

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

Speaker: Matters of Privilege and Recognition of Guests. The Honourable Premier.

Premier: Thank you very much, Madam Speaker. I'm pleased to have the opportunity to welcome visitors to the Public Gallery today. I understand, Madam Speaker, there is a large group of exchange students with us this afternoon visiting Charlottetown Rural High School to play Rugby. And these students are from Manotick, Ontario and with them is a former Islander Daryl O'Brien. And we certainly hope that their competitions are successful and they don't get rained out over the next few days.

As well, Madam Speaker, I'd like to recognize a family from Edmonton, Alberta. This is Elaine Perry, Kristin and Michael Dougan and I understand that Elaine works for Ralph Klein the Premier of Alberta, and it's a pleasure to welcome them here. I also welcome all of our television viewers this afternoon. (Applause)

Speaker: The Honourable Leader of the Opposition.

Leader of the Opposition: Thank you Madam Speaker. I'd like to welcome everybody in the Gallery, especially the students visiting from Charlottetown Rural. I used to attend that school myself a long time ago. Instead of playing the Rugby team I played on the hockey team. So it's great to see you here. And also the young people and the other people that are here today, especially the push, Mrs. Wes MacAleer... Mr. Wes MacAleer's mother is up there today and it's great to see you around, and I'll have to be on my toes today when she's here. Thank you very much. (Applause)

Speaker: The Honourable Minister of Health and Social Services.

Hon. Jamie Ballem (PC): Thank you Madam Speaker. With your permission, I'd like to recognize a couple of people in the Gallery today, Sandra Acorn and Marlene MacDonald from our office. I guess it's obvious that the Deputy made his flight at noon and...so they're down here looking after me for the day. And, Madam

Speaker, last night when I was in Summerside at the Prince County Hospital Foundation, I had an opportunity to speak with a lady who said she watches Question Period every day, enjoys it very much, and I'd like to say hello to Jean Ready from Tignish and I hope she's enjoying the afternoon. (Applause)

Speaker: The Honourable Minister of Community and Cultural Affairs.

Hon. Gail Shea (PC): Thank you Madam Speaker. With your permission, I'd like to welcome to the Public Gallery today Kelly Ashley and her daughter Jenna Kim and also Sam Keough, who are from the good district of Tignish-DeBlois. I hope that you thoroughly enjoy your afternoon, that you learn lots about how your province is governed. Thank you. (Applause)

Speaker: The Honourable Member from Charlottetown-Spring Park.

Wes Mac Aleer (PC): Thank you. I'd like to welcome all the guests today from the Gallery and particularly two gentlemen from Maritime Electric; the President of Maritime Electric, Jim Lea and Angus Orford who is also a Senior Officer in the company. And of course I appreciate the Leader of the Opposition recognizing my mother but I should want to do that, too, and welcome Blanche MacAleer to the Gallery as well. (Applause)

Speaker: The Honourable Deputy Speaker.

Andy Mooney (PC): Thank you Madam Speaker. I'd just like to welcome all the people in the Gallery today. And with the viewing public especially, my mother, and three constituents of mine that will probably be indoors today watching the proceedings, is Bert MacDonald, Fred Cheverie and Dingwell Grant. They called this morning because I was wondering with the weather that we've been having that Spring is taking quite a time getting here but they said there is a sure sign that Spring is here and Summer is soon to follow, the leaves are out... and that's the Toronto Maple Leafs, Madam Speaker. (Laughter) (Applause)

SPEAKER'S RULING

Speaker: Honourable Members, as you will recall, my direction has been sought on two matters before this

House.

First, on May 8th at the conclusion of Oral Question Period, the Honourable Member from Charlottetown - Spring Park, rising on a point of privilege, requested that I advise this House on the matter of the Honourable Leader of the Opposition making statements about private Members during Oral Question Period. Further, the Honourable Member expressed concern with private Members not having an opportunity to address these comments at the time they are spoken.

Past practice of this House is that Points of Order and Privilege ought not be raised during Oral Question Period. This is a practice adhered to by most, if not all Canadian jurisdictions, and by this House. It has been applied consistently by past Speakers of this House and it is my intention to continue.

Having stated this, I would draw the attention of Honourable Members to Rules 42 & 43 of the Rules of the Legislative Assembly of Prince Edward Island. I do not wish to review these Rules at this time, however: I would like to refer them to all Members for your consideration.

More specifically, Rule 44 of our Rules states that and I quote *"...a Member may complain to the House of a statement in a media report referring to him personally and relating to some proceeding of the House...as a breach of privilege...but shall confine remarks to explaining the matter and no debate shall be allowed."*

I believe Honourable Members will agree with me that considerable latitude is practiced with respect to the application of this Rule. It has become the practice of this House to expand the interpretation of this Rule. Honourable Member who feel that they have been personally misrepresented through the comments of another Member have been afforded an opportunity to rise on privilege without proposing a motion. Accordingly, it is my intention to continue to allow this practice keeping the following in mind:

- 1) Points of Order or Privilege will not be entertained until the conclusion of Question Period

- 2) A Member rising on privilege must confine remarks to explaining the matter and no debate will be allowed.

And I would like all of you to keep in mind, as well, according to Beauchesne's Parliamentary Rules and Forms, 6th Edition, Citation 31 (1) that "A dispute arising between two Members, as to allegations of facts, does not fulfill the conditions of parliamentary practice...privilege"

A second question was asked to me by the Honourable Government House Leader yesterday. The question involves the acceptability of a Member of this House suggesting that other Members of this House are being "bribed" or "threatened" by the Premier into conducting their MLA responsibilities in a particular way. Without going into the admissibility of language used, I would draw Honourable Members attention to 31(2) of the Rules of the Legislative Assembly of Prince Edward Island which states, that, and I quote:

"No Member shall use language or words offensive toward the House or any Member".

Honourable Members will recognize that a considerable amount of caution must be exercised in the application of this Rule. Quite regularly in this House Members may find certain words to be "offensive", however: intervention of the chair is not sought, nor should it be for the most part! In this particular instance, the Government House Leader finds the words used to be sufficiently "offensive" necessitating intervention from the chair.

On page 464 of the Oral Question Period of yesterday, the Leader of the Opposition states as follows:

"\$5000 buys the independence of an MLA." and later...

"...instead of using threats against his backbenchers, he uses a \$5000 payoff...and backbenchers should be ashamed at selling themselves so cheap." And later...

“...with your \$5000...you buy silence instead of representation in the districts...”

Honourable Members, as Speaker I do not think that this language in reference to other Members is worthy of this place. Beauchesne’s Parliamentary Rules and Forms (6th Edition), Citation 484(3) states, in part, as follows, and I will quote:

“...members will not be permitted by the Speaker to indulge in any reflections on the House itself as a political institution; or impute to any Member or Members unworthy action...unworthy motives for their actions in a particular case;...” end of quotation.

In order for the House to work effectively Honourable Members must have a degree of respect for this House collectively and for other Members individually. By suggesting that Members can be “paid off” and “silenced” by money is not worthy of this House and ought not to be spoken on this floor.

I would ask the Honourable Leader of the Opposition to apologize for the use of these words in reference to other Members.

Leader of the Opposition: Madam Speaker, It’s good for you to get your ruling down. Can I ask you a question or is this on a Point of Order.....

Speaker: It’s not debatable Honourable Member.

Leader of the Opposition: It’s not debatable?

Speaker: No.

Leader of the Opposition: Alright fine. Anyway I’m sorry if I offended the Honourable Members, and I’ll have to rephrase my questions to better suit the House.

STATEMENTS BY MEMBERS

Speaker: Thank you. Statements by Members. The Honourable Member from Borden-Kinkora.

2:15 p.m.

SUPPORT ISLAND FARMERS

Eric Hammill (PC): Thank you Madam Speaker. Last week my honourable colleague from Souris-Elmira spoke about the opening of the spring lobster fishery, so I thought today I would like to speak about the beginning of the growing season for farmers.

Madam Speaker, we have learned this year farmers are faced with many challenges, often beyond their control. Challenges such as unpredictable weather and poor market conditions. Today’s family farms are facing a precarious future and their presence in our society can no longer be taken for granted. Madam Speaker, Islanders and Canadians alike owe a great deal to our farmers. We have the lowest food costs in the world, with only 11% of our disposable income going to buy food. This is a statistic we used to brag about. Unfortunately, now it just reflects the need to pay farmers more so they will be able to stay on the land and continue to work it.

Did you know Madam Speaker, that when we spend \$24 on a meal in a restaurant the farmer only gets \$1.60 of that money? And yet Madam Speaker, year after year farmers begin the planting season with optimism. So how can we help? Well, buy PEI sounds simple Madam Speaker, but we should stop and think about how our purchasing habits can financially make or break our farm neighbors.

So Madam Speaker, fellow Islanders, please make it routine to buy local products, like our potatoes, like milk, like beef, like pork, and other Island-grown products. Thank you Madam Speaker. (APPLAUSE)

Speaker: The honourable Deputy Speaker.

“WHERE TO EAT IN CANADA” RECOMMENDS SOURIS-AREA RESTAURANTS

Andy Mooney (PC): Thank you Madam Speaker. Madam Speaker, I rise in the House today to let the people of the House and the viewing public know that “Where to Eat in Canada” guide has recommended 4 restaurants in my area to their lists. And this year’s lists of best restaurants in the country include the Platter House in Souris, the Carousel restaurant in Clear

Springs, which is on the north shore of my district, the Blue Fin restaurant located in Souris, as well Madam Speaker, also on the list, just on the boundary or just outside the boundary of my district is the Inn at Bay Fortune, which borders on my district.

Now, the honourable colleague from Morell-Fortune Bay may want to quibble over whose district it's in but it's enough to say the reputation for this fine dining is well earned. Each of these establishments have their own specialities and what they all have in common is friendly professional staff who are genuinely happy to see you. The rating is not just based on the tremendous food at these establishments but on the total dining experience.

I would like to invite all members and all people to visit eastern Prince Edward Island. And no matter what part of the globe you're from Madam Speaker, if you come to eastern Prince Edward Island you'll feel like you're coming home. Thank you. (APPLAUSE)

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

Leader of the Opposition: Point of Order.

POINT OF ORDER

Speaker: Point of Order, the honourable Leader of the Opposition.

Leader of the Opposition: Yesterday, the honourable member from Summerside....St. Eleanors-Summerside made a statement here in the House that wasn't true. She accused me as the honourable member and also, what really offends me, is my wife, of attending a wedding reception, whatever, at her house by getting information about her bunker. That was not true. I had found out the information from, from Peter Pope, when he sat here, I believe. And that was definitely....the statement was made. And I would like to retract those words and apologize to my wife. If she would do that. I don't mind myself. She was very offended when I got home 'cause she didn't even know anything about it. So, can you look into that?

Speaker: The honourable member from St. Eleanors-Summerside.

Helen MacDonald (PC): Yes, if I have offended his wife I certainly will apologize.

Speaker: Questions by members starting with responses to oral questions taken as notice. The honourable Minister of Community and Cultural Affairs.

RESPONSES TO QUESTIONS TAKEN AS NOTICE

2:20 p.m.

ATTORNEY GENERAL'S BUDGET

Hon. Gail Shea (PC): Thank you Madam Speaker. On behalf of the honourable Minister of Education and Attorney General I would like to table answers to oral questions which were posed by the honourable Leader of the Opposition during the consideration of the estimates of the Office of the Attorney General.

Speaker: The honourable Leader of the Opposition.

ORAL QUESTIONS

2:20 p.m.

Leader of the Opposition: Thank you very much. And I want to thank the member for the apology. It's nice of you to do that. I don't mind myself. But she didn't know anything about any bunker or....(INDISTINCT)

CABINET COMMITTEE REMUNERATION

Leader of the Opposition: So, a question I have to the Premier. There was a lot of discussion here yesterday and a lot of your MLAs, when I was asking questions about the independence of MLAs. The question I have for you is, these MLAs get paid \$5,000 to sit on these committees. And these committees, I believe, every MLA sits on one of these committees and they are sworn to cabinet secrecy. Is that right?

Speaker: The honourable Premier.

Premier: That's correct Madam Speaker.

Speaker: The honourable Leader.

Leader of the Opposition: So, every MLA sits on it and they are sworn to cabinet secrecy. So, there's some MLAs I am told sit on Treasury Board. And how many and who are they?

Speaker: The honourable Premier.

Premier: Madam Speaker, I believe there are 2 MLAs who sit on Treasury Board. One would be the honourable member from Summerside-St. Eleanors and the other is the honourable member for Charlottetown-Spring Park. The other members of that committee are members of cabinet. I think for clarification the honourable member would want to know that the members would be privy to information that comes before that committee. They would not be privy to final decisions of cabinet. That information is within the 10 members of the cabinet itself.

Speaker: The honourable Leader.

Leader of the Opposition: So, we have established that every one....every MLA, member of the Legislative Assembly----I'll phrase it this way----members of the Legislative Assembly, who are elected to the Legislature, except the Leader of the Opposition, which does not sit on any of your cabinet committees, every member that's not in Executive Council sits on a cabinet committee. So, my question to you is, and maybe I wasn't clear enough yesterday, but does that affect the independence of MLAs and members of the Legislative Assembly. Do you see that affecting their independence? Not so much the \$5,000 extra but the fact that they take a cabinet oath and sit on different committees of cabinet.

Speaker: The honourable Premier.

Premier: No Madam Speaker, it doesn't affect their impartiality.

Speaker: The honourable Leader.

Leader of the Opposition: Yesterday you, you, you referred back to the previous government. And you referred back to I never sat on any of them committees, which is correct, cabinet committees. I just forget how many it was----probably 3 or 4. I'm not sure. You probably know. You referred back that that was the

way that the previous government controlled their MLAs. Do you still stand by that statement?

Speaker: The honourable Premier.

Premier: Madam Speaker, what I recall saying yesterday was that the, when the honourable member's party was in office MLAs who sat on cabinet committees, at least for a portion of that time, received \$10,000. And the honourable member seemed to be saying that if a member sat on a cabinet committee it's partiality would come into question. And I wondered, I guess, if that was from experience, that he saw that their members were somehow compromised by being on a committee. I don't think he could follow the conclusion or conclude that our members would be compromised in any way Madam Speaker. If they're all sitting on committees no one is compromised over any other member.

Speaker: The honourable Leader.

Leader of the Opposition: Well, the Premier also in his line of answers tried to let on that he referred it to the Allowances and Indemnities Commission. Who was it not set up the Allowance and Indemnities Commission in the Province of PEI? Do you know which government that was?

Speaker: The honourable Premier.

Premier: As I recall Madam Speaker, that would have been set up by the former Premier Callbeck when she was in office.

Leader of the Opposition: Do you remember.....

Speaker: The honourable Leader.

Leader of the Opposition:these special committees of government, what was the set rate of pay for that particular time? You referred it was 10,000. The Indemnity Committee was set up. What was the rate of pay per committee at that particular time?

Speaker: The honourable Premier.

Premier: Well I don't recall Madam Speaker, but it seems to me that the members were paid outside of or

before the Indemnities and Allowances Commission. And I guess that was when the \$10,000 payment was made.

Speaker: The honourable Leader of the Opposition.

Leader of the Opposition: I'm not disputing that. When it was first....I think they followed on after Jim Lee's government had committees set up. Probably the first one to set them up. And you're familiar with that. It's even your own side. The question I have for you. When the Allowance Committee came out and when they made their first recommendation how much did they recommend that people sit on special cabinet committees get? We know what happened before. It was set up the by the Premier or cabinet, those committees. You were involved in it back when Jim Lee was in you had special committees too at that time. Not yourself personally. You were a cabinet minister. My question is who, who set up these \$5,000 fees?

Speaker: The honourable Premier.

Premier: Well Madam Speaker, I wasn't in government at that time. I may not know exactly. But as I recall the Indemnities and Allowance Commission actually rolled back the amount paid to cabinet committees. And so since that time the amount paid depends on their review and recommendation of the duties and again, reinforces the fact that the members are not compromised in any way because it's not me who determines what they receive. It's the Indemnities and Allowances Commission that makes that determination.

Leader of the Opposition: So now he knows exactly....

Speaker: The honourable....

Leader of the Opposition:what it was. He let on he rolled it back. It was the Indemnities and Allowances Committee which rolled many things back at that particular time, including free golf passes to MLAs....(INDISTINCT)

AN ACT TO AMEND THE MARITIME ELECTRIC COMPANY LIMITED REGULATION ACT

Leader of the Opposition: Now, I'll get on to more important issues in the province here. A question to

the Premier. We talked yesterday about electricity for awhile. Now, we've been sitting for a number of weeks Mr. Premier, and frankly, you people haven't brought much forward. Yes, you brought in a crop rotation but at the last minute, you pretty well gutted it. You didn't want to do it right and bring it in. But you have brought forward *Maritime Electric Act* in the last hour. If you recall the, if you recall the Guardian story was, is that, don't—I hope the House Leader doesn't leave---- you recall the Guardian story Madam Speaker, that the House would be closing Thursday. It was the information from the Premier.

But you brought in, forward a *Maritime Electric Act*, which will have a major impact on Islanders. Everybody uses electricity, every business. Why did you wait so long into the session to introduce the Act?

Speaker: The honourable Premier.

Premier: Well Madam Speaker, I would disagree that we haven't had much in the way of major legislation. In fact, the honourable member is dead wrong about that. He did mention crop rotation and I think I understand why he's, perhaps, opposed to that Bill. But I won't go into that. Madam Speaker, in addition to that one though we've introduced Freedom of Information, Information, which, a very important Bill. The first time it's been introduced and passed in this province. It's been introduced in the, in the past but never passed. We decoupled income tax. That was a very important piece of legislation. We've introduced extremely important child protection legislation. And I could go on. But the honourable member has forgotten about some of those matters.

And of course, the legislation affecting electrical rates really doesn't change anything. It puts into law a practice that has been carried out. So there really wasn't any urgency to that Madam Speaker.

Speaker: The honourable Leader of the Opposition.

Leader of the Opposition: I notice he got to go back to last November to start adding up some of his legislation. I said this session right now. So, I think Madam Speaker, it's fairly obvious why the government waited Madam Speaker. This doesn't look like a good Bill. It's going to cost every Islander and

you're trying to sneak it past at the last minute in the House. Will you admit that? What was your strategy? Was it just to slip this one by the Leader of the Opposition?

Speaker: The honourable Premier.

Premier: Oh Madam Speaker, I know the Leader of the Opposition is too cute to have anything slip by him! (LAUGHTER) That certainly was not our intention.

Speaker: The honourable Leader of the Opposition, followed by the honourable member from St. Eleanors-Summerside.

Leader of the Opposition: I hope that's not a sexist remark! I'll let it go this time! (LAUGHTER) (UPROAR) Since you're so....everybody's so touchy! (LAUGHTER) Can I have some order here? (LAUGHTER) Look at them. You know Madam Speaker, this Bill is going to affect near every Islander and you people are always going on about how you consult with people. Who did you consult with this one other than Maritime Electric?

Speaker: The honourable Premier.

2:30 p.m.

Premier: Madam Speaker, this issue is being discussed for many months across the province. I think Islanders have all had an opportunity to voice their concerns about it. And of course, Maritime Electric has explained how it's come about and why it, why it's necessary. So, it's not something new; it's something that took effect a few months ago. And by virtue of the of the fact that it has taken place I, I understand that electricity rates for Islanders should be quite stable over the next few years. Had this not taken place it might well be a different situation. Electricity rates might not be very stable at all. The company would, presumably, be in a position where it might not be able to carry out capital expansions and purchase equipment that's necessary to ensure that Islanders, in fact, have a continuous supply.

You know we've, we watch the news at night you see all the problems across North America where various jurisdictions don't have the power they need. States

like California suffering brown-outs. We've seen brown-outs in recent years in Quebec and other parts of the country. We're fortunate because Maritime Electric has always continued to reinvest and to ensure that, that the company is properly managed that Islanders have had continuous access to power at a, at a generally fairly reasonable rate.

Speaker: The honourable member from St. Eleanors-Summerside.

SEAFOOD SUPREME PROCESSING PLANT (further)

Helen MacDonald (PC): Thank you Madam Speaker. My question is to the Minister of Development. This morning I talked with some of the workers from the Summerside Seafood Supreme. These people are becoming increasingly concerned that there has been no effort on the part of Mr. Elbaz, who owns the plant. Mr. Elbaz is from Montreal I believe. Yesterday the minister indicated that Mr. Elbaz had no, had not visited our province for some time. I wonder if the minister could tell me if Mr. Elbaz has yet come to the Island? The plant workers are anxious to meet with him. Thank you.

Speaker: The honourable Minister of Technology and Development.

Hon. Mike Currie (PC): Madam Speaker, as of yesterday afternoon, we still did not hear anything from Mr. Elbaz. So what we put in process to, to deal with the situation we have in Summerside regarding the workers and them not having any employment. So we have, I have instructed staff to be in Summerside tomorrow morning at 8:30 and I will be in Summerside, along with the MLAs, to meet with these people and see if there's some way that we can assist them. Just before coming in the House I did receive a note from Mr. Elbaz's lawyer that Mr. Elbaz now will be in Summerside tomorrow also. So, maybe there's good news that could come to this situation tomorrow in Summerside.

Speaker: Do you have another question honourable member? The honourable Leader of the Opposition.

Leader of the Opposition: Yeah, it's a good question.

And a question for the Minister of Development and I might add. I'll follow up on that good question. The gentleman is coming in tomorrow. If, for instance, you can't come to a deal with him and his bank and it's true what you're saying, will you lease that plant and put the processing workers back for this year? Lease it from him for this year and sell it to Polar Food or whatever the processed lobsters are in order to get those people back to work. I hope there's a settlement. But I've been told.....oh, I better let you answer that question.

Speaker: The honourable Minister of Technology and Development.

Hon. Mike Currie (PC): Madam Speaker, as I explained the other day, the government does not own the facility and it is Mr. Elbaz through his parent company in Montreal that owns the processing facility in Summerside. But what we had in mind was a similar program that we had put in place for the potato wart crisis that hit our agricultural community this winter. And if we cannot find employment in some of the other seafood processing facilities across the province for these workers then we will put in place something that will deal with the situation. I wanted to give Mr. Elbaz sufficient time. I think we shouldn't have been dealing with it the first week of the fishing season. This should have been done with and dealt with weeks before. We did come to the table. We did put our money on the table. We are, as a government, concerned about these workers and we will certainly try and accommodate them tomorrow.

Speaker: The honourable Leader of the Opposition.

AN ACT TO AMEND THE MARITIME ELECTRIC COMPANY LIMITED REGULATION ACT (further)

Leader of the Opposition: A new question to the Premier. You had Maritime Electric in court. You're using material in that case that I tabled here in the fall, last fall that showed Maritime Electric benefit from write-downs at Point Lepreau. You dropped that case when you looked like you were going to win it. Why did you Mr. Premier, drop that case that I helped you get started here last fall?

Speaker: The honourable Premier. The honourable

Minister of Technology and Development.

Hon. Mike Currie (PC): Mr., Madam Speaker, we still have that in court as we speak. What we have is a situation here I think I'd like to explain to the honourable member, is that this province at this time has natural gas at its doorstep. The 2 provinces next to us---Nova Scotia and New Brunswick----have a natural gas pipeline that runs right by us. If we don't take an opportunity now to put ourselves, this province and its people, in a situation of being self-sufficient in the production of electricity for years to come for this province we're going to miss it. And all we are doing here now is trying to stabilize a situation where the company can be in a position to go out and go to a lending institution to borrow the money necessary to build a natural gas generation. And that's what we want in this province. We're the only one with, I believe, in Canada without its own electrical-generation capacity.

So, I can't understand why the honourable member would be against this in some ways because we are capping the rate, not what was reported in the Guardian. We are capping the rate that they will have a set revenue that they can make and financial earnings. So, I have more fear, I believe Madam Speaker, for, not so much for what the oil prices will be, it's what the aging infrastructure that we have in New Brunswick that this province depends on. And in the next few years maybe we could have a situation where we will have brown-outs. We have a facility down the street that's in excess of 50 years old. It only as the capacity as a backup system. So, we are in a situation Madam Speaker, that we have to deal with it. And now when we have a situation where we have a natural gas pipeline just across the Strait from us we should take advantage of it.

Speaker: The honourable Leader of the Opposition.

Leader of the Opposition: It's strange that when I read that Bill that you're trying to put through it looks like you're trying to do exactly what was in California---deregulate the power business in the Province of Prince Edward Island. Gutter out the whole Joe Ghiz, Catherine Callbeck agreement with Maritime Electric and Fortis. It's strange.

My question is, people are telling me, if Maritime Electric doesn't make a huge profit this year they'll get it back at a later date. The parent company Madam Speaker, has 1.5 billion in assets. They can afford to lose a little bit on an island a little while. Why are you caving in to Maritime Electric? So they lost some money for one time in their lifetime or so we hear. Why are you caving in to them?

Speaker: The honourable minister.

Hon. Mike Currie (PC): Madam Speaker, the honourable member speaks about the previous legislation which he says we are removing the cap. Well, if the cap was being removed why could Maritime Electric, with the legislation his government put in place, could go down to IRAC and apply for a rate increase and have it put on our bills. Well that's what happened. So, actually there was no cap in their legislation. It was, probably, fairly vaguely written, to the point where you could drive a truck through it! So, now we are here and we're trying to straighten up another mess left by your government.

Hon. Greg Deighan (PC): Oh, oh!

Speaker: The honourable Leader of the Opposition.

Leader of the Opposition: There he goes. So, what you're saying, you got the court case. If this agreement goes through you're going to drop the court case. You're also stating, I think, that IRAC will drop the one that's before them too. Is that right? If this Act goes through the House.

Speaker: The honourable minister.

Hon. Mike Currie (PC): Madam Speaker, what we're trying to do is, is put this company in a, in a situation where there's stability not only for the consumers but for the company. And we're, we're looking at, with a bit of foresight, in where we want to be in this province. And if we're just going to nickel and dime a few things here now in regards to, to rates per kilowatt we're going to be in a situation in a number of years---3 to 5 years---that we could be in a serious situation. And all we're trying to do is plan for the future and deal with the situation. But the honourable member, I don't believe, can see that.

Speaker: The honourable Leader.

2:40 p.m.

Leader of the Opposition: What I can certainly see, if you want to go back to Angus MacLean days and then the Jim Lee days where they took taxpayers' money and subsidized it Madam Speaker. And then Joe Ghiz got the power deal to wheel the power through New Brunswick and set it up with Bourassa. I was involved in that particular deal in Saskatchewan, how the, they deal, on the McKenna side of it, not Bourassa's, which helped take the power rates down. Then '94, Catherine Callbeck signed a deal with New Brunswick that the power rates would be kept within 10% of the New Brunswick power rates.

Now you want to, you want to----and this took effect '94 and it took to '99 before we came par, '98/99, which your government was successful for and we know that people Madam Speaker, needs power to operate business. Fortis is a large corporation. They're very smart people. They're in it to make money. Yet now the minister is up here and he wants to pretty well take all the controls out. He said "nickels and dimes". Well this nickels and dimes on a kilowatt of power is a lot of money. It costs businesses a lot of money. So, my question to you is, why are you people----I'll ask you again----why have you backed down to Maritime Electric? Is there guarantees----I don't see any in that Bill-----written guarantees in the Bill? How are you going to keep power rates.... There are no written guarantees in that Bill that power rates will still be within 10% of what we can purchase from New Brunswick.

Speaker: The honourable minister.

Hon. Mike Currie (PC): Madam Speaker, maybe I could explain that we are a government with a vision and that we believe in looking into the future to some point of providing stability for electrical rates in this province. The honourable member's previous government, they wanted to buy-out Maritime Electric on a whim. That's how they operated! And with that they probably bought all those million dollar deficits that they brought to this province. We believe that there's an opportunity for this province to have natural gas generation on PEI, put ourselves in a position of

self-sufficiency. That's what we're aiming for. And we believe that this Act, and in partnership with Maritime Electric, will ensure Islanders that they will have stable rates for many years to come and not be at the whim of New Brunswick whenever they want to shut us off.

Speaker: The honourable Leader of the Opposition.

Leader of the Opposition: The deal is there. You're referring to Maritime Electric wants to build power stations, I believe, and that or this gas power. You can still do that. Fortis would have the....would have no problem, I don't think, going to the bank and borrowing 40 or 50 million, whatever it costs, to build one of these generators if they want to do it. Why do you not tell them if they want to go ahead and build these go ahead and build them? But yet you want to gut the whole thing out. Turn it over. De-regulate the power in the Province of Prince Edward Island.

And you want to say your vision. Well the probable with your vision Madam Speaker, and I don't want to insult you over there, your golf course was a vision. You know how much it cost. We know how much your Lawton deal, was on TV again last night, how much your vision was there. So your vision is very tunnel vision. So, my question, will you answer the question? You're the minister responsible and today and next year. Will you answer the question why don't Maritime Electric just go ahead and do this expansion for the thing?

Speaker: The honourable minister.

Hon. Mike Currie (PC): Madam Speaker, the honourable member should understand that if a company is running that they are responsible to shareholders and to also their parent company Fortis. And it's a separate division, wholly-owned by Fortis in the Province of Prince Edward Island. They have a responsibility to supply electricity to the people of PEI. What we want---and I believe, I can't understand his thinking----is that he's perceiving that this company is to go into almost to the ruins. We want the infrastructure across this province in good shape so that we don't have any electrical breakdowns. And we want them in a position where they can go to a financial institution and acquire the necessary money---and it's a lot more than 40 or \$50 million honourable member.....

Leader of the Opposition: How much?

Hon. Mike Currie (PC):to build a gas generator in this province. We want have this province in a position of self-sufficiency.

Speaker: The honourable Leader of the Opposition, followed by the honourable member from Alberton-Miminegash.

Leader of the Opposition: Very strange that we got Fortis, a large corporation, here's Maritime Electric purchasing generators in New York Madam Speaker. Very strange that this minister wants us to trust him on a vision. There's 10% locked in there. So, the question I have for the member, the Minister of Economic Development was in business himself. When you sign a deal, when you sign a deal---and you're not dealing with somebody just not used to this dealing; you're dealing with very smart people, Fortis. They would be in that deal of keeping their equipment up. And the minister says that they got to be a in position to borrow how much money? Fifty million or 60 million? Would you explain that? It's alright to get up with your vision. But your vision is very tunnel vision and we're trying to find out why.

Speaker: The honourable minister.

Hon. Mike Currie (PC): Madam Speaker, I believe it's better to be self-sufficient than to be tied to the Province of New Brunswick. And I think the honourable member should understand that the prices in New Brunswick, with a Crown agency as it is, New Brunswick Power, I believe the prices are artificially low to accommodate the people of, of New Brunswick. And with that, they're not, probably, spending the money that's needed to upgrade and increase electrical generation in that province. And here was his own government a few years ago going to buy out Maritime Electric.

Leader of the Opposition: We set her up right!

Hon. Mike Currie (PC): And I just can't understand his thinking.

Speaker: The honourable member from Alberton-Miminegash.

**EMERGENCY HOME REPAIR PROGRAM and
COMMUNITY MAINTENANCE PROGRAM**

Cletus Dunn (PC): Thank you Madam Speaker. I have a question for the Minister of Health and Social Service. On the floor of the House during the budget estimates of your department a couple of issues were raised. I think, I believe the desire of this government is to have seniors stay in their homes as long as possible. I feel that in order for this to happen there's 2 programs that we need to support. Two things that we have to reconsider: one is to reinstate the Emergency Home Repair Program, with an adjusted cap which would allow more seniors access to the program. And secondly is that the Community Maintenance Program, which assists seniors in their own homes, is something that should be reconsidered. I'd like to know where the minister stands on these on behalf of the seniors of Prince Edward Island?

Speaker: The honourable Minister of Health and Social Services.

Hon. Jamie Ballem (PC): Thank you Madam Speaker. As the honourable member indicated we did discuss those 2 items during budget estimates. As far as the Emergency Home Repair Program, we are going to have discussions with the federal government to see if we can make the RRAP Program, the Rural Restorative Program, Assistance Program more accessible to seniors and how we can reallocate some funding towards that program.

In terms of community maintenance initiative, unfortunately Madam Speaker, that was another program that the federal government starts. They bring in for a year or 2 and then dumps it and expects the province to pick up. We're not sure if we can find the funding to be allocated to that program. But until the budget is officially passed in the Legislature it's very difficult for us within the department to start trying to move money around.

Speaker: The honourable member.

Cletus Dunn (PC): Just a (INDISTINCT) question Madam Speaker. I'd just like to say I have some commitment from the minister for the seniors of this

province that these issues will be dealt with as expediently as possible.

Speaker: The honourable minister.

Hon. Jamie Ballem (PC): Well Madam Speaker, we're certainly are going to try to work with the seniors in this province to, to help them stay in their homes as long as possible because that's, that's where people do best. And you have my commitment that we will continue to work on it.

Speaker: The honourable Leader of the Opposition.

**AN ACT TO AMEND THE MARITIME ELECTRIC
COMPANY LIMITED REGULATION ACT (further)**

Leader of the Opposition: A question for the Minister of Economic Development. In that Act you tabled in the House where is the guarantee that this plant will even be built? Is there guarantees there to build, that the plant will be built and that electricity rates will keep within 10% of New Brunswick? I just ask you. And where is the guarantee that this plant will even be built by, say, the year 2005 or for any year for that matter? Is there a guarantee in that?

Speaker: The honourable Minister of Technology and Development.

Hon. Mike Currie (PC): Madam Speaker, maybe I can't understand why the honourable member across here wants to see Islanders always pay more and have it entrenched in legislation that we pay more than New Brunswick. Why not can this province, why can't we be in the position that we can have our own generation and have cheaper prices? Why don't you understand that?

Speaker: The honourable Leader of the Opposition.

Hon. Mike Currie (PC): Maybe you can answer a question!

Leader of the Opposition: (INDISTINCT) Well, I understand this from the deal, that when your government was in power you paid 33%, and the previous, probably, Liberals before that. Why don't you....I would understand this that when you get this

gas here, you build a generation plant then pass that Bill in the House and we'll bring it below---the cheapest in the world. But until...there's no guarantee in that Act that they're even going to build the plant. Secondly is, we're saying trust you if your foresight. Well we know that cost taxpayers money. Answer the question. Where is the guarantee in that Bill that the plant, the, the natural gas, hydro plant or whatever you call it would have to be built, this generation electricity. Where is the guarantee?

2:50 p.m.

Hon. Mike Currie (PC): Madam Speaker....

Speaker: The honourable minister.

Hon. Mike Currie (PC):as we speak, West Coast Energy and Maritime Electric have a proposal that should be in front of government within the next short period of time. And that will probably address the honourable member's concerns. And that, that has, we had call for that, to bring that to government, requests for proposals to build gas generation and bring a gas pipeline to PEI. And I, I think that he should clearly understand that those, those are the reasons that we want it here is, is that we don't want to be paying more than the Province of New Brunswick. We see that New Brunswick is going to have to make a major capital injection into investment in their electrical generation over the next few years in New Brunswick. And as Maritime Electric is at 10% have an equity entitlement in those power generations facilities in New Brunswick and we are going to have to pay for that. Why don't we make our investment into our own generation, electrical generation capabilities here on PEI? And that's where we should be.

We've already seen where Point Lepreau has accelerated their depreciation. There has been a major write-off on that facility and another major shutdown here just this spring that has cost about \$4½ million in electrical generation in this province. Those are not announced. They're not scheduled. They happen because the infrastructure in that province is starting to deteriorate. And we want to put this province in a position where we don't have to depend on somebody else. (APPLAUSE)

Speaker: The honourable Leader.

Leader of the Opposition: Look at them! Look at the clappers! (APPLAUSE) All I can tell you, I think there's more gas from that leader here than there is in that well where you thought there was gas down your way! And I'll go on to the Premier and go at you at a later date!

RESIDENTIAL AND COMMERCIAL PROPERTY TAXES (further)

Leader of the Opposition: A question to the Premier. We talked about big increases in tax bills yesterday. People's tax bills are up. Even the people in the Gallery that their own Madam Speaker, their own on, on fixed incomes have gone up over 4, 5, 8%. My phone hasn't stopped ringing. People are very upset with your Treasurer. Said that taxes did go up more....your Treasurer said that taxes did go up by more than 4% in some cases while they didn't in others. Mr. Premier, Madam Speaker, did you know when the Treasurer said more than 4% she was actually meant 60 to 70%?

Speaker: The honourable Premier.

Premier: Well Madam Speaker, that is not correct. That's not what the Treasurer said yesterday. The honourable member is wrong when he says that tax rates went up. Tax rates did not go up. Tax rates stayed the same as far as residential assessment. What has gone up is the assessment in many cases. She said that the average increase in assessment was 4%. Some, obviously, would be more and some wouldn't have any at all depending on the value of the properties involved.

Speaker: The honourable Leader of the Opposition.

Leader of the Opposition: Another question to the Premier. Your tax bill----and I have some of them here--- --has gone up. People have....I've got one here that's 70%. It's a tax bill. Assessment notice. You got to pay it. Tax notice. See that? Now, is the point clear? Another question to the Premier Madam Speaker. I have a copy of assessment that I said, invoice, assessed invoice prepared by the Provincial Treasurer. This involves, is for a commercial property in West Royalty, probably a family business, I do believe. It

was brought into my office this morning by the business owner and he was very furious. It shows his assessment went up 70%. His tax bill is up 70%. He asked me to table this and I'll do that.

And just to explain it to the Mr. Premier, Madam Speaker. He wants to know how his tax bill, which is on the bill, you want to get really....notice, tax notice, which is a bill, could go from under, just a little under 9,000 to over 14,000. Can you answer that in this last assessment came out. And I'll table that information for you here in the House.

Speaker: The honourable Provincial Treasurer.

Leader of the Opposition: There she goes.....(INDISTINCT)

Hon. Pat Mella (PC): Well Madam Speaker, first of all it is not true that anybody's tax bill went up by 50%. It is simply not true. There are cases where buildings are not complete and they're assessed at an incomplete phase. Then the buildings are completed. They're in operation. They're a fully-assessed commercial value in which case their assessment would go up. But that's because of a change in the status of the building itself. Nobody's tax, commercial tax went up 50%. And I'm pleased that the Leader of the Opposition is willing to table the particular case. On average, the assessments in the province went up 4%. I can give you some percentages by area of the province. In Alberton it's 1.7%; in Summerside it's 4.1%; in Sherwood it's 4.8%; in Stratford it's 4.7%; in Montague it's 4.1. These are averages of increases in assessments which are tied to the retail market value of those properties.

Speaker: The honourable Leader of the Opposition.

Leader of the Opposition: I'm glad the Provincial Treasurer....she likes to go with averages! This business owner said that he had no improvements on his building, no additions to the business, nothing that would warrant that kind of increase. But you're saying this property, you're saying that there was no assessments went up. It went up 70% from what he paid last year, what he pays this year. It's a fact and I know there's a lot more than him. Can you explain that? And you tried to twist it that he added to the business or anything. It's a fact. It's there and I got many more.

Speaker: The honourable Provincial Treasurer.

Hon. Pat Mella (PC): Well Madam Speaker, I am quite willing to look at this particular property because I know, in fact, that there was no one whose assessment went up that percentage unless some other addition was made or something changed in the nature of the assessment.

Hon. Mike Currie (PC): Table it!

Hon. Pat Mella (PC): It is a fact that it did not go up that much. Now, as I explained yesterday, there is an appeal mechanism----actually, there's 2-----and I'm not suggesting that they have to even go through that. I will take the information relation to that particular business and look at what has happened there in the increase in the assessment. But I can assure the general public that, on average, the assessments are not going up by those huge numbers at all. The assessments are in keeping with the retail market value of properties. Some parts of this province have had significant growth due to a good strong economy which means that the properties are valued more this year than they were last year. So, if he would table the information the particular property I will certainly be willing to look into it.

Speaker: The honourable Leader of the Opposition, followed by the honourable member from Cascumpec-Grand River.

Leader of the Opposition: Anyway, just for the, Madam Speaker, this particular gentleman said the building was 30 years old, etc. and I'll do that. Now, you've also hit mobile home owners hard. They too went up you claim by an average of 3%. And now I seem to remember awhile ago when the City gave mobile home owners a bit of a tax break on their taxes the Government House Leader was very busy in the community taking credit for it Madam Speaker. But the City gives and you take away. Why did you hit the mobile home owners so hard with this tax grab? Secondly is, have you shifted the tax system or increased the tax system to the people that own the mobile trailer parks? Will you answer that.

Speaker: The honourable Provincial Treasurer.

Hon. Pat Mella (PC): Madam Speaker, it's the same

reasoning as I've used for all changes in assessments. Assessments to mobile homes are changed because the value of that particular home has gone up. The, the, the real test of whether or not a property is over-assessed is to ask the owner, would I sell my property for the amount of money that I'm assessed at or would I ask more. Would the people next door who have a property the same as mine are they assessed at a comparable value? Are the real estate sales, which are the indicator of the value of properties, are they at that level? That's what the department uses in order to assess the value of a property.

Not all mobile homes are assessed the same. Some are much more luxurious than others. Some have other additional things added on to them. The average increase was 3%, that's correct. And the reason I'm using average is because not everybody got their assessment increased by 3%. Some people might have only changed their assessment by 1%, depending on the nature of their home. So, that's the way the assessment process operates.

Speaker: Final question to the honourable member from Cascumpec-Grand River.

3:00 p.m.

VISITOR INFORMATION CENTRE IN WEST PRINCE (further)

Philip Brown (PC): Thank you Madam Speaker. A question for the Minister of Tourism. Mr. Minister, recently we learned that there's a new visitor information centre planned for Mount Pleasant in Western Prince. Do you have the information Mr. Minister, of when that centre will be operational and if the tenders for construction have already gone out?

Speaker: The honourable Minister of Tourism.

Hon. Greg Deighan (PC): Thank you Madam Speaker. The tender will close Tuesday, May the 15th. Hopefully, we'll be in and operating by the latter part of July. (APPLAUSE)

SPEAKER: END OF QUESTION PERIOD

3:00 p.m.

STATEMENTS BY MINISTERS

Speaker: End of Question Period. Statements by Ministers. The Honourable Minister of Community and Culture Affairs.

RECOGNITION OF GUESTS

Hon. Gail Shea (PC): Madam Speaker, with your permission, I would like to recognize in the Public Gallery, my daughter Kelly. And as since it's very important that we spark some interest in our youth at a very early age. I'd like to welcome my seven week old grandson, Joel Mathews. (Applause)

PRESENTING AND RECEIVING PETITIONS

None

TABLING OF DOCUMENTS

Speaker: Presenting and Receiving Petitions. Tabling of Documents. The Honourable Premier.

TABLING ANSWERS TO WRITTEN QUESTIONS NO. 25, 41, 42, 44, 48, 64-184, 186-1247, 1249-1271

Premier: Madam Speaker, by leave of the House, I beg leave the table responses to approximately 1209 questions. While I couldn't get them all out here in front, Madam Speaker, I've got a start there, I think 11 move cases of answers. These are answers to written questions No. 25, No. 41, No. 42, 44, 48, 64 through to 184, 186 through 1247, and 1249 through 1271. And I move, seconded by the Honourable Minister of Agriculture and Forestry that the said documents be now received and do lie on the table.

And I would ask, Madam Speaker, that the Pages give me a hand with bringing in the other 11 cases. Madam Speaker, with your permission, I also wish to table by department the accounting the cost associated with this particular initiative, and the total cost of compiling the answers is estimated to be approximately \$79,500.

Hon. Mitch Murphy (PC): Two teachers. Two teachers.

Speaker: Shall it carry?

Several Honourable Members: (INDISTINCT)

Honourable Members: Carried.

Leader of the Opposition: What a show.

TABLING OF DOCUMENTS

Speaker: Tabling of Documents. The Honourable Provincial Treasurer.

ANNUAL REPORT OF THE PROVINCIAL TREASURY

Hon. Pat Mella (PC): Madam Speaker, by Command of His Honour the Lieutenant Governor, I beg leave to table the Annual Report of the Provincial Treasurer for the period ending 31st of March, 2000. And I move, seconded by the Honourable Premier that the said document be now received and do lie on the table.

Speaker: Shall it carry?

Honourable Members: Carried.

Speaker: The Honourable Member ... The Honourable Provincial Treasurer.

ANNUAL REPORT FOR THE CIVIL SERVICE SUPERANNUATION FUND

Hon. Pat Mella (PC): Madam Speaker, my Command of His Honour the Lieutenant Governor, I beg leave to table the Annual Report for the Civil Service Superannuation Fund and I ... for the period ending March 31, 2000. And I move, seconded by the Honourable Premier the said document be now received and do lie on the table.

Speaker: Shall it carry?

Honourable Members: Carried.

Speaker: Tabling of Documents. (Interruption) The Honourable Deputy Speaker. Tabling of Documents. Are you Tabling a Document, Honourable Member ?

TABLE COPY OF A PROPOSED FRANCHISE LEGISLATION

Andy Mooney (PC): Yes. Thank you, Madam Speaker. By leave of the House, I wish to table a copy of a Proposed Franchise Legislation. And I move, seconded by the Honourable Member from Alberton-Miminegash that the same be received and do lie on the table.

Speaker: Shall it carry?

Honourable Members: Carried.

REPORTS BY COMMITTEES

None

INTRODUCTION OF GOVERNMENT BILLS

None

MOTIONS OTHER THAN GOVERNMENT

Speaker: Any further Tabling of Documents? Reports by Committee. Introduction of Government Bills. Motions Other Than Government. Yes, Honourable Member.

BILL NO. 103 AN ACT TO AMEND THE LEGAL PROFESSION ACT (1st reading)

Leader of the Opposition: Alright. Madam Speaker, by leave of the House, I beg to table the Private Members Bill, *An Act to Amend the Legal Profession Act*. And I move, seconded by the Honourable Minister of Agriculture that the said document be now received and do lie on the table.

Speaker: Shall it carry?

Honourable Members: Carried.

Speaker: Honourable Member, do you wish to give an explanation of the Bill, please. Oh sorry, wait 'til she finishes reading that.

Clerk Assistant: *An Act to Amend the Legal Profession Act*, Bill No. 103, read a first time.

Speaker: Honourable Member.

Leader of the Opposition: Yeah, basically this *Legal Profession Act*, there's a lot of discussion in here about

people that have lost quite a bit of their own private funds by lawyers, which I don't have to prove who the lawyers all were. The Premier or the Government of Executive Council made commitments they'd try to do something. So, basically what this Bill does, the Bill adds safeguards respecting to the handling of trust funds by lawyers and make the public trustee responsible for handling the funds that establish the claims for people or victim of misappropriated funds by their lawyers.

So, basically this is a good document. A good Bill. It's... something had to be done. I'm prepared to make amendments. I'm not an expert in this. But, I am an expert, and the reason why I went to the Bill was so many people are being ... their livelihoods are effected. As we stand in the House here, Madam Speaker, and we bring in Bills for ... like if so much silt went in or we bring in a Bill because there's something else, or this Bill. But, this is a Bill to protect the average Islander who can't always afford it to get a lawyer to sue or whatever. So, I hope this Bill will carry in the House. Thank you, very much.

Speaker: Orders Other Than Government.

Leader of the Opposition: My order, Resolution.

Speaker: The Honourable Deputy Speaker.

Andy Mooney (PC): Actually a copy of what I'm proposing is on route down the stairs, Madam Speaker. Basically, what I'm asking for is unanimous consent of the House just to have the Bill that I tabled just ... sent to Committee.

Speaker: Do we have the unanimous ... We really should have the specific wording of it.

Andy Mooney (PC): Yeah. That's tremendous.

Speaker: And so we will proceed with the Honourable Leader of the Opposition and come back to you later when it gets here.

Andy Mooney (PC): Great.

Speaker: The Honourable Leader of the Opposition.

MOTION NO. 36 HEALTH CARE

Leader of the Opposition: Okay. So, the Member ... makes sure ... he's got to go somewhere or something so he can get his Bill on. Resolution No. 36.

Speaker: Resolution 36. Shall it carry?

Honourable Members: Carried.

Clerk: Motion No. 36. The Honourable Leader of the Opposition gives notice that tomorrow he will move, seconded by the Honourable Government House Leader, the following Motion:

WHEREAS health care is a Provincial responsibility under the Canadian Constitution;

AND WHEREAS service delivery decisions are made by the Provincial Government;

AND WHEREAS there is often a shortage of family physicians in rural areas;

AND WHEREAS these inadequacies also include a shortage of specialists in rural areas;

AND WHEREAS there is an identified need to bring another 40 health care professionals to Eastern P.E.I.;

AND WHEREAS hospital equipment at Eastern P.E.I. needs to be updated;

AND WHEREAS a growing number of Islanders apparently are wondering who is to blame;

THEREFORE BE IT RESOLVED that Government immediately address these concerns by considering the views of interested citizens and investing enough into the system to meet the identified needs of communities.

Speaker: The Honourable Leader of the Opposition to move the Resolution.

Leader of the Opposition: Thank you, very much. If I could have a podium.

Hon. Greg Deighan (PC): Madam Speaker.

Speaker: Honourable Minister of Tourism.

RECOGNITION OF GUESTS

Hon. Greg Deighan (PC): With your permission, I'd like to welcome to the Gallery, I noticed a great supporter of my colleague from St. Eleanors-Summerside, Lea Compton. Even though you ... he's not that small, but you still can't see him, Honourable Member. But, welcome Lea and I hope you enjoy the afternoon. (Applause)

Speaker: The Honourable Provincial Treasurer.

Hon. Pat Mella (PC): Madam Speaker, I, too, would like to welcome to the Gallery, Mark Gallant and his wife, Margaret. They're from the district of Park Corner-Oyster Bed and Mark Gallant is probably one of the strongest supporters we'd had in the Party for many years, just a terrific person all around and, certainly, we appreciate all the work that he's done for our Party and it's great to see him here. (Applause)

Speaker: The Honourable Deputy Speaker.

MOTION NO. 37 DRAFT FRANCHISE LEGISLATION

Andy Mooney (PC): Yes, the Honourable Leader of the Opposition has given me a moment while he slips out for a second that I've asked for a unanimous consent of the House to...if I call Motion No. 37.

Speaker: Do we have unanimous consent of the House?

Honourable Members: Agreed.

Speaker: Agreed.

Clerk: Motion No. 37 The Honourable Deputy Speaker gives notice that tomorrow he will move, seconded by the Honourable Member for Alberton-Miminegash the following Motion:

BE IT RESOLVED that

1) draft franchise legislation for Prince Edward Island, as tabled in the House today be referred to the

Standing Committee on Community Affairs and Economic Development;

2) that said Standing Committee be authorized by this House to meet between the Second and Third Sessions of this General Assembly to review the draft franchise legislation; and

3) that said Standing Committee make report to this House with recommendations within ten sitting days of the commencement of the Third Session of this General Assembly.

Speaker: Shall it carry?

Honourable Members: Carried.

Andy Mooney (PC): Thank you.

Speaker: The Honourable Leader of the Opposition to begin the debate on the Resolution, please.

Leader of the Opposition: Thank you, Madam Speaker. Anyway, Madam Speaker, WHEREAS the health care is provincial responsibility under the Canadian Constitution; AND WHEREAS service delivery decisions are made by the provincial Government; and there's awful shortage of family physicians in rural Prince Edward Island. And I believe there's shortages in the Souris area and probably other areas, too.

But, you know Madam Speaker, there's still families without doctors here in the Province of Prince Edward Island, there's a number of them...and probably we can argue the debate, we could say it's 3000, we could say it's 4500 but that's not going to bring the doctors here. But that's not going to bring the doctors here.

The Government...the Federal Government has get rid of, or cut back, the Premier talked about it. At one point they use to have funds of directly went everywhere's across Canada by population and in that it was, what was that CHT or...

Honourable Members: CHST.

Leader of the Opposition: CHST. And that went across to all Governments department, whether you're in the Province of PEI and you had 140,000 people or if you're

in the Province of Nova Scotia with more. And at that time that program was set up for a long time...but one of the problems with that program was our wealthier provinces, which we know, had the opportunity...they got the CHST.

Now, if you look at equalization, equalization programs have been in Atlantic Canada, it's been essential in Canadian Federal/Provincial transfer for over 40 years. And under the equalization there's...Governments can spend that as, I guess they do, feel like. And the equalization...the equalization payments have out...creased the dollars amounts have (INDISTINCT) coming to the areas.

But getting back to the CHST, it's been cut back dramatically, a lot. All provinces receive the CHST while the equalization payment's only to province with the low average capability. Transfers from the Federal Government are the major source of provincial Government revenues in Atlantic Canada ranging from 34% in New Brunswick, 49% in Newfoundland and the Province of PEI is roughly 39.9 or 40%.

The CHT which went into finance and education, secondary education, social assistance, social services, establishing funding finances, health, post-secondary education, was introduced during a time when Governments seem to want to downsize at that particular time.

I think in order to...in order to have more money to attract these doctors and that here, we've got to get more...we got to be able in Atlantic Canada to put a program together to the Federal Government. I'm all behind the province in getting equalization cap removed, I can go with that, I don't know if it's going to happen because you have a problem with... if you get 9 million more in the Province of Prince Edward Island, but also that entitles Quebec to get 800 million. And I think they're more prosperous than we are. And if you look, and that's a lot of money when you start coming the amount of money that's there in Government services, whatever. Like we, on PEI, or Atlantic Canada doesn't have the Government influence for taxes or whatever that they had in those provinces. For instance, Hull is right across from...Hull is right across from the Ottawa border and it does

reflect out.

So what I would like to see is, you know, I think I'd like to see the provinces in Atlantic Canada to get their own...the Premier's set up his own committee, to try to work on a special funds program or (INDISTINCT) funds for Atlantic Canada. It's echoed on both sides of the House and about health care in the Province of Prince Edward Island. More money would bring two family doctors to Souris if we could put a deal together. More money would bring two Specialists to Montague. More money, if we could get this...man you're some strong...I'd say, Madam Speaker, a lot of those there questions are something like the empty promises that were made. Those boxes are empty cause I would think that the Occupation Health and Safety would shut the place down if they seen people bending down and picking up a 100 pounds like that when I believe there's just some fluff.

Elmer MacFadyen (PC): You're going to have a busy summer.

Leader of the Opposition: I would say that's where your Kleenex came from was in those boxes.

Elmer MacFadyen (PC): You're going to have a busy summer.

Leader of the Opposition: So that's...I would say those Kleenex's...and you know...

Speaker: Let's get back to the topic, Honourable Member.

Leader of the Opposition: Yes, get back to the topic. So when you look at it, they tell me they need 40 full time health professionals for eastern PEI alone. They got to upgrade the outdated hospital equipment there. You know...

3:20 p.m.

Leader of the Opposition:...Kings County has been neglected when it comes to health care. It is true and it is all because of equalization programs that were probably...it's equalization, I know that the Provincial Treasurer had a 9 million more, she definitely working on trying to attract more doctors. I know you'll only get so much and I knowI would like to see a separate

program set up that we try to get that because if you look at Nova Scotia, Atlantic Canada and Newfoundland, I think Paul Martin is quite happy to try to help you out with certain information. Well if she can....I know what she does....but see equalization you got to remember too, that every time she has these tax grabs or more money that comes in in taxes and it's tied into equalization. Like the province does in the ability to tax, that mean the less equalization you get. We don't want to get in to, I don't think, changing the equalization formula, because right now there is a certain amount of provinces in it and it works to our benefit. Is that not correct? The way the formula is set up now.

So if you're looking for another \$9 million dollars is 1% of your total, not even 1% of your total budget, maybe you should be looking at trying to work at another deal, because when you start changing equalization, then you have got to change it for all parties involved and that's why it's important....like you know it's hard to believe but Souris needs 2 more family doctors now. I mean the Minister of Health I wonder what he's been doing. And they need new specialists in Montague. I wonder what he's been doing. I mean these are major issues and the equipment, something like the Department of Agriculture, is out dated in Kings County hospital equipment. Needs to be upgraded, out-dated equipment in that area in Kings County.

And you know, when you look at the Equalization Program and you look that back in 1981, '82, you can go by your percentage and if you go to '85, we're down, transfer, if you go by the amount of money coming in. But then when you go...you got to go by the percentage of your income goes up. It's tied in to the economy how you do. So when you have the Premier of the province...the Provincial Treasurer thinks things were never better. Things are moving in here. No tax increases, even though people are paying more, the assessment goes up. Whether you put the assessment up, you put the rate up, it's not really much different, it's still a tax increase and I often wonder if the less tax we pay, it will generate and I think the Provincial Treasurer proved that by eliminating the sales tax on clothing. But when then all of a sudden she came in the back door and puts it on the building which could affect almost the same thing but then again you got to look at people don't like to pay tax if it's hidden in the

cost it mightn't affect sales that much. That's yet to be seen.

But you know, they tell me the year 2000/2000 equalization standard was \$5914 per person. Where the value of the tax base is below the national revenue generated standard or given equalized payment to bring per capita revenues up to standard. So in other words, what the Provincial Treasurer has got to look at and is....she's got to look at lowering taxes and then...would help us in certain extents to get equalization. I know it's made up of a... different areas. You heard the Provincial or...Minister of Development here today making statements about why should New Brunswick get cheaper tax...accusing New Brunswick of helping (INDISTINCT) lower electricity rates. Well lower electricity rates does have businesses which pays and generates well in order to put money into the province in order to attract these extra specialists that we need. There is also a number of specialists needs to be in the Charlottetown area and the Western end of PEI.

But you know when the Premier and the Cabinet Ministers, the Minister of Economic Development is from the Kings County area. And when he knows or he should know that they need these extra 40 time, health workers, professionals in Eastern PEI. They should know that but apparently they don't. You know when you look at my Resolution, 40 health care workers to PEI. You know if we had more money under equalization the Provincial Treasurer I would hope wouldn't be nickling and diming our Resident Care Workers and our LNA's 2 1/4%. If you look at the agreements that has been quite....you know if you take the average property on Prince Edward Island, just your average, which means by average means that, if a building is falling down you're taxes will go down. If an area coming from the ghost town or not as much going on, the taxes go down. The sun could drop and actually (INDISTINCT) the average. But I beg to differ.

When you look at....when a person looks at the tax grabs that are taking place and where that money is going, if it's going into health care in Eastern Kings, you wouldn't mind as much. But if they have these here recruitment plans, they try to attract these doctors, but apparently the problems are still there. Last Christmas there were still here or from (INDISTINCT) that. I mean this is the Minister of Health's responsibility. I'm sure that his staff should have told

him that they needed 40 extra health care workers in Eastern Kings. I don't know what he's been doing...and there's many more.

But getting back to equalization, what I'd really like to do is have the Provincial Treasurer...I know she's got her pet projects that she likes to do and I don't think I'm going to be able to change those ideas, but I'd like her to see if she can't set up between the Provincial Treasurer's of New Brunswick, Nova Scotia, PEI and Newfoundland at the next meeting of the Premiers, this cooperative group, that you should go with the Premier and sit in and try and work something out there that we can get maybe an extra 9, 10 or 15 million extra, and I still support you on trying to raise the cap because any money that's put in the Province of PEI. But these are things that are coming.

But the problem I see is the Minister of Economic Development said you're looking down the road. Well you look down the road with tunnel vision. What he says could be quite correct in the fact that power rates could go up, but they could go down. But I know what a deal is now, until I see another deal in guarantee, I don't think you should be putting power rates up. It costs more to run these hospitals. If the power rates in the Province of PEI goes up 5%, what would it cost to run the hospitals in the Province of Prince Edward Island? People are telling me...and this is one of the problems that I'm getting from people, some local people, they weren't doctors but were out West for the winter because of the situation on the potato thing. Now they're wondering why they came home. Because every time the property tax went up on their house, their electric light bill went up, cost more to register cars etc. But you know even these nurses we're talking about, our health care workers, our doctors, they take that all into consideration too, is exactly what the cause is. And I'm getting numerous numerous people that have gone out West for the Winter and actually one guy said today, maybe I should have stayed out there.

See they talk about crop rotation and I know it doesn't reflect to this but when you look at all these plans that come in, our biggest problem in PEI isn't really land, our biggest problem isn't environment, these are all issues and (INDISTINCT). The biggest problem we have on PEI is the export of our young people and their brains

that go with it. There's a lot of young people and you know as a teacher, that went through the school system and when those young people, those health care workers I was talking to...a nurse is going through, when they get out they probably owe (INDISTINCT) \$50,000.....

Leader of the Opposition:... That's a lot of money when you're probably 22 or 23 years old. I don't care what anybody says. Got to work probably two jobs to make the payments, student loan. And they're looking at what a nurse gets in Alberta. I see BC has come along to the same thing. And I can see the cost of health care going up because when these people start getting paid of what they should have, it's going to go up.

But then I can also see the cost of increasing the nurses, I think it was \$4,000 they got there as a sign up thing. I think that was good; but, actually, it only cost the Government a couple of thousand because the rest comes back Federal and Provincial taxes and we get it all back. It's not like you went away on a trip and all your money stays away. The workers in the Province of PEI, as their tax goes up...their income goes up so does the tax. So they can say they cut this and the Federal Government is saying but their spend ability goes up. And we get 10.7% on any sales tax, Federal Government collects 7% GST. If a health care worker, for instance, or a teacher and that got a \$2,000 raise...or say \$1,000 a raise a year, goes on the top end of the bracket, doesn't cost the province, really, that much money. Like it's not like they're leaving the province and not coming back. If you put somebody through college here there's a certain cost to that and they leave you don't get the services back. If you paid so many seats in the University and don't get them back well then that's gone.

Like if you're a farmer...a farmer will probably tell you that he'd rather have his son become a doctor or nurse or something because it wouldn't be as much money as to buy one tractor or one farm. Like I remember that was in my days, too. Probably 150,000 might put you through for a doctor. I'm not 100% sure but I've heard those figures. Where a farm today, what will it cost to go through to buy a farm?

But yet, the health professional people are hardworking people. They're dedicated people but they're not

always going to be fortunate enough that two people meet and one extra nurse is on PEI which her father-in-law was here yesterday. But I think that if we can get more funds from whatever for the health care that we could...a prime example is the University in Newfoundland...the University in Newfoundland. I believe the Minister, he purchased two seats and that's good. But I've informed that there was about nine people applied for those two seats, two got in the seats so that's means there's seven more that didn't get a chance to study medicine. If we had another four seats, so that's like another four more doctors.

It goes back to supply and demand. The ability, Madam Speaker, is there for people to become nurses. We have them here in the province by our students, to become doctors. But how many students missed the opportunity. How long do you wait around trying to get in, to accepted to medical school. So the only thing to do is you can't really increase the doctors production anymore cause they're working awful long hours. We got to increase more seats and that will take some time before we see our rewards at the University. And also, we got to attract more of these professional people here. And also, we've got to pay them better than offer them 2 1/4% for our LNA's or our health care workers. I mean, most things that come through the House here this year, it's only three or four percent increase. But I mean if you only had 2 1/4%, you're losing.

So I hope I get this Resolution through and I'll see who's got to speak.

Speaker: The Honourable Government House Leader.

Elmer MacFadyen (PC): Thank you, Madam Speaker. I've been asked...I remember one other time...anyway, on behalf of the Leader of the Opposition, as Government House Leader, I do second his Resolution. Before one time I was speaking in regards to a matter relating to the Department of Health and Social Services and somebody got up and said, we're using all the information that I provided to you. So, rather than using all his information today, I'm not going to say very many comments and I'll let the following speaker, probably, use some of his information.

But I would like to address some of the comments that's

in the Resolution. And I guess, in looking through the Budget Book that was tabled here in regards to expenses within the department, there are some significant things that I wonder if the Leader of the Opposition has got all his facts correctly identified in the WHEREAS's.

He says, WHEREAS health care is a provincial responsibility under the Canadian Constitution. I believe that the delivery of health care is the responsibility of both the Provincial and Federal Government and that the province delivers the service through the funding of CHST and money that Government puts in.

Also, he talked about the cutbacks in the CHST. Last week when we were talking about a Resolution in regards to one being tabled in the House of Commons in regards to Bill C-18, we were stressing the importance of the Federal funding to the province, and our Provincial Treasurer had gone to Ottawa and met with the Finance Committee at that House of Commons, with Paul Martin, to make sure that we were going...that we were trying to get the cap removed from...that was being proposed in regards to the Equalization Program on funding to the province. And without that cap being removed, it would be very detrimental to PEI. And I'm glad to see that the Leader of the Opposition today is supporting that suggestion.

Leader of the Opposition: I supported that (INDISTINCT) a long time ago.

Elmer MacFadyen (PC): Well I don't know if you did or not.

Leader of the Opposition: Well I know.

Elmer MacFadyen (PC): But anyway, I also...it's nice to hear the Leader of the Opposition also say... Madam Speaker, could I have the Leader of the Opposition quiet so I can speak to my other Members.

Leader of the Opposition: You could if you'd get these two people quiet behind me so I can hear you.

Elmer MacFadyen (PC): But anyway...

Speaker: Maybe it would be a good idea if everybody

stopped talking, carrying on those private conversations and pay attention to the person who is speaking.

Leader of the Opposition: Yes.

Speaker: And that includes you too, Honourable Member.

Elmer MacFadyen (PC): Thank you, Madam Speaker.

Leader of the Opposition: I know. But it is distracting (INDISTINCT)

Speaker: It is, yeah you're right.

Elmer MacFadyen (PC): Anyway, I'm also pleased that the Leader of the Opposition also realizes that the Federal Government, in regards to our province in particular on CHST, did, in fact, decrease the amount of funding that was given to our province in regards to health and social programs. And even though we had less funding, the province was still able to increase the funding to the Department of Health and also to the Department of Education where programs and services have not decreased. And if you note in the budget this year that the Minister had put forward. Last year we had spent \$317 million, we had...we have committed \$13 million to the East Prince Health Facility. And even with that, our Government is increasing the expenditures in regards to the dollars by \$10 million more in the delivery of Health and Social Service Program in this province. So I think it speaks fairly well in regards to the commitment that our province has in regards to health care delivery.

He also says that in regards to the delivery...

3:40 p.m.

Elmer MacFadyen (PC):... service delivery discussions are made by the Provincial Government. In this Province we have five regional offices that are separate identities from the Provincial Government, and they are responsible for the delivery of the service. But, they are accountable back to the department as a whole because the money to the regional office does come through the money that's allocated through the Department of Health and Social Services. He says also

that there is often a shortage of family physicians in rural areas. There's a shortage of physicians I believe in various areas of the Province. I'm not so sure in all rural areas. If my memory serves me right, and I believe that the Minister of Health and Social Services will address that concern or that WHEREAS where he has identified it. He also says, WHEREAS these inadequacies also include a shortage of specialists in rural areas. Well, we have a population of 135,000 people. We have seven hospitals across the Province. We have the main referral hospital at the QEH who have a number of specialists, and we have the Prince Country Hospital where there's some specialists. And also some specialists from Charlottetown goes and provided services from the Prince County Hospital. It would be nice to be able to have one of everything in every hospital. But in reality as a Province, I don't think we can afford that luxury, although, we would like to as a Government.

So, I don't know if the Honourable Leader is saying that we should have specialist in every Province... in every hospital across the Province. I guess it would depend on the number of services that are required or the demand for services from a specialist. I don't think that it is that far for people to travel from one end of the Province to the other. And in saying that, I'm not saying that they shouldn't have specialist. I'm just saying depending on if we can afford specialist to be in every hospital, then yes we should have specialist. But, I believe that the services of specialist are available in any hospital to any individual who requires the services and they may have to go from one hospital in one region to another hospital either in Prince Country or at the QEH.

He also says, AND WHEREAS there is an identified need to bring another 40 health care professionals to Eastern P.E.I. I don't know where he gets the information. I don't know where the facts were gathered. I don't know what statistics he based it on, but I know if you look in the allocation in regards to Budgets, last year I believe we an spent an additional funding through a special warrant that he complained about of \$1,619,600 for front line staff, and I was asking to spend more. And we got up on the floor here, and he argued about how much we were spending on special warrants, and we wanted to come before the House here. He wants to go to Public Accounts, like he can't have his cake and eat it too. But, I still

question where he gets his facts in regards to saying that there's only 40 health care professionals that's required, and only required in Eastern P.E.I, I guess the rest of the Province don't need it.

WHEREAS hospital equipment in Eastern P.E.I. needs to be updated. I'm sure that in many hospitals across the Province there is equipment that needs to be replaced. But, I believe also, that the cost of equipment in regards to what is being provided, would end up that ... we can not replace all equipment that possibly is in the hospital that staff are using, and I'm sure that there has been many lives that have been saved with the equipment that we do have. And I appreciate the availability of the services when it's required for families or individuals in all our hospitals.

And he says WHEREAS a growing number of Islanders apparently are wondering who's to blame. I don't know what he's calling or why he's asking the question in who's to blame. I don't know who he's blaming. He says THEREFORE BE IT RESOLVED that Government immediately address these concerns by considering the views of interested citizens and investing enough into the system to meet the identified needs of communities. Well, I don't know where the Leader of the Opposition was because the Minister of Health tabled a document in here. He got up on the floor and identified that his department and staff have consulted, have put forward a package in regards to the future direction and plans for his department over the next five years, and now he's taking that document, going to the public, and seeking input. So, THEREFORE BE IT RESOLVED that Government immediately address these concerns by considering the views of interested citizens and investing enough into the system to meet the identified needs of communities. I believe, that the will be identify in that document when the Ministers staff go throughout the Province to identify the needs has been outlined in the strategic plan for the department. And I'm sure the Minister will elaborate further in regards to the direction that he's taking. And also, in regards to the Resolution. But, I take pride in responding and seconding the Resolution. And I will adjourn by discussion and refer on to the next Speaker. Thank you, Madam Speaker. (Applause)

Speaker: The Resolution has been moved and seconded. Are there any Speakers to the Resolution.

The Honourable Minister of Health and Social Services.

Hon. Jamie Ballem (PC): Well, Madam Speaker, I would ... I'd like to respond to this Resolutions. I'm ... I'll try to clear up a few inaccuracies that aren't in the Resolution...I suppose, but are located in the comments that the Leader of the Opposition made when he was speaking to the Resolution. When he talks about ... and I'll just going to pick a couple of the WHEREAS's and go through the numbers that the Leader gave. The third WHEREAS where there's often a shortage of family physicians in rural areas. And unfortunately, for the Leader of the Opposition, his researchers have come through for him in fine style because they gave him the example of Souris to use, Madam Speaker.

Leader of the Opposition: Is that correct?

Hon. Jamie Ballem (PC): No, it's not. That's got to be at least 15 times they've giving you wrong information. You're going to fire them after three. But, anyway, Madam Speaker, Souris is one of the prides of the Province 'cause of the work with the staff in Eastern Kings, and because of our position recruiter and because of the corporation with the Medical Society and all involved. We have four physician working in Souris in a collaborative practice. That is the envy of a number of other areas in the Province. These physicians come in, they have one common area, they have a common reception area. They share the patient files so that if a physician is on-call tonight they're not working tomorrow, which gives them a little bit of a life, Madam Speaker, that a lot of physicians in rural areas don't have. You go in to see your physician in the Souris area, and if your physician is not there, you can see one of the other three that are on duty. The two new physicians that have moved to the Province in the last six months, Madam Speaker, are ... had farming backgrounds from where they were born, they're looking to buy land, they want to settle in the area. And from all indications I'm getting from folks in the Eastern Kings area, it's working extremely well.

The Leader is talking about inadequacies also include a shortage of specialists in rural areas. Madam Speaker, this Province for quite a number of years, has had their specialist located in Summerside and Charlottetown. And that's been going on for ... I don't know how long because that's where the hospitals with the equipment

for the specialists is located. So, to say we have a shortage of specialists in rural areas, again I'm not sure. Maybe somebody went digging through ...

Leader of the Opposition: (INDISTINCT)

Hon. Jamie Ballem (PC): ... the files and found some questions or Resolution from 1989. I'm not sure. But, in a way, Madam Speaker, WHEREAS there is an identified need to bring another 40 health care professionals to Eastern P.E.I. Where did you come up with that number? What health professionals?

Leader of the Opposition: Why? I use a find you good researcher. (INDISTINCT)

Hon. Jamie Ballem (PC): What health professionals? I'm not sure, Madam Speaker, what health professionals the Leader of the Opposition is referring to. I'll be the first to acknowledge that in this Province we do have a shortage of health professionals. Not just ...

Leader of the Opposition: You need 40 more full time health professionals.

Speaker: Okay, let's continue. Go ahead, Honourable Minister.

Hon. Jamie Ballem (PC): We have a need for all health professionals in almost all sectors in this Province, Madam Speaker. How many? I can't give you an accurate number on that. I know when we announced that we were doing a study into the health professional in this Province, that we were looking at not only what our needs are now for the 52 health professionals in the public sector, what our needs are going to be for the next few years, but what our needs are going to be long term and what are the training opportunities.

Now, when we announced that, Madam Speaker, wanting to take a strategic plan into our health professional approach to make sure that we were going to have an adequate supply down the road, it was suggested by someone in the media that we didn't need to do a study he could count them on the back of his light bill. Well, maybe that's where he found that there's a shortage of 40 health care professionals in Eastern King's, I don't know where that number came from.

He made a point of talking about CHST and how we really didn't need CHST and it really wasn't the Federal Government need to put any more money into health care that all we had to do, was spend some of our other money. Well, Madam Speaker, in the last five years, CHST, which is part of the Federal Governments responsibility to help cost-share and fund health care in this Country has increased by \$1,000,000 in the last five years. In this Province, Madam Speaker, our health Budget, since we've formed the Government, has gone up over \$80,000,000. Where does he think that money coming from if it hasn't come from the Provincial revenues.

Leader of the Opposition: \$1,000,000 (INDISTINCT).

Hon. Jamie Ballem (PC): A couple of points, Madam Speaker, in just giving some specifics, since 1997 to what this year's budget. Physician services have increase 20% in what we're putting into physician services. We've increased drug programs spending 59%. We've increased hospital services 18%. Home Care has gone up 40%. Our spending on Ambulance Services is up 75%. What we spent on Blood Services is up 84%. Our Government Manor's, where we're looking after some of our elderly, we've increased our spending 22% and in private nursing homes, Madam Speaker, we've increased funding in that area to 69%. That's with one million dollars extra from the Federal Government over that period of time. I'm sure to say that they're a real partner in the health care system in this country.

He talks about, Madam Speaker, of extra equipment that's required in our hospitals. And he's right, I'll give him that one, we do need more equipment. Equipment is very expensive. I had the opportunity last night to go to Summerside and speak to the Prince County Hospital Foundation's Annual Meeting and that group of individuals in Summerside, Madam Speaker, have raised almost \$12.5 million for their Capital Campaign. So when you think that it's been a little less than a year since they started that program, and to have that much money raised, it's a tribute to the volunteers in this province, it's a tribute to Islanders who donate.

It's common practice in this country that hospitals are paid for. Their operational costs are paid for by Government but, for the most part, most equipment is

paid for by foundations. We've had a very successful campaign at the QEH, and we're looking to partner the small amount of money that we're able to afford for equipment to use and help lever some dollars from the Federal Government.

And let's see, going through some of these, WHEREAS a growing number of Islanders apparently are wondering who is to blame. To blame for what? I think when you...recent polls that have been done show Islanders are very satisfied with the health care that they're receiving. Could we do better? Of course we can do better. Do we need more physicians? Yes. Do we need more health care professionals? Yes, we do. Do we need more nurses? Yes, and we're working towards that.

Madam Speaker, last week when I made a statement in this House about National Nurses Week. In the last year, we had 27 experienced nurses who came to this province; moved here from out-of-province. We assisted 24 of those through our Nurses Recruitment Strategy to help them relocate. There's 31 new nurses graduating this year from the School of Nursing at UPEI. Thirteen of those, Madam Speaker, are going to be working through us...with us through our Sponsorship Program. But of the remaining 18 new graduates, 7 of those, without any assistance, have applied and received employment here. Last year we had 28 student nurses employed in the Summer Program; and there'll be a commitment, I'm sure, for most of those nurses to come back here and practice because when they get into our hospitals and our manors, Madam Speaker, they'll take an ownership in it, they become part of the team. We will establish over 60 new positions in the next couple of years. We had 15 created this year.

So, Madam Speaker, there's all kinds of things being done. Just when the Leader talks about the Physician Recruitment and buying seats at Memorial and what we need to do is to get more students into medical school; again, he's right, Madam Speaker. Unfortunately, the root of this problem that we face right now goes back to a period of time when there was a different Party on this side of the Legislature. Now, he may not remember this but I'm sure that if he asked his former colleagues about the Barrier-Stoddard Report that they signed on and his Government agreed to, is generally considered across the country as the cause of the problem because it was

his Government that voted to reduce medical seats in universities across this country. And that logic, as illogical as it sounds Madam Speaker, was put in place so that, well if we had fewer doctors and fewer people, we'd be able to get to see them.

And he may say, well that's the past, that's the history, why aren't you doing something about it. Because what we're facing right now, Madam Speaker, is the results of that. It takes a minimum of six years if it's just if a doctor goes through to be a family physician, but in some other specialities it could be up to 10 - 12 years before a physician is ready to practice. So the decision that his Government made back in the mid 90's is now coming home to roost. And we're faced with fewer graduates coming in.

We're faced with universities, including the Dal Medical School who would love to increase their seats, but they're running into a shortage of faculty. Because they cut back their instructors and their professors, they can't get them anymore, so they're targeting a percentage of their graduates to be instructors. That's going to cause an even further drain on our system, Madam Speaker. So they're going out and they're trying to say it's not a simple case of saying let's just add another 10 seats, that's all you have to do. You need to be able to have instructors, faculty, professors, you have to be able to have facilities for them to go and do their clinical training. You have to be able to have the facilities for them to use it and that includes a lot of equipment. Dal is working (INDISTINCT), so is Memorial, so is every university in the country.

But, as I'm glad to hear and I'm assuming that one was right and I can't question it, but we did have more Islanders apply for the two seats in Memorial than we...more than two, which is good to hear because we're having discussions with Memorial, how many more can they take? Are we in a position to buy more seats over there? But that's not something you just turn on.

In the nursing side, we're having discussions with the University of Prince Edward Island in expanding their facilities and their graduating class. But again, Madam Speaker, one of the real limiting factors we have is where do these nurses go for their clinical practice. There's only so much capacity at the QEH and the

Prince County Hospital for them to go in their third and fourth years. So we're looking to talk to the rural hospitals and ask can you go in there but it's just not a matter of putting someone in and saying you're there. They have to have staff that's prepared to offer clinical instruction.

Nothing, Madam Speaker, in the health sector appears to be simple because, as you well know, for every action you take there's probably three or four reactions. But what we're trying to do, Madam Speaker, as a department, as a system is to have a strategic plan so we can have some direction of where we're going to go in the next five years so that Islanders will have a choice. And when I saw this Resolution being tabled it just boggled my mind that we would have this kind of support from the Opposition in the THEREFORE BE IT RESOLVED that Government immediately address these concerns by considering the views of interested citizens and investing enough into the system to meet the identified needs of the communities. As I just stated, Madam Speaker, of the 80 + million dollars we put extra into the system, but my understanding is that this Resolution was tabled at 8:05, so that was approximately five hours after we announced publicly that we were going to go and talk to Islanders and get their opinions of the future health care system. But I guess that's what you do when you get good researchers, Madam Speaker, they can sit outside the press conference and then run back and write a Resolution.

I really don't know what to do, Madam Speaker, whether to support this or not. I support the THEREFORE BE IT RESOLVED but the number of WHEREAS's I just can't support those. Thank you, Madam Speaker. (Applause)

Speaker: Are there any other speakers to the Resolution? The Honourable Leader of the Opposition to close the debate.

Leader of the Opposition: Thank you, Madam Speaker. I want to thank the House Leader for seconding the debate even though he mightn't support this...

4:00 p.m.

Leader of the Opposition:... I also would like to thank

the Minister of Health for very well criticizing my staff, but this time I went to the staff of...my staff actually didn't do this research, I went to the former research officer that worked for the Leader of the Opposition, now Provincial Treasurer. Those are his statements. So you're saying they're all wrong, that they're right. And I can table the information in the House. And this is the...the Honourable Member from Fortune, Morell-Fortune Bay that the extra money and if you listen...and I was quoting his word and I wrote this Resolution up by his words, 'cause I figured that he would know what was going on, that money would bring two family doctor to Souris, more money, like I was talking more money. We're talking equalization.

Hon. Jamie Ballem (PC): When did he say that?

Leader of the Opposition: He said it right here.

Hon. Jamie Ballem (PC): Last fall.

Leader of the Opposition: Last fall, in December I told you. This is December. Two specialists to Montague. Now the Minister says and the health leader here says they want to keep them in handy Charlottetown where they are or in Summerside. What's wrong with having a couple extra specialists in Montague, maybe an ear specialist, maybe an eye specialist. I don't think...I think we're short of them. 40 full-time health professionals Eastern PEI, that extra money was brought. Those are done by the former Cabinet Minister, the Member from Morell-Fortune Bay. I know his seat was vacant at the particular time he said it. But this is where I did my research. This is where my research was done. And I can table it. Now the Member is going to have to talk to that Member (INDISTINCT) that you elected in the House. He's going to have to talk to him and if you want to criticize him, rather than picking on my staff, that was done by him.

The Resolution was my idea. And I basically just copied; WHEREAS health care professional responsibility under the Canadian Constitution, which is correct. WHEREAS service delivered...are made by the Provincial Government, they are. WHEREAS health care is a provincial responsibility under a Canadian Constitution. WHEREAS services delivered are made by the Provincial Government, services delivered.

WHEREAS there is often a shortage of family physicians in rural areas, and I added all across the province and I picked Souris out for the simple reason it was a problem. Now you got a few people..doctors in there that are moving in and out. WHEREAS there is a specialist and shortage of rural areas; I didn't want to just...and there is specialists in rural areas. And you know, I went by the Member where he needs two more specialists he was talking about in Montague. I assume it would be in the Montague area. AND WHEREAS is needed another 40 health care professionals in Eastern PEI. 40 full-time health professionals for Eastern PEI, right from his words. And if you want to criticize him for misleading advertising, or whatever, you'll have to bring it up with him. AND WHEREAS hospital equipment in Eastern PEI needs to be updated. He's got upgrades to outdated hospital equipment in Eastern PEI. So...Eastern Kings, so I mean it's your own colleague, it's quite obvious you're not listening to your own colleagues. It's quite obvious that you can into HST or whatever it was of...

An Honourable Member: CHST.

Leader of the Opposition: CHST. And I know that was cut and I realize that was cut. But that was where every province got the same amount of money by population and its directions.

Elmer MacFadyen (PC): No it was based on what funding formula (INDISTINCT) dollars Federal and Provincial.

Leader of the Opposition: It was based on CHST, was based on equalization...or not equalization, (INDISTINCT) is...includes both transfers of cash and tax points other than special expenditures, target of health, post-secondary education, social assistance. CHST was implemented in 1996/97, merging two previous programs, the Canadian Assistant Plan, CPA for social assistance, social services and establishing program finances EPF for the health and post-secondary education. An introduction CHST occurred during the period of downsizing of the Federal Government, says right here. During the period of potential down-sizing the federal program and initiating transfers of cash points...of cash and tax points were well below levels established in previous programs. And that's correct. All provinces are (INDISTINCT)

inaccurate to meet rising costs particular in the health care. In addition some of the wealthier provinces complain that their funding per capita was based on allocations under the previous programs was well below that of other provinces. And that's an adjustment for May including a cash (INDISTINCT) of 1.5 million over 5 years to move equalization per capita transfer.

However, the Atlantic Provinces have gained little from these adjustments and I agree with the Provincial Treasurer on that. EPF, CAP Incorporated, Equalization component such as additional cash, they have enough problems for health and post-secondary education, social assistance and results per capita were higher in have-not provinces under EF, PF and CP and moved to equal per capita payments...with expanding population, whose population entitled. So in other words, whose per capita entitlement were held back under the old formula. Note Alberta and Ontario. The Atlantic Province will receive only 3.8 % of the 11.5 billion. Well that's not very much money. From the (INDISTINCT) of Atlantic Canada, this has placed an added premium on important Equalization Programs. So then we go to the Equalization Program and then...it goes to the Equalization Programs and that was...so if you're looking for money for Atlantic Canada and that's why I suggested that, and I will agree, all the money we get here the better.

If I was...my research...it was my fault, if the Honourable Member from Morell-Fortune put out some misleading advertisement and that I done my research, you and the Minister are going to have to pick it up. I would assume you would know what more you need in that area than probably you would. I would think that some of the other provincial Cabinet Minister from Kings County would maybe have a look at this too. But it's all there, it's all there. And...so the Minister very quick to criticize everybody but himself. Like he criticized my staff on numerous occasions here, now he's criticizing my staff again, it wasn't even my staff. It was his own colleague.

Hon. Jamie Ballem (PC): I apologize to your staff if they did not provide you with that information.

Leader of the Opposition: And it was you own, you should be looking at your own colleague and listen to

him. I knew you had problems in that Caucus and it's starting to show. You're not listening.

Elmer MacFadyen (PC): No problem...

Leader of the Opposition: (INDISTINCT) what the problem is.

Hon. Jamie Ballem (PC): Actually what it did, it shows how much we've done since fall.

Speaker: Honourable Member let him finish.

Leader of the Opposition: And it just show you.... that for instance the House was suppose to close today in *The Guardian*, Madam Speaker. And I talked to the House Leader....oh no, it said in *The Guardian* could probably be that it's going to be closed today and I remember talking to your House Leader Monday, when I was trying to find out where the Honourable Members were from Summerside, I phoned you....

Elmer MacFadyen (PC): Oh, that's when you called me about Summerside Seafood Supreme.

Speaker: Honourable Member...go ahead, Honourable Member.

Leader of the Opposition: I phoned you, yes and you told...I hear the House is closing Thursday and you said, so the paper says, we haven't been informed and that was correct. So I don't think the House will be closing...that Bill, did you figure it would just go in. Apparently you people supported the Bill, you got no problem with it. So I got good memory and I know exactly. So getting back to equalization payments...equalization payments... is we have a problem and the cap was raised for one year is that correct? Equalization payments?

Hon. Pat Mella (PC): The cap was lifted, yeah.

Leader of the Opposition: Yeah for one year, Election year wasn't it?

Hon. Pat Mella (PC): '99/2000.

Elmer MacFadyen (PC): '99/2000.

Leader of the Opposition: Is that Election year for the Feds?

Elmer MacFadyen (PC): No, the year before that.

Leader of the Opposition: Alright the year before Election, well whatever. So they're up the same tricks you guys are. Lots of money around Election time and just before. And that's the politics of it but then the cap came back on.

But I think in all fairness, Provincial tax policies change. These must be incorporated into the revenue structure and category to assure that formulas remain current. And they're renegotiated every five years with frequent disagreement among the parties with respect to how the base is measured for each category. It's all here. So you know by taxing Maritime Electric \$2 million dollars roughly of corporate tax, \$2 million of corporate tax. But yet if Maritime Electric was in Slemmon Park you'd probably give them a tax rebate, a tax-free zone. But see as a Provincial Treasurer this is money that comes in, this 2 million, but maybe we'd be better off looking at having them a corporate tax eliminated. Because these are things that we got to look at of how and organized to go where we're going. One of the things that's attracting these nurses in health care professions, they're going to want to make sure that they don't have the same thing happening as in California. But what happened in California was you might be able to get some doctors down there because I think it would be pretty hard to be in the operating room and have the power go out, they'd have to have a back-up generator. I think it would be pretty hard in an operating room but I say you might be able to attract some of them because they deregulated very much what you're going to do here in California and you see what happened (INDISTINCT) they just don't have enough power to deregulate it. Where we have it regulated here.

So this is...these are things that we got to watch in order to attract people to the province. We need more nurses. We need more doctors. But we got to have attractive areas more than just driving through and looking at some nice fields or friendly people, you still got to have services and you got to have guarantee to these services.

So you know, we get back to equalization and the more

I looked into it...talked to the Federal Government...what I see is for instance if look at Newfoundland on equalization, they discovered oil there and the year 2000 provincial revenues or financial capability equalization Atlantic Canada, Newfoundland, their provincial revenue is about 29.4% of equalization, 29.

Leader of the Opposition: But if you look at PEI and you go on, what we got to watch is Newfoundland is a problem now, you talk about being foresighted and...being foresighted, the Provincial...Minister of Economic Development said he wants to look foresight and no guarantees, no nothing, just the foresight.

But I think that Newfoundland could get into a certain problem with these equalization because of the area doing so well due to the oil in that discovery and due to their ability to (INDISTINCT). But these are things we got to look at. If you look at equalization payments, the average per capita revenue generated capacity of Ontario, BC, Manitoba, Saskatchewan and Quebec; the five province standards has been in place since 1982. And what happened and that was back I believe in the Mulroney years and near everybody went broke across Canada. And everybody was dipping into the Equalization Fund, I do believe, that's when the former Premier was in Ottawa. And I mean, this is the foresight and you wonder why we have no doctors.

You wonder...I think, I'll go by this person's research here that you could use more specialists. You could use 40 more health time workers in Eastern Kings. I know all across the Island you could do it. But I wanted to keep it to a certain area. I know you criticized my researchers and I want to make sure that I have my research done but you'll have to take it up with that Honourable...he's not even here. I, actually, I haven't seen him here too much since he got elected again. Does he got another job or what? Anyway, I just haven't noticed him. It would've been nice to have him here, he'd have to support me on this one.

Anyway, I'm not going to hold this up any longer. You know what the point is. I just got a note, it said, tell him the Member from down there he expects him to vote with you, well he's not here as usual. Somebody must be looking for a standing vote. But these are his words and I know the Minister must feel embarrassed because we seen, even on TV, like one of the problems we didn't

have any money for health care in some of them times but the Minister purchased Abegweit Produce, it wasn't a problem, I believe the Minister when he was then Chairman of the Potato Board, I still have those documents where he said he bought it and the Board. He might've got the money from the province and that. But that's one...those are the mistakes that remain. And now he's back again criticizing his own colleague for doing poor research.

So Madam Speaker, I don't want to insult any of them but the facts are there. The Honourable Member's not in the House to bring up whether he was consulted or not but the way this man went on, the Minister of Health, and the research (INDISTINCT) and picking out his particular areas. But I will give the Minister credit for the ones that I did put in, my own, without his research. And you know, I will give him credit for that. But for his colleagues criticism, I think he should, at least, vote for this to...seeing that you know who the researcher is now on the ones that you picked out. It's quite obvious, Madam Speaker, that the Premier...no wonder he's not here now, it's quite obvious why a lot of them here and the House Leader's gone because they have major problems in that Caucus. I've been hearing about it and the Ministers aren't listening and they aren't phoning back people. And the way they went on about criticizing people, it's unheard of. And what I would do is adjourn the debate. Thank you very much. And could I have a standing vote?

Speaker: The debate has been adjourned and the standing vote has been called for. Would you ring the bell, please.

(Ringing of the bells)

Elmer MacFadyen (PC): Call the vote, Madam Speaker.

STANDING VOTE MOTION NO. 36

Speaker: Vote has been called for. All of those Members who are going to be voting against the Resolution, would you stand, please. Those Members voting for the Resolution would you stand, please.

Clerk: Honourable Minister of Transportation, Honourable Provincial Treasurer, Honourable (INDISTINCT) Government House Leader...

(INTERRUPTION)

Speaker: Quiet please.

Clerk: ...Honourable Minister of Fisheries, Aquaculture and Environment, Honourable Member for Montague-Kilmuir, Honourable Member for Health and Social Services, Honourable Member for Community and Cultural Affairs, Honourable Minister of Tourism, Honourable Member for Park Corner-Oyster, the Honourable Member for Crapaud-Hazel Grove, Honourable Member from Morell-Fortune Bay, Honourable Member for Belfast-Pownal Bay, Honourable Member for Charlottetown-Spring Park, Honourable Leader of the Opposition, the Honourable Member for Borden-Kinkora, Honourable Member for West Point-Bloomfield, Honourable Member for Alberton-Miminegash, Honourable Member for St. Eleanors-Summerside, Honourable Member Evangeline-Miscouche, Honourable Member for Cascumpec-Grand River, Honourable Member for Charlottetown-Kings Square and the Honourable Minister of Development.

Speaker: The Resolution has passed unanimously.

4:19 p.m.

Speaker: Orders Other Than Government.

Leader of the Opposition: That's it. Since we've got the Resolution through and just on a point to let you know since ... I guess this is my time. But, since the House supported me on the Resolution, very important Resolution, I want to recognize my research where he got it from was from the Member from Morell-Fortune Bay. I think that the Minister (INDISTINCT) and it's very important Resolution. So, I will give up my time now so the House can go back to Bill on whatever they did. And I want take the opportunity to be able to debate it here. (Applause)

GOVERNMENT MOTIONS

None

ORDERS OF THE DAY (Government)

Speaker: Government Motions. Orders of the Day. Government. The Honourable Provincial Treasurer.

BILL NO. 61 AN ACT TO AMEND THE MARITIME ELECTRIC COMPANY LIMITED REGULATION ACT (In Committee)

Hon. Pat Mella (PC): Madam Speaker, I move, seconded by the Honourable Minister of Development and Technology that the 14th Order of the Day be now read.

Speaker: Shall it carry?

Honourable Members: Carried.

Clerk: Order No. 14 *An Act to Amend the Maritime Electric Company Limited Regulation Act* Bill No. 61, In Committee.

Speaker: The Honourable Minister.

Hon. Pat Mella (PC): Madam Speaker, I move, seconded by the Honourable Minister of Development and Technology that this House do now resolve itself into a Committee of the Whole House to take into the consideration the said Bill.

Speaker: Shall it carry?

Honourable Members: Carried.

Speaker: The Honourable Member from Borden-Kinkora.

Hon. Mike Currie (PC): I ask permission to bring, Mr. Wayne MacQuarrie on.

Honourable Members: Agreed.

COMMITTEE OF THE WHOLE HOUSE

BILL NO. 61 AN ACT TO AMEND THE MARITIME ELECTRIC COMPANY LIMITED REGULATION ACT

Chair (Eric Hammill is in the Chair) : Thank you. The House is now into a Committee of the Whole House to take into consideration a Bill to be intituled called the *An Act to Amend the Maritime Electric Company Limited Regulation Act*. Is it the pleasure of the Committee that we continue to read this Bill clause by clause.

Leader of the Opposition: I had some discussion last night.

Hon. Mike Currie (PC): We had read Section 1. It wasn't carried.

Leader of the Opposition: No. We can't carry. We got to have request. What number is that Bill?

Chair: No. 61.

Leader of the Opposition: We were on (a). Correct?

Chair: We're on Section 1. I read Section 1 and we're now in discussion.

Leader of the Opposition: Pardon.

Chair: It's now in discussion.

Leader of the Opposition: Yeah, Section (a). No, we can't carry it.

An Honourable Member: Why can't we?

Leader of the Opposition: Because I wasn't done of my discussion. You were putting it through

Hon. Mike Currie (PC): Honourable Member, you had asked yesterday if my memory serves me right about the schedule. And I have a listing of the schedule here. It just refers to ... like zone 1 and zone 2 the Act means the *Maritime Electric Act*. Zone 2 means City of Charlottetown. Commission means the Island Regulatory and Appeals Commission. Meter location means each point of which the utility circuits connect with the circuits of a customer. It's more less an interpretation.

Leader of the Opposition: I ...

Hon. Mike Currie (PC): Do you want a copy of this, Honourable Member?

Leader of the Opposition: Yeah. Give me a copy. I think I have. I'd just like to make an amendment by repealing clause 1 (p). I'd like to make an amendment by adding (o.1) (a) the Base Rate Adjustment Regulations will be debated and approved in the Legislative Assembly prior to the proclamation of this

Act. Why I want to make that amendment is, if you go to 1 (p) I guess it is, you... by deleting ... by deleting clause 1 (p), you pretty well deleted the whole safeguard in the other Acts....is what you've done.

Hon. Mike Currie (PC): What's that again, Honourable Member?

Leader of the Opposition: Well, you pretty well ... I'll make that amendment again. But, by deleting ... by deleting 1 (p), by repealing... of the clause 1 (p), you have this new Act what you had done is pretty well deleted the whole safety guard in the whole Act.

Hon. Mike Currie (PC): No. We're only ... it's only one ... it's a schedule. And the schedule is here. It's only 1 (p). The schedule means ...

Leader of the Opposition: What page is that on til I find it here?

Hon. Mike Currie (PC): Here, I'll show it to you.

Leader of the Opposition: So, you're leaving all this in?

Hon. Mike Currie (PC): Yes.

Leader of the Opposition: Scheduling ... Alright. (p) ...

Hon. Mike Currie (PC): And then you go over to the other, it will show you what the schedule is.

Leader of the Opposition: So, you got 1 (p). So, this is 1 ... Schedule means the schedule to this Act. So, if you go over to the other page ...

Hon. Mike Currie (PC): No, I'll show you where the schedule is. This is the schedule. Definitions of words.

Leader of the Opposition: Yeah. The Act means Maritime Electric.

Hon. Mike Currie (PC): Yeah.

Leader of the Opposition: Express in zone 1, 2 have been used, regulations apply. Zone 1 means a rural and town rates. See, my deleting this, what you've done,

zone 1, you eliminated that zone by deleting this. Cause this is the schedule here. Means that rural and town rates (INDISTINCT) serve by Maritime Electric means city, etc. If no references (INDISTINCT) zone is made, then zone 1 and 2. Commission means Island Regulatory Appeal Commission. See, 1 and 3 means that they don't even go to Commission. You're eliminating it.

Hon. Mike Currie (PC): They don't go to ... they don't go there now with the existing Legislation that's there now.

Leader of the Opposition: Well, you should be bring Legislation to make sure they do. There would be four of them now, are there not?

Hon. Mike Currie (PC): That's only because of a subsidy that they contested was giving in New Brunswick. That's ... According to the Legislation that's in place now ...

Leader of the Opposition: I know they went ahead and did it. Now, you can't shut Maritime Electric down. When I told you last year to study it, they had major problems. What you're doing is, taking out of the regulation ...

Hon. Mike Currie (PC): Make a copy of that.

Leader of the Opposition: See, 1 (3) Commission means Island Regulatory Appeals Commission of Prince Edward Island. They're before them now. They argued the case. I suppose they can put whatever they want. And then they go before a Commission.

Chair: Honourable Members, I'd like to allow the resource person to explain this section. It's not really just quite what the Honourable Member ...

Leader of the Opposition: Yeah. But, I have it in front of me.

Chair: Yeah. Okay.

Chief Executive Officer Energy Corporation Wayne MacQuarrie: What we're proposing under this particular section in repealing clause 1 (p), we're simply repealing the definition of the word schedule. And the

definition is being repealed because later on in the amendments, the actual schedule itself is going to be repealed. And the reason it's being repealed is because it addressed customer services that were in effect during the time period 1994 to 1998. And in 1998, a new schedule of services came into play. So, what's being repealed is in effect to be redundant.

Wilbur MacDonald (PC): So, the Island Regulatory Appeals Commission (INDISTINCT) the new schedule of the new schedule.

Chief Executive Officer Energy Corporation Wayne MacQuarrie: In 1998, the company was required to provide services, terms and conditions of services similar to which was in effect in the Province of New Brunswick, and to charge ancillary charges that were at New Brunswick levels plus 10%. So, the requirement in 1998 ...

Wilbur MacDonald (PC): That went to everybody across the Province.

Chief Executive Officer Energy Corporation Wayne MacQuarrie: Pardon?

Wilbur MacDonald (PC): Did everybody across the Province then become the same? Is that what you mean?

Chief Executive Officer Energy Corporation Wayne MacQuarrie: No, the level of service, and the terms and conditions of service were applied to rate categories similar to those in New Brunswick. For example, the terms and conditions that would apply, let's say to a residential customer in P.E.I. would be similar to the terms and conditions of a residential customer in New Brunswick. Likewise, for an industrial customer in New Brunswick, the terms and conditions would be similar.

Wilbur MacDonald (PC): Plus 10% like.

Chief Executive Officer Energy Corporation Wayne MacQuarrie: And 10% in the case of ancillary charges. Correct.

Wilbur MacDonald (PC): So that's why you're doing it.

Chair: This section carry?

Leader of the Opposition: No, no.

Hon. Mildred Dover (PC): Honourable Member, if all we're doing is repealing the schedule which (INDISTINCT) prior to the setting up of the regulating of fun... of the rates by IRAC., why is IRAC mentioned in this schedule?

Chief Executive Officer Energy Corporation Wayne MacQuarrie: The reason that IRAC is in this schedule, if you recall the new Legislation came into effect in 1994. Between 1994 and 1998, there was a progression or (INDISTINCT) period which rates came down on a gradually bases. It wasn't until 1998 that the company had to conform in it's entirety to the conditions in place and rates in place in New Brunswick. So, between 1994 and 1998, it was still important to contain the schedule, cause that's what (INDISTINCT) the terms and conditions between '94 and 1998. January of 1998, what governed then was not the schedule of the terms and conditions and ancillary charges that were in place in New Brunswick. And obviously, this was the first opportunity to permit us to repeal this particular section.

Wilbur MacDonald (PC): IRAC's still involved here thought.

Chief Executive Officer Energy Corporation Wayne MacQuarrie: The role of IRAC under the current Legislation is ... has been ... the role of that is of a moderating agency. IRAC's current role is simply to ensure that the rates being charged by Maritime Electric conform to the New Brunswick rates plus 10%. The other role, of course that IRAC plays, and we've seen it in the case of the increase that came into effect in January, under Section 11 of the current Legislation... If the utility believes that a subsidy exists in New Brunswick, it has the right or has an opportunity to demonstrate to IRAC that, indeed, a subsidy exists. IRAC determines if, infact, there is a subsidy and to the extent of a subsidy. That's the only reason for being in front of IRAC this year is because of the subsidy issue. It's a special clause in the Act.

Leader of the Opposition: Now, the tariff you've talked about (INDISTINCT) Maritime Electric for their Acts on

October 26, 2000 which were not approved but were implemented January the 1st, 2001 for which matter was before IRAC, and became before the Superior Court Appeal Division, The Government verses Prince Edward Island verse Maritime Electric are deemed to be changed in according with the Legislation under this Act. What they tell me is that (INDISTINCT) takes away the power of IRAC, which we're talking about in dealing with the matter, and deem Maritime Electric to work within its own Legislation. Is that correct?

Chief Executive Officer Energy Corporation Wayne MacQuarrie: Correct.

Leader of the Opposition: So, the money collected from the 4.53% increase between January the 1st, 2001 to March the 31st, 2002, is to be kept in trust to reduce the rate for Islanders that appeared April the 1st, 2002 to March the 31st, 2003.

Chief Executive Officer Energy Corporation Wayne MacQuarrie: Stabilized.

Leader of the Opposition: Is that correct?

Chief Executive Officer Energy Corporation Wayne MacQuarrie: Correct.

Leader of the Opposition: There's no guarantee as to what the rate could increase to at that time, the rebate is come enforce, and what benefit it could be. And also provides no guarantees as to what the rate would be in the year April the 1st, 2003.

See, what Government now takes on a Bill to make regulations (INDISTINCT) the Base Rate Adjustment, removing the schedule which established the terms to operate a Maritime Electric by getting rid of this schedule. And ...

Chief Executive Officer Energy Corporation Wayne MacQuarrie: Actually, we do have a fairly good sense in terms of what the rates will be in 2002 and the modeling that we've done and, obviously, based on the utilities best guess in terms of where energy prices are going and where energy sales are going the results indicate to us that electricity rates for example for a residential consumer in April 1st 2002 will go down slightly below current levels. And the reason that it's

going down slightly below current levels is because the rate will be cushioned by the 4.53% increase over the next...the 15 months between January of this year and March 31st and it has the result of providing rates that will be slightly less than what's in place today.

Leader of the Opposition: My question I asked you was April 01st, 2003, what will the rates be then?

Chief Executive Officer Energy Corporation Wayne MacQuarrie: Our best guess in terms...

Leader of the Opposition: No, don't guess, what's the guarantee? We know what the guarantee is now, they're 10% above New Brunswick, the way the deal is wrote now. And....

Chief Executive Officer Energy Corporation Wayne MacQuarrie: Our model indicates...the model indicates that in 2002 rates will go down slightly, in 2003 the residential rate would go up by 65 cents. 2004 the rate would essentially remain unchanged and 2005 the residential rate would go down over a dollar.

Leader of the Opposition: So what rate....what percent of that 65 cents, is that a kilowatt?

Chief Executive Officer Energy Corporation Wayne MacQuarrie: The...it represents .9% would be the.... .9% would be the change in the Bill

Leader of the Opposition: And what's the story on commercial rates?

Chief Executive Officer Energy Corporation Wayne MacQuarrie: I don't have the commercial rate adjustment.

Leader of the Opposition: Well why wouldn't you have a commercial rate adjustment too? See you got to look at here, Joe Ghiz, and I was involved in that the first time around...

Hon. Mike Currie (PC): That's probably the problem.

Leader of the Opposition: Alex Campbell probably tried it, and Angus MacLean had a track at it and that's fine. And Jim Lee got into it and he used money to subsidize the rate. But, basically what you're doing here, you're

going to take 4.3 increase to them, put it in trust so they can subsidize...reduce the rate for Islanders at a later date. You're really taking their money and giving it back to them. Exactly...if you look at it. Now, if you get into this...this is a very ticklish Bill and I mean I'm definitely not an expert but I know what happened in the past, is that New Brunswick would not wheel power through, they call it wheel power through to PEI. But Bouressau said he'd sell him power cheaper than what they could produce it here or whatever it was. So in all fairness, one of the things and if Joe Ghiz was here, he'd be up a roaring, wouldn't matter if he was a Supreme Court Judge or what, 'cause he felt sincere about this. There's commitments that were made by Mr. Premier Ghiz at that time, Catherine Callbeck and not everyone of them you could follow though with them, the same as your Government. But this is one he did follow through.

And I remember being out in Saskatchewan and Frank McKenna was there and we were at meetings, Don Getty was there... I mean this is at the meetings of the Premiers, but that's fine, it's what happened after the meetings. And I remember Joe telling me that...to...Frank McKenna he had him all well briefed that his brother was a farmer, he was in Miramichi and he played hockey. 'Cause I really didn't know much about him at that time, I just been elected not to long myself, but I was well briefed. And I remember Joe went into the motel room and got him...the story was that...the story was roughly, look help me...for two Liberal Premiers, help me out here, I don't know if we're ever going to get the other...actually to sell this. So he took the brief case and he opened it and it was signed, witnessed. And I didn't go into the room and he went into me and he said now, Ronnie, your job is done, he said I'm going to see Bouressau. And if you ever saw a politician that was very smart, of all the people that I ever sat around the table and articulate, it had to be Bouressau. I sat at those table and I seen Joe Ghiz, I seen Dave Peterson. I know when some of these other Members were talking in all fairness, I was talking, hunting or farming with Don Getty which I was sitting beside. But when Joe Ghiz spoke everybody dropped whatever they were doing. When Bouressau spoke everybody dropped what they were doing at that particular time, and some other Premiers also.

But to that lead then to the wheel in power through. So

then in '94, Catherine Callbeck, one of the good things she did was got a deal and the Minister you can say that they threatened to take over Maritime Electric or something, but anyways power rates were too high and it was affecting their businesses here in the province. And one of the best things...and she'll go down in my books, either you sign this deal to get power from New Brunswick and to guarantee no more than 10% of what the New Brunswick rates are. Now you got to look at where we were. We were at 33% back in probably in '94, is that correct, '93, we would have had 3...33% over New Brunswick?

Chief Executive Officer Energy Corporation Wayne MacQuarrie: It depended on the rate category.

Leader of the Opposition: Yeah. At that time we had to go in and take fair bit of dollars that should have been gone to health care, that went to subsidize our users of power such as Cavendish Farms, all these small processors, Cavendish I think was a major one. In order to attract these business you have to try give them a power rate and that subsidy program came out by Jim Lee and then I guess we carried on to the manufacturers...but anyway this went on. But that was taking money out of general revenue that was coming in here that could have been used better for other programs. Same as the Provincial Treasurer talks about the debt, you know, or the interest rates. That's money... you don't have to pay...you have something else. So then the deal is put through and Fortis came, which is a very large corporation, and they sat down and there was a deal worked out. I wasn't involved in any of them deals. The deal was announced probably in the House if it happened but I ...it came to Legislation, there was lots of lobbying going on. I believe the Leader of the Opposition at that time was the Honourable Provincial Treasurer, I'm not sure if she was against it or not, never asked a question, but anyway that's her job. Something like my job is here. And all of a sudden that set up an agreement that power rates would be within 10% of New Brunswick, and when that agreement was set up it would take from '94 I believe, I can stand to be corrected, to '99 before we actually came within the 10%. Is that right?

Chief Executive Officer Energy Corporation Wayne MacQuarrie: '98.

Leader of the Opposition: '98 alright, '98. So '94, how much did it come down do you know, roughly, I don't have to know 100%?

Chief Executive Officer Energy Corporation Wayne MacQuarrie: I think it might have been only a percent or two. It was a very gradual decline.

Leader of the Opposition: So let's say 3 or 2, and then the next year it came down

4:40 p.m.

Leader of the Opposition:... to, what 4 or 5%, 3%, 2%, 1%?

Chief Executive Officer Energy Corporation Wayne MacQuarrie: It's in the Act...

Leader of the Opposition: It's for four years.

Hon. Mike Currie (PC): Seven, I think.

Leader of the Opposition: So it had to be 2 1/2% a year average, anyway. Let's say it come down 2 1/2% average per year...no, no, we're 33% over, that's right it'd be more than that. I think it's spelled out in the Act.

Chief Executive Officer Energy Corporation Wayne MacQuarrie: It's spelled out in the Act.

Leader of the Opposition: Yeah, but anyway, it came down. So, myself as being a farmer that produces...uses electricity, processing companies use electricity like Johnston's in Industrial Park, the vegetable growers in Montague that was set up, McKenna's. All these here, it was quite a saving to save that on your electrical bill to the business on PEI right across the province whether...there's a dehydration plant probably in Souris now, but at that time your Member from Souris-Elmira's cost of electricity went down quite a bit, to him and his packing, all across the province and all services. And in order to attract businesses you got to have competitive power rates, and we know that. And you know how the Americans are. So then this went on, this helped the previous administration for two years and then as the power rates came down it also helped

the administration's in now, and that's good because people come in. And with...by changing this is you're like deregulating, you're doing something like happened in California, is where the Government there deregulated the power and let it sort of float.

Now, the Minister is saying...

Wes MacAleer (PC): That's not quite true.

Leader of the Opposition: Well it's pretty close to it.

Wes MacAleer (PC): No, you're not deregulating...

Leader of the Opposition: Well you're taking away...

Wes MacAleer (PC): ...You're putting the regulation together (INDISTINCT)

Leader of the Opposition: Well, the regulations at the Premier's Office, is it's Cabinet.

An Honourable Member: (INDISTINCT)

Leader of the Opposition: Well...

Chief Executive Officer Energy Corporation Wayne MacQuarrie: I think, in fairness, what we're trying to do is to prevent a California situation.

Wes MacAleer (PC): Yeah.

Leader of the Opposition: No, but then...alright, so that argument is...let's go to that argument. The Honourable Members says that gas, natural gas is the way to go. Maritime Electric wants to build, I'm told...I talked to Mr. Lea and I want to give him thanks for coming in and explaining it to me, they would like to build a plant, say in Kensington,(INDISTINCT) natural gas and maybe one somewhere's else. And at that time they were talking probably \$40 million, a plant that could be higher. Now, some of their arguments that used by, at that particular meeting, was that they got to be able to finance this. So what they want to do is be able to put this money away, like in a fund, to finance to the banks...

Hon. Mike Currie (PC): That's not right.

Chief Executive Officer Energy Corporation Wayne MacQuarrie: The intent here is, I think, is to just simply be able to demonstrate to the financial community that they have the opportunities to cover their costs which this Legislation will allow them to do, and to be able to demonstrate that if they do proceed forward with the capital projects that have the ways and means of being able to cover the cost of financing.

Leader of the Opposition: Yeah financing. But the question is why would the Government, if they had trouble getting the financing for one of these, why would you not...you guaranteed a \$20 million loan for the aerospace business, if they want to build a plant here. Let's say, do you know how much these plants cost? They told me 40 - 50 million.

Chief Executive Officer Energy Corporation Wayne MacQuarrie: It obviously depends on the size of the plant. I mean, there's a plant that's being looked at now...

Leader of the Opposition: Well I can go by Mr. Lea's, he said 40 - 50 million, I'd stand to be corrected. So you build one. So I'm sure that if they came to Cabinet and Fortis, a company like that that's in \$150 million in assets or whatever it was I had there, it's probably more than that. No, whatever the assets are, that's involved in buying Maritime Electric purchased power stations down in New York. So they have (INDISTINCT). There's a parent...like you have a parent company is Fortis and then they have the branch companies. So, I don't buy their argument that they wouldn't...they'd have problems financing the deal, because I think if they went to the province, the province could guarantee the \$40 or \$50 million because this is not a fly-by-night company, and I don't buy that particular argument. And that's where the problem is...

Hon. Mike Currie (PC): Well actually, if they're in stable financial position, they don't need our signature. And why would the province want to sign on and add...and the Minister's not here, but that would add to our debt, wouldn't it.

Leader of the Opposition: No. A guarantee?

Hon. Mike Currie (PC): Yeah, a guarantee would.

Philip Brown (PC): (INDISTINCT) guarantee (INDISTINCT)

Hon. Mike Currie (PC): It's a lot more than \$40 million.

Leader of the Opposition: Well just wait now til we finish. Now, number one is we're not through. I don't think a personal guarantee...I don't think that adds on to your debt. I'll have to find out. Like when we guaranteed \$25 million...if we loan out? So that \$880 million you got loaned out...

Wes MacAleer (PC): If it wasn't (INDISTINCT)

Leader of the Opposition: No, but let's say the 181 million or something you got out in Lending Authority, that goes on our deficit? That's money that's owing so you would have an asset. So I can't see how you'd...

Wes MacAleer (PC): It's on the balance sheet.

Wilbur MacDonald (PC): It goes on your current account.

Wes MacAleer (PC): Contingent liability.

Leader of the Opposition: It wouldn't go on your deficit.

An Honourable Member: It'd go on your current account.

Leader of the Opposition: No, your current account that you have a possibility that you're not going to get paid.

Hon. Mike Currie (PC): Well, you're at risk for it.

Leader of the Opposition: You're at risk. Yeah, you're at risk anytime you take a personal guarantee.

Philip Brown (PC): (INDISTINCT) exposure.

Leader of the Opposition: But then again, as a public corporation...or a Crown Corporation that's in the province that's controlled by...it's a monopoly, there's nobody else producing power that I know of. So, all I'm saying is there's really no risk there. See, what you're saying is you want to put them in financial

sound situation in order to do this. So by doing that, they got to make more profit than they're making.

Hon. Mike Currie (PC): No.

Leader of the Opposition: Well how else do you get the sound...

Hon. Mike Currie (PC): No. Explain it.

Leader of the Opposition: No, no. I don't know why you...I just can't figure this one out.

Chief Executive Officer Energy Corporation Wayne MacQuarrie: Well, and I think we have to look at more than just a (INDISTINCT) power plant project. What we have is a situation where the utility, because of circumstances beyond their control, that they're having a difficult time recovering sufficient revenues to cover costs. So to the extent that that problem is allowed to continue, obviously, there'll be an impact on other capital projects, pole replacement, improving to aging infrastructure. So, to the extent that they can't do those sorts of things, or can't demonstrate to financial institutions they have the wear-with-all to undertake the necessary repairs, obviously, we all suffer. So this is not...

Leader of the Opposition: So what you're saying is 10% over New Brunswick rates will not give them sufficient money to do the extra repairs they need.

Chief Executive Officer Energy Corporation Wayne MacQuarrie: Essentially, and it's not just repairs, what I'm saying is...

Leader of the Opposition: Well I'm talking repairs, you're talking...

Chief Executive Officer Energy Corporation Wayne MacQuarrie: ... the 10% over New Brunswick rate, obviously, the utility has been successful in demonstrating to us that's not sufficient to enable them, the utility, to recover the costs that they incurring...the costs that are beyond their control.

Leader of the Opposition: So they need another 4.53% or more? How much more do they need to make a profit?

Chief Executive Officer Energy Corporation Wayne MacQuarrie: The 4.53% was the utility's guess or estimate of the impact of a 450 million write-down on Point Lepreau. And that's...

Leader of the Opposition: Yeah, I know all about it.

Chief Executive Officer Energy Corporation Wayne MacQuarrie: So that's what the 4.53% is. And I guess, what our analysis are showing is that the utility is able to continue to collect that 4.53% and when the adjustment mechanism that's being proposed kicks in in 2002 that consumer rates will, perhaps, go down slightly...

Leader of the Opposition: For one year.

Chief Executive Officer Energy Corporation Wayne MacQuarrie: ...for residential...

Leader of the Opposition: One year, that's (INDISTINCT)

Chief Executive Officer Energy Corporation Wayne MacQuarrie: No, in 2003 I think we indicated that it would go up slightly, and 2004 down again, 2005 down again.

Leader of the Opposition: Anyway. You're projecting, there's no guarantees.

Chief Executive Officer Energy Corporation Wayne MacQuarrie: No, there's no guarantees.

Leader of the Opposition: Now, when you go back to this here money that was wrote down over Lepreau, I had brought that to the Minister and your attention, that you would get it through (INDISTINCT) is, I read it, is that when Lepreau was built it wasn't built, they found out it wouldn't last as long as postage. The life span is cut back by how many years?

Chief Executive Officer Energy Corporation Wayne MacQuarrie: I believe it was about eight years.

Hon. Mike Currie (PC): Eight years. Yeah.

Leader of the Opposition: Eight years. So it's like a guarantee. So alright, they build Lepreau, it's eight

years less. When does they expect Point Lepreau to wear out or whatever? How many years life inspection was on it?

Hon. Mike Currie (PC): Eight years less than what they anticipated.

Leader of the Opposition: Yeah, but what did they anticipate?

Hon. Mike Currie (PC): So that is...they accelerated the depreciation and I believe they call that a stranded cost.

Chief Executive Officer Energy Corporation Wayne MacQuarrie: Yes. 2010, I believe, is the projection now, without significant modifications.

Hon. Mike Currie (PC): And we're not talking millions.

Leader of the Opposition: What?

Hon. Mike Currie (PC): Hundreds of millions, 500 million.

Leader of the Opposition: Yeah. So, you're looking...and I can see your excited with natural coming across and hooking up. But what I can't see is I think that you'd be a lot better of if you had've put a guarantee. Cause this is a very successful company. In theory, this company...in theory, this company would have to go bankrupt and the shareholders would lose in order for us to lose our guarantee. Would that not be correct? Cause if you guaranteed it and as you got Fortis, the head group, sign it, and they're a very successful company. And the thing I see is they knew what they signed when they signed the deal. Now it looks like they're saying, we're not making enough money what you're saying to do this and that, that they use and that.

Hon. Mike Currie (PC): No, their existing Legislation allows them to come in as they did in January and increase the rates. That's in their existing Legislation.

Leader of the Opposition: We don't know yet, you're going to court over that.

Hon. Mike Currie (PC): Pardon?

Leader of the Opposition: You're going to court over that. You're in court.

Hon. Mike Currie (PC): It was just the wording that was there in one section in the previous Act...

Leader of the Opposition: And IRAC...

Hon. Mike Currie (PC): But, I think Honourable Member, what we see is the opportunity, it's on our doorstep, is we have natural gas there, going by us, we have the opportunity to bring it to PEI, be a self-sufficient in electrical generation. The company is in a position with other companies to come to the province with a project; and, also, the ability that you have to understand that this gas that travels through the pipeline, you have to bid on it now for use to draw from the pipeline within two years or it all goes to the Americans and we're going to lose anyway.

Leader of the Opposition: So what you're saying is...

Hon. Mike Currie (PC): So, I don't want to be dependent and I don't think the people of PEI want to be dependent on the fact that we can get electricity now, yes, maybe for 65 cents a month less than we pay if we agree to this, a month, and depend on aging infrastructure in New Brunswick. We have the ability to have a new, efficient, clean running, gas generation on PEI so that we can be competitive with the other provinces. That's what we would like to see, but if we don't make decisions now it's going to go by us, and we're going to be at the mercy of New Brunswick.

Leader of the Opposition: So you're saying in two years they're going to have a plant up and running here. Is there a guarantee that if we go through this...

Hon. Mike Currie (PC): Two to three years. Three years I'd say. It takes two years or more to build one of these things.

Leader of the Opposition: So let's say this is 2001 now, by 2003...

Hon. Mike Currie (PC): It'd take three years. Three years, yeah.

Leader of the Opposition: Three years. Now have you

got a guarantee from Maritime Electric...

Hon. Mike Currie (PC): We have (INDISTINCT)

Leader of the Opposition: ...the (INDISTINCT) they will have a plant up and running. But how much would they put the power rates up when it's up and running? Will we still be within 10% of New Brunswick?

Hon. Mike Currie (PC): No, we might be...less than New Brunswick.

Leader of the Opposition: Well you should project that.

Hon. Mike Currie (PC): Cause they still have to deal...they have to go invest about \$500 million, at least, into Point Lepreau; so, if they're going to invest that, guess what happens to PEI rates.

Leader of the Opposition: Now...

Hon. Mike Currie (PC): They have to be raised. We might be in a position we'll have lower rates than New Brunswick.

Leader of the Opposition: No, but you're dealing in might. We know what we got now. Now, why would you not...

Wes MacAleer (PC): No, no. We don't know what we got now.

Leader of the Opposition: We know what we got now, right today we do.

Wes MacAleer (PC): No, we don't. We don't know what we got.

Leader of the Opposition: We do. We're 10%. We know what the power...

Wes MacAleer (PC): We're 10% higher than New Brunswick. You tell me what's going to happen (INDISTINCT) ...

Leader of the Opposition: Now, you're not the Minister. If you were the Minister, I'd answer your question. Now, what I want to do is why would you not...so you're going to say, 2001...by 2003, no let's say 4...

Hon. Mike Currie (PC): Four.

Leader of the Opposition: ...there'd be a new gas generation plant here up and running. You're going to be able to buy the gas now...

Hon. Mike Currie (PC): You have to book the gas now.

Leader of the Opposition: Yeah, book it, buy it. Book it. Do you not have a price set on it when you book it?

Hon. Mike Currie (PC): I'm not familiar with that.

Leader of the Opposition: Oh, so you don't have a price on it when you book it.

Hon. Mike Currie (PC): Yes, you do. Yeah.

Leader of the Opposition: Well do have a price on it when you book it or not?

Hon. Mike Currie (PC): Yes, I believe you do.

Leader of the Opposition: So you can back it at where you're booked. So alright. So now, let's say this goes through the House. Maritime Electric comes in a financial position they can build this. You'll have the guarantees by 2004 the plant will be up and running. You can book the price of gas right now. You should be able to know what our power rates will be by the year 2004 by natural gas. Will they 8% less than New Brunswick? Or will it be even with New Brunswick?

An Honourable Member: (INDISTINCT) don't know what (INDISTINCT)

Leader of the Opposition: So the problem with that...

Wes MacAleer (PC): (INDISTINCT) paid for in 2003?

Leader of the Opposition: If I had a contract I could. They got a contract to buy the gas now. They know roughly what the gas is going to cost. They can buy the gas now. So if they can buy the gas now, see this is the thing...

Hon. Mike Currie (PC): It's a commodity. It fluctuates also, Honourable Member. I can't answer that question

honestly cause I don't know. But...

Leader of the Opposition: Well you told me you could buy the gas now.

Hon. Mike Currie (PC): They can book it and I'm sure...

Leader of the Opposition: You can book it. Well you said you can buy it, so.

An Honourable Member: (INDISTINCT) book it and buy it.

Philip Brown (PC): (INDISTINCT)

Hon. Mike Currie (PC): At a set price.

An Honourable Member: I think one of the other...

Hon. Mildred Dover (PC): Yes, Mr. Minister, is there any commitment on the part of the Federal Government to help with the cost of bringing the natural gas from the mainland over to PEI? How are we getting it over here and who's going to pay for that?

Chief Executive Officer Energy Corporation Wayne MacQuarrie: The way this business works is to the extent that the province or to the extent that there is sufficient demand for gas on PEI to fill the pipeline. The pipeline company would build a pipeline to PEI at no charge. Because pipeline people make their money at selling space on their line, that's how they get their revenue. Now, the reason why we're looking obviously at a power plant situation and in the case of the one, the plant that's being looked at now, it's a very large plant, more than required to meet our own needs.

There would be sufficient demand from that plant to justify the construction of the pipeline and the pipeline would be built essentially by the pipeline owner free of charge. To the extent that one has to let's say build a smaller plant or you don't have sufficient demand to cover the full cost of the pipeline, then obviously the pipeline company (INDISTINCT) say to us, somebody has to make a contribution here. And if there is only sufficient demand for example to pay for half the pipeline, they would be looking for somebody else to contribute sufficient funds for the other half. And...so

the big unknown today, is the exact size of the pipe...or sorry the size of the generation facility that's going to be built here. So it's very difficult for us to say yes, the pipeline will be free of charge or no, it won't be built free of charge, it's going to cost x amount. These are still unknown

Hon. Mildred Dover (PC): I thought we had already asked the Federal Government if they would contribute to the cost of the pipeline, correct me if I'm wrong. But it seems to me in my memory that we asked for Federal Government to build the pipeline over here and they said no. Is that not...

Chief Executive Officer Energy Corporation Wayne MacQuarrie: No, Minister MacKinnon met with Mr. Goodale and...a couple of years ago now, I guess it was. I was party to the discussions. The question was asked, would the Federal Government be willing to participate, my recollection of the response was, Minister Goodale says, I don't have money in my department, but he didn't rule out the fact that perhaps the province could get money from some other part of the Federal Government. There wasn't a definite no answer. He simply ruled out no in his department.

Wilbur MacDonald (PC): This whole scenario means that if the pipeline is going to be built free, why are we not looking at distributing natural gas throughout the province, even into the City of Charlottetown? And there's other areas that wouldn't...if we get the pipeline free, that's quite a junk.

Hon. Mike Currie (PC): That's part of what the pipeline company has in its concept to the province is that eventually it will come, and the residents and the company would enjoy the luxury of natural gas at their facilities.

Wilbur MacDonald (PC): It's not really expensive to put it across is it under water and everything? Is it anymore (INDISTINCT)...

Hon. Chester Gillan (PC): It's probably \$40 million.

Wilbur MacDonald (PC): How much? 40.

Leader of the Opposition: 9 kilometers to come across there.

Chair: This section carry?

Leader of the Opposition: No, no, no.

Wilbur MacDonald (PC): I think that's a very exciting possibility that you're describing. It's the first time I ever heard that the pipeline company would build a pipeline if you have enough gas. I never heard that before.

Leader of the Opposition: Now. The thing is we've established but we're not sure if you can buy gas now on the market. I know he's says you can (INDISTINCT) it, the Minister says you can buy it. Now I believe Maritime Electric says you can buy it now for future delivery. I don't...I shouldn't be looking in the Gallery anyway. The Minister was looking in the Gallery...

Hon. Mike Currie (PC): I'm saying you can book and buy it.

Leader of the Opposition: Anyway, it puts him in an awful bad spot. We're not suppose to do that anyway and I...the Minister was doing it, but...so alright. Let's assume this, we can buy the gas, we know how much electricity or we do...I would assume a...Maritime Electric would know how it needs for the next up to 10 years in Development. So we can buy the gas and we'd lock that in. Your department should know how many people would hook up like to run this pipeline free to run to say two generated plants in the Province of PEI. (INDISTINCT) people to hook up. How do we know if Cavendish Farms is going to hook up to Maritime Electric or if they're going to start doing their own particular generating? These are all questions that are very vague. And what you're doing is there's a lot of things here and this is where (INDISTINCT) like, will you put in this Act that by the year 2000...like the three years this May...I'll just ask one question (INDISTINCT) back, that's okay. Would you put in the Act by the year 2004 that they will have a generator up and running in the Province of Prince Edward Island, put it in the Act? I call the hour. You don't have to answer that now. But if you could bring that back. This is a major piece of Legislation

Chair: Honourable Members the hour has been called.

Hon. Mike Currie (PC): Mr. Chairman, I move the Speaker take the Chair....did somebody say carried?

Leader of the Opposition: No, it's not carried.

Hon. Mike Currie (PC): Mr. Chairman, I move the Speaker take the Chair and that the Chairman report progress and beg leave to sit again. 7:00 o'clock.

Chair: Shall it carry?

Honourable Members: Carried.

Chair: Madam Speaker, as Chairman of the Committee of the Whole House having had under consideration a Bill to be intituled, called the *An Act to Amend the Maritime Electric Company Limitation Regulation Act*, I beg leave to report that the Committee has made some progress and beg leave to sit again. I move that the report of the Committee be adopted.

Speaker: Shall it carry?

Honourable Members: Carried.

Speaker: This House stands adjourned until 7:00 o'clock this evening.

7:00 p.m.

ORDERS OF THE DAY (Government)

Speaker: Orders of the Day. Government. The Honourable Minister of Agriculture and Forestry.

BILL NO. 63 AN ACT TO REPEAL THE SPORTS COMMISSION ACT (2nd reading)

Hon. Mitch Murphy (PC): Madam Speaker, I would move, seconded by the Honourable Government House Leader that the 18th Order of the Day be now read.

Speaker: Shall it carry?

Honourable Members: Carried.

Clerk: Order No. 18 *An Act to Repeal the Sports Commission Act* Bill No. 63 ordered for second reading.

Hon. Mitch Murphy (PC): Madam Speaker, I would move, seconded by the Honourable Government House Leader that the said Bill be now read a second time.

Speaker: Shall it carry?

Honourable Members: Carried.

Clerk: *An Act to Repeal the Sports Commission Act* Bill No. 63 read a second time.

Hon. Mitch Murphy (PC): Madam Speaker, I would move, seconded by the Honourable Government House Leader that this House do now resolves itself into a Committee of the Whole House take into consideration the said Bill.

Speaker: Shall it carry?

Honourable Members: Carried.

Speaker: The Honourable Member from Montague-Kilmuir.

COMMITTEE OF THE WHOLE HOUSE

BILL NO. 63 AN ACT TO REPEAL THE SPORTS COMMISSION ACT

Chair (Jim Bagnall is in the Chair): (Gavel) This House is now in a Committee of the Whole House to take into consideration a Bill to be intituled *An Act to Repeal the Sports Commission Act*. Is it the pleasure of the Committee that this Bill be now read clause by clause. Could you mind giving us an update, Madam Minister?

Leader of the Opposition: Give us an update.

Hon. Gail Shea (PC): Okay. This repeals the *Sports Commission Act*. And in the *Sports Commission Act* regulated things like harness racing, boxing, wrestling, and these sports have all become self regulated.

Leader of the Opposition: So, what do you mean by ... so, there's going be no ... they're going regulate themselves?

Hon. Gail Shea (PC): They already do.

Leader of the Opposition: Oh they do.

Hon. Gail Shea (PC): Because they have associations they make their own regulations. It also used to regulate hockey.

Leader of the Opposition: So, who's going regulate hockey now?

Hon. Gail Shea (PC): The P.E.I. Hockey Association.

Leader of the Opposition: Oh, alright. So, this has been outdated for a long time.

Hon. Gail Shea (PC): Yes. There hasn't been any regulations in place since 1985.

Chair: Carried.

Leader of the Opposition: No, you got to read it line by line.

Chair: Okay. Act 1. *The Sports Committee Act* R.S.P.E.I. 1988, Cap. S-5.1 is repealed. Shall it carry?

Honourable Members: Carried.

Leader of the Opposition: No. Just ... line by line. Read it into the thing. Oh Commission ... alright is repealed. Carried. I mean ... if this is another Bill, it's going add up to your numbers of Bills that went through the House. It's just ... repealed it. Could you have done this without coming to the House?

Chair: No.

Hon. Gail Shea (PC): It's Legislation.

Leader of the Opposition: (INDISTINCT) I see a lot of these Bills come through ... Yeah, there's quite a few of these Bills come through. Any in a ways, I have no problem with it.

Elmer MacFadyen (PC): Mr. Chairman.

Chair: Yes.

Elmer MacFadyen (PC): The Minister of Agriculture and Forestry is going ask our consent to do third

reading.

Hon. Mitch Murphy (PC): We can do it after the Speaker ...

Leader of the Opposition: No, we can do it now. No problem.

Chair: Well, we haven't carried second reading yet. Shall it carry?

Honourable Members: Carried.

Chair: Is it the unanimous ...

Hon. Gail Shea (PC): I move the title.

Chair: *An Act to Repeal the Sports Commission Act.* Shall it carry?

Honourable Members: Carried.

Hon. Gail Shea (PC): I move the enacting clause.

Chair: BE IT ENACTED by the Lieutenant Governor of the Legislative Assembly of the Province of Prince Edward Island as follows. Shall it carry?

Honourable Members: Carried.

Hon. Gail Shea (PC): Mr. Chairman, I move the Speaker take the Chair and that the Chairman report the Bill agreed to without amendment.

Chair: Shall it carry?

Honourable Members: Carried.

Chair: Madam Speaker, as Chairman of the Committee of the Whole House having had under consideration a Bill to be intituled *An Act to Repeal the Sports Commission Act* I beg leave to report that the Committee has gone through the said Bill and has agreed to the same without amendment. I move that the report of the Committee be adopted.

ORDERS OF THE DAY (Government) (continued)

Speaker: Shall it carry?

Honourable Members: Carried.

Leader of the Opposition: (INDISTINCT) should be noted that (INDISTINCT) \$275 for salary (INDISTINCT) for bring that Bill on as quick ...

Speaker: The Honourable Minister of Agriculture and Forestry.

BILL NO. 63 AN ACT TO REPEAL THE SPORTS COMMISSION ACT (3rd reading)

Hon. Mitch Murphy (PC): Madam Speaker, I would move, seconded by the Honourable Government House Leader that the 18th Order of the Day be now read.

Speaker: Shall it carry?

Honourable Members: Carried.

Speaker: Do we have the unanimity to do the third reading. We do?

Clerk: *An Act to Repeal the Sports Commission Act* Bill No. 63 ordered for third reading.

Speaker: Honourable Minister.

Hon. Mitch Murphy (PC): Madam Speaker, I move, seconded by the Honourable Government House Leader that the said Bill be now read a third time.

Speaker: Shall it carry?

Honourable Members: Carried.

Clerk: *An Act to Repeal the Sports Commission Act* Bill No. 63 read a third time.

Hon. Mitch Murphy (PC): Madam Speaker, I would move, seconded by the Honourable Government House Leader that the said Bill do now pass.

Speaker: Shall it carry?

Honourable Members: Carried.

Speaker: This is a Bill introduced by leave of the House. Read a first time, read a second time, committed

to a Committee of the Whole House, reported agreed to without amendment, read a third time, and it is now moved that the Bill do now pass. All those in favour please say Yea.

Honourable Members: Yea.

Speaker: Those contrary say Nay. Bill has carried. The Honourable Minister of Agriculture and Forestry.

BILL NO. 37 APPROPRIATION ACT 2001 (3rd reading)

BILL NO. 38 AN ACT TO AMEND THE PESTICIDES CONTROL ACT (3rd reading)

BILL NO. 41 AN ACT TO AMEND THE FINANCIAL ADMINISTRATION ACT (3rd reading)

BILL NO. 55 AN ACT TO AMEND THE ENVIRONMENTAL PROTECTION ACT (3rd reading)

BILL NO. 56 AN ACT TO AMEND THE FINANCIAL ADMINISTRATION ACT, NO. 3 (3rd reading)

BILL NO. 60 AN ACT TO AMEND THE SUMMARY PROCEEDINGS ACT, THE JUDGMENT AND EXECUTION ACT AND THE HIGHWAY TRAFFIC ACT (3rd reading)

BILL NO. 57 AN ACT TO AMEND THE TEACHERS SUPERANNUATION ACT (3rd reading)

Hon. Mitch Murphy (PC): Madam Speaker, I would move, seconded by the Honourable Government House Leader that Bill No. 4,5,6,8,11,12,13 be now read.

Speaker: Shall it carry?

Honourable Members: Carried.

Clerk: Order No. 4 *Appropriation Act 2001* Bill No. 37 ordered for third reading. Order No. 5 *An Act to Amend the Pesticides Control Act* Bill No. 38 ordered for third reading. Order No. 6 *An Act to Amend the Financial Administration Act* Bill No. 41 ordered for third reading. Order No. 8 *An Act to Amend the Environmental Protection Act* Bill No. 55 ordered for third reading. Order No. 11 *An Act to Amend the Financial Administration Act (No. 3)* Bill No. 56 ordered for third reading. Order No. 12 *An Act to Amend the Summary Proceedings Act, the Judgment and Execution Act and the Highway Traffic Act* Bill No.60 ordered for third reading. And Order No. 13 *An Act to Amend the Teachers Superannuation Act* Bill No. 57 ordered for

third reading.

Speaker: The Honourable Minister.

Hon. Mitch Murphy (PC): Madam Speaker, I would move, seconded by the Honourable Government House Leader that the said Bills be now read a third time.

Speaker: Shall it carry?

Honourable Members: Carried.

Clerk: *Appropriations Act 2001* Bill No. 37 read a third time. *An Act to Amend the Pesticides Control Act* Bill No. 38 read a third time. *An Act to Amend the Financial Administration Act* Bill No. 41 read a third time. *An Act to Amend the Environmental Protection Act* Bill No. 55 read a third time. *An Act to Amend the Financial Administration Act (No. 3)* Bill No. 56 read a third time. *An Act to Amend the Summary Proceedings Act, the Judgment and Execution Act, and the Highway Traffic Act* Bill No. 60 read a third time. *An Act to Amend the Teachers Superannuation Act* Bill No. 57 read a third time.

Speaker: Honourable Minister.

Hon. Mitch Murphy (PC): Madam Speaker, I would move, seconded by the Honourable Government House Leader that the said Bills do now pass.

Speaker: Shall it carry?

Honourable Members: Carried.

Speaker: These are Bills introduced by the leave of the House. Read a first time, read a second time, committed to Committees of the Whole House, reported to agreed to with and without amendment as the case may be, and read a third time. And it is now moved that the Bills do now pass. Shall it carry?

Honourable Members: Carried.

Speaker: The Honourable Minister.

BILL NO. 61 AN ACT TO AMEND THE MARITIME ELECTRIC COMPANY LIMITED REGULATION ACT (In Committee)

Hon. Mitch Murphy (PC): Madam Speaker, I would move, seconded to the Honourable Government House Leader that the 14th Order of the Day be now read.

Speaker: Shall it carry?

Honourable Members: Carried.

Clerk: Order No. 14 *An Act to Amend the Maritime Electric Company Limited Regulation Act* Bill No. 61, In Committee.

Hon. Mitch Murphy (PC): Madam Speaker, I would move, seconded by the Honourable Government House Leader this House do now resolve itself into a Committee of the Whole House to take into consideration the said Bill.

Speaker: Shall it carry?

Honourable Members: Carried.

Speaker: The Honourable Member from Borden-Kinkora.

COMMITTEE OF THE WHOLE HOUSE

BILL NO. 61 AN ACT TO AMEND THE MARITIME ELECTRIC COMPANY LIMITED REGULATION ACT

Chair (Eric Hammill is in the Chair): Do I have permission to bring on a resource.

Leader of the Opposition: Bring them all on. Bring them all on.

Chair: The House is now in the Committee of the Whole House to take into consideration a Bill to be intitled *An Act to Amend the Maritime Electric Company Limited Regulation Act*. Is it the pleasure of the Committee that the Bill be now read clause by clause.

Leader of the Opposition: And we were ... Do you have to start over again?

Chair: No. One has been read because it carried.

Leader of the Opposition: No, it wasn't carried because

I questioned it when you left. Well, the question I had I guess when you left, there's a... Mr. MacQuarrie remember what the question I had. (INDISTINCT) fine me some information.

Hon. Mike Currie (PC): It was over the price of fuel, was it?

Hon. Mitch Murphy (PC): Wanted to know if we were going to build a plant by 2004.

Chief Executive Officer Energy Corporation Wayne MacQuarrie: I don't think there's any way that we could certainly guarantee the construction of a plant. I mean, that discussion obviously will rest with the utility and other parties that might be involved in the utility in that (INDISTINCT).

Leader of the Opposition: Why wouldn't you put the date for the plant in the Act and if Maritime Electric doesn't comply, they'd pay penalties. Like the Minister...like, you got to look at this the Minister comes on the floor, and yourself, the Minister's responsible, you try to interpret what's there and that's fine and I appreciate that, but the Minister made a statement here that it could be going in three years. So why wouldn't you put that in the Act. See, what you're doing here, you're setting up is like a fund of...Maritime Electric were on TV tonight and they said they want to make a profit. You know, they were talking profits. But also, Island business people have got to make a profit, too, and they got to...and the one of the things is power rates and if Fortis signed an agreement, and maybe they lost a little bit of money for so many months, why would that trigger them all of a sudden to want put a big investment. There's a lot of uncertainty here. So why would you not put that in the Act. See, we have guarantees now until the year 2010, I guess, that we're not going to pay more than 10% of what New Brunswick charges, the rate going.

Hon. Mike Currie (PC): No, that's not correct.

Chief Executive Officer Energy Corporation Wayne MacQuarrie: No, that's not correct.

Leader of the Opposition: Ten percent above what New Brunswick...

Chief Executive Officer Energy Corporation Wayne MacQuarrie: That's with the current Legislation, yes.

Leader of the Opposition: Yeah. Well under the old Legislation that's what we got.

Chief Executive Officer Energy Corporation Wayne MacQuarrie: That's correct.

Leader of the Opposition: Yeah. So you're asking us, the Legislative Assembly, to approve a Bill on the Minister's vision. You're asking us to approve a Bill on Maritime Electric wanting to make more profit which they said on TV tonight, I watched the interview. That's the name of the game and I've no problem, they're corporate citizens and that's their job is to make a profit. The generation station, when I was briefed, was talked...they were talking 50 million; tonight it was over 200 million. So have you found out from Maritime Electric what a station...what one of them stations...like the CBC reporter John Jeffery said it's a \$200 million generator system. Maritime Electric, when they met with me, told me that they'd like to build two generator systems in the province. They're roughly 40 or 50 million. So all of a sudden, I watch TV tonight and I get two...the CBC reporter, John Jeffery, must've had...where did he get the figure \$200 million?

Hon. Mike Currie (PC): There's 200 million plus counting the pipeline. That's...that'd be a figure.

Leader of the Opposition: No, well the pipeline over to PEI, I believe...

Hon. Mike Currie (PC): Is 40 million.

Leader of the Opposition: ...was a million dollars a kilometer.

Hon. Mike Currie (PC): It'd be over \$200 million to build a (INDISTINCT)...

Leader of the Opposition: So that's...well, why would Maritime Electric, when they briefed me, tell me the 40 - 50 million line. See this is the problem, like, you're telling me that's including the pipeline. Well if the pipeline, I was told, was a million dollars (INDISTINCT)...

Hon. Mike Currie (PC): Yeah, there'd be 200 plus counting the pipeline.

Leader of the Opposition: No but just wait now. Is the pipeline a million dollars a kilometer? That's what they told me or (INDISTINCT)

Chief Executive Officer Energy Corporation Wayne MacQuarrie: Yeah, yeah. That's not far from (INDISTINCT). But I think to answer to your question.

Leader of the Opposition: Just wait now til I finish. Like you are assuming. Now, the Minister said, there's conflicted information here, the Bill comes in the last hour, the Premier's on record saying the House would probably close on Thursday, yet your House Leader didn't know anything about it. But that's another matter. Now, the pipeline is, say, 10 million to get across the bridge.

An Honourable Member: Depends on how far (INDISTINCT)

Chief Executive Officer Energy Corporation Wayne MacQuarrie: The pipeline cost, we have estimates ranging anywhere from \$40 to \$60 million dollars to bring it from the mainland to the province.

Leader of the Opposition: To the province?

Chief Executive Officer Energy Corporation Wayne MacQuarrie: Yes.

Leader of the Opposition: Why would you...where do you have to run the pipeline on the other side of the province at?

Chief Executive Officer Energy Corporation Wayne MacQuarrie: Well, ideally, what we would prefer to do is have the pipeline at least come to the Charlottetown area and the Summerside area.

Leader of the Opposition: No but that's the pipeline, that's nothing to do with...you mean they're going generate electricity down in Charlottetown with this pipeline, too? That's not what Maritime Electric told me.

Chief Executive Officer Energy Corporation Wayne MacQuarrie: I think that you got...

Leader of the Opposition: See you got to look at...you can't, you got to look at this way, in New Brunswick where does the pipeline run? How many kilometers in New Brunswick do we have to pay to get it to the Bridge?

Chief Executive Officer Energy Corporation Wayne MacQuarrie: I think we said this afternoon that there's sufficient load on PEI established to justify the pipeline...

Leader of the Opposition: No, I'm not worrying about that.

Chief Executive Officer Energy Corporation Wayne MacQuarrie: ...the pipeline won't cost tax (INDISTINCT)

Leader of the Opposition: You don't even know what the load's going to be. Now listen, let's go back to the question I put to you.

Wes MacAleer (PC): Mr. Chairman, I'm tired of sitting here and trying to plan a...the construction of a very complex pipeline when all we're trying to do is establish here principles to allow a corporation to participate in supplying us with a commodity, namely electricity. We'll be here til all the gas is drained from the Sable Island gas field if we don't get on with discussing the principles of this. Now, I don't mind discussing some of the items in the Bill, I think there's some valid points here, but I'm not here to construct a pipeline and I don't think anybody else is either.

Leader of the Opposition: No, (INDISTINCT)

Wes MacAleer (PC): So Mr. Chairman, I ask you to ask the speaker, the Leader of the Opposition, to get to the point or we'll be year several years from now discussing whether or not we should've passed the Bill in the first place. Now come on, let's...

Leader of the Opposition: Well the interesting thing is, if you want to look at you, you got to check out your investments. You know you lost a lot of money not too far from here.

An Honourable Member: (INDISTINCT) that's enough.

Leader of the Opposition: Now, what I want to get into is to find out, like your track record hasn't been that good on PEI. Now, what I want to find out is the pipeline, like I got to (INDISTINCT) what Maritime Electric is saying, what John Jeffrey's saying. I am the Leader of the Opposition. Now if you want to just shove this through and go out to the gym or whatever you want to do, well that's fine. But the thing is I have a job here to try to hold the Government accountable. I'm the only person and I'll tell you I'm no expert in this.

Hon. Mike Currie (PC): What's your question then?

Leader of the Opposition: So my question is, and I'm trying to establish...we're not talking about running a pipeline into Charlottetown...

Hon. Mike Currie (PC): What's your question?

Leader of the Opposition: My question is, Maritime Electric told me roughly 40 - 50 million to build a generator, let's go 50 million. Alright.

Hon. Mike Currie (PC): That'd be a 50 megawatt.

Leader of the Opposition: Well whatever. This is what they told me, they wanted...they'd like to have two of them, but let's say the one. They weren't sure where the other ones going to be but anyway, it's 50 million. Where does the pipeline in New Brunswick run, how many kilometers that we would...do we have pay New Brunswick's side to run it to PEI?

Hon. Mike Currie (PC): No. As it was already explained to you, if there's a sufficient load demonstrated...

Leader of the Opposition: No, let's say there's not.

Hon. Mike Currie (PC): ...by Maritime Electric or any other user on PEI the company that owns the pipeline will bring it over.

Leader of the Opposition: No but we don't know it. Have we got a sufficient use from these two generation stations that Maritime Electric to run a pipeline. You don't know this. Now my question is, is we know the bridge is nine kilometers, that's 9 million to come across

the bridge. How much is it from New...do you know where the pipeline's go in New Brunswick?

Chair: Honourable Member, in all fairness, there's nothing related to Section 1 that talks about the pipeline in New Brunswick.

Leader of the Opposition: Well, they brought it up.

An Honourable Member: Good. Carried.

Leader of the Opposition: No, you can't carry it.

Chair: So, does this section carry?

Leader of the Opposition: No, I don't want to carry it.

Honourable Members: Carried.

Chair: Carried.

Leader of the Opposition: I don't want...you're trying to shove it through.

Chair: No, we're not Honourable Member.

Leader of the Opposition: Yes you are.

Hon. Mike Currie (PC): No, you're just stalling that's all you're doing. You're just stalling.

Leader of the Opposition: A prime example. I'm not stalling it. You're trying to shove it through. I had amendment on the floor...

An Honourable Member: (INDISTINCT)

Leader of the Opposition: I had amendment on the floor, Mr. Chairman. I made amendment and then we got into discussion.

An Honourable Member: It wasn't seconded.

Leader of the Opposition: No. Well you got have somebody...

Hon. Mike Currie (PC): You never had no seconder.

Leader of the Opposition: ... because the Chairman's

got to appoint somebody to second it. And I had an amendment and I'll read it again. 018 The Base Rate Adjustment Regulation will be debated (INDISTINCT) prior to the proclamation of this Act. That was on the floor, I know you're not the same Chairman as was there before, and we got into this discussion. And that was on the floor and it's up to you to appoint somebody to second it because you're Chairman.

Chair: No, Mr. Chairman, it's up to the people, the Honourable Members to agree. Well there's seconder, you have no Motion.

Leader of the Opposition: Yes, you do. Would you give me the rules or get Charlie in here. Under the Legislation if I don't have a seconder, it's up to the Chair to appoint a seconder or a speaker in that case. Yes, every Member has a right to hear their Motion.

Chair: The Honourable Member's read his amendment..

Leader of the Opposition: I even got it typed out. Alright. I want to make amendments to this and I can carry it if we put this amendment through. That "regulation" means the Base Rate Adjustment Regulations. And I want to put the Base Rate Adjustment Regulations will be debated and approved in the Legislation prior to the proclamation of this Act. In other words, before you can put the Act through, the proclamation is when you do it, that the regulations be debated...that the Base Rate Adjustment Regulations will be debated and approved in the Legislation prior to the proclamation of this Act. That's what I'm asking for. I think it's quite reasonable. Now, it's up to you. We can't...we got in this discussion before, will you get me a seconder so we can...

Chair: I'll call three times, Honourable Member.

Hon. Mitch Murphy (PC): I'll second the Resolution. We've always done that as a courtesy, because...

7:20 p.m.

Hon. Mitch Murphy (PC): ... the lone Member of the Opposition, we said we would second Resolutions or Motions so they'd get on the floor for discussion. Not that I agree with amendment being proposed, but I will

second it so we can talk about it.

Chair: Okay, is there any discussion on the amendment?

Hon. Mitch Murphy (PC): Well as a seconder, I'll talk to the amendment and just generally to the Bill. You know, it concerns me that we find ourselves in the situation we're in today. We spent great lengths this afternoon talking about being tied into 110% of the New Brunswick rate. Nobody was debating at the time that was beneficial to electricity rates on Prince Edward Island. 'Cause it brought them down considerably. But this is different. We're 5, 6, 7 years removed from that decision. And there are a number of factors that have happened in that period of time that brings us to the point that we are today. So we have an Island based electric utility, the major one that we have in the province. We're trying to gain some independence with regards to supplying our own energy needs.

When the deal was signed with New Brunswick back when it was signed years ago, it was the right thing to do at the time. Nobody is debating that. I think it was a good thing to do. But nobody was talking about natural gas being available to us at that particular time. Nobody knew that the facility at Point Lepreau, the nuclear facility would be down for the period of time that it was down for and cost Maritime Electric significant dollars. Nobody knew that the Government of New Brunswick was going to right off \$450 million to a crown utility that they have and how that would affect Maritime Electric. I don't have a whole lot of confidence from what I understand about NB Power, their facility at (INDISTINCT), the debt that they find themselves in. I'm not so sure continuing to be tied to the rate in New Brunswick is in the best interest future interest of Islanders. We have an opportunity here to gain some independence in terms of becoming more self-reliant in providing energy and the electricity needs to the people of the province. So if I'm sitting back as a business person and yes my electrical rate is a big part of my business expense, I think that I'm looking down the road here in saying that, this is potentially is going to be beneficial to me. I don't think we should remain tied for ever and a day to 110% of the New Brunswick rate when we have an opportunity to get out from underneath that.

Now the increase that's proposed the way that it's written in the Bill, the 4.53% increase, it seems to me is going to allow the company to recoup some of the losses. We can't expect the utility that is providing us with electricity to continue to take those losses and not pass them on to consumers. There are a number of capital projects that have to take place, whether it's pole replacement, whether it's investments in new infrastructure, whether it's looking at the possibility of putting up a generating plant. But the reality is you cannot have your electrical supplier continue to gain or build up liabilities or let infrastructure deteriorate because soon it gets to a pot down the road where to be liable, you're not looking at a 4.53% increase, you're looking at a much greater expenditure. So this is going to allow the company to put themselves...add more stability than what's there. The Bill has said, that anything over and above okay, is going to go into a fund to offset rates down the road.

The Bill also says, that there is a cap on potential earnings that the company can make. There's nothing to stop the company at the present time to going through the IRAC process, getting approval for the rate increase. If anything, in my mind, this Bill provides a little more assurance to consumers of electricity provided to them by Maritime Electric because there is a clause in the Bill and I know we haven't gotten to that section yet, but I'm going to refer to it, when this rate increase seizes. Alright. But the capital dollars that are coming forward from the rate increase is not to...for the company to make millions and millions of dollars and put it in their back pocket, it's for the company to deal with the issues, the unforeseen issues that have happened as a result of investments in the relationship of New Brunswick and also provide some working capital to do some investments in the long term infrastructure of the electricity provisions on Prince Edward Island. That's the way that I see the Bill. I would much rather deal with it now in this manner than allow the present status quo situation to continue and we let it go on and on and on.

The company continues okay, to mount losses, puts themselves in a worse position financially from upgrading or maintaining infrastructure or looking ahead to make strategic investments. What's the Bill going to be for Islanders in a years time or two years time if this situation is allowed to continue? Well my

guess would be it's going to be significantly more than 4.53%. We have an opportunity as the Minister has explained to take advantage of some of the natural gas that's on the mainland. Keeping our fingers crossed, hopefully we have a discovery of that resource on PEI. Gas just does not...just have to flow into the province, the eventuality is that perhaps we can become exporters of gas to the mainland, into the main pipeline and sell it wherever.

So from that point of view, I don't have difficulty with what is being proposed in the Bill. Nobody wants to see electrical rates go up but from where I see the Bill, is that this is good investment in the future of providing electricity for the province. The alternative which is the status quo looks very unattractive from where I see it because it adds instability and uncertainty. We're talking about things such as using electrical rates to attract businesses and prospect for business. So the question I will be asking if I was a business person coming into the province today, what is your prognosis for my electricity cost? Well the answer I would have to give them today without the Bill would be you know, well that's pretty tough to predict, we know that there is some instability in the market because of the number of things that have happened etc. But I would like to be able to tell companies that are coming in, we can predict with some certainty that for the next four or five years, according to the statistics that Mr. MacQuarrie provided us, some stability in electrical rates and here's our plan for the future. I think that's a lot more attractive proposition to put out to people, companies that are looking to come in here.

So as a seconder of the Leader of the Opposition's Motion....

Chair: Amendment.

Hon. Mitch Murphy (PC): Sorry, thank you Mr. Chair. As a seconder to his amendment, I think that we cannot set base price and regulation...in the regulation here before it goes because there would be a number of factors that will influence that. And every time we have to adjust to a market condition, we can't be coming back to the Legislature and changing that. That creates inflexibility and in my opinion what it does is that it puts the company at a disadvantage in terms of reacting to what's happening out there in the marketplace.

So I support the Bill. I think it's something that we have to do. I think it's something that we have to do now. Anyway, I've said enough. Thank you, Mr. Chair.

Chair: Member from Pownal Bay-Belfast.

Wilbur MacDonald (PC): I think the Honourable Minister of Agriculture gave a real good explanation of this Bill. And I would even take it a lot further. He talks about the one and the two and the three year term. It think they should look at it down the road, if we're going to be able to bring natural gas to the province and it doesn't cost us any money, well then the side effects it comes for other things besides Maritime Electric. Like for example, the City of Charlottetown could have natural gas. And if we can get natural gas to this province without having to spend a million dollars per mile, that is a tremendous asset to the province, and I think we can't be looking at how the company is going to operate either as the Honourable seat mate has said. We have to just go with the principal of the Bill and then leave the operation of the company to the company. Let's not get involved in trying to figure out what the company is going to do this year, next year and three years and four years, that is a company decision and let us just go with what's here in the Bill and get...and deal with it and then let the company deal with the management matters that it has to deal with as it moves along in it's own operations. And for that reason I support the Bill and I certainly don't support the amendment.

Chair: Is there any more discussion on the amendment?

Leader of the Opposition: I have. I put the amendment forward. Well, you know, there's a lot of people here ...is trust. The Honourable Member was in Cabinet when he had problems with higher rates. His idea at that particular time I believe, was not by neutral energy, it was going to come across the wires.

Wilbur MacDonald (PC): I (INDISTINCT) respect it's not a bad idea.

Leader of the Opposition: Well, whatever. But, the fact is that we did. And I know you could be against it, and that's right. Angus MacLean campaigned out of that,

I have no problem, I'm just telling you. But, there's people that got to make a living. Now, the thing is this, is Maritime Electric might want ... there in this to make money. And one of the reasons I want to put this in is, you're getting rid of ... when you get rid of a schedule, you also get rid of IRAC which the Minister talked about ...

Hon. Mike Currie (PC): IRAC's not even there.

Leader of the Opposition: Or not IRAC, whatever it is, schedule. The Commissioner means Island Regulatory Repeal Commission of Prince Edward Island, you got rid of that, they're going to. You don't get rid of it, but you could get rid of it in the Maritime Electric have to go to it. Now, that's the information and it's right there. And that's when you got rid of the schedule, it's right there, unless you're going bring it in on a later date. So, they can argue all they want.

Now, Maritime Electric is a Company. The year 2000, they did 91 ... 900 I guess million dollars. Just about \$100 million of ... \$100 million ... 900 hundred figures or so. Yeah, just about \$100 million worth of business ... \$91,429,000. And they also increased their assets (INDISTINCT). They're a private company, and we know that in order to pay too much corporate tax, as they are, you increase your assets also because if you (INDISTINCT) it they might assume. They increase their assets by over \$11 million, this isn't a bad year, and ... but, this isn't a the bad year, like they increased their assets. So, they're definitely not losing any money. Their capital expenditures was \$12,591,000. The capital expenditures the year that they had the better year when they cleared over \$5,000,000 profit earnings, and this is a summary...age of Account Policy. If we looked at that, they spent 14,000,000 the year before, that 395,000. So, basically they're down a couple of million there in capital expenditures.

But, if you go by Maritime Electric and I think that's ... and if you look their ... if you look at Maritime Electrics new trucks and everything they got here, they look very good. If you look at the poles, they're very good. I think that the problem you have here is we know when our rates are going be within New Brunswick, which is our competition for process and whatever for another nine years. Now, I have no problem with this Bill if for instance, you could put in there the guarantee the plant

will be built. And there's so much "if". Oh!... if we get free gas line here. Nobody seems to know how much gas is going to come across, and I think I would like to know how much... you would have to look at, if you don't know they're going to do it free, you have to assume that you're gotta pay for it. You have to assume that issues like wheel and power, like you want it in P.E.I., just generation station, but then you got to wheel power across and into the States.

You know, the most economic sense...if you had the generator of controlled by Maritime Electric or the Province and made a deal with New Brunswick to set it up right with the pipe lines, you wouldn't have (INDISTINCT) and wheeling power. It's a lot cheaper than wheeling everything the other way. Now, this is the Maritime Electric thing. I know that we're talking about pipe lines and other things that are common but, you know, what you go here is a company that's a company that makes profit. We know right today, and that's why your Premier and Provincial Treasurer is talking about the amount people that are coming here to build or use electricity, 'cause they would compare it to their competition in New Brunswick, especially for processing. So, they do show a good financial statement. They pay about \$2,000,000 a year on ... probably a good year on corporate tax. So, Maritime Electric has got to make money, that's the name of the game.

Now, if you look at for instance, when Maritime Electric announced the increase in October you people weren't talking about a new plant then. Nobody was talking. How do you know this isn't just another bait to get a big increase and cut back. Like these are questions why I'm bring up. I remember being in the House and I got the floor ... I remember being in the House and bringing that up. If you look at your court discussion, and what your Minister did when he went to court ... if you look at ... Can I have an announcement. But, if you look at the court discussion that P.E.I. based on to challenge Maritime Electric, is what I tabled in the House, is what you use to basically do your court discussion. It's all there. I have all the documents. And the Minister wasn't even aware of it, so that means that you weren't up to speed in it. And all of a sudden, at that particular time ... at that particular time, you did get down and you filed a case in the Courts. And I have them in my office and if you

read that, it's basically the same information that I tabled in the House, etc. etc. So, here we got the Opposition bring it forward. And that's my job.

But, you know, if you looked at *The Guardian* announcement, Guardian power rates, October the 7th. Electrical rates of the Province will be going up in the new year. Official Maritime Electric announced Friday, they informed the Island Regulatory and Appeals Commission, (INDISTINCT) intends to increase rates. The rate for P.E.I. homes and business is up by 4.53%. The increase will apply across the Border... effects of a reason 450,000,000 break down from New Brunswick (INDISTINCT) investment and (INDISTINCT) generation plant. Well, the Minister of Agriculture knows well that if that was a subsidy from the Province, there could be a free trade under the Free Trade Agreement, could be challenged. But, if wasn't a break down, it was a plant that was built that wasn't going to go...there's so many years taking out of the life. So, other words, people were sold a Bill of Goods, so they corrected that situation. When P.E.I. signed into this deal, they at that particular time signed in based on the information was available (INDISTINCT). So, whatever years they took of a life ... somebody say it's eight years, or whatever, that is not a write down like Maritime Electric says it was, that is a readjustment of what actually the plant was worth. That's what I call doing good business. If it's like the Minister of Agriculture said there'd be a Free Trade Agreement, so that we're subsidizing these power rates and they'd be challenged on anything that's going to the U.S.

And then you go on to say, effected this write down was eliminated the cost of New Brunswick power rate structure that would undermines their self in an increase in rates, a statement (INDISTINCT) says . (INDISTINCT) Utility has announced that under Section 11 Maritime Electric Limited regulations to adjust its rate to level... would be if New Brunswick power had included the cost of the break downs in its rate. Well, the Province wrote the write down or whoever built this plant, because it did ... It's like if you buy a car, and you buy that car and if that car doesn't meet the expense for three years when its warranty, they fix it, that's what it done, (INDISTINCT) warranty. Now, I know that the Premier likes to buy used cars, no warranty, six years old, pay big money. But, that's another matter. Now ... so, anyway, on P.E.I. are set at

110% ...

Wes MacAleer (PC): Mr. Chairman . What's he speaking to? Is he speaking to his amendment? Or is it (INDISTINCT)?

Leader of the Opposition: I'm speaking to the amendment.

Wes MacAleer (PC): Okay.

Leader of the Opposition: Well, I mean, you were listening to the other Member too.

Wes MacAleer (PC): No, I was listening to you. (INDISTINCT) determine where you were at. Okay, lets talk about the amendment.

Leader of the Opposition: Well, that's what I'm doing. And that's ... I let the Honourable Minister there get off the amendment a little bit. But, I'm not. I'm going bring it, tie it all in here. And I know you're tried of listening to this. You said that earlier. Just won't be able to get on. But, this is not the point. You're not the Leader of the Opposition. You're a Member of the Legislative Assembly with the Government Party. Rates are set at 110%. Rates are set ...

7:40 p.m.

Leader of the Opposition: .. at what the rates are to New Brunswick would be in New Brunswick was recover the full cost of power, 110%. So there's an argument there and I didn't buy an argument. Unfortunately, that means it's 14% or so because they would be 4.53% higher than they are today says Jim Lea, Chief Executive Officer. But you got to look at if Point Lepreau was going to last them extra years we would've had another eight years, so it's not a write down of guaranteed over 10% of New Brunswick. Now, this province is Confederation. I don't remember when was the last time that we had a rate that was guaranteed to be no more than the cost of production of...or over the cost of New Brunswick by 10%. Does anybody know that? Like you got to go back to the history. I know the history of Jim Lee is not too good...

Hon. Mitch Murphy (PC): Yes. I do. I do. Do you

want me to answer that question?

Leader of the Opposition: ...the history...yeah, you can answer that.

Hon. Mitch Murphy (PC): Okay. When we were more independent and self-reliant in generating our own electricity here on PEI, we had a couple of hydro-electric dams set up across the province, etc. etc. We were more self-sufficient because we supplied more of our own needs; they weren't tied into needs of other provinces and other provinces' rates. In here we find ourselves with an opportunity to do that again.

Leader of the Opposition: So what year was that?

Hon. Mitch Murphy (PC): (INDISTINCT)

An Honourable Member: Prior to the turn of the century.

Hon. Mitch Murphy (PC): Yes.

Leader of the Opposition: Yes. And that goes back to the dams, etc. etc.

Hon. Mitch Murphy (PC): Confederation was 1867.

Leader of the Opposition: And that was water (INDISTINCT)...1867, so yeah. We know. We know. We really know, it's back in the 1800's.

An Honourable Member: (INDISTINCT) power.

Leader of the Opposition: And we're not talking dams here, we're talking gas prices. But anyway, unfortunately. Now listen to this. Today. Now, Lea said the average rural-resident user uses 625 kilowatt hours of electricity per month and we'll see an increase on our monthly bill of \$3.39 including GST. But when you figure that percentage into their gross operating revenues, when money comes in, that's about \$4.5 million extra that 4 1/2% is going to mean to the company which...what I see here is about why the base rate needs to be set to the Legislative Assembly because it's quite obvious they sold it to the Government, Cabinet.

It's strange that one year later residential people will get

a rebate for one year, like a (INDISTINCT) put out there and it'll be good but after that nobody seems to know. They're taking the money from all the areas and then putting it back in. That's basically the same Tory way before. They...Jim Lee, I believe, that took so many millions of dollars and subsidized the power rates for whatever the time it was, I just forget now, and then continued on even the Liberals were here to subsidize the large corporations. And then there was too much money being used and then they shifted the rules you had to do processing and then some farmers come in under the processing and they shifted the rules and it was going to cost too much. So, basically, by putting this through, what you're giving is an extra guarantee of 4.5 million, roughly, to Maritime Electric which is owned by Fortis which invests in New York.

I mean this is where we're at. If the Minister come through and guarantee this'll be there by the year 2004, if they could guarantee we're going to have enough usage for this pipeline, which you don't know, is how much is it you don't know. It's like going into the dark, you don't know. You think it's a good deal but how many people thought they had a good deal. I know lots of the investors here must've thought they had a good deal and...

Philip Brown (PC): (INDISTINCT) subject.

Leader of the Opposition: ...lost a fair bit of it.

Philip Brown (PC): Are you speaking to your amendment?

Leader of the Opposition: I'm speaking as close as the Minister of Agriculture did. Now...

Elmer MacFadyen (PC): No, no, we're (INDISTINCT) Honourable Leader.

Leader of the Opposition: No, not til I'm done.

Elmer MacFadyen (PC): Well (INDISTINCT)

Leader of the Opposition: No, you had all day to get briefed up on this.

Elmer MacFadyen (PC): No, no. (INDISTINCT) statement that you want to ask in your statement.

Leader of the Opposition: No, wait til I finish this now and then I'll entertain questions. I mean if you want to entertain me. Do you want me to explain you the Bill, I'll explain the Bill in the way I see it, if you'd listen. Now...

Elmer MacFadyen (PC): Make sure your facts are right.

Leader of the Opposition: ...I think you were a Liberal at that particular time and you probably didn't remember what happened (INDISTINCT)

Elmer MacFadyen (PC): Well you wouldn't know you were hiding (INDISTINCT)

Leader of the Opposition: Oh yeah, I think you were Liberal at that particular time.

Chair: Honourable Members, please, can we get to the...

Elmer MacFadyen (PC): Get this (INDISTINCT) in an hour.

Hon. Mike Currie (PC), stay on the subject.

Leader of the Opposition: Yeah, well that's fine. So then, at \$3.39 GST included, what that looks at that's a \$4.5 million, roughly, you're going to put in Maritime Electric...Fortis's, one of the most financial secure companies in Canada. He said, an increase may sound high in today's environment but it won't amount to a great deal for the average consumer. And that means your processors...I don't know what in Cavendish Farms processing but I know their power rate must be a million or more a year, well I could stand to be corrected. There's another \$450,000 more that's got to go into them that the farmers aren't going to get in their contracts. It's the cost of doing business. I stand to be corrected on how much the...the Minister of Agriculture might know just how much they would use. (INDISTINCT) he doesn't. But they would use a major amount.

But to the shareholders, you know, well you just think if those shareholders in Maritime Electric or in Fortis got an extra 349 a share went up, how much money that would put in their pocket. But yet, when they say to Islanders, monthly bill, there's 12 months in the year, so

it's going to cost the average Islander \$46 a year more, this...that's a somebody that you offered 2 1/4% to, the health care workers, but yet you're going to put the rates up 4.53. So, to pay a rich corporation that knew what they got into in the first place.

You got to remember, these people are very shrewd people. They're business people, they're dealing and you needn't tell me, I don't buy that, that they couldn't finance this generator. I don't buy that. If this is so good, I can't see why the province would not... a personal guarantee the loan. It doesn't go on the deficit. Is the Provincial Treasurer here? It doesn't go on the deficit, it's a loan. It's...it doesn't go on the deficit. So the thing is I can't buy this, see. The Minister said there was some risk, well what risk if it's, you know, we're going to be in the electricity business anyway. What's the risk? So, you can't buy that.

The increase will bring utility rates to just above the level they were projected to be at that time. It's about right in terms of where we'd expect it to be (INDISTINCT) New Brunswick power rates would increase but they elected for their own reasons not to do that. So here, they're criticizing.. Maritime Electric is criticizing...Maritime Electric is criticizing New Brunswick cause the corporation didn't raise the rates high enough. You just think Polar Foods, how much electricity would Polar Foods use in a year? And you're going to put 4.53% on to that to put in the corporative pockets of a company that's not even owned on Prince Edward Island, the company is Newfoundland based. That's what you call moving money. At least Polar Foods are owned by Islanders.

So it's about right in terms now.(INDISTINCT) said, and these are (INDISTINCT) remarks, (INDISTINCT) said Maritime Electric had a vision that some things (INDISTINCT) to New Brunswick might happen some day. That's why there's some Provincial Legislation for us to list. A Legislation fact that New Brunswick power revenue doesn't cover their cost then the position is for us to make adjustments, he said. And that's when I get back to and that's when I brought this thing to the Minister and told him that he should challenge that, because if you bought a building or a home, let's bring it back to a house, you have building inspectors now where you can get a guarantee. So

basically, you either got to fix it or readjust the price cause your home couldn't last as long unless you did. And you know, there's probably two options. So that's why the rate went down I didn't buy Maritime Electric.

But I know a lot of people in here doesn't think 4.53% is much but what you're doing, you're gutting the whole program. So think of your Polar Seafoods; think of that dehydration plant at Agrawest; think of your Irvings or Cavendish Farms or any of these people that use great amount of power; Johnston's Homestyle Produce; (INDISTINCT) vegetable growers in Montague, Island Vegetables, they're into major freezers down there, I had a tour of the plant, they're running those freezers...two major freezers and it just all adds up. And they're trying to develop into markets and everything else. This is why I want the...this is why I want the regulations...my amendment, I hope it'll pass, but this is why I want it to be; the Base Rate Adjustment Regulation (INDISTINCT) debated and approved in Legislative Assembly prior to the proclamation of this Act.

So basically what you're doing, you're taking the whole thing and deregulating it. That's about what you're doing here. It's as simple as that and we're going to go on your hope that the prices of gas which the Minister said they can buy the gas in the futures, he said he could buy gas in the future, apparently Maritime Electric says he could buy gas in the futures. So you buy the gas in the futures. You know how much your plant's going to cost. You know what the consumption is on PEI, and you add in for expansion, you always build it bigger than what you need it, and you should be able to set the rates here for the next fifteen years. If you can buy gas in the futures that far. Maybe you can only buy gas on the futures for 10 years. Well then, you can figure that out exactly what your cost is going to be. You know what your consumption's going to be cause it takes so much gas to run these plants to produce so many kilowatts of power. It could be all figured out.

You could've come in here and said, rather than saying we hope this is going to be a better deal, we think this is going to be a better deal, we know what Jim (INDISTINCT) did, he near drove every processor

out of the Province of Prince Edward Island, that's what he did, and that's what could happen. And all those people were misled on their power bills, it's unbelievable. And as I said, is poor Joe Ghiz was living today, he'd be just unbelievable what's going on here. A deal that took eight years to get. A deal that took Catherine Callbeck, if there's one thing good she did, as I said before, was bringing in this particular deal. And I know that the Member from Morell-Fortune has mussel plants down there, you got many processing down there; the Member from Souris-Elmira, fish plants all over the Island; Tignish, high users; I know how much those...go out to the Industrial Park and check with any of the food people out there that are in the processing just how much it costs. I mean this is...I hope I do get...even Little Christos, how much does the power run up there. You know, those are things you got to look at. Who buys it out?

So, you got a point?

Chair: The Minister of Transportation and Public Works.

RECOGNITION OF GUESTS

Hon. Don MacKinnon (PC): No, I... give you a chance to catch your breath. I'd just like to welcome by wife Linda and our son Rourke to the Public Gallery. (Applause)

Hon. Greg Deighan (PC): Mr. Chairman, with your permission I'd like to introduce Jack Quinn, one of the top employees at Polar Foods International, and I hope you enjoy or try to enjoy what's going on here this evening. (Applause)

DEBATE (continued)

Leader of the Opposition: Yeah, Jack Quinn is VP COO of Polar Foods, and I'm sure he knows how much Polar Foods electricity bill would be for a year. I'm sure he knows you raise about 4.5 or whatever or even 8% through up here. Is that not true, you can raise it up as high as 8 or whatever? 'Cause you're going to more to supply and demand. And I get an awful big kick out of these here corporations, corporations that they want to play in the big leagues, then soon as they...you know they just start only making a million dollars profit, still

a profit. I mean if that was a financial statement it would look pretty good. They can't run back to the Government and get a guarantee. I don't think a fish plants run back or our processors here in the province would run back and get a guarantee. These large corporations...soon as these large corporations start to take a little bit of loss they come out with a strategy, let's get back in palms of the public purse again and this way they're getting the legislation and it'll get through in order to increase the rates.

So we'll keep going on here. That is where the provision....on a Point of Order.

POINT OF ORDER

Wes Mac Aleer (PC): Yes, on a On a Point of Order. I want to help the Honourable Member deal with this problem here. I want to give him lots of time to be able to speak, but I'm just wondering in order to facilitate that we can also be a little more courteous to the rest of us that listen. Could I move or get the consent of the House that we will vote on this first amendment on the hour? (INDISTINCT) that consensus on the hour.

Leader of the Opposition: No, I'm speaking....

Wes Mac Aleer (PC): Oh yeah, no...no, I want you to speak. I just want to make sure you get an adequate chance to speak and we'll vote on the hour which is 8:00 o'clock.

Leader of the Opposition: (INDISTINCT) my rights and I'm on the floor. And I think if the Member would listen a little more of what is being taking place here. I know you were out of province a number of years but we were home here fighting in the trenches trying to keep business going when the power rates were high. And I (INDISTINCT) this comes back to me very dearly, and that's why... I'm not against this particular...I will pass that first section (1) if my amendment passes. That's why I'm trying to put it on. So no, we're debating.

Philip Brown (PC): No, we're not debating it.

Leader of the Opposition: No, we are so and you're interrupting me and I need some order. Now that's why there is some provision to the Legislation to do this. Alright, I read that part. Well the question is, if the

Provincial Legislature why did the province go to court against Maritime Electric....

Hon. Mike Currie (PC): Mr. Chairman, I move the Speaker take the Chair and that the Chairman report progress and beg leave to sit again. I just feel that the Leader of the Liberal Party here has destroyed an opportunity for this province to have the ability to have stable electricity rates, and he just grandstanded for

POINT OF ORDER

Leader of the Opposition: Point of Order, Point of Order, can the Honourable Member do that when I'm speaking?

Hon. Mike Currie (PC): Yes, I just took myself off the floor.

Leader of the Opposition: Well if you come back with some information correct....

Hon. Mike Currie (PC): No, you just destroyed an opportunity for the people of Prince Edward Island, ...

Leader of the Opposition: Oh yeah, whatever. Oh yeah.

Hon. Mike Currie (PC): ...you just grandstanded for yourself and it's a vision of the Liberal Party. You's just got no vision.

Leader of the Opposition: You go and find that deal with Lawton's, you gave them 3.8 million. Find the piece of paper it was written you lost too.

Hon. Mike Currie (PC): Grandstanding (INDISTINCT)

Leader of the Opposition: You're grandstanding the day (INDISTINCT) empty boxes.

Jim Bagnall (PC): Disgraceful.

Several Honourable Members: (INDISTINCT)

Chair: Madam Speaker, as Chairman of the Committee of the Whole House having under consideration a Bill to be intituled, called *An Act to Amend the Maritime Electric Company Limited Regulations Act*, I beg leave to report that the Committee has made some progress

and beg leave to sit again. I move that the report of the Committee be adopted.

ORDERS OF THE DAY (Government) (continued)

Speaker: Shall it carry?

Honourable Members: Carried.

Speaker: The Honourable Minister of Agriculture and Forestry.

BILL NO. 54 AN ACT TO AMEND THE CIVIL SERVICE SUPERANNUATION ACT, NO. 2 (2nd reading)

Hon. Mitch Murphy (PC): Madam Speaker, I would move, seconded by the Honourable Government House Leader that the 9th Order of the Day be now read.

Speaker: Shall it carry?

Honourable Members: Carried.

Clerk: Order No. 9 *An Act to Amend the Civil Service Superannuation Act (No.2)* Bill No. 54 ordered for second reading.

Speaker: Honourable Minister.

Hon. Mitch Murphy (PC): Madam Speaker, I would move, seconded by the Honourable Provincial Treasurer that the said Bill be now read a second time.

Speaker: Shall it carry?

Honourable Members: Carried.

Clerk: *An Act to Amend the Revenue Tax Act (No.2)* Bill No. 59...oh, I'm sorry. *An Act to Amend the Civil Service Superannuation Act (No.2)* Bill No. 54 read a second time.

Speaker: Honourable Minister.

Hon. Mitch Murphy (PC): Madam Speaker, I would move, seconded by the Honourable Provincial Treasurer that this House do now resolve itself into a Committee of the Whole House to take into

consideration the said Bill.

Speaker: Shall it carry?

Honourable Members: Carried.

Speaker: The Honourable Member from Morell-Fortune Bay.

8:00 p.m.

Hon. Pat Mella (PC): Could I have permission to bring Terry Hogan onto the floor. He's the expert intentions.

Leader of the Opposition: Bring him on.

**COMMITTEE OF THE WHOLE HOUSE
BILL NO. 59 AN ACT TO AMEND THE REVENUE
TAX ACT, NO. 2**

Chair(Kevin MacAdam in the Chair): The House is now in a Committee of the Whole House to take into consideration a Bill to be intituled *An Act to Amend the Civil Service Superannuation Act*. Is it the pleasure of the Committee that the Bill be now read clause by clause?

Leader of the Opposition: I want to read it clause by clause.

Wes Mac Aleer (PC): Give us an overview to start with. Just give us an overview to start with.

Leader of the Opposition: Okay we'll take an overview to start with.

Chair: Overview by the

Leader of the Opposition: I thought you would have more to do in your Committee's than you'd have (INDISTINCT).

Chair: Gavel, gavel gavel.

Hon. Pat Mella (PC): For the most part it is to clarify what service can be used as pensionable service versus just service. In the old Act, there was a reference to service but if you didn't pay into a pension then it didn't count towards your pension. So throughout the

Act the term service is changed to pensionable service so people will know that the only years that count toward your benefits are the years in which it is a pensionable service.

Leader of the Opposition: Now, would you read this, start it off and read it and go through it.

Philip Brown (PC): I move we move it on block ?

Leader of the Opposition: No, you can't move it on block. This is a piece of legislation. What are you trying to ram through. I'm one person here, I can't leave until 9:00 o'clock 'cause I'm the only person here to hold the Government accountable. What's wrong with asking the Minister to read it through and we'll just go from there. I'm sure that the Honourable Member...Minister is well informed in what she knows. So could you do that?

Chair: I'll read it. Section 1 of the Civil Service Superannuation Act. R.S.P.E.I. 1998 Cap. C-9 is amended by the addition of the following.

(k.1) "pensionable service" means service for which contributions have been made under this Act.

Leader of the Opposition: Just on a Point of Order. Could you get this person to be quiet so (INDISTINCT).

Chair: (Gavel) Could we have quiet please.

Leader of the Opposition: I don't mind it over there but it's awful hard with him going on in your ear, wha wha wha.

Hon. Pat Mella (PC): Okay, section 1 is adding a definition and the definition is added to indicate that credit will be given only if it is a pensionable service not just a service. Pensionable service meaning you paid in.

Leader of the Opposition: Yeah.

Hon. Pat Mella (PC): That's what you'd get credit for on your pension.

An Honourable Member: Carried.

Leader of the Opposition: No. Alright pensionable service, means serviceyeah, you paid into it. Well let's say...can you buy back...like there is something about maternity leave or something. Can people buy back that service?

Hon. Pat Mella (PC): Yes. There was a Bill on the floor earlier this session, maternity benefits, if you were off years ago when it wasn't available you could now go back and purchase that time as a pensionable year.

Leader of the Opposition: And what happens if you're out with sickness, the same thing? Like let's say you were....

Hon. Pat Mella (PC): Your pensions would not be suspended.

Leader of the Opposition: Well let's say you only gotyou know you were sick for a year or something.

Hon. Pat Mella (PC): On sick leave you get your pensions anyway.

Leader of the Opposition: No, but let's say you didn't have enough sick leave to cover it...like let's...sick leave....your base sick leave...how many months do you get now sick leave?

Hon. Pat Mella (PC): It's so many days...a day and a quarter a month, but it's a bank so it builds up over years.

Leader of the Opposition: But...alright that's fine then, this...

Chair: Shall it carry?

Honourable Members: Carried.

Chair: Section 2 of the Act is amended by the repeal of subsection (1) and the substitution of the following:

(1) This Act applies to participating employers who make or have made contributions to the Fund as listed in the regulations.

Shall it carry?

Leader of the Opposition: Just wait now. This Act complies with....carried.

Chair: Carried. (Gavel)

Section 2 of the Act is amended

(a) by the repeal of subsection (6) and the substitution of the following:

(6) The pensionable service used in section 8 to determine the amount of pension to which a member or person is entitled under this Act shall include all or part of the service that has been credited to the member of person under the pension plan of the previous employer, as determined by the Lieutenant Governor in Council, subject to the condition that the amount of additional pensionable service credited under this subsection shall in no case exceed the amount of service credited to the member or person under the pension plan of the previous employer.

Shall it carry?

Leader of the Opposition: Just wait now. Is that new?

Hon. Pat Mella (PC): Okay, this section is identical to the old section except that where you see pensionable service, that's a change. It use to be service. Now it's got to be pensionable service to count. So it's changed in the first line and it's changed again on the third last line. Other than that it's the same.

Leader of the Opposition: Good.

Chair: Shall it carry?

Honourable Members: Carried.

Chair: (b) in subsection (7) by the deletion of the word "service" and the substitution of the words "pensionable service";

An Honourable Member: Carried.

Leader of the Opposition: No, just....

Chair: I'll just read both numbers.

(c) in subsection (8) by the deletion of word "service"

and the substitution of the words "pensionable service". Shall it carry?

Honourable Members: Carried.

Section 4. Section (7) of the Act is amended

(a) in subsections (3) and (4) by the deletion of the word "Minister" and the substitution of the word "employer";

(b) in subsection (6) by the deletion of the word "service" and the substitution of the words "pensionable service".

Shall it carry?

Honourable Members: Carried.

Chair: 5. The Act is amended by the addition of the following:

7.1 (1) "Written notice" for the purposes of this section means written notice by the Minister to an employer and member respecting the missed contributions of a member. Shall it carry?

Leader of the Opposition: Wait now, what does this mean? Written notice for the purpose of this section means that written notice by the Minister to an employer and member respecting the missed contribution of a member. A member of the Civil Service, this has nothing to do with a Member of the Legislative Assembly?

Hon. Pat Mella (PC): No, it's the Civil Service. It means if there was an error in your...in the amount of service that you had. If for example, we missed making a contribution on behalf of an employee, the Minister is to write the employee and notify them of the missed time.

Leader of the Opposition: Good.

Chair: Shall it carry?

Honourable Members: Carried.

Chair: (2) Where an employer has not made all or part of the deductions required by subsection 7(3) during a period in which the Member was required to make

contributions to the fund. The employer shall pay to the fund the amounts that the employer should have paid to the fund pursuant to subsection 7(4) together with interest. Shall it carry?

Hon. Pat Mella (PC): So that means that normally the employer pays so much and the employee pays so much. If it was missed nobody was paying.

Chair: Shall it carry?

Hon. Pat Mella (PC): This requires that the employer will pay in the employers share regardless of whether the employee pays or not.

Chair: Carried?

Honourable Members: Carried.

Chair: 3. A member may make contributions in respect to the member's service for the period during which no contributions were made, where the contributions were required pursuant to subsection 7(4). Shall it carry?

Honourable Members: Carried.

Chair: Where a member makes contributions in accordance with this section, interest accrued on the member contributions payable shall be paid.

(a) by the employer for the period during which no contributions were made where the contributions were required pursuant to subsection 7(3),

(i) to the date the member starts making contributions or

(ii) to the date which is 180 days after the date or written notice, whichever is earlier; and

(b) by the member for the period from 181 days after written notice to the date the member starts making the contributions.

Shall it carry?

Honourable Members: Carried.

(5) Interest on contributions payable under this section shall be calculated at the rate of 5 per cent compounded annually.

Shall it carry?

Leader of the Opposition: Wait now.

Hon. Pat Mella (PC): That's a standard rate on refunds.

Leader of the Opposition: Aright carried.

Chair: Carried. (6) Waiver of interest. Notwithstanding subsection (3) the Minister may waive all or part of the interest payable by any person under this section.

Shall it carry?

Leader of the Opposition: Just a second. Is that new?

Hon. Pat Mella (PC): Yes, this whole section is new. And if we discover an error and we forgot to make a contribution and it's only a couple of weeks, this allows us just to forget it.

Leader of the Opposition: Carried.

Chair: Carried. Pensionable Service. The period of service which is pensionable service for contributions made under this section is

(a) where both the employer and the member make the contributions referred to in section 7.1, the period of service in respect of which contributions are made; or

(b) where only the employer portion is paid, one-half of the period of service in respect of which contributions are made.

Shall it carry?

Honourable Members: Carried.

Leader of the Opposition: (INDISTINCT) there's nothing.

Hon. Pat Mella (PC): No, that just means that if both pay you get the full service, if half pays, you get one.

Chair: 6. Section 8 of the Act is amended

(a) in subsection (2) by the deletion of the word "service" and the substitution of the words "pensionable service";

(b) in subsection (3) by the deletion of the word "service" wherever it appears and the substitution of

the words "pensionable service";

(c) in subsection (6) by the deletion of the word "service" and the substitution of the words "pensionable service";

(d) in subsection (7) by the deletion of the word "service" in the first line only and the substitution of the words "pensionable service";

(e) by the repeal of subsection (8) and the substitution of the following:

(8) Notwithstanding anything to the contrary in this Act or the regulations, a lifetime pension, if any, in respect of the pensionable service prior to 1990 of any member or person entitled to a pension under this Act, shall be subject to the limits and conditions under paragraphs 8504(6) and 8504(7) of the regulations made to the *Income Tax Act* (Canada), if that pensionable service was not already recognized as a service under this Act prior to June 8, 1990. Shall it carry?

Leader of the Opposition: No. Just second. What is that last Section 8?

Hon. Pat Mella (PC): The lifetime pension prior to 90. Apparently there was changes made in 1990 identifying pensionable service. One had to take into account RRSPs...

Leader of the Opposition: Right. Just a second ...if I could get him to be quiet. I don't mind you talking, but I just can't hear.

Chair: (Gavel) Honourable Member, you're going to have to..

An Honourable Member: Sorry.

Hon. Pat Mella (PC): There were changes made in 1990 and...to accommodate RRSPs in considering the amount of pensionable service people had. And so, this particular section is really the same as the original Act expect that where you see pensionable service in there twice, it use to be service.

Leader of the Opposition: Oh alright. Carry.

Chair: Shall it carry?

Honourable Members: Carried.

Chair: 7. Subsection 9(1.1) of the Act is amended by the deletion of the word “service” and the substitution of the words “pensionable service”. Shall it carry?

Honourable Members: Carried.

Chair: 8. Subsection 16(2) of the Act is repealed and the following substituted:

(2) Subject to subsection (3), a person referred to in subsection (1) continues to be disentitled to a pension as long as the person continues to be re-employed, and when the re-employment ends

(a) the person is eligible for a pension recalculated taking into account the salary received and additional pensionable service rendered for which contributions were made during the period of re-employment; or

(b) the person is entitled to restoration of the pension at the level formerly paid, as applicable. Shall it carry?

Leader of the Opposition: Now, what does that mean?

Hon. Pat Mella (PC): This section is change as a result of us giving pensions to part-time people. Remember we’ve changed that in 1999? And it use to read that only full-time people were entitled to pensions. So, this ... the wording is changed to allow for whoever has time to get the pension benefits.

Leader of the Opposition: Now, this here ... that’s good. This here section does not cover other, anybody other then civil service.

Hon. Pat Mella (PC): That’s correct.

Leader of the Opposition: Not ... yeah, nobody else.

Hon. Pat Mella (PC): Well, it covers the ...

Leader of the Opposition: Teachers.

Hon. Pat Mella (PC): ... the health ... It covers the health ... it’s civil servants. But, it covers the health region employees.

Leader of the Opposition: Right.

Hon. Pat Mella (PC): The workers compensation, grain elevators, not teachers. That would be separate. And

public service.

Leader of the Opposition: Well, alright. Anyone(INDISTINCT) UPSE or something. Whatever. Alright.

Chair: Shall it carry?

Honourable Members: Carried.

Chair: 9. Section 17 of the Sct is amended

(a) by the repeal of subsection (1) and the substitution of the following:

(1) Interruption of service by reason of any member’s enlistment and service in any of Her Majesty’s forces or in services auxiliary thereto in time of war shall be disregarded in computing time of pensionable service and in assigning entitlement for it, and the member shall be regarded as being in pensionable service without any contribution required during the whole period of service in the forces or auxiliaries.

(b) in clause (2)(a) by the deletion of the word “service” and the substitution of the words “pensionable service”. Shall it carry?

Leader of the Opposition: Now, would that have anything before, would it?

Hon. Pat Mella (PC): So, it was all in expect pensionable services changed.

Leader of the Opposition: Alright. Carried.

Chair: Shall it carry?

Honourable Members: Carried.

Chair: Section 10. Section 17.1 of the Act is repealed. Shall it carry?

Honourable Members: Carried.

Chair: Shall it carry? (Gavel) 11. Section 28 of the Act is amended by the addition of the following:

(a.3) respecting participating employers to which this Act applies. Shall it carry?

Honourable Members: Carried.

Chair: 12. This Act comes into force on a date that may be fixed by proclamation of the Lieutenant Governor in Council.

Leader of the Opposition: Now, one question on that. When do expect you'll bring this in? Fairly soon.

Hon. Pat Mella (PC): As soon as the Lieutenant Governor approves it.

Leader of the Opposition: Alright.

Chair: Shall it carry?

Honourable Members: Carried.

Leader of the Opposition: I'd just like to say that the Minister of ... Provincial Treasurer and the Minister of Environment, when they come on the floor with their Bills, they're well brief and they know them, and it really speed things up. So, if the other Ministers would take a lesson from them. And when they come on ... I don't meant the other Ministers are all bad on their Bills, either, I'm just saying that the Provincial Treasurer makes a ... knows her department and her Bill.

Hon. Pat Mella (PC): Thank you.

Leader of the Opposition: I don't always agree what you too, but ...

Hon. Pat Mella (PC): I notice that, yeah. (Applause) (Laughter)

Leader of the Opposition: You know the department. And the Minister of Environment, I got to admit, he does....when his Bill come on he had his homework done and we got through it...we got through that Bill there in about 15 minutes, and there was a lot of pages, so that means...

Hon. Pat Mella (PC): Okay.

Chair: Thank you, Honourable Member.

Hon. Pat Mella (PC): I move the title.

Chair: *An Act to Amend the Civil Service Superannuation Act (No. 2)*. Shall it carry?

Honourable Members: Carried.

Hon. Pat Mella (PC): I move the enacting clause.

Chair: BE IT ENACTED by the Lieutenant Governor and the Legislative Assembly of the Province of Prince Edward Island as follows. Shall it carry?

Honourable Members: Carried.

Hon. Pat Mella (PC): Mr. Speaker, I move ... Mr. Chair, I move the Speaker take the Chair and the Chair report the Bill agreed to without amendment.

Chair: Shall it carry?

Honourable Members: Carried.

Hon. Mitch Murphy (PC): Madam Speaker, as Chairman of the Committee of the Whole House having had under consideration a Bill to be intituled *An Act to Amend the Civil Service Superannuation Act*. I beg leave to report that the Committee has gone through the said Bill and has agreed to same without amendment. I move that the report of the Committee be adopted.

ORDERS OF THE DAY (Government) (continued)

Speaker: Shall it carry?

Honourable Members: Carried.

Speaker: The Honourable Minister of Forestry and Agriculture.

BILL NO. 58 AN ACT TO REPEAL THE APIARY INSPECTION ACT (2nd reading)

Hon. Mitch Murphy (PC): Madam Speaker, I would move, seconded by the Honourable Government House Leader that the 15th Order of the Day be now read.

Speaker: Shall it carry?

Honourable Members: Carried.

Clerk: Order No. 15 *An Act to Repeal the Apiary Inspection Act* Bill No. 58 ordered for second reading.

Hon. Mitch Murphy (PC): Madam Speaker, I would move, seconded by the Honourable Government House Leader that the said Bill be now read a second time.

Speaker: Shall it carry?

Honourable Members: Carried.

Clerk: *An Act to Repeal the Apiary Inspection Act* Bill No. 58 read a second time.

Hon. Mitch Murphy (PC): Madam Speaker, I would move, seconded by the Honourable Government House Leader that this House do now resolve itself into a Committee of the Whole House take into consideration the said Bill.

Speaker: Shall it carry?

Honourable Members: Carried.

Speaker: The Honourable Member from West Point-Bloomfield.

8:18 p.m.

COMMITTEE OF THE WHOLE HOUSE

BILL NO. 58 AN ACT TO REPEAL THE APIARY INSPECTION ACT

Chair (Eva Rodgers in the Chair): The House is now in a Committee of the Whole House to take into consideration a Bill to be intituled Bill No. 58 *An Act to Repeal the Apiary Inspection Act*.

Leader of the Opposition: What is that?

An Honourable Member: Could we have an overview (INDISTINCT)

Hon. Mitch Murphy (PC): This is the Act that governs the importation of bees into the province.

Leader of the Opposition: So you're not going...you're going to lift the inspection of bees coming in, is that what you mean?

Hon. Mitch Murphy (PC): No, what we're doing is that we've consulted with the Beekeepers Co-op. We're

going to allow bees to come in from Nova Scotia for the first time this year. There are a bunch of other changes, the *Apiary Inspection Act's* 50 years old. So there's a bunch of other changes that we want to have take place. There's going to be some consultation with the beekeeping community and the new rules in governing bees is going to be put into the *Animal, Plant and Health Act*.

Leader of the Opposition: Through regulations?

Hon. Mitch Murphy (PC): Yes. Yeah.

Leader of the Opposition: So you won't have...like we got to watch that...like, you're getting rid of this Act, Inspection Act, that means that if bees are coming in you got a right to inspect them or whatever, is it?

Hon. Mitch Murphy (PC): That's correct.

Leader of the Opposition: Now you're getting rid of that.

Hon. Mitch Murphy (PC): No but that Animal...

Leader of the Opposition: No, I know, but you're getting rid of this particular Act. So then you're going to bring it in under regulations in the *Animal Protection Health Act*.

Hon. Mitch Murphy (PC): Yeah, the *Animal, Plant and Health Protection Act* already has in Legislation the right to do inspections...

Leader of the Opposition: No, I have no...so, as long as the bees...so this is in the regulations now?

Hon. Mitch Murphy (PC): Yes.

Leader of the Opposition: So it's just a matter of repealing this, you already go (INDISTINCT)

Hon. Mitch Murphy (PC): That's right.

Philip Brown (PC): So this Act is just (INDISTINCT)

Chair: Is it the pleasure of the Committee that the Bill now be read clause by clause?

Leader of the Opposition: You should read it clause by clause just to get it in the record.

Chair: BE IT ENACTED by the Lieutenant Governor and the Legislative Assembly of the Province of Prince Edward Island as follows:

1. The Apiary Inspection Act R.S.P.E.I. 1988, Cap. A-12 is repealed.

An Honourable Member: Carried.

Chair: Carried. This Act...

2. This Act comes into force on a date that may be fixed by proclamation of the Lieutenant Governor in Council. Carried?

Honourable Members: Carried.

Leader of the Opposition: There's just one thing, when the Minister's taking these Bills on the floor, is there any way you can save paper because you only got a little bit and you're using a whole sheet of paper and which I noticed... the questions the Premier brought back he copied them three times to fill his boxes, which he couldn't even fill the boxes. But it is trees and this...like I know, I wouldn't expect it but I'm just saying if you could every time you save paper, is this recycled paper you're using?

Hon. Mitch Murphy (PC): You'd have to take that up with Legislative Council, Honourable Member, they're the ones who put the Bills together.

Leader of the Opposition: Is it?

Hon. Mitch Murphy (PC): Yeah.

An Honourable Member: Carried.

Leader of the Opposition: No, just don't be in a rush now. I'm just saying, to protect the trees and I notice the Premier he photocopied my answers three times, he had somebody do that. And I was wondering why he'd photocopying them three times and why he wouldn't even bother bringing them on disk, then he couldn't even fill the boxes then. But anyway, I'm just pointing the point seeing that you're the Minister responsible for forests and the clear cutting that was talked to you

today on the radio. I did catch part of it and every tree you save is more oxygen.

Hon. Mitch Murphy (PC): I move the title.

Chair: *An Act to Repeal the Apiary Inspection Act.* Shall it carry?

Honourable Members: Carried.

Hon. Mitch Murphy (PC): I move the enacting clause.

Chair: BE IT ENACTED by the Lieutenant Governor and the Legislative Assembly of the Province of Prince Edward Island as follows. Shall it carry?

Honourable Members: Carried.

Hon. Mitch Murphy (PC): Madam Chair, I move the Speaker take the chair and that the Chair report the Bill agreed to without amendment.

Chair: Shall it carry?

Honourable Members: Carried.

Chair: Madam Speaker, as Chairman of the Committee of the Whole House have had under consideration a Bill to be intituled Bill No. 58 *An Act to Repeal the Apiary Inspection Act*, I beg leave to report that the Committee has gone through the said Bill and has agreed to the same without amendment. I move that the report of the Committee be adopted.

ORDERS OF THE DAY (Government) (continued)

Speaker: Shall it carry?

Honourable Members: Carried.

Hon. Mitch Murphy (PC): Madam Speaker, I'm wondering...

Speaker: Minister of Agriculture and Forestry.

Hon. Mitch Murphy (PC): I'm wondering if I could have permission of the Members of the Assembly to do third reading on this Bill?

Speaker: Do we have unanimous consent to do third reading on this Bill?

Leader of the Opposition: Well is there any rush to (INDISTINCT) third reading tonight?

An Honourable Member: No, we can do it in the morning

Leader of the Opposition: I don't think...I think we did that...you got nobody here from your department, we could do that tomorrow and...

Hon. Mitch Murphy (PC): Let the Bill go (INDISTINCT)

Leader of the Opposition: ...the Minister of Community of Cultural Affairs had a civil service here and my...I did it at that time in order to help her and help the bureaucrats be able to go home with his family or whatever. But I don't think there's any rush on this.

Speaker: Okay. You do not have a unanimous...

Hon. Mitch Murphy (PC): So I don't have permission, Madam Speaker, I take it.

Speaker: No.

Hon. Mitch Murphy (PC): Okay.

Speaker: Honourable Minister of Agriculture and Forestry.

Hon. Mitch Murphy (PC): No, that'll be good. That's cooperation after seconding your...

Speaker: Honourable Minister.

BILL NO. 59 AN ACT TO AMEND THE REVENUE TAX ACT, NO. 2 (In Committee)

Hon. Mitch Murphy (PC): Madam Speaker, I would move, seconded by the Honourable Government House Leader that the 10th Order of the Day be now read.

Speaker: Shall it carry?

Honourable Members: Carried.

Clerk: Order No. 10 *An Act to Amend the Revenue Tax Act (No. 2)* Bill No. 59, In Committee.

Speaker: The Honourable...go ahead, Honourable Minister.

Hon. Mitch Murphy (PC): Madam Speaker, I would move, seconded by the Honourable Provincial Treasurer this House now resolve itself into a Committee of the Whole House to take into consideration the said Bill.

Speaker: Shall it carry?

Honourable Members: Carried.

Speaker: The Honourable Government House Leader.

**COMMITTEE OF THE WHOLE HOUSE
BILL NO. 59 AN ACT TO AMEND THE REVENUE TAX ACT, NO. 2**

Chair (Elmer MacFadyen in the Chair): The House is now in a Committee of the Whole House to take into consideration a Bill to be intitled *An Act to Amend the Revenue Tax Act*. Is it the pleasure of the Committee that the Bill be now read clause by clause?

Honourable Members: Correct.

Hon. Pat Mella (PC): Could I ask that Mary Hennessey come onto the floor to assist with answering questions?

An Honourable Member: Yes.

Leader of the Opposition: No problem.

Chair: Yesterday when we had the Bill on the floor there was an overview of the Bill done by the Minister, is it the wish now that it be read clause by clause?

Leader of the Opposition: Yes.

Philip Brown (PC): Where are we at?

Chair: We're on page 1 of Bill No. 59.

Philip Brown (PC): No, but did we read any of it clause

by clause yet?

Chair: No.

Hon. Pat Mella (PC): No.

Leader of the Opposition: You weren't here in the House yesterday?

Philip Brown (PC): I was (INDISTINCT)

Chair: An Act to Amend... (Gavel) quiet please. *An Act to Amend the Revenue Tax Act (No. 2)*. BE IT ENACTED by the Lieutenant Governor and the Legislative Assembly of the Province of Prince Edward Island as follows:

1. The Revenue Tax Act R.S.P.E.I. 1988, Cap. R-14 is amended by the addition of the following:

4.3 In this section, sections 4.4 to 4.11 and subsection 7(4.1),

(a) "acquisition date" means,

(i) in the case of an interjurisdictional vehicle that is purchased, the date on which the vehicle is purchased, or

(ii) in the case of an interjurisdictional vehicle that is leased, the date on which the lease first becomes entitled to have access to the vehicle pursuant to the lease agreement;

Leader of the Opposition: Could you just...

Chair: (b)...I'm going to read the whole section.

Leader of the Opposition: Alright, great.

Chair: (b) "acquisition year" means,

(i) in the case of an interjurisdictional vehicle that is purchased, the year in which the vehicle is purchased, or

(ii) in the case of an interjurisdictional vehicle that is leased, the year in which the lessee first becomes entitled to have access to the vehicle pursuant to the lease agreement;

(c) "active interjurisdictional fleet" means...quiet

please...means a fleet in which at least one of the vehicles was licensed as an interjurisdictional vehicle for at least 90 days during the calculation year preceding the start of the fleet year;

(d) "calculation year" means the period commencing on July 1 in one year and ending on June 30 in the following year;

(e) "distance ratio" for an interjurisdictional vehicle for a vehicle license period means the ratio calculated pursuant to section 4.4;

(f) "fleet: means one or more interjurisdictional vehicles that are designated as a fleet by the person licensing the vehicles;

(g) "fleet year: means the period

(i) commencing on the first day in the year that interjurisdictional vehicle is in a fleet are licensed as a fleet, and

(ii) ending on the earlier of

(A) the day before the anniversary of the date mentioned in subclause (i),

(B) in the fleet's first year, the date which is,

(I) in the case where the person licensing the interjurisdictional vehicles as a fleet is an individual, the date on which the individual's next birthday falls, and

(II) in any other case, the date selected by the person licensing the interjurisdictional vehicle as a fleet, and

(C) the date that interjurisdictional vehicle in the fleet ceases to be a fleet;

(h) "interjurisdictional commercial purpose" means engaging in interprovincial or international trade by way of the commercial carriage of passengers or goods;

(i) "interjurisdictional vehicle" means a vehicle that is eligible to be licensed pursuant to a reciprocal agreement for an interjurisdictional commercial purpose;

(j) "property... tax" means the tax imposed pursuant to subsection 4.5(1), and includes all penalties and interest that are, may be or may have been added to such tax pursuant to this Act or the Revenue Administration Act;

Leader of the Opposition: Just on a point of...for a second, that's prorate.

Chair: Prorate, sorry.

Leader of the Opposition: Yeah, you said property tax. That's what I was going to ask you.

Chair: Okay, sorry. My mistake. Prorate tax.

(k) "reciprocal agreement" means an agreement that is prescribed by regulation and that is between Prince Edward Island and one or more other provinces or territories of Canada or states of the United States of America in which the parties agree to prorate taxes on interjurisdictional vehicles and to collect and remit other parties' portion of the taxes;

(l) "reciprocal jurisdiction: means a province or territory of Canada or a state of the United States of America that has entered into an reciprocal agreement with Prince Edward Island ;

(m) "vehicle" does not include a trailer;

(n) "vehicle license period: means the period commencing on the date that an interjurisdictional vehicle is licensed and ending on the earlier of

(i) the expiry date of the license, and

(ii) the date the license ins cancelled, surrendered or terminated;

(o) "vehicle taxable value" means,

(i) in the case of an interjurisdictional vehicle that is purchased, the greater of

(A) the purchase price of the vehicle in the vehicle's acquisition year, and

(B) the fair value (excluding the component of the federal sales tax that is the goods and services tax as established pursuant to Part IX of the *Excise Tax Act* (Canada) R.S.C. 1988, Chap. E-15) of the vehicle in the vehicle's acquisition year, or

(ii) in the case of an interjurisdictional vehicle that is leased, the greater of

(A) the purchase price of the vehicle in the vehicle's acquisition year as described in the lease agreement, and

(B) the fair vale (excluding that component of the federal sales tax that is the goods and services tax as established pursuant to Part IX of the *Excise Tax Act* (Canada R.S.C. 1988, Chap. E-15) of the vehicle in the vehicle's acquisition year,

and includes any capital expenditure made in respect of

the vehicle after the vehicle's acquisition date.

Hon. Pat Mella (PC): Okay, this section is all a set of new definitions which are required because we're moving to a pro-rated tax system for inter-jurisdictional vehicles moving among provinces and states. And as a...the old system required that if you were located in Prince Edward Island then you paid the tax here, right? Oh, and it was pro-rated to the provinces you were going to drive in.

Leader of the Opposition: Yes.

Hon. Pat Mella (PC): But not to the States. Now this is going to include the States. So these definitions that we've just read through are all the ones that are going to use to calculate how much...the way they're going to calculate how much tax you pay on the vehicle and the equipment.

Leader of the Opposition: Now (f) "fleet" means one or more vehicles that are designated as a fleet by the person....these are commercial vehicles.

Hon. Pat Mella (PC): Yes.

Leader of the Opposition: Like a dump truck, like somebody hauling shale is registered commercial too.

Hon. Pat Mella (PC): Yeah, that would be one. Interjurisdictional. This is the way it's defined. Interjurisdictional commercial purpose....

Chair: Member from Cascumpec-Grand River.

Leader of the Opposition: I hate to bother you but if the Chairman and the Member had a problem here.

Chair: I'm just calling him by his District.

Leader of the Opposition: I have no problem with that. I'm just talking I couldn't hear.

Chair: Okay, go ahead Honourable Leader.

Hon. Pat Mella (PC): Okay. Interjurisdictional commercial means; engaging in interprovincial or international trade by way of the commercial carriage of passengers or goods. So in the case of the dump truck

with the shale that would be goods, yeah.

Leader of the Opposition: So yeah, if a dump truck went over to New Brunswick and picked up a load of lime and hauled it back, he would have to have an interprovincial license?

Hon. Pat Mella (PC): Okay....at the present time they pay trip permits and they purchase those. From this Bill forward they can chose to go with this. But they don't have to. They can stay with the (INDISTINCT) permit or...

Leader of the Opposition: 'Cause I'm concerned with the small dump truck operator might want to go and haul 10 loads of gravel over and that's all they get, so they could still pay for the trip.

Hon. Pat Mella (PC): They can still go (INDISTINCT) permits.

Leader of the Opposition: Alright, that ends that. Now I've another question here over in tax, prorate tax, means of tax imposed...

Hon. Pat Mella (PC): What number?

Leader of the Opposition: Number (j).

Hon. Pat Mella (PC): (j) prorate tax. Prorate itself. It means the proportion aside to each jurisdiction.

Leader of the Opposition: Alright. So let's say J. L. Hogg Transport has five trailers and a resident here in the Province of PEI, he is going to travel to New Brunswick, Nova Scotia, Boston. How does that work? Does some of that license that you collect here go to the US?

Hon. Pat Mella (PC): It will go to each of the jurisdictions he traveled in. We would have to remit it. If he registers here, we would collect it and then we would prorate the tax of the mileage that he traveled in Nova Scotia, in Maine or wherever he went and remit that to them.

Leader of the Opposition: Now, how do we know how many miles that he travels in the US? No just wait now till we ask this question (INDISTINCT). We have the

experts here, they're doing just great.

Hon. Pat Mella (PC): Okay, apparently the calculation is based on the travel that he did in the prior year, it's a year behind. He records where he traveled the previous year and we tax them on that.

Leader of the Opposition: So he would bill...like say he delivers to Boston or he delivers...like I'm looking at for instance, Larter's out our way, they haul farm machinery from down in the States a lot. So they would go to their Larter Transport and they have a market with all the John Deers pretty well coming to Atlantic Canada and...so they do belong to the States, so they would pay their license I would assume here and then they would give...what would they give you? They give you...for instance this trucking company, I don't mean, like the trucking company like Harmony Transport out of Miscouche or whatever, they haul through the States, so this is going to make it simpler for them. It should be better. But do they give you the records of their invoices or something, how do you justify where their trips were like?

Phillip Brown (PC): Mr. Chair.

Chair: He's got a question first, Honourable Member, just a moment.

Hon. Pat Mella (PC): When they come in to report and to register they report to us the percentage of mileage in each of the jurisdictions that they went on. It would probably be subject to audit if we wanted to question it.. But we go by what they reported they traveled in these jurisdictions.

Leader of the Opposition: Alright. So a lot of them pay their drivers by mileage alright.

Hon. Pat Mella (PC): Yeah, I guess.

Leader of the Opposition: So you would...or if they had invoices delivered, picked up in (INDISTINCT) and delivered....and so what you do is you rely on and report it subject then to an audit at different stage to make sure it's accurate, which is what (INDISTINCT) can be done. Now, that's correct.

Chair: Member from Cascumpec-Grand River had a

question.

Phillip Brown (PC): It's a quarterly report right, that they fill out, either monthly or quarterly, report that you fill in and all the different jurisdictions...

Hon. Pat Mella (PC): Honourable Member, this is not the Fuel Tax Bill, this only relates to the registration of a vehicle, the cost of the vehicle, the sales tax you would pay for the vehicle, not the fuel tax. So it's only once a year. You're right though, the fuel tax is the quarterly.

Leader of the Opposition: (INDISTINCT) motor vehicle registration means that you register a vehicle, and I stand to be corrected, by the gross weight that that vehicle carries, correct?

Hon. Pat Mella (PC): Is it weight.

Leader of the Opposition: Like a ten wheeler, if you go by the amount of axles, we can (INDISTINCT) a truck with three axles, two drive axles or ten wheeler can register up to maybe 45,000 pounds or 50....they wouldn't pay as much as a trailer truck that can haul 45 or 50,000 pounds.

Hon. Pat Mella (PC): No, but the only part that treasury deals with is the sales tax part, not the weight. Obviously a bigger truck would cost more likely.

Leader of the Opposition: No to register it. No but you're provincial sales...

Hon. Pat Mella (PC): This is based on the cost of the vehicle.

Leader of the Opposition: Oh, so we're not talking plates, we're talking the basic cost....

Hon. Pat Mella (PC): Cost of the vehicle itself. The sales tax you pay when you buy one of these big trucks. Or you buy a trailer or you buy equipment or....

Leader of the Opposition: Just wait now. So I thought this was plates that everybody would buy ...register their vehicle on PEI, you pay a certain percent of their mileage. So this is a sales tax. So let's say....

Hon. Mike Currie (PC): (INDISTINCT)

Leader of the Opposition: Why would somebody from the States...if they bought a truck in say the State of Maine and whatever they pay there and they trucked into PEI, they'd have to pay sales tax?

Hon. Pat Mella (PC): Yeah that's the way it will be now.

Leader of the Opposition: Is that the way it is now?

Hon. Pat Mella (PC): Yeah.

Leader of the Opposition: Oh so when you get that permit that came in, what's the permit now?

Hon. Pat Mella (PC): What's it cost you mean?

Leader of the Opposition: Yeah to come, does anybody know? Alright let's...I wouldn't expect you to know that. But let's say you pay a permit, that's where the tax that you didn't get in that particular vehicle, even though that particular vehicle might have been here two times on a commercial vehicle.

Hon. Pat Mella (PC): Yeah, tax and registration.

Leader of the Opposition: Tax and registration. No well see we're into registration, but if you registered it, you get it registered for weight, so this will be your license see. If you buy a vehicle...let's say you buy a tractor trailer at \$100,000 round figures, you go in and you register it and we go...or the dealer collects it to register it. But you got to register that to haul a certain amount of weight. Like you got to register it to haul...let's say it's a 10 wheeler truck, dump truck and you got to register it too. So you pay a fee to register it, some people only register them for six months or three months, whatever they use them. Alright. So that truck went to New Brunswick for five loads of gravel, they would get a certain percent of the sales tax on that truck and the registration...

8:40 p.m.

Hon. Pat Mella (PC): New Brunswick would.

Leader of the Opposition: Like this is ...

Hon. Pat Mella (PC): When you go to register a vehicle, you register it as either interjurisdictional or local. And if you register the vehicle as interjurisdictional, then you also report the percentage of time that you're going to, that you have travelled the previous year in different jurisdictions, and the tax is calculated on that. It's not the 10% tax. Under this new system, later on in the Bill, there's a different tax system as well. It starts out as 5. Isn't it? 5% and then it varies.

Leader of the Opposition: So, what happens for instance, if New Brunswick has harmonized tax. You get it all back if you buy a vehicle. So, there's really no tax on that particular truck for commercial use. It's in the business. The only place there's tax on a truck is P.E.I. that I know of. Like, P.E.I. 10.7%. That's the sale tax. Are you sure there's not ... there's something.

Hon. Pat Mella (PC): It really...it doesn't matter where the vehicle is registered. The tax that comes to P.E.I. is based on the percentage of travel that took place on P.E.I. So, even if it was a New Brunswick truck, we would get a percentage of that tax because they travelled in this Province so many miles.

Leader of the Opposition: Yeah, but, there's no tax in New Brunswick.

Hon. Pat Mella (PC): Yeah, there's 15.

Leader of the Opposition: No, you get it back.

Hon. Pat Mella (PC): Well, no, no, but the tax is in here.

Leader of the Opposition: Your putting the tax in.

Chair: The Member from Cascapmec-Grand River.

Hon. Pat Mella (PC): The tax that comes to P.E.I. is based on our tax rates.

Philip Brown (PC): Yeah, because ... well, is this new?

Leader of the Opposition: I don't think ...

Hon. Pat Mella (PC): No, that's the way its been. They paid our tax rates.

Leader of the Opposition: No, I never told you that.

Philip Brown (PC): Because carriers move interjurisdictional ...

Leader of the Opposition: No, I don't (INDISTINCT).

Hon. Pat Mella (PC): Yeah. It was the same before.

Philip Brown (PC): If ... the Honourable Leader of the Opposition pointed out, every trucking company in Canada would have all their trucks registered in New Brunswick if they didn't have to pay tax over there. I...

Leader of the Opposition: They do, a lot of them do that.

Philip Brown (PC): ... mean, it would only make sense to do that. But, you register in your home Province, but because you do trucking in all the different durations, you prorate your tax evenly so that it affords ...

Hon. Pat Mella (PC): If your travel in Ontario, you'll pay the Ontario rate. If you went to Saskatchewan, you'll pay that rate. If you went to Maine ...

Philip Brown (PC): That's right. And you have this whole thing prorated by why of a formula, I assume so that ...

Hon. Pat Mella (PC): Yeah, which is in the Act as well.

Philip Brown (PC): On the quarterly report, you figure out how many trucks are in P.E.I. and how many miles they're travelling. And it seem to be fair that we're receiving the appropriate tax.

Hon. Pat Mella (PC): That's right. And some by mileage.

Leader of the Opposition: So, New Brunswick. Let's say you get a license. You want to go in, you register your truck from here. Your only going to New Brunswick. New Brunswick charges no tax.

Hon. Pat Mella (PC): Well, they charge 15%.

Leader of the Opposition: No, they give it back.

Hon. Pat Mella (PC): Yeah, the give it back. But, they do charge it up front. The business can get it back but that's a different issue. The company can get that back as a credit.

Leader of the Opposition: Yes.

Hon. Pat Mella (PC): But, it doesn't effect the payment here. They just happen to get it back as an input credit.

Leader of the Opposition: They get it back. Yeah. They rebated it back.

Hon. Pat Mella (PC): Yeah.

Leader of the Opposition: So, if they're rebated back, how ... I just ... I could see a license. Like, this here ... Like, we're talking vehicles. Something funny here.

Hon. Pat Mella (PC): Yeah, for the miles they drive in New Brunswick, they will pay the 15% tax. For the miles they drive in P.E.I., they'll pay our tax. Whatever the tax is in the Province, that's what they'll pay.

Leader of the Opposition: So, the miles they pay, they pay 15%.

Hon. Pat Mella (PC): If it's in New Brunswick or Nova Scotia.

Leader of the Opposition: If it's in New Brunswick or Nova Scotia.

Hon. Pat Mella (PC): Or Newfoundland.

Leader of the Opposition: So, if I hire a company from New Brunswick to haul a load of gravel over to P.E.I. or lime. Say they charge me ... I don't know, whatever the rate is. But, they hire here a bunch of company that their GST and PST they pay, they get it all back. But, your saying when they put it through, they charge it. And they'll issue you a cheque back here for ... or the mileage of that truck of sale tax. That truck trailed here for the cost. Is that right?

Hon. Pat Mella (PC): Mileage they travelled on P.E.I.

Leader of the Opposition: On P.E.I.

Hon. Pat Mella (PC): Yeah. That per mileage.

Leader of the Opposition: Now, vehicle does not include a trailer.

Hon. Pat Mella (PC): Yeah, it does.

Leader of the Opposition: Well, it says here.

Hon. Pat Mella (PC): No. Sorry. No, sorry I guess it doesn't. I thought I read that here.

Leader of the Opposition: So, alright. We got the \$100,000 ...No, but I mean we got the \$100,000... I got some questions here. I'll let the Honourable Member go in a few minutes. I think he has some ... So, a vehicle is the truck with the engine or whatever in it. So, you have a 53 footer trailer with a (INDISTINCT) in the back of it. And the trailer is registered in New Brunswick, alright, and the trailer worth \$85,000. New Brunswick operator gets a trailer ... And New Brunswick operator gets the trailer, rebate it back to tax. You do not charge any tax on that trailer. It's just the vehicle. You're missing the trailer. Because if you buy a trailer from P.E.I. you have to pay the whole tax of 7% plus 10%, cause 10.7% you only get back the 7% GST. So, in theory, that trailer would cost you 10.7% more on P.E.I.

Philip Brown (PC): What do you suppose we have (INDISTINCT)

Leader of the Opposition: I don't know.

Hon. Pat Mella (PC): Well, apparently the tax that is collected is a combination of tax on the truck, the trailer, and the cost of repairs. It's factored into the tax value.

Leader of the Opposition: So, you have trailer in here to. Cost of what repairs?

Hon. Pat Mella (PC): Well, whatever equipment repairs that you would have to do. That you had to pay tax on.

Leader of the Opposition: So, so... if I'm in New Brunswick, I have a bunch of company, and I go in and get my trailer truck fixed with a new engine, \$25,000. I pay 15% tax there on that engine. It's in, it's out. And

then I get a tax credit, or I get a cheque. You can get a cheque for these, more than a credit. Depends how much you collect if we were both late. So, you get a credit. But, you mean if that truck comes into P.E.I., we are getting a certain percent of that tax, that engine, or whatever it was fixed in New Brunswick then P.E.I.

Hon. Pat Mella (PC): Yeah, you're right.

Leader of the Opposition: And how much money would we get ... We don't have that many miles here.

Hon. Pat Mella (PC): We don't have ... I don't have the specific amount, but it's ... the way this has been designed, we'll be collecting the same amount approximately as under the old system. So, that it's not ... So, that this new system is not more burdensome to interjurisdictional (INDISTINCT).

Leader of the Opposition: Yeah, but have you got any projections. Or are you going to be getting more tax under this Bill.

Hon. Pat Mella (PC): No, we're not getting more. The same.

Leader of the Opposition: Are you going to get less?

Hon. Pat Mella (PC): About the same, probably.

Leader of the Opposition: About the same. But, I'm learning something here. So, if you have an Island truck and you bought your trailer in New Brunswick and registered it, but the vehicle doesn't mean trailer. But, the trailer got to be registered, I don't know what it cost to register a trailer. The vehicle is the one ... I don't know ... the vehicle ... So, there's a definition of a trailer here to is there? Cause we're talking right now about a vehicle. Like, we're talking about a vehicle...all the definitions mean vehicle. Now, I've defined a vehicle and they give you a vehicle, does not include a trailer. Well, how ... where do you have the trailer in this to get the tax on?

Hon. Pat Mella (PC): Do you want to answer that directly. I don't think I can explain it.

Manager, Audit, Collection and Inspection Services, Mary Hennessey: Vehicles does not include a trailer

and that's for purposes of application of the tax. The tax rates that we will see later are applied to the cost, the original cost of the truck. But, the rates have been constructed so that they include ... they're high enough to collect the same amount of tax as we would have collected on the truck, the trailer, and the repairs associated with the truck and the trailer. So, if you go and you buy a trailer that's going to be used for interjurisdictional purposes, you do not pay sale tax on that trailer anymore. When you buy the truck, you don't pay sales tax to the supplier at the time.

Leader of the Opposition: You don't ... Like on P.E.I., you buy a trailer, you don't pay sales tax on it.

Manager, Audit, Collection and Inspection Services, Mary Hennessey: That's correct. But, when you go and register the truck at Highway Safety, they're going to collect the sales tax at that point in time. It's a rate that's applied only to the cost of the truck. But, it's a rate that's sufficient

to collect the tax that would have come in on the truck, and the trailer, and the repairs.

Leader of the Opposition: So, if a truck cost \$100,000, and the trailer cost you 85,000, but you don't ... do you have to produce the tax bill of sale to the trailer?

Manager, Audit, Collection and Inspection Services, Mary Hennessey: No.

Leader of the Opposition: No. So, maybe it's a \$10,000 trailer.

Manager, Audit, Collection and Inspection Services, Mary Hennessey: What's that?

Leader of the Opposition: A \$10,000 trailer. Like a used trailer. So, how would you balance out the difference between an \$85,000 new trailer, say a \$10,000, how would you get a tax? Have you got a formula there?

Manager, Audit, Collection and Inspection Services, Mary Hennessey: The assumption that is in this is that you would use one and half trailers over the life time of a truck.

Leader of the Opposition: Oh, alright.

Manager, Audit, Collection and Inspection Services, Mary Hennessey: And it takes into account the average price of the trailer.

Leader of the Opposition: So, that's how you do it.

Chair: Member from Cascumpec-Grand River.

Phillip Brown (PC): No, I'll just pass for now Sir.

Chair: Okay, Section 4.3, Shall it carry?

Honourable Members: Carried.

Chair: 4.4. The distance ratio for an interjurisdictional vehicle for a vehicle licence period is,

- (a) in the case of an interjurisdictional vehicle that is part of an active interjurisdictional fleet, the ration of
 - (i) the actual distance traveled in Prince Edward Island by the fleet in the period that
 - (A) commences on the later of
 - (I) the date in the calculation year preceding the vehicle licence period that it began operating as an interjurisdictional fleet, and
 - (II) the first day of the calculation year preceding the vehicle licence period, and
 - (B) ends on the last day of the calculation year preceding the vehicle license period, and'
 - (ii) the total actual distance traveled by that fleet during the period mentioned in subclause (I); or
- (b) in any other case, the ration of
 - (i) a reasonable estimate of the distance that the fleet will travel in Prince Edward Island during the fleet year that includes the vehicle licence period, and
 - (ii) a reasonable estimate of the total distance that the fleet will travel in the fleet year that includes the vehicle license period. Questions.

Hon. Pat Mella (PC): So the essence of this is that you take the total amount traveled in all jurisdictions and then you break it down into percentages for each separate jurisdictions and remit the tax to them, based on the percentage. So if your total was 200,000 miles and you traveled 30,000 in a particular jurisdiction, then they'd get that percentage.

Chair: Section 4.4 is carried.

4.5 (1) Every person who licenses as an

interjurisdictional vehicle for use in Prince Edward Island and in one or more reciprocal jurisdictions shall pay a tax to the Minister with respect to each vehicle licence period for the jurisdictional vehicle.

(2) A person who is required to pay the prorata tax shall pay the prorata tax in the manner prescribed by regulation.

(3) The prorata tax payable by a person for an interjurisdictional vehicle for a vehicle licence period is payable,

(a) if the interjurisdictional vehicle is licensed in Prince Edward Island , at the time the vehicle is licensed for the vehicle licence period pursuant to the Highway Traffic Act R.S.P.E.I. 1988, Cap. H-5;

(b) if the interjurisdictional vehicle is not licensed in Prince Edward Island,

(i) at the time the interjurisdictional vehicle is licensed for the vehicle licence period in the reciprocal jurisdiction, or

(ii) if not paid at the time mentioned in subclause (I), at the time the interjurisdictional vehicle first enters Prince Edward Island during the interjurisdictional vehicle's vehicle license period.

(4) If the prorata tax is payable by a person for an interjurisdictional vehicle for a vehicle licence period, any other person who had management of, or the right to determine the utilization of, the interjurisdictional vehicle with it was in Prince Edward Island during the vehicle licence period is jointly and severally liable with the first mentioned person to pay the prorata tax for the vehicle license period.

Shall it carry?

Leader of the Opposition: No. Would you explain that.

Hon. Pat Mella (PC): Okay this means that the prorated tax will be paid in the jurisdiction in which you register the vehicle. So if you're on PEI and you buy a truck you register it here, you'll pay the whole thing here and we will redistribute it across the other jurisdiction.

Leader of the Opposition: Based on last years mileage.

Hon. Pat Mella (PC): Yes. If you buy it in another jurisdiction then you'll pay it all there and they'll send

it back to us. And then the last section refers to if somebody else happens to be driving the truck in PEI and not the guy who actually owns it, they're equally responsible for paying it. In other words, you can't get out.

Leader of the Opposition: The question I got here. If New Brunswick is harmonized the sales tax and...so you got New Brunswick and Nova Scotia, they harmonized it didn't they?

Hon. Pat Mella (PC): Yeah.

Leader of the Opposition: So let's say you...PEI...let's use the fact that PEI harmonized the sales tax and you wanted a licence just to haul to New Brunswick, Nova Scotia, you would not collect any tax from anybody there. Would that be correct?

Hon. Pat Mella (PC): Oh, yes we would.

Leader of the Opposition: Well if you rebate it back.

Hon. Pat Mella (PC): No, but we don't. That's something the Federal Government does for the business.

Leader of the Opposition: The harmonized.

Hon. Pat Mella (PC): Yeah. They rebate the money back to the businesses.

Leader of the Opposition: Yes, the 15%.

Hon. Pat Mella (PC): Yeah.

Leader of the Opposition: So then they cut you a cheque for...

Hon. Pat Mella (PC): Whatever the tax is that would be....

Leader of the Opposition: No, but let's say that PEI agreed to harmonize the tax.

Hon. Pat Mella (PC): Oh, if we were harmonized?

Leader of the Opposition: Yeah, harmonized. Oh no, I know that...but Nova Scotia is harmonized and New

Brunswick is harmonized and let's say PEI did, I'm just using an example. And you registered PEI and you traveled Nova Scotia and New Brunswick and PEI and it's 15% harmonized, the same as the other provinces, so you would collect no tax on any of them vehicles that's registered. But if a truck came in from Ontario, how would that work?

Phillip Brown (PC): Mr. Chair.

Chair: The Member from Cascumpec-Grand River.

Phillip Brown (PC): Just in Section 4.1 of the Act says, in addition to the tax payable of Section 4, every purchaser shall pay to the Minister a tax at the rate of 2.5 % of the fair value of an automobile light or heavy truck when purchase is not attached to those supply made by registered pursuant to part 10 of the *Excise...Excise Tax Act*. So what we're getting at here is if I drive within the jurisdiction of PEI, there's a 2.5% tax. It probably at one time was under the motor carrier licensing where you would register. But this is not the sales tax for the purchase of the vehicle.

Hon. Pat Mella (PC): What's the 2.5% you're talking about? Oh that's a tax on a private sale of vehicles. Vehicles that are sold in the private lots along the road that people have their own little dealership with just second hand cars. They don't have GST. So they have that extra 2 ½ % charge. That doesn't relate to the carrier vehicles.

Chair: 4.5, Shall it carry?

Honourable Members: Carried.

Chair: 4.6(1) The amount of....

Hon. Mitch Murphy (PC): I'm just wondering, Mr. Chair, we're getting on to two minutes to 9:00 o'clock. The Minister seems to be going along pretty well with her Bill. I wonder if we would have consent of the House to sit say until 10:00 o'clock.

Leader of the Opposition: No, because I got somebody waiting for me that I had to put off until 9:00 o'clock. I got the card and I got a meeting, only for that I can't (INDISTINCT) I'm the only one person here. We can finish this up tomorrow. Tomorrow is another day. The

Minister is getting...

Hon. Mitch Murphy (PC): I have the floor. The reason I was asking was that the Minister of Technology and Development has already informed the House today that he's going to Summerside in the morning to deal with the Seafood Supreme situation. I believe he does have a meeting with the owner of the company and meet with the workers, him and the Members from that area. So I was just wondering if we could continue the debate on this Bill but I guess if we don't have permission that's fine, we can call it back on Tuesday.

Leader of the Opposition: Well the problem I have is, the House is over tomorrow at 1, you probably could meet after that. But the problem is, I've been up since 7 this morning, this is a major piece of Legislation whatever. It's 10:00 o'clock, the Minister is getting along (INDISTINCT) and I mean tomorrow is another day and we should be....you know if you want to get out that's fine. But the thing is there's no way that I can keep all this in one persons mind, plus there is a gentleman that I've already told him, I couldn't even leave here to tell him that I couldn't meet him so I had a (INDISTINCT) in the debate and I have to be here till 9:00 o'clock so I....

Hon. Mitch Murphy (PC): It's 9:00 o'clock, Mr. Chair.

Hon. Pat Mella (PC): Mr. Chair, I move the Speaker take the Chair and the Chair report progress and beg leave to sit again.

Chair: Shall it carry?

Honourable Members: Carried.

Chair: Madam Speaker, as Chairman of the Committee of the Whole House having had under consideration a Bill to be intituled, *An Act to Amend the Revenue Tax Act (No.2)*. I beg leave to report that the Committee has gone through the said Bill and has agreed to same without amendment. I move that the report of the Committee be adopted.

ORDERS OF THE DAY (Government) (continued)

Speaker: Shall it carry?

Honourable Members: Carried.

Speaker: Excuse me, Honourable Members, just a moment please. The Honourable Government House Leader.

Elmer MacFadyen (PC): Madam Speaker, I move, seconded by the Member from Charlottetown-Spring Park this House adjourn and stay adjourned till tomorrow at 10:00 o'clock.

Speaker: Shall it carry?

Honourable Members: Carried.

Leader of the Opposition: If you'd like to adjourn tomorrow and come back Tuesday, 'cause you want to go to Summerside, that's fine with me. Just adjourn the House tomorrow and come back..not have it and come back Tuesday when the Minister is here, whatever you want to do.

Hon. Mitch Murphy (PC): There's other Bills to be done.

Elmer MacFadyen (PC): We'll do other Bills tomorrow.

Speaker: The Honourable Government House Leader.

Elmer MacFadyen (PC): We'll do other Bills tomorrow and if we finish the other Bills we'll get another Minister to sit on the floor regarding the other Bill.

Leader of the Opposition: (INDISTINCT) this afternoon that (INDISTINCT) went today when the Provincial Treasurer came on.

ADJOURNED

Elmer MacFadyen (PC): I just made a statement, I didn't ask for your comment. I move that the House now adjourn.

Speaker: Shall it carry?

Honourable Members: Carried.