff on some of the research. And also, in the coffee shops ... early in the morning, I caught a few fishermen last week, Mr. Mark Rose, gave me a far bit of insight on how it effects him, and also, Terry Carter, who basically sits on a (INDISTINCT) committee, I believe, and will be present in New Brunswick on the 3<sup>rd</sup> and 4<sup>th</sup> of the next week when they'll be sitting face to face with these seiners. And I think it's very important ...and Terry, he's a very level head person, a tremendous hard worker. Actually, him and his wife are fishing silversize these days, Madam Speaker, and if you want to see cold, miserable work, you slip to Souris some morning early, and go down to the wharf ... and actually, they fish out of dories, silversize are a smaller fish, and, it's rain, or shine, sleet, or hail. It seems that ... there out in the water. It's tremendously hard work I say. But, very knowledgeable.

**Leader of the Opposition:** (INDISTINCT) Did you do it?

**Andy Mooney (PC):** What's that?

**Leader of the Opposition:** Did you ever do it?

**Andy Mooney (PC):** No. But, I've watched them. He's very knowledgeable in the fishery industry and had a lot of insight on how this should be worded, and what they liked to see, and I guess ... even Terry himself, depends on the herring fishery. But, as he stated to me, these fishermen aren't breaking any laws that ... have the herring seiners, they have a quota, and their ... basically, fishing in waters that they're permitted. But, as they stated, the one point. ... they don't want to push these lads out of the industry. They just want to put some protection in to protect our lobster stocks, and to protect some of the herring stocks because when the herring that we fish for roe aren't pooling together in schools, it's not really known whereabouts they are, and it's thought that maybe they were mixed in with some of the herring stocks that were coming from the North, that these seiners are after. So, the bottom line is, I think it's just a compromise. If it can be found between these two different groups, it's in the best interest.

And, finally, Madam Speaker, I would like to see this Resolution when it gets unanimous consent of the House to be forwarded on to especially Mr. Wayne Ester, as Chair of the Fisheries Committee for the Federal Government. Also, the other three MP's, and most importantly, I would like ... on this very timely issue, this should be sent directly to the Federal Minister of Fisheries in Ottawa because they should be well aware of the concerns that we as a Government has, and also, a concern that the fishermen of Prince Edward Island have well in advance of this meeting that's coming up next week. So, I thank you once again. (Applause)

**Speaker:** Are you ready for the question?

**Leader of the Opposition:** Question.

**Speaker:** Question has been called. Those who are voting against the Resolution, please say Nay. Those voting in favour of the Resolution, please say Aye.

**Honourable Members:** Aye.

**Speaker:** Resolution has passed, unanimously. The Honourable Minister of Fisheries, Aquaculture and the Environment.

**Hon. Chester Gillan (PC):** Madam Speaker, I move, that we ...

**8:00 p.m.**

**Hon. Chester Gillan (PC):**... revert back to Orders of the Day Government.

#### ORDERS OF THE DAY (GOVERNMENT)

**Speaker:** Orders of the Day Government. The Honourable Minister.

#### ADJOURNED DEBATE ON THE SPEECH FROM THE THRONE

**Hon. Chester Gillan (PC):** Madam Speaker, I move, seconded by the Honourable House Leader that the First Order of the Day be now called.

**Speaker:** Shall it carry?

**Honourable Members:** Carried.

**Clerk:** Order No. 1 Adjourn Debate on the Draft Address, and it had been adjourned by the Honourable Minister of Agriculture and Forestry.

**Elmer MacFadyen (PC):** Madam Speaker, the Honourable Minister of Agriculture and Forestry had finished his remarks. The Provincial Treasurer is going to speak.

**Speaker:** The Provincial Treasurer to continue the discussion on the Speech from the Throne.

**Hon. Pat Mella (PC):** Thank you Madam Speaker. It gives me great pleasure to have this opportunity to reply to the Speech from the Throne. I wanted to go through some of the items that we have highlighted in the Speech and to indicate to people listening or to people in the House... it's great to have a helpful House Leader too, Madam Speaker...

**Elmer MacFadyen (PC):** Thank you.

**Hon. Pat Mella (PC):** ...some of the initiatives that our government is undertaking that I feel are very accepted by the public. I feel that, as a Member of the

government, we have been true to our word on many of the commitments that we made, both in '96 and in the last election.

Obviously, the first section of the Throne Speech is about what we have done to open up government so that we are partners with the public rather than making our decisions on our own or on the 5<sup>th</sup> floor of the Shaw Building or in some very select limited group of people. So, we made some changes both in the structure and the role of MLA's and Cabinet Members and of the Assembly itself.

As you know, Madam Speaker, I did sit as the Opposition for about three and a half...almost four years and, at that time, of course, I had the opportunity to sit, on average, about five to six weeks of the year and that was it. What was not covered in that time was very difficult to get a handle on, so to speak. So, there was an issue of how do the people learn what is happening in government, and how does the Opposition hold the government accountable, and how does the government, itself, communicate what it's doing to the public.

So, we made the decision to have two sittings of the Assembly and, I think, that generally speaking, that initiative has been well received by the public. It is partly a political issue, obviously, because previous governments, of course, rejected the idea because it gives the Opposition the chance to hit you twice instead of once; but, if you're really serious about being accountable to the public, then you shouldn't be afraid to take the hits and be able to respond to them.

So, I'm very proud to be a Member of a government who has opened up the Assembly. I think that the public has learned a lot about the functioning of government, learned a lot about your role, Madam Speaker, about the role of other Members of the Assembly. Sometimes they don't like what they see. Sometimes they're critical and, obviously, they are getting a bit of jaundiced view of the Legislature at the present time in terms of coverage. We did bring in t.v. cameras and, of course, I can remember when I was in Opposition and the previous government had some discussions about this and it's...for some Members it was quite a change to think about having yourself televised every time you stood up to say anything.

Especially, if you're a new Member or you weren't terribly experienced on an issue, or people just had that extra pressure on them. So I think that that's why it was rejected for so long and it did take an initiative to do this.

The unfortunate part, of course, is that now that we have televised proceedings, it's only limited to Question Period and so, people can draw conclusions about what we do in here based on the forty minutes of Question Period which is quite a distorted view of all of the business that goes on. Probably the most important...no, I think that, first of all, I don't think that the general public would even know that we start our day with a prayer. That is an important part. In my own mind, I think that's an important tradition. We're not afraid to tell people that we start our day with a prayer. The fact that we go into Question Period and the public can see how the government is responding to issues, to me, is good. I have some, you know, sympathy, on occasion, for the Leader of the Opposition, of course, because of having been there myself and done that. I know where I came from and I don't want to go back so I'm going to make sure that we have the right answers on this side.

I want to say that, probably, the most important business of the House is not Question Period, although it may appear as the most appealing to the public, but, certainly, when we do Legislation and we have Committee of the Whole where the Members are allowed to ask questions on Bills and we have Resolutions, like we've had tonight, and we've had many good Resolutions and many people have spoken very well to the Resolutions in the last ten days or so. Unfortunately, as I said when I got home one night, I forget the Resolution, I think it was on Addictions, and I was telling my husband that there were seven or eight Members that had spoken to the Resolution pointing out what some of them had said and how well they spoke, and I said, unfortunately, nobody knows that that's what we're saying and that's the way we feel about these issues. There are some limitations in terms of the coverage but, hopefully, we will have more people that will come to the Gallery, over time, to see the real the business of the House.

We have had, since I became Treasurer, pre-Budget consultations every year. We have gone to other parts

of the province. We have met with the Chambers of Commerce, we've met with anybody that wants to meet with us, basically, to open up the Budget consultations because the reality is that the Budget is not as much of a mystery as people may think. It's larger in numbers than your own budget but, other than that, it's money in and money out and making decisions about which issues are the most important, where do you put the priorities, and having some confidence that your revenues are going to come in. It's not like having a salary, I suppose, in the sense of doing your house budget, but, other than that, basically the same fundamentals are there.

So, we will continue to have pre-Budget consultations because I think that the biggest benefit to the exercise is to convey to the public what budgeting...the process that we go through in order to come up with the Budget for the province for a year. People, I think, get a better understanding of what the challenges are. I can recall in the first year when we had the large deficit, we had groups that had opposing views on what we should do and nobody really wanted to address how you should cut, everybody wanted to talk about who you should give money to and it was very difficult to try to get back to, well that's all fine and we agree that these people need money but where are we going to find the money. It is a good exercise and we'll continue to do that in the future, as well.

Now, in terms of the issues that have been initiated by our government and, of course, as Treasurer, I have probably, in some sense, more a limited view of some areas than my colleagues as Ministers have in the sense that my mind tends to focus on finances rather than on other things. But, at the same time, as part of a government, we have to be able to provide services, ultimately, that's what we're here for is to provide services to people and to ask them to give us their money that we can redistribute fairly and justly to the community to give people a good quality of living.

In the last few years, we...some people would say we lucked into good times; I'm not sure it was totally luck. I think that we had the fundamentals in place and really did work hard to try to reduce taxes and to reduce the debt costs and to lower energy costs, low inflation, low interest, all those things really put a good foundation on an economy. So when times get difficult, you, at

least, have a stable base from which to work. We've had, of course, extra revenue that has come in, not as much as the Leader of the Opposition has stated, of course, in Federal dollars it's about 81 million, I believe, since we took office. That's not a huge amount of money when you divide that by six and then, you know, you're looking at only about 15 million a year. Now, 15 million may seem like a lot of money but the Health Budget, by itself, eats up about 11 of that; so, you've got four million for the rest. It is not true that we've gotten 200 million in extra dollars as the Opposition continues to state. But it is true that we have had increases because of the fact that the national economy is growing and that these transfer programs, to some extent, are based on that.

But we have some very specific issues that have not been addressed that, ultimately, are going to lead to very big disparities between the provinces of Eastern Canada, well perhaps not all of Eastern Canada, but if they're not addressed, we are going to have two different classes of citizens in the country before too many years. Of course, I think people are probably getting tired of hearing me talk about Equalization but I have to talk about it because it is so fundamental to the Canadian identity. It's not just that we need the money.

Equalization was put into the Constitution in 1982 in order to ensure that Canadians, no matter where they lived, would have access to the same health services, the same education services, basically equal highway funding and those kinds of things, services. If you live in a rich province with lots of money coming, you could build more schools and more hospitals and better roads and everything else, and if you live in a poor province with limited revenues then you can't build schools, and you can't build hospitals, and you can't build roads. That's how the inequity gets built into Confederation. The Equalization Program was meant, was intended, to prevent that from happening in Canada. So you have ten provinces, three of whom are quite well to do, relatively speaking, and seven provinces that are recipients. There probably should only be six but there's actually seven at the present time.

What has happened is that the Federal Government has two big Transfer Programs, one for Health and one for Equalization. The provinces that have the highest

populations argued, some years ago, that the Health Funding should be changed to a per capita funding, meaning the more people you had the more money you got. So, it was a per capita basis. We only agreed to that because we were told at the time that every Premier and every Finance Minister would support improving the Equalization formula. Well, what happened was the Health formula got changed to per capita, so Ontario got their millions and millions and millions, and Alberta got their millions, BC got their millions, and now, when we try to get Equalization on the table, we don't seem to be able to make any headway. As a matter of fact, instead of making headway, we're losing ground on this argument because in addition to the provinces having given us this commitment that they would stick with us to get Equalization improved, the Federal Government in Ottawa decided to put a ceiling on Equalization. Basically, what they're saying is that there's only so much money for Equalization.

What has happened is that there's a ceiling put on Equalization and this means that they only have so much money to give out and you can divide it by seven provinces and once they get to the cap there's no more money to give. It used to be that Equalization grew with the national economy. There's a lot of myths around this program. A lot of people think that Ontario, Alberta, and British Columbia pay into a fund so that the rest of us can take it out. They think the richer provinces are, actually, paying in so that we can get Equalization. That's simply not true. That's not true at all. The richer provinces are just paying their taxes just like we're paying our taxes. It just so happens, they've got a richer economy, more resources, more people, so they're paying more revenue to Ottawa. Ottawa makes a decision of how to distribute it. And what's happened is, Ottawa, the Federal Liberal Party is destroying the country, in essence, by putting a ceiling on Equalization because they're going to create two standards in the country. One for provinces that have resources and that can get their own revenues. And one for the rest that are limited by Ottawa not allowing us to have our entitlement.

I have talked to the Minister of Finance, I've talked to every Finance Minister in the country, they all agree with me except Paul Martin. And Paul Martin, basically, has said that he doesn't want to put any more money into Equalization, basically, because he wants to know

in his Budget how much he's going to spend and he thinks that there are some provinces that will get too much. He always says to me, well, Pat, what are you arguing about Equalization for, you're only going to get about ten million out of 300 million, or whatever it is, that we give out. You're only getting a little bit of it. And I said, Minister, I don't care what other people get, I'm here to argue for Prince Edward Island. I don't mind if somebody else gets money. I only am arguing on behalf of our province. And I couldn't believe that he would suggest that I would rather not give somebody else money. I don't mind if other people get Equalization. That's the whole point of having a country where people are entitled to the same services.

If you want to have people that can get MRI's and oncology treatment and a good education, you've got to have the Equalization formula allowed to work as it was supposed to. Right now, it is very serious because CHST is growing. Every meeting, Health Ministers, Premiers, go to and the big powerful provinces are saying let's put more money into Health. Now, we're not opposed to putting money into Health but if you put it into CHST, we don't get it because we're per cap...it's a per capita fund. So, if they put money into Health, it doesn't help us. It's the Equalization money that we need. That's what we use for Health. It's very difficult to try to convince these people.

I went to a meeting of the Senates Committee on National Finance. Now, this is a Committee that's been set up by the Federal Government to look into the Equalization Program, and to hear from people about what's wrong with and what's good about it and is there a better system and all this.

Anyway, I went to this meeting and before I was...there was only two presenters that evening, and the presenter before me was a gentleman who used to work, I believe, with the...I think it's the CD Howe Institute, I'm not really sure but one of those, anyway, basically, there's a two to three institutes in this country, they're very right wing. They're like to the right of Attila the Hun, you know, they're...they kind of...they think survival of the fittest is the way to go, flat tax is great for everybody, if you're rich you pay the same as if you're poor, if you want to live get a job, illness or sickness is kind of...you know, that's your fault. Actually, the Reform Party would be the closest to

them. So, they've got...and they sold this message. They sold this message to some of the people in this country. Everybody, look at who's talking about lowering taxes. Did you ever hear so much talk as in recent months and years about we all got to lower the taxes? Madam Speaker, the tax rate in Ontario today...

**8:20 p.m.**

**Hon. Pat Mella (PC):** .... today is around 41 percent, 41 of federal tax. Our tax rate is 57 and the equalization provision in the Constitution says, we should have comparable tax rate. What's comparable between 40 and 57? Now the question is, why don't I reduce the taxes? Why don't I go down to 40? Because we can't get any money from Ottawa in Equalization and we have to raise our own revenue. So we've got to get it from the people of Prince Edward Island. The country is suppose to be paying for Equalization and Islanders should not be penalized because there's 140 of us. As individuals Islanders, we're paying the same rate as every other Canadian, federally. We all pay the same rate of taxes federally. It doesn't matter where you are. You're all paying into Ottawa depending on what you're doing. It's just that when it comes out of Ottawa, it doesn't come out equally.

Health, the bigger provinces, the richer provinces, are going to win out with the Federal/Liberal Government in Ottawa because that's where the votes are. We've got a Leadership Convention in the offing, we've got Paul Martin, we've got Brian Tobin, we've got Alan Rock, we've got a couple of private sector business people and they're all looking to become leaders. And you know, they're all lobbying for this vote. Where are the votes? How many seats do you think Ontario has compared to PEI? When was the last time that...like I really get offended with Members from our Province, Federal Members, not supporting what is good for the province, like Equalization. I'm appalled that a Federal Member should not argue for Equalization money for PEI. We had our own Members saying there was no problem with Equalization. Now in fairness to Senator Callbeck....

**Leader of the Opposition:** Oh yeah, bring her into it.

**Hon. Pat Mella (PC):** I happen to meet her and she is a Senator and I did tell her I went to this Committee and she said, how did that go? And I said, not that great. And she said, well you know, in fairness to her she would have been there but there was something else on....but there was somebody else there from PEI to take notes on her behalf. So, anyway, I said it didn't go very well. And she said, what do you mean? And I said, well there was this right winger on before I got on...

**Leader of the Opposition:** Right winger, what's a right winger?

**Hon. Pat Mella (PC):** ...and he went through this whole thing like, well you know, we really don't need this Equalization business. What's this about? Let's do away with Equalization and let's replace it with some kind of an economic development strategy to grow the economy. And what they really want to do is try to say to people that, if you don't like where you are, move to Toronto. That's kind of what the essence of their argument is. It's a...Canadians should just go. Now if you did move to Toronto, somebody in Toronto would probably tell you to move back. But, anyway, their whole concept is that you centralize things, you get the most efficient cost effective. What difference whether you want to live in a place that is a province in the country. They don't seem to entertain the thought that we have a province and we have some entitlements. But anyway, by the time I got on, I presented my case for not having a ceiling on Equalization. And I think it was a pretty strong case. And I did say, that we're not as dependent. A lot of people....like you'll see articles in the...especially the Western papers, but some out of Quebec and Ontario, talking about our increasing dependence on Ottawa. That's nonsense. That's absolute nonsense. There's not one iota of evidence to show that's true. The dependency... Equalization is going down as a percentage of our revenues. The REDA Agreement which is an economic development agreement, is gone period, there is nothing in it. Highways program has some measly amount in it like a million dollars which will pave about a kilometre. So there's really no agreements left that Ottawa is funding except CHST on Equalization and Equalization has a ceiling.

So our dependence on Ottawa is not increasing, it's

decreasing. So I made the case and the first question I got was, did you people change your mind about that bridge? And I kind of looked at this Senator and said, you mean the Confederation Bridge, the bridge that was built in....opened in '97? He said, yeah. I said well, the province is doing well and the economy is improved and we're generally happy. He was still thinking back to when the bridge opened. It was nothing to do with my presentation. Nothing to do with Equalization. His mind was still back when the bridge was built.

But I'll tell you one better than that. Another Senator said, are you people down there still opposed to nuclear power? And I'm kind of looking at them and thinking....So I had an assistant with me from my department and I said, what's that about? He said, Angus MacLean. And I said, I guess you must be referring to the former Premier Angus MacLean, that there was some controversy over nuclear power and he was opposed because he felt that it was affecting the environment. And...now that's Angus MacLean, with all due respect. This Senator was still thinking we've had what, three Premiers since that? He was still thinking back like....obviously they weren't up to date on the issue very well.

So, there was a Minister from Quebec...a Senator from Quebec that said, you have DVA down there in Charlottetown don't you? And I said, well...yes we do and we're happy to have it. So how many jobs would that be giving you guys? And I said, well to be honest to you, I don't know how many people are working there. And he said well, that would be a help to your economy. And I said well, it's a help to our economy, yeah, the same as I guess every other block in Ottawa has a federal building so I suppose it's a help to there's too.

But the thinking was, haven't you...don't you have enough. You've got a little crumbs off the table there or they're still thinking back, well they got a bridge. Like I was offended. There was hardly a significant...the only Senator that asked a reasonable question was the Chair and he really was informed. That was....I can't remember.

**An Honourable Member:** (INDISTINCT)

**Hon. Pat Mella (PC):** Along with that he's a Tory, he's

a Conservative Senator. That was even better, he even knew what he was talking about. But....Murray...Lowell Murray, Senator Lowell Murray. He did know about Equalization and he did understand the issue. But basically I didn't get asked very many questions. I said to Mr. Palmer who was with me, I think I've wasted the taxpayers money. I paid for a ticket to Ottawa. I stayed overnight. I went to the presentation, I don't think it achieved anything. Now it's a Liberal dominated Senate obviously, so whatever Paul Martin tells them they're probably going to do. I don't have any faith these Senators are going to change what's happening in the House of Commons. Do you, Madam Speaker? This is not the way the thing works. They're basically told, go out and talk to those people, talk them in to being passive, talk them in to not getting upset. We got our leadership coming on. We got a lot of other issues on our plate and just talk to them and make them feel like something is happening. There's nothing happening, there has been nothing happening. Paul Martin has been talking about an economic strategy for Prince Edward Island for Atlantic Canada since I first met him. And that would be in '96. And we have not had one penny except this Atlantic Investment Strategy that even Joe McGuire, when I asked him about it, he said he wasn't clear what the real plan was. Now I think they've made some improvements to it since that. But at that time, there was no plan. And that's just a put off. Well stop talking about Equalization and we'll give you an economic development strategy. But they never really deliver on it.

So the reality is, that this is an entitlement, it's a constitutional entitlement. It is disgraceful that the Federal Liberal Government is getting away with this. It's absolutely disgraceful and the Equalization formula is suppose to grow with revenues. It falls with revenues. What's happening this year. The economy of the country is declining because of a number of issues. So as a result, Equalization is declining. I don't have any problem with the formula working that way. That's the way it's suppose to work. The economy goes down, Ottawa has fewer revenues, we get less. But my argument is, when the economy is good, we should be getting more. But that's where they've got the ceiling. So we get hit in bad times and we get lowered revenues, but when good times come along, they say, no no, there's a ceiling. That's completely unfair and I think if I had a good lawyer that I could

argue that it was a constitutional right, that's correct, and that we could actually win the case. But I'm not going to go there because I don't want to make more....a legal issue out of it. It's a political issue, that's what it is. It's truly a political issue. And we....there are a whole lot of...they're monkeying around with equalization is what they're doing. They've got a ceiling provision and a floor provision and now they're into resources and if your resource is oil or gas, they're talking about maybe excluding them. Well what difference whether you got potatoes or oil? They tried to argue in the Senate that oil was a depleting resource. I said well, potatoes will be depleted if we don't look after the soil. There's no such thing as any resource that isn't...that can't be depleted. We can deplete the whole system if we want to, cut down every tree, mine every field, use every drop of oil. Everything will be depleted.

So, we've got the floor...so they have the ceiling, so they've really messed up the formula by putting the ceiling on. But let me tell you about the floor. The floor sounds like it's a protection. Like you only go so low and they won't cut you anymore, you'll get a base amount. It doesn't work that way at all. That's not what it means. What's happening right now, as we're standing here, Saskatchewan is not entitled to Equalization. Like their per capita, their Equalization target, they're above it. Okay, so normally they wouldn't get Equalization. They're above it, like Alberta is and Ontario. But because of the floor, the floor says, if your revenues were very high one year and dropped significantly the next year, we will give you Equalization. Just one year, year over year, not long term, just one year over the other. So what happened to Saskatchewan is there pot ash and there other resources went sky high, they got billions. And then this past year, the thing fell out and it went down. They're getting Equalization. Now, what's the problem? They would say, why are you complaining about Saskatchewan getting Equalization? Because, when they get Equalization we lose. There's a ceiling, there's only one pot, and if they're entitled to money from it, we get less from it. So we this year are paying 2 1/2 million dollars so that Saskatchewan can maintain an income over Equalization. That's not fair. They shouldn't be entitled to it at all. That is not the way the system is suppose to work. And...but I don't even think Paul Martin understands Equalization. I honestly

don't think he does. I think his officials may understand it but they're not telling him what's happening because if they were, the floor is not fair to the other receding provinces. Why would you keep somebody else richer and yourself poorer? Like when they....they have their own resources, why do we want to give them more. We shouldn't be giving them resources, we should be keeping it for the provinces that never had the good year. But anyway, that's another issue that should be removed from the formula, but I'm not sure that they are going to listen.

Now, there is a budget coming up on December the 10<sup>th</sup>. Paul Martin is bringing down the budget. You know, if anything, Paul Martin...I'll have to say one thing, Paul Martin may be a lot of things, but he's a good politician. He knows how to manage the politics. Give him credit, that's what knows. And if you watch the news for the next ten days, most nights on The National you're going to have the reference to the fact that there's going to be a Federal Budget, and the primary concern is security and the military. And the military has been behind for so long and the security is a big issue and we're all concerned about our safety and we really would not fault him if he puts money into security.

**An Honourable Member:** That's right.

**Hon. Pat Mella (PC):** So when he comes along and he puts all of this money in the Budget into security and he doesn't put one red cent into health or Equalization or CHST or Equalization, he probably won't be that criticized. People say well, you know, I guess it was a serious problem, he had to put the money there. The surplus right now in the Federal Government, the surplus for this year alone is 13 and a half billion... Billion...13 and a half billion is the surplus today. Now there's no way that Paul Martin is going to spend 13 and a half billion on the military or on security. I mean he's going to have to spend money, that's true. But the question is a matter of what's more important? I have no problem with him of putting money into the military. I think the military has been left aside, Government's ignored them for years because it wasn't a political priority, and then they got caught. And now they're trying to catch up quickly. So they're going to put a lot of money into the security system and the military. But the reality is that what Canadians want....if

you did a National poll, what Canadians will tell you, that their first concern is health care. It's not a mystery, everybody knows it. Their first concern is health care. It's the same on PEI. What I think Canadians don't understand, it's like the student today who kept saying we're getting lots of money for education from Ottawa, why aren't we giving it to them. We're not getting lots of...money from Ottawa for education. We received from Ottawa right this year, in the fiscal year 2001/2002, CHST, 85.9 million. Okay, that's this present year. That's what we're getting in CHST. In 1995, we got 88.8 million. We got 88.8 million in 1995 and we're getting 85.9 million in 2001. But we've lost ground in health care funding and imagine how much health has gone up in five years. It goes up on average 11 million a year on PEI.

So the Federal Government is destroying the health care system. I'm not surprised that you see these Government's talking about user fees. We'll all be talking about user fees if this doesn't change. If the Federal Government doesn't take on a higher share of the cost of health, we will all be talking about user fees. The system is not sustainable the way its structured. Whether we have to change the constitutional obligations, whether we have to do something else, this system is not sustainable. Unless this formula is changed, we're all going to be into the issue of privacy, private clinics, pay for... pay fees for certain services and so forth. And who's fault is it? We put the money that we've had into health. Our amount of money is not declining in health. The budget in health has gone up significantly in the last five years. The budget from Ottawa without....there's no doubt about it, we're lower now than we were in '94/'95. We're lower in money for health. This is a disgrace and, you know, it's a per capita funding and if they will let Equalization work the way it's suppose to, then we could sustain the system. But they're not going to let Equalization function the way it's suppose to and as a result, we're going to have standards that are quite different between this province and even our neighbours. Because our neighbours, Nova Scotia and Newfoundland in particular, now have stuck oil, literally, and gas and that's great. I'm happy for them. I don't think there would be a Canadian that would not be happy for Newfoundland finally getting money and actually having their own money and raising their standards.

But the idea of...was I don't know what the word is, but it was kind of...it was suggested by the Premier from Newfoundland in his presentation to the Senate, that the oil and gas revenues be taken out of the Equalization formula. Now what that really means is, that while your getting the millions from oil and gas, you'll also continue to get Equalization. And they won't count the revenues from oil and gas. Now what effect does that have on us? With a ceiling, they continue to get Equalization money even though the other money and we only get Equalization. It's very very unfair. I'm not sure that it's really going to go anywhere. But certainly the Premier from Newfoundland in his presentation to the Senate, did say that he was looking for resource revenues to be taken out of Equalization formula. We don't have any problem with Nova Scotia and Newfoundland getting compensated for their oil and gas revenues. If they want to make an arrangement with Ottawa that benefits their provinces, more power to them. Go and do it. But if they do it at our expense, that's a different story all together. That's quite a different scenario. And we really would be opposed to that and I've already communicated that to the Minister of Finance in Nova Scotia. And you know, they come back and say well that's not what we really mean. Well certainly it would appear that that's what they mean, but hopefully they're going to try to get compensated some other way.

So, the fight goes on.....

**8:40 p.m.**

**Hon. Pat Mella (PC):** ...Madam Speaker, in terms of Equalization and CHST. As you know, Madam Speaker, today we got rated by Standard and Poor's. Now, Standard and Poor's is an American Bond Rating Agency that has bought out a Canadian Bond Rating Agency. They bought out CBRS, which is Canadian Bond Rating Services. And when they bought out CBRS, they decided to rate all the Provinces. As a result, they rated Prince Edward Island, and they gave us a "A" Rating. So, we now have a "A" Rating from Dominion Bond Rating Services, which they rate us every year, and then Moody's of New York ...obviously they're the most ... they're the biggest Bond Rating Agency in the World, and they would ... they rate corporations, they rate States, they rate Countries, they

rate Provinces, everything. So, they have us listed as an "A" Rating as well.

So, people might say, well, what difference does that make, like, who cares what the Bond Rating is. Well, it does ... it actually ... interest rates are low right now. Quite low. So, in another day, it would have meant more in terms of borrowing it. It would have been a bigger help, because when interest rates are high and your rating is good, people would will borrow at a lower interest, we'd be able to borrow it at a lower interest. But, right now, we borrowed yesterday short term, which is anything up to 365 days at ... I believe it was 2.3 percent for a year. So, what does ... what does it matter, people might say. Well, what's happening is, what we're trying to do, we have a debt plan where we're trying to restructure the debt because we had certain numbers of debentures, and bonds out there that are at high rate, because when the Province needed money years ago the interest rates were very high, and they had to borrow. So, they got fixed at these high rates. So, as they come due, we're paying them out, and then turning around and borrowing at the present low rates. Now, the long-term rate today, which is like 20 years or 30 years, you could borrow today for about 6.5 percent. Which again, is very low because 30 years from now, if you've got something that's only at 6.5, we know that rates are going be higher, certainly within 30 years. A lot higher. They could be higher in 5 years. So, in a sense, if we could borrow without needing it, it would be great. But, that's not the way the system works. You can't just go out and borrow because the rates are low. You have to only borrow what is needed to service Government.

So, what we're doing is, we're replacing some of the debt. We have debentures that are out there that are at like 12 to 14 percent, and we're paying them out, and then we're borrowing at 6. So, over 20 years, it's just like a mortgage. It saves you a lot of money, especially in Government, when you're talking 140 million. It's a lot of money. I think I ... we've saved about half a million on interest charges on the debt this year, and it's partly because we're able to writeoff some of the debentures, but it is also because of the low interest rates obviously. Everybody is benefiting from that. The person that's investing is not happy about it, but those of us who are borrowing, especially Governments, are saving their taxpayers money by

borrowing at a low cost.

So, what we're doing is borrowing short-term as much as we can to cover the ongoing daily costs of Government. And we also lend money to the Crown Agencies, instead of them borrowing, they would have to pay a higher rate. So, we borrow on their behalf, and lend it to them, and of course, we charge a quarter percent to lend it to them, but it's still cheaper than them going to market themselves. So, in essence, the debt ... now this year of course, is going pretty well mess up the ... I mean, you make two steps forward with restructuring the debt, and then you get hit with a 50 million deficit. And you know, people say, well you didn't do much. Well, we did, but it's not going to show because we've got a deficit which automatically ... there's not a discussion made, if you have a deficit at the end of the year it automatically becomes the debt. That's what happens to it, it just gets added to the debt.

So, unless we can get our 37 million down, in the next four months, which we hope we will, that money will go to the debt, unfortunately. So, what we've saved on low interest and restructuring, we're going have to put back in on that debt money ... deficit money, rather, that's get (INDISTINCT). So, at the end of the day, the rating by the Bond Raters, is really ... I mean, the media asked me today, well, isn't this kind of odd that anybody would rate a Province "A" when you've got a \$37 million deficit, like doesn't this ... sound kind of weird? What the Bond Rating Agencies do, is not short term, they look at what the foundation of your economy and your fiscal plan is. So, they look at what have your expenditures been like, have you really gone (INDISTINCT) hog, and spent a lot of money, and you know, probably from their perspective, not particular good projects. They would look at that, and say, well, you know that's kind of a negative, or if they see you spend and you've got the money, and it's fairly well structured, then they give you a plus. They look at the tax burden for the people. Is it so high that eventually, you know, people are just not going be able to keep up, or have you reduced taxes so that ...you know, people are getting to keep more of their revenue, and therefore, they have more to spend. So, obviously, we have had some small ... relatively small tax reductions, but tax reductions none the less. So, that's a plus.

They look at the borrowing that Government has done, and what our debt is. And the real measure of the debt is based on per capita. So, we got a 139 thousand people. What they do is, they take the debt and divide it into the number of people you have in the Province, and they get a per capita ratio, and when you do that for Prince Edward Island, we are, I believe, third in the Country, we have the lowest. In the Atlantic Region, I think Alberta, British Columbia, and perhaps, Ontario are better than we are. But, we would be next in terms of per capita debt, which is the measurement that they use.

So, those are the kinds of things that they look at in order to decide whether or not we deserve an "A" Rating or a "B+", or straight "B", or "B-" ... that kind of thing. So, that's a good thing to have happened. The most important part about it right now, is the message it gives to the investment community. We have absolutely no problem borrowing money. You know, we have ... I often have people coming up to me and saying, well you know, why don't you create a fund where Islanders could put money in, and then you could use it for Government initiatives. That way, they'd be helping their Province. Well, the only way that that would work, is if you gave the same Islanders a decent return on their money. You know, Islanders are not going to put money into a fund where they can get more at the bank down the street, than they can from yours. It's got to be better than the bank down the street in order to keep your money. That's what happened with PDR's. PDR's when they started, where a very good plan because it was difficult to borrow money. So, they helped to give Government a cash pot. But, what happened in recent years, is that the interest rates and the financial institutions when down, and the way the debentures were structured for the PDR's, we had to pay a higher rate of interest to the person who had the PDR than the bank. So, the taxpayers were making some people richer, mind you, the people who put the money into PDR's. But, they were taking it from all the other people. Like, we were losing money on it. So, we've eliminated PDR', and as a result, we've gone to borrowing on the market short term. So, we're borrowing at ... something over 2 percent. PDR's were at ... like, over 4. So, we have saved significant amounts of money by changing that. Took a lot of criticism because in principle it sounds like a good thing to have people invest in their own economy, but

nobody invests unless they can make money. Like, they're not just sitting it there and being ...you know, that's not the way it works, they want to make money on what they put in there.

So, we don't have PDR as of March 31<sup>st</sup> of this coming year. There will be no more PDR's. We will then go to the market to borrow, and we'll borrow at very low rates, and that is going to save us significant dollars.

Now, to move on from the debts and finance to the programs that our Government has introduced. We had a call-in this morning, the Minister of Health and Social Services, who was at meetings in Quebec, but he was on the Call In Show, and the show was about cancer and the services that are provided in PEI, and what people think, and so forth. And I listened to part of it, and I think that in fairness, if you're the person that has cancer, a day is like a year. So, if you're waiting to get a CAT Scan, or a MRI, or whatever treatment, you don't want to wait after you've been diagnosed. So, that is a problem, and of course, prior to us coming into office ... you know, we were beholding so to speak to Halifax, Saint John, primarily for cancer treatment, and you were in line with two other Province's citizens to get this kind of service. So, what we have done, of course, is ... and thanks to you, Madam Speaker, and your previous portfolio, is to expand the Queen Elizabeth Hospital to build the Oncology Unit. And I think that there are a lot of people who are very great full for that, but they would like to see the thing moving faster. It is a difficult thing for the Minister to address quickly because everybody else is out there looking for the same people. He's looking for an oncologist, and so is every other Health Minister in the Country. But, hopefully, in the short time we will have one.

But, we have put a lot of money into the Oncology Unit, and we have put a lot of money into... actually into research on health issues relating to Islanders. We step up a research fund in the special funds one year when we had extra money, and we have been able to partner with a number of entities that are doing research on health issues that are particularly relevant to PEI. PEI, unfortunately, has ... I think, one of the highest rates of diabetes in the Country. A very high ... if not, the highest rate of asthma in the Country, and heart and cancer ... heart is up there with the worst of the

Province's I believe. We obviously didn't get a very good rating on fitness. So, we have some ... some particular diseases that need particular attention within our own environment. You know, in terms of what's really causing that to be unique to us, and so, we have put money into research projects.

Obviously, the commitment, the biggest single commitment that the Government has made in health, is the hospital in East Prince. And as you probably know, it's got to be paid for through the operational budget. It use to be that Government's could mortgage a hospital like you'd mortgage a house. You'd take out money, and you'd pay it off over 25 years. Well, the accounting profession has certain standards that they have brought in for Government's, and one of them is, if you make a commitment for a major project, you've got to pay for it when you make the commitment. As it is built, you've got to pay for it. So, as a result of that, if this hospital cost 40 million in total, or 45, we have to come up with 45 million within the three years it's being built. Not five years from then, or ten years, or whatever. You wouldn't do that building it. None of us would have a house, I don't think if we had to finance it that way. You would never be able to come up with enough cash to build .... well, there would be a few people ... but, most of us ... you put a down-payment, and you pay the rest for 25 years.

The accounting rules don't allow Government to do that. We've got to pay as we go. So, last year, we've spent about 9 million on the East Prince Health Facility, and that was ... you know, ground work and design, and architectural plans, and all that kind of stuff. This year, we're probably going to spend ... well, we budgeted ... I think it's 13 million, but it looks like they're working faster and doing a better job than we've thought they would ... well, in sense that they've had better weather and they've progressed faster. So, it's likely going be at least 14 this year.

So, that's a big chunk of money that is not there for kindergarten, or students tuition, or roads, or whatever. It's a big chunk of money that we have to set aside for that capital project, and it has to be paid for then. We can't do anything expect allocate the money that was spent. So, that's a major project. I think we're probably the only Province in Canada that is building a hospital. Most of them are closing them. (Applause) And as I

said earlier, like some of the reasons why we ended up doing this, is that the previous Government for whatever reason, even though they had two Ministers from Summerside, didn't see fit to keep that hospital up to date, or to consider building a new one.

We're very proud of the fact that we have been able to manage the budget of the Province well enough, to actual build a first- class hospital in this day and age. We've put a lot of money into nurse recruitment. We know that people are very satisfied with their health services in terms of the delivery. They can say nothing but good things about the nurses and the doctors who take care of them when they're sick. I don't think I ... well, there is an odd person that complains, but for the most part, people say, well, you know, the nurses were just terrific, I couldn't believe the care they gave my mother, or my sister it was just great.

So, the deliver system that is there, is very good, and there's been so much talk about recruitment, we haven't talked very much about the people that are working. And they probably deserve more credit than they're getting at the present time because they're under a lot of stress, both from the pressures that they have in the work place in terms of numbers and that. But, having the word out there that ... the big concern I had about the day that I had to announce the deficit, was not so much the deficit itself, as what people would think about how it was going affect their individual lives. Would people go to bed thinking, are they going lay me off, am I going get fewer hours of work, will they call me in next year to work even if I am on recall? I think there would be a lot of people who would go through that and say, well, you know I'm not too sure. We've heard Government's say things before, but they change their mind.

And so, I try to reassure the people that are working in the Public Service, and that includes education, teachers, all that system, it includes health and everybody in it, it includes the public service. So, it's about 8 thousand people on PEI, that's what it is. And, so, we really don't want these people to be working in an environment where they think that their security is not assured. So I think that we've done quite good work in trying to recruit nurses. This year there'll be 15 new positions in the system. And we have put some money into the tuition cost for people who want to take the Nursing Program. We've improve the subsidy for

Community Care Facility's. We've added to the comfort allowance for people in private nursing homes and manners. We've built long term, or we're in the process of putting more long term care beds in O'Leary. So, I think we've done a huge amount of work in health. But, obviously, there's always more to do, and there's always more demands, and that's just the part of being in Government. At some point, somebody's got to have the global picture of what can we afford to do, and when do we have to say no. Unfortunately, at this point, we have to say no. We can't really afford to be looking at new initiatives at this point. It would be irresponsible for us to be doing that.

So, having said that, I think that generally speaking, if I had been looking in '96, and thinking well, I wonder what we can accomplish in five years in health, and I knew this list, personally, I'd be pretty happy to think that we actually were able to do all of that. So, that's health. Now, education. Education is ...

**Elmer MacFadyen (PC):** Going to call the hour.

**Honourable Members:** We call the hour.

**Elmer MacFadyen (PC):** Yeah.

**Hon. Pat Mella (PC):** Call the hour, Madam Speaker.

**Beth MacKenzie (PC):** Although, I could sit here for another two hours.

**Hon. Pat Mella (PC):** That's okay.

(Applause)

**Speaker:** Honourable Government House Leader.

**Elmer MacFadyen (PC):** Madam Speaker, I move, seconded by the Member from Wellington-Miscouche ... Evangeline-Miscouche. My apologies, Honourable Member. This House adjourn and stay adjourned until tomorrow at 10:00 o'clock.

**Speaker:** Shall it carry?

**Honourable Members:** Carried.

**ADJOURNED**

**Elmer MacFadyen (PC):** I move, this House now adjourn.

**Speaker:** Shall it carry?

**Honourable Members:** Carried.