

PRINCE EDWARD ISLAND LEGISLATIVE ASSEMBLY



Speaker: Hon. Kathleen M. Casey

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Standing Committee on Public Accounts

DATE OF HEARING: 17 DECEMBER 2008

MEETING STATUS: PUBLIC

LOCATION: POPE ROOM, COLES BUILDING, CHARLOTTETOWN

SUBJECT: SECOND PRESENTATION BY MINISTER OF INNOVATION AND ADVANCED LEARNING ON
PROVINCIAL NOMINEE PROGRAM

COMMITTEE:

Jim Bagnall, MLA Montague-Kilmuir
Paula Biggar, MLA Tyne Valley-Linkletter
Olive Crane, MLA Morell-Mermaid, Leader of the Opposition
Sonny Gallant, MLA Evangeline-Miscouche
Charles McGeoghegan, MLA Belfast-Murray River
Janice Sherry, MLA Summerside-Wilmot
Robert Vessey, MLA York Oyster Bed replaces Cynthia Dunsford, MLA Stratford-Kinlock
Buck Watts, MLA Tracadie-Hillsborough Park

COMMITTEE MEMBERS ABSENT:

Cynthia Dunsford, MLA Stratford-Kinlock
Pat Murphy, MLA Alberton-Roseville

ATTENDING MLA:

Michael Currie, MLA Georgetown-St. Peters

GUESTS:

Richard Brown, Minister of Innovation and Advanced Learning

STAFF:

Melissa Keefe, Committee Clerk
Ryan Conway, Research Officer

The Committee met at 10:00 a.m.

Chair (Bagnall): We'll call the meeting to order.

First of all, I would ask for an adoption of the minutes.

Janice Sherry, so moved.

We have some issues here and discussion of the work plan for the agenda, but before we start, I've been approached by members of the committee to address this issue right off the bat, and it's dealing with the media.

The concern is that for members, that this should be looked at at the table, around the table, that it's only members of the legislative committee and that the media, during a meeting, would stay back in the viewing area or away from the table so that members can do their job without distraction.

Now, I guess I put that to the whole committee as to how we deal with that. So are there any concerns with it? So we're not going to bring - so everybody's happy with the way things are going? If you're not, say so. If you are, we'll continue.

Ms. Biggar: I just, hon. Chair, just some personal space, I think, would be warranted, perhaps, so that we can concentrate on the topic at time.

Chair: Okay, anybody else?

Buck.

Mr. Watts: Yeah, I would agree with Paula there. I think out of respect to the decorum of the meeting itself, I think we should be allowed a little space and that the media should give us a little respect with regards to coming around the table while the meeting and around and around and placing of

microphones. But I mean, we can't totally restrict it, but maybe we should.

Ms. Biggar: I would add, too, Mr. Chair, that certainly any of the committee members would be happy to speak afterwards to the press.

Chair: I think what the concern is, and I believe around the table while the meeting is concerned, it should be for committee meetings and members that are presenting. The media should be back.

If the media want to set a microphone down so that they can tape what's happening, that's not a problem. We respect that. That's been going on for as long as the committee meetings have been operating in this government, in any government. But media members sitting at the table and very close with - we ask for just some area around the table for the members.

With that, if that's agreeable, we'll continue.

Mr. M. Currie: No problem.

Chair: Okay, that issue is put aside.

Right now we'll discuss our work plan. Still on the committee's agenda, we have five letters and I'll probably get the clerk to start with the first one and read it and go down through it, and the committee will make decisions.

Committee Clerk: Okay, so the first letter was addressed to me from the Chairman, dated December 15, 2008.

"I am requesting that you advise members of the Standing Committee on Public Accounts that both the Honourable Olive Crane and I have obligations the afternoon of December 17th.

"The meeting that is scheduled for Wednesday, December 17th is scheduled to

begin at 10 am, at which point I will be asking other committee members to agree to an end time of noon. This is a particularly hectic time of year and like other members, our schedules are full.

“Yours respectfully,”
Jim Bagnall, Chairman

Chair: I guess basically what I’m saying or asking is that we meet from 10:00 to 12:00 and if we have to, haven’t finished, then we’ll convene another meeting if Mr. Brown is not done, we’d ask him to come back again. But it gives us a chance to ask - we have other commitments (Indistinct) for the afternoon starting at 12:30 so - yes.

Mr. McGeoghegan: I think with the minister’s busy schedule, too, and being that it is the time of year, and all of us came from all over the Island to come to this meeting, I think we should ask the minister if he could stay, then we should stay. I mean, if the opposition has 200 questions to ask, then let’s hear them.

Chair: As you know, opposition, we’re prepared to meet here, but we did agree because we got a letter from each and every one of the other committee meetings to appear. Our schedule is full. We do have other commitments, but if you want to ramrod the opposition in this thing so that you want to use your power to meet without opposition here, then you’re entitled. But we’ve made two hours available here today, and if we have to come back, we’re prepared to come back.

I mean, this issue is probably not going to go away in one day and if you think all the questions are going to be asked at one meeting, that’s not going to happen. So there are so many questions and so many issues that are coming up on a daily basis that this issue is going to continue to be on the burner for quite awhile.

Janice.

Ms. Sherry: Hon. Chair, I certainly appreciate your comments to some degree.

I think that we, first, need to not lose sight of the fact that this is a public issue that has certainly been brought to the fore, and I think we have a responsibility - busy schedules, Christmas, whatever it may be - to make sure that we get as much information out to the public through this form as possible. Certainly I can appreciate busy schedules. I believe we all have very busy schedules. I know myself coming down here today, I had three other things going on in Summerside that I changed around so that if we went overtime - because I think that it certainly is not an issue of ramrodding the opposition on the issue. I think what we’re trying to do is give respect and consideration to the general public, as well as respect to the hon. Leader of the Opposition, because she has referred on a number of occasions that she has a lengthy number of questions.

So if Mr. Brown is willing to stay and answer as many of those questions to satisfy the hon. Leader of the Opposition, I think we have a responsibility to the general public to do that.

Chair: Thank you very much for your comments.

I guess probably that’s why (Indistinct) the opposition, we sent it out in advance that we did have other things booked. As you know, it was my our intention to - my attention was to start in January when things weren’t so busy and that we would have some time to deal with this issue without running into other meetings and what have you.

But opposition does have to leave at 12:00 today, and if you persist on meeting by yourselves with - then that’s what will have to happen. But as you know, a motion for

adjournment is always in order and it can be moved at anytime. So what we're saying is that we're going to be here until 12:00 and if that's the case, then there'll be a motion for adjournment and it's always in order.

Yes.

Ms. Sherry: Just asking for clarification then, hon. Chair, that the opposition is unable to go past 12:00 noon today and you're requesting that we stop at that time?

Chair: That's -

Ms. Sherry: Thank you.

Chair: That's what the letter states.

Ms. Sherry: We only received the letter on the 15th. I don't know about you, but my schedules are, you know, this time of year, well in advance.

Ms. Biggar: Actually, it came in yesterday.

Ms. Sherry: It was dated the 15th, but I know we received it through e-mail yesterday.

This meeting was certainly something that was requested well over a week and a half ago that it was pertinent to have this meeting, so upon knowing that and the number of questions that the Leader of the Opposition had, I immediately went to work to look at my schedule to make sure that all the opportunity would be given to the committee members, opposition leader, and that's why I cleared my schedule.

Chair: No, and that's fine, and I'm sure in two hours, we'll get through a lot of questions. Probably the minister back at least once or twice more, we'll get the rest of the questions. So that's not an issue.

As Mr. Brown said before, he has no problem coming before this committee to

explain the issues. He said he had nothing to hide and he's willing to come, and as long as the committee has invited him to come he'll be here. So I can't see an issue. I mean, we're giving two hours today and we'll be back again shortly after Christmas with more questions for the minister.

Anyway, it's just as opposition, we're putting it out in advance, letting the members know their concerns.

Some Hon. Members: (Indistinct).

Chair: Mike.

Mr. M. Currie: Mr. Chairman, you probably should do a poll around the table, but if this is an important issue, I think, and as indicated, a lot of information is out there now but there should be more, might I suggest, then, that because it is an important issue, we should do a similar situation as we did with Polar and go across PEI?

We should start in Alberton. We have a MLA there that received units. We'll see what the people of Alberton think about the member. The member from Montague and myself had no problem going across PEI.

Ms. Biggar: That's totally outside of what we're talking about right now.

Mr. M. Currie: You wanted to discuss the issues about Polar across PEI and you took us with us -

Ms. Biggar: We're not talking about Polar.

Mr. M. Currie: - across PEI. We had no problem going and talking, and talking about any question that was ever asked of us.

Ms. Biggar: We're talking about the meeting today, Mr. Chair.

Mr. M. Currie: Why -

Chair: Excuse me, there's no arguing back and forth between members.

Mr. M. Currie: You want to be open and transparent.

Chair: This member has the floor. If you want to speak after, you're welcome to.

Ms. Biggar: Very well.

Thank you, Mr. Chair.

Mr. M. Currie: Mr. Chairman, I think it's important that we do go across PEI, and if they want to just corner these meetings up in two hours - you and I had no problem going across PEI. I think maybe that we should poll each member here and see if that's possible to do today.

Chair: To take this committee on the road to go across PEI?

Mr. M. Currie: Take this committee on the road and let's go across PEI then. Let Islanders hear.

Chair: Is that a motion?

Mr. M. Currie: Let Islanders come in and talk about it.

Chair: Have you made a motion to that, hon. member?

Mr. M. Currie: I just did.

Ms. Biggar: Mr. Chair, can you clarify if the member has the standing to make a motion?

Chair: Pardon?

Ms. Biggar: Since Mr. Currie is not a member of the committee, would you clarify if he can make that motion?

Chair: I will.

Ms. Biggar: I don't believe so.

Mr. M. Currie: Okay, that's fair.

Leader of the Opposition: I can move that motion for -

Chair: So do you want to make the motion, hon. -

Leader of the Opposition: Sure, I'll make the motion.

Chair: Okay, go ahead, hon. leader.

Leader of the Opposition: I just move a motion that because this is such an important issue, and whether it's 200 questions or whether it's now closer to 400 questions, the general public deserves the opportunity to come to meetings and to present as well.

On a daily basis, we continue to get more people calling that the committee actually goes across the province as we're pursuing information and answers to the PNP.

Chair: So your motion states what?

Leader of the Opposition: That we go across the province with the committee as we are going through the process of trying to get answers in regards to the PNP and ask for a poll for people to answer.

Chair: Do we need a seconder?

Committee Clerk: No.

Chair: Okay, there's a motion on the floor, and Janice has a question.

Ms. Sherry: Hon. Chair, I think there was already a question on the floor. I have no issue with the hon. Leader of the Opposition putting a motion forward. But I think we need to deal with the issue that's on the floor right now, and that's the letter we

received. So I think we need to do things in an orderly fashion.

Thank you.

Chair: Okay, the motion takes preference. Once a motion is put on the floor, it is the preference of before you deal with the motion and then you go back to the other issue, according to the rules of committee.

Yes?

Ms. Biggar: Just in regard to the motion, I guess what I would suggest is we wait until the Auditor General's report comes out and then we'll look at the public meetings. That's my opinion in regard to your motion.

Chair: Sonny, questions?

Mr. Gallant: I kind of feel along the way and think what Paula just said. We should wait till the Auditor General's report comes out before we go around the Island for public meetings.

Chair: Charlie.

Mr. McGeoghegan: Yeah, I have no problem going around the Island, but I think we should see what the Auditor General says first.

In regards to the comparative to the Polar file, that was the biggest failure of taxpayers' money in PEI history, so it's kind of two things different. But anyway, I definitely have no problem going around the Island if that's what the committee wants to do. But I think we should see what the Auditor General says first.

Chair: Buck.

Mr. Watts: My honest opinion is that I don't think we're going to gain a whole lot by travelling the Island that we're not going to gain by having our meetings right here, if

need be.

But anyway, if it's the will of the committee that after we get the report from the Auditor General that we decide that we should go around the Island, well then, so be it. But my own personal feelings is that I don't think we should have to travel around the Island to obtain any kind of information or objective that can't be done right in this room.

Chair: Robbie.

Mr. Vessey: I agree with a lot of the members around this table that we should wait till the Auditor General's report comes back on this matter to see where we go from.

This committee has a lot of other work on its agenda, too, and there's been a lot of false accusations made, and there's been some meeting with some bureaucrats from certain people around this committee with false accusations. I think at this time we should let the Auditor General look at this, and when he's done we'll decide where we go, as a committee.

Chair: Paula.

Ms. Biggar: I concur with the rest of the committee. Let's wait and see in terms of the motion. When the Auditor General's report comes out, we'll deal with that then.

Chair: Janice.

Ms. Sherry: I agree. I think we need to hear the Auditor General's report first and then decide if that's an effective process for the taxpayers and the people of Prince Edward Island.

Chair: I guess, as Chair, I can have a comment on it too.

I think that this is a chance for the Public

Accounts Committee to go out across PEI. Public accounts usually stays here and deals with issues, but every other committee in government has been going about, making Island-wide presentations, depending on whatever the topic was. I see no reason why, this being probably one of the most important issues that's come across public accounts in the history of this province, dealing with the amount of dollars that has been questioned here. So I think that it's time that this committee does reach out to the public and make some appearances.

As far as waiting for the Auditor General, that was a concern, as you know, our committee had a little earlier, and we had sent a letter to the Auditor General asking him if any of our hearings would interfere with his investigation into the PNP, and he said no, that the committee could meet.

So as far as waiting, I don't see any reason why we should be waiting for the Auditor General, other than maybe that the information that we bring out would be information that might help him in his investigations into the program.

So that's my feeling. I think that we should be meeting right away and setting up meetings to go across the province as soon as possible.

Mr. Vessey.

Mr. Vessey: Mr. Chair, I disagree with you on what you said about this program, it's the biggest thing to come before public accounts.

I think you're wrong on that. I think we lose focus that this program has brought \$400 million into the economy of this province, and I'm proud of this program and what it's done for our economy. For you to be so negative on a program that's been so successful for the province, to me - you know, this is a good program.

Chair: I guess what I look at - I would look at you, hon. member, and I agree, you have your right to make your comments too. But what I can't understand is if the program is so good and the information, why anybody would block getting the proper information out here to prove that this is right, to prove that there are no wrongdoings done, to prove that people didn't do any that - but all we've been doing is been trying to be closed down from doing any of this stuff.

I find that very hard to believe that if it's such a good -

Mr. Vessey: Mr. Chair, what has been closed down?

Chair: What?

Mr. Vessey: What has been closed down?

Chair: The minister has said that there's no way that he's going to allow his deputy or staff to appear.

Mr. Vessey: And I believe when Polar Foods was out there, did you guys - like, is this a first of the committee? Has this never been done around this committee table before?

Chair: Well -

Mr. Vessey: Well, has it or hasn't it?

Chair: What I look at -

Mr. Vessey: I think it's just the way it's been.

Chair: What are you getting so upset about? Have you got something to hide?

Mr. Vessey: I have nothing to hide. You're saying this is a negative program.

Chair: Okay, let's get the information out.

Mr. Vessey: It's not a negative program. It's a good program for the economy of Prince Edward Island.

Some Hon. Members: (Indistinct)!

Chair: All right, let's get back into order here.

Ms. Biggar: You're making all these accusations about bureaucrats and wrongdoing.

Chair: We'll turn around.

Janice Sherry, you have the floor.

Ms. Sherry: I think, Mr. Chair, that the issue that we're blocking or hiding - you seem to keep going back to the blocking and hiding. Although the committee and some of these committee members have stated that they have many questions they want to ask, but yet there's no time allotment. Your members have not allowed the time for us to extend and ask all these questions.

So I think before you start saying that we're blocking or accusing or whatever, I think that we have to prioritize the importance of the questions and who we are here to represent. It's the public of Prince Edward Island. That's who we're here to inform.

The other thing that you continue to allude to is the fact that it's taxpayers' dollars.

Mr. McGeoghegan: And it's not.

Ms. Sherry: The PNP was not taxpayers' dollars, Mr. Chair. So just for clarification -

Chair: You got to remember that it's administered by the provincial government, and the provincial government is taking \$18,000 off of every four units that are coming in. So provincial dollars are there, and there are provincial dollars involved because the provincial government has done

quite well with this program.

Ms. Sherry: No, the PNP is not an Island funds -

Chair: Anyway -

Ms. Sherry: - they're not government dollars, Mr. Chair.

Ms. Biggar: Mr. Chair, I call the question -

Chair: Yes, go ahead.

Ms. Biggar: - on the motion. I call the question.

Chair: Okay, thank you.

Anybody else, before we go, have anything else to say?

Ms. Biggar: I believe, Mr. Chair, once the question's called, debate closes, does it not?

Chair: No, because everybody has a chance to speak to the debate.

Ms. Biggar: Okay, so you clarify that.

Chair: Okay, thank you, and the ruling is: Everybody has a chance to speak to it.

Ms. Biggar: Very well. I call the question.

Chair: And then the question can be called after.

Ms. Biggar: Very well.

Chair: Thank you.

Everybody had their comments?

We'll call for the question.

All in favour of having the committee proceed on the road, signify by saying 'aye.'

Leader of the Opposition: Aye!

Chair: All opposed, say 'nay.'

Some Committee Members: Nay!

Chair: The nays have it, I guess.

Maybe we should do a poll. I'll start here with Robert Vessey.

Mr. Vessey: Nay!

Ms. Biggar: Nay!

Chair: Paula Biggar.

Ms. Sherry: Nay!

Chair: Janice Sherry, nay.

Sonny Gallant.

Mr. Gallant: Nay!

Mr. McGeoghegan: Nay (Indistinct), Mr. Chairman.

Chair: No, the question is now, so it's either 'nay' or 'no.'

Mr. McGeoghegan: Nay!

Mr. M. Currie: I'm not allowed to vote, you said.

Ms. Biggar: No, he can't vote.

Chair: Okay.

Leader of the Opposition: Aye!

Chair: Aye.

Mr. Watts: Nay!

Chair: Aye!

So it's defeated.

Committee Clerk: You only vote if there's a tie.

Chair: I only vote if there's a tie, yes.

Ms. Biggar: If I might make another motion? That as such a time when the Auditor General's report comes out, if the committee determines that it is necessary to go on the road, we will deal with that at that time.

Chair: Everybody heard that motion?

Leader of the Opposition: Question.

Chair: Question.

Anybody got anything to say to it, speak?

If not, we'll call for the motion.

All in favour, 'aye.'

Hon. Members: Aye!

Chair: Contrary?

Motion carried.

The second letter. Oh, we're back to the first letter which is -

Committee Clerk: (Indistinct).

Ms. Biggar: We didn't finish the debate on the first letter.

Chair: That's what we're back to. So anyway -

Mr. Watts: Mr. Chair, can I speak to the first?

Chair: Sure.

Mr. Watts: With regard to ending at noon, I think what some of the members around the table have indicated is that they are ready or

we are willing to stay longer because of the amount of questions that the Leader of the Opposition has.

But in view of the fact that the members of the opposition are not going to be here at noon, then I see no reason to go beyond 12:00. So I'll make a motion that we shut her down at noon.

Chair: All in favour?

Hon. Members: Aye!

Chair: Contrary?

Motion carried.

The second letter.

Committee Clerk: Okay, the second letter -

Mr. Gallant: Excuse me, Mr. Chairman.

Chair: Yes.

Mr. Gallant: Do these have to be read into the record? I'd like to make a motion that we deal with these three together and that the bureaucrats don't come into the meeting. The minister speaks on these issues.

Chair: Pardon?

Mr. Gallant: These next three letters -

Chair: Yes.

Mr. Gallant: - that are coming forward here, do they have to be read into the record?

Chair: Yes.

Mr. Gallant: We all know what they are. Well, I'd like to make a motion that we deal with them as one.

Chair: So she reads all three and then we

deal with all three at one time.

Mr. Gallant: That's correct.

Chair: Okay, that's no problem.

Mr. Gallant: And that the minister speaks on behalf of his department.

Committee Clerk: Okay, so the first one, dated December 15th:

"Dear Mr. Bagnall:

"I am requesting that members of the Standing Committee on Public Accounts invite Dr. Michael Mayne, Deputy Minister of the Department of Innovation & Advanced Learning to appear before the committee and answer questions concerning the processes involved in the operation of the Provincial Nominee Program.

"Mr. Chair, the Standing Committee on Public Accounts is charged with matters concerning the Public Accounts of the province, and as such, it is our responsibility to ensure that that program rules, regulations and requirements were followed.

"If you have any questions or would like to discuss this further, please call me at 368-4360. Thank you in advance for your consideration of this request.

"Yours respectfully,

"Hon. Olive Crane
"Leader of the Official Opposition"

The second letter, dated December 15th:

"Dear Mr. Bagnall:

"I am requesting that members of the Standing Committee on Public Accounts invite Mr. Chris LeClair, Deputy Minister to the Premier and Chief of Staff, to appear before the committee and answer questions

concerning the processes involved in the operation of the Provincial Nominee Program.

Mr. Chair, the Standing Committee on Public Accounts is charged with matters concerning the public accounts of the province, and as such, it is our responsibility to ensure that every effort is taken to assure Prince Edward Islanders that this program was operated in a fair and equitable manner for both Island businesses and PEI newcomers.

“If you have any questions or would like to discuss this further, please call me at 368-4360. Thank you in advance for your consideration of this request.

“Yours respectfully,

“Hon. Olive Crane
“Leader of the Official Opposition”

And the third letter, dated November 26th:

“Dear Mr. Bagnall:

I am requesting that members of the Standing Committee on Public Accounts invite Mr. Brook [sic] MacMillan, the former Deputy Minister responsible for the Provincial Nominee Program to appear before this committee. In light of the ongoing investigation by this committee into the Provincial Nominee Program, and considering that the program’s former Deputy Minister, Brook [sic] MacMillan, has publicly stated that he has received units under this program, a thorough investigation of the program’s operation is in order.

“Mr. Chair, the Standing Committee on Public Accounts is charged with matters concerning the public accounts of the province, and as such, we have a sworn duty to examine this program in an open and transparent manner, if only to restore public confidence in the Provincial Nominee

Program and the democratic process.

“If you have any questions or would like to discuss this further, please call me at 368-4360. Thank you in advance for your consideration of this request.

“Yours respectfully,

“Hon. Olive Crane
“Leader of the Official Opposition”

Chair: Those are the three letters that were there.

Olive, you wrote the letters to the committee, so I’ll allow you to speak first.

Leader of the Opposition: I think it’s very important that we have these three individuals in front of the Public Accounts Committee.

Brooke MacMillan continues to be in the media, doing press releases, and I understand he’s also done an interview with Paul MacNeill. So it’s important that he comes to Public Accounts and answers some of the questions we have.

With Dr. Michael Mayne, it appears that Dr. Michael Mayne and Brooke MacMillan were both acting in the capacity as deputy minister in the month of August, in particular on the dates of August 5th and the 6th, and it also appears that that puts one of them very much in a breach of trust.

The other part, in terms of all the changes that were made through the administration, they were all made by Brooke MacMillan and Chris LeClair, including a change that companies were actually pre-approved to be matched with an investor, some times, in some cases, up to six months.

I think it’s really important that these three individuals appear in front of Public Accounts and answer our questions.

Chair: Anybody else want to speak to the letters?

Mr. Vessey: I have a question, Mr. Chair. The deputy ministers, do they fall under the conflict commissioner?

Chair: No, none of them.

Mr. Vessey: No, just the ministers?

Thank you.

Chair: They do fall under a conflict, but I think it's within the department and deputy ministers that do investigate them. But I'm not sure what the criteria are or who does the -

Mr. Vessey: So I think if the honourable leader has an issue with that, maybe she should look at that route.

Chair: I think that this, one thing about the committee -

Mr. Vessey: You know, like -

Chair: - this committee has the power to bring people in and ask them the questions when there's any doubt of wrongdoing being done. So I mean, this committee has the power to bring anybody in that they so desire.

Mike Currie.

Mr. M. Currie: Deputy ministers, as I understand it, are employees of the Premier. He's responsible.

Chair: Paula Biggar.

Ms. Biggar: If the hon. Leader of the Opposition is making accusations of wrongdoing, have you submitted a letter to the RCMP or anybody to that extent, to back up your accusations on this?

Leader of the Opposition: With a breach of trust, that has to do with breach of public trust when a person's put in a position of authority. Because the Premier has asked Brooke to be a deputy minister, this is very much an issue for the integrity of government.

No one's saying that there's criminal wrongdoing. It has to do with being in a position of authority, changing administration of a program that everybody has talked about the \$400 million. A number of people keep referring to the fact that it's not taxpayers' dollars. Well, I'm sorry, taxpayers are involved, but also the immigrant people themselves, we're talking about their money as well.

The issue is around who was actually deputy minister at the time. The deputy minister, Brooke MacMillan, has been in public saying that he did participate in the program again, so did his family members, and we really have to have him here at the committee to clarify.

Ms. Biggar: Mr. Chair.

Chair: Janice Sherry.

Ms. Biggar: I just had a followup to that particular topic.

Chair: Yeah, okay, I'll get to you. Janice is next.

Ms. Sherry: Hon. Chair, I guess my question in regards to Brooke MacMillan comes back to the question that keeps rising in my mind when I hear the hon. Leader of the Opposition talk about supposed wrongdoing on Mr. Brooke MacMillan's part.

I'm just wondering why there's never been an official complaint filed against Brooke MacMillan if there is a feeling, as the hon. Leader of the Opposition keeps implying -

why she's never come forward and filed an official complaint or an investigation in regards to Mr. MacMillan.

Chair: Okay. Paula.

Ms. Sherry: It's a curious question.

Chair: Pardon?

Ms. Sherry: It's a very curious question.

Chair: Okay, Paula.

Ms. Biggar: I guess as we had talked about this before, ultimately, the minister is responsible for the actions of deputies or staff under him. We can certainly ask those questions to him and that's my opinion in regard to this particular topic, that we can certainly put any question to him. He is responsible for this program at this present time, now that he is the minister in this administration, and any questions, hon. leader, that you would have in regard to these people, I would think you should definitely have them on the agenda today.

Thank you.

Chair: Sonny.

Mr. Gallant: I'd just like to go back to the motion, Mr. Chairman, like, my motion was to group these together and that the minister speaks on behalf of his employees, that these people do not come into our committee. The minister's responsible for his department. So I feel that my motion would be that the minister would speak to these questions that we have about these individuals.

Chair: Yeah, but there's still - any motion that still has questions and they can still speak to them.

Mr. Gallant: Okay.

I've got one more thing, sir. The hon. member, Sherry, asked the Leader of the Opposition a question. Is she going to answer the question?

Chair: The committee does not have questions back and forth to committee members. If the member wants to make a statement she can, but the members of this committee are not here to be questioned. The members have the chance to speak their mind on issues. If they so desire they want to talk to them or respond back, but this is not Question Period back and forth.

Mr. Gallant: So we'd go through you, as chairman, would we, to ask the question?

Chair: You can ask the Chair. You'd address the same way as you would address the Speaker, you'd address the chair.

Mr. Gallant: Thank you, Mr. Chairman.

Chair: Mike Currie.

Mr. M. Currie: I believe, Mr. Chairman, the issue at hand, what Islanders see is that there were 400 rejection letters sent out to companies across PEI. The rules were changed by whom? We don't know. We perceive, I guess, or Islanders perceive, it was the deputy minister that changed them. It appears they changed them to accommodate himself.

Under the old rules, the individual was a private entrepreneur, Mr. Brooke MacMillan, he did receive units. There was no political patronage paid. He was a business individual and he qualified and he received units. Now it appears the rules have changed. He now gets it and he's in a position of trust. Those are the questions.

Chair: Follow-ups?

Ms. Sherry: I call for the question.

Chair: Okay.

Just before you do that, I've got - my feeling on that is the same as our other two members. But my thing is, and we've talked about if there was any concern that there should have been questions brought up against Brooke. But obviously, there must have been some because the Premier already had some of his staff look into whether he was in conflict or he wasn't in conflict. So the Premier must have thought there was something there in order for him to do an investigation and brought that forward.

I think that the situation with Brooke MacMillan is that he got units, as they say, he went before. He changed the program when he was administration and then applied and got units after he made the changes again. So did he make the changes to suit himself so that he would make sure that he would qualify to get additional units? That's the question. Those are some questions that should be asked to him and to explain it and - so anyway, that's all I have to say.

We have called for a question, and we'll go for the vote.

All in favour of the motion, signify by saying 'aye.'

Some Hon. Members: Aye!

Leader of the Opposition: In terms of clarify the motion as to have them to -

An hon. Member: Clarify the (Indistinct).

Chair: Would you please read the motion?

Committee Clerk: From Mr. Gallant?

That the next three letters be dealt with at the same time and that the minister would speak to the questions on behalf of his department.

Ms. Sherry: Three letters.

Committee Clerk: To the three letters, yes.

Chair: Okay.

All in favour of the motion, signify by 'aye.'

Some Hon. Members: Aye!

Chair: Contrary?

Leader of the Opposition: Nay!

Chair: Okay, so we have those three letters dealt with.

Letter dated November 26th by the member, Michael Currie. Would you read that one, please?

Mr. Vessey: You have to deal with the letter from Minister Docherty first?

An Hon. Member: That's it (Indistinct).

Chair: That's the next one.

Committee Clerk: So the next letter is dated November 26th:

"Dear Mr. Bagnall,

"I am requesting members of the Standing Committee on Public Accounts to invite Hon. Valerie Docherty and her Deputy Minister, Melissa MacEachern to appear before the committee and explain the use of Island taxpayers money that was used to fund the Alanis Morissette concert held this past September.

"Mr. Chair, the Standing Committee on Public Accounts is charged with matters concerning the Public Accounts of the province, and as such, it is our responsibility to ensure that all regulations were followed in the use of public funds for this concert.

“If you have any questions or would like to discuss this further, please call me at 368-4360. Thank you in advance for your consideration of this request.

“Yours respectfully,

“Michael Currie
“MLA, Georgetown-St. Peters”

Mr. McGeoghegan: I’d just like to say that it’s kind of repetitive, but like the three previous letters, it seems like the opposition would like to bring bureaucrats before the committee.

But as we saw at the last Public Accounts, there was accusations made against government employees and the ministers are responsible for their departments. I think Minister Docherty could answer any of the questions that pertain to this situation, seeing how she is in charge of that department.

Chair: Okay. Anybody else?

Ms. Biggar: Question.

Chair: Okay.

So what are you saying, that we would have the minister appear?

Mr. McGeoghegan: Yeah.

Chair: Okay. So is that agreeable, that we’ll ask the minister to appear and explain the issues there?

Committee Members: Agreed.

Chair: Consensus. Okay.

Committee Clerk: So we’ll get that set up?

Chair: Yeah, we’ll get that set up.

What’s next on the agenda here?

Okay, the next question is - and I don’t know if there was a - if it was, I wasn’t here but it may have been when Buck was - was there a motion on the floor to call the ex-minister, Mike Currie, before this committee?

Committee Clerk: Yes.

Chair: Can you respond to that?

Mr. Watts: I don’t really recall a letter.

Committee Clerk: Yes, a letter to invite him in. That was the (Indistinct).

Mr. Watts: There was a letter to invite him in.

Committee Clerk: The committee agreed to send a letter.

Mr. Watts: To send a letter, and that was -

Committee Clerk: Because we still haven’t gotten to that stage yet, so no, the letter hasn’t been sent.

Mr. Watts: Okay, so the letter -

Committee Clerk: That’s the stage we’re at.

Mr. Watts: So the letter hasn’t been sent out. Okay, can I speak to that?

Chair: Sure.

Mr. Watts: It’s my feeling at this particular time, with having Mr. Mike Currie, the former Minister of Development and Technology - because the Auditor General is now conducting, I’m sure, a thorough investigation of the doings of the PNP over the past number of years, I don’t really think that we’re going to gain anything by having Mr. Currie appear before this committee. So in my opinion, I don’t think there’s any need at this time unless we can make a decision

further to that after we have read the Auditor General's report.

Chair: Anybody else want to speak to this?

I guess I look at it, I'm seeing this and I'm saying: What a great way to get the handle on this program. I mean, we have a minister here that started the program and went through the program and then can explain maybe what all changes took place to the program to take it off of the rails, because obviously there have been major changes that were made to the program that were done after he was minister.

So it'd be maybe a good thing to find out, when he was minister, what the eligibilities for the program were and what eligibilities that weren't there for people across the province, and then to find out why the changes, or maybe then we can go back to the new minister and say: Why did you make these changes from the program, and what happened to take this off the rails and bring all the controversy to a good program that was available in government?

So I think having him forward would be a step in the right direction as far as this committee is concerned. But I mean, this is the committee's vote.

Janice Sherry, you had your hand up first.

Ms. Sherry: It was just actually a question of protocol, Mr. Chair. When the former minister is at the table, can we be having this discussion with him present at the table? Is it a conflict?

Chair: Well, he could be sitting back there as a member at any time.

Ms. Sherry: We can? Okay.

Chair: It is allowable.

Ms. Sherry: Okay, great, thank you.

Chair: Robbie Vessey.

Mr. Vessey: Thank you, Mr. Chair.

I think the Auditor General will be looking into this and there may be some questions that need to be answered from the former minister after the Auditor General's report. I agree with the co-chair here that maybe we should wait till we have the Auditor General's report back if we need to ask the former minister questions at that time.

Chair: Okay. Paula Biggar, you had your hand up?

Ms. Biggar: I think the former minister has indicated his willingness to come. But I think until such a time as we have the Auditor General's report and we get the Auditor General here and we go through it, certainly, if it's deemed at a later date, we'll ask Mr. Currie to probably come in. But at this time, let's wait and see. My opinion concurs with the co-chair that we just wait and see if we need to bring him in -

Chair: Any other -

Ms. Biggar: - for any further clarification.

Chair: Leader of the Opposition.

Leader of the Opposition: I'd actually like to have a letter inviting the former minister to come in, in January.

Chair: Are you making that a motion?

Leader of the Opposition: Yes.

Ms. Biggar: Question.

Chair: Everyone has heard that. There's a motion on the floor from the Leader of the Opposition requesting that the former minister of development appear before this committee in January.

All in favour of the motion?

Ms. Sherry: (Indistinct) discussion?

Chair: A discussion.

Ms. Sherry: I have a couple of points, Mr. Chair, that I'd like to raise at this time.

It was certainly refreshing to hear you refer to the PNP there a couple of minutes ago as a positive program for Prince Edward Island. I think that's great that you were able to do that around this table.

The second part of that is, certainly, there would be interest. I know that it was brought to my attention that during the former days of the former administration there were actually cottages built, I'm not sure if they were for business purposes or pleasure, during the former reign under the former minister.

So I think it'll be interesting once we hear the auditor's report. That would be a question that I would love to hear answered by the former minister in regards to the cottage projects that were built under the former administration and the PNP.

Chair: I think that'd be great, so let's get him in in January.

Ms. Sherry: It would be great.

Chair: That's what I say.

Mr. Vessey: (Indistinct) the Auditor General's report, see what we need to ask.

Chair: Paula Biggar.

Ms. Sherry: As soon as the auditor is done.

Ms. Biggar: I want to make an amendment, if I may, to the motion? To say that we do send a letter to the former minister requesting he appear before the committee

following the Auditor General's report. That's my motion.

Chair: We have a motion. Now, we've got an amendment to the motion. So we have to speak to the amendment first.

The amendment was that we would call the former minister to appear before this committee following the Auditor General's report.

Anybody have any discussion on that particular motion?

Ms. Biggar: It's an amendment to the amendment, actually, Mr. Chair. To add the words: if deemed necessary.

You have to vote on the amendment to the amendment first.

Chair: Okay, so we heard that.

The amendment "if necessary" is on there. I guess I'll speak to that.

I would think that regardless of what the Auditor General comes back with in his report, that we should have the former minister in to discuss this program. To me, by putting the thing "if necessary" on there is saying that we're putting a motion on the floor but we really don't want him to be there because we're hoping that the Auditor General's report is not going to bring anything forward so we're not going to find anything from the Auditor General's report so we don't want the minister to come forward to make any comments.

So I think that what we should be doing here is staying to the amendment, personally, and have the minister, if you're going to amend it, to come in following the Auditor General's report. I think, to me, by putting that in is saying that you don't want him to appear.

Ms. Biggar: I'll withdraw the amendment to the amendment.

Chair: I'll have to have unanimous consent from the committee to do that. Do we have that?

Hon. Members: Yes.

Chair: Okay, so that has been withdrawn.

We're dealing with the amendment now.

All in favour of the amendment, signify by 'aye.'

Some Hon. Members: Aye!

Chair: Contrary?

Leader of the Opposition: Nay!

I still want him to come in right away.

Committee Clerk: Okay.

Chair: We're back to the amendment again.

Committee Clerk: Back to the motion.

Chair: Back to the motion, I mean, yes, I'm sorry. We're back to the original motion

Committee Clerk: Do you want me to read it out?

Chair: Yeah.

Committee Clerk: So:

I move that we write a letter to the former minister and ask him to come in in January. And then the amendment is that we send a letter requesting he appear before the committee after the Auditor General report is completed.

So you would send a letter asking him that he appear after the Auditor General's report

is completed.

Ms. Biggar: We already voted on the amendment though, correct?

Chair: Yes.

Ms. Biggar: So we're only voting on the part that says he comes in January?

Chair: We're already saying on the motion now, not the amendment.

Committee Clerk: Yes.

Ms. Biggar: Okay, (Indistinct)

Committee Clerk: Well, you amended the original.

Ms. Biggar: Yeah, I just wanted to make sure everybody understands what's going on.

Leader of the Opposition: We're voting just on him appearing in January.

Committee Clerk: No, that we're sending a letter in January asking him to appear before the committee after the Auditor General's report is completed.

Chair: We're voting on your original motion, hon. leader.

Committee Clerk: With amendment.

Leader of the Opposition: Okay, that was amended, though. It's not the -

Chair: It's as amended, right?

Committee Clerk: Yes.

Chair: We're voting on the motion as amended now.

Ms. Biggar: As amended?

Chair: Yes.

An Hon. Member: So we're voting on the amendment, the motion as amended.

Ms. Biggar: Right.

Chair: All in favour, signify by 'aye.'

Some Hon. Members: Aye!

Chair: Contrary?

Leader of the Opposition: Nay!

Chair: Okay, we're through with the letters.

Now, review of the Auditor General's audit of the NOFG.

Ms. Biggar: Mr. Chair, I'd like to keep that on the agenda starting in January. I think it's very important we move on to have other items on the agenda as well. So that we start that in January.

Chair: No problem. I agree. We'll do that.

Ms. Biggar: Okay, thank you.

Committee Clerk: (Indistinct).

Chair: We'll have the Auditor General in, in January. Everybody is agreeable? So we'll send a letter to the Auditor General, find a date that's agreeable with him, and schedule a meeting.

A meeting with the Medical Recruitment Secretariat. I think they've agreed to come, it's just a matter of getting a date. So if that's okay, we'll try to arrange a date in January to have that particular group in also.

Okay, we're ready for the minister.

An Hon. Member: (Indistinct).

Chair: I don't know.

Ms. Biggar: Mr. Chair?

Chair: Do you want to take five?

Ms. Biggar: I just want a couple of minutes while we wait for the minister.

Chair: Sure, do you want to take - let's say we'll take five minutes. Give the minister a chance to set up and we'll get going.

[Recess]

Chair: Thank you, hon. minister, for coming in. I know we had some issues - not issues, but some business we had to deal with before we brought you in. It took a little longer than what we anticipated. We had some good dialogue here.

So, hon. minister, we've agreed that we're going to be going until 12:00 today so we will have an hour and three minutes, I think, for you right there to ask for questions today.

So what I would ask, minister, chances are we're probably not going to get through it today. Our committee is going to be reconvening back in January when the time's a little bit slower. We may be asking you to come back and answer more questions in January to finish off the questions on this program. So we would get a hold of you with some dates at the beginning of the new year and see what time you would be available to appear again before us.

Mr. Brown: That's up to the committee.

Chair: Yeah. Thank you. We'll deal with that.

Anyway, thank you very much for coming in. Do you want to make any comments before we start or do you just want it to go right into questions, minister?

Mr. Brown: I'm not going to be as long as last time, I can guarantee you. I just want to get a few comments in before we start, if that's okay.

Chair: Yes.

Mr. Brown: I'm glad to be back for the committee here. It's great to be explaining this program out not only to the committee, but to the people of Prince Edward Island.

As I've stated a number of times before, this was a tremendous program for Prince Edward Island, it benefitted a lot of companies on Prince Edward Island, and I dare to say that if it wasn't for this program, Mr. Chairman, members of the committee, the economy of Prince Edward Island would be a much worse state than it is today.

The program, again like I said, it provided a lot of money into the Island companies in order to become more efficient and to take the challenges that face us in the upcoming economic downturn. I strongly believe that this program will help Islanders, not only the businesses that receive the money, but the employees of the company, the tax base of Prince Edward Island, to weather the economic storm that is coming. Make no mistake about it, an economic storm is coming, and we better be prepared for it and this program is well positioned to prepare us.

I want to thank the Leader of the Opposition for sending me the questions. I hope that all of the answers are available. If not, we will work with you in the opposition office in order to make sure they're available.

But just to comment on some of the recent media reports that had been floating around here, I want to just correct some of the statements that were made. In the weekend newspaper it was indicated that \$100,000 was put into the government coffers and invested, and we took that \$100,000 and put

it away and then paid it out at the company at a later date. That is absolutely incorrect. The PNP partnership program received no money from the investors, between the investee and the investor company. That \$100,000 - and if you want to interrupt (Indistinct).

Chair: No. I was thinking while you're doing that, would you like to give us a breakdown? Like a unit is, I think it's \$200,000?

Mr. Brown: Right behind you, Mr. Chairman.

Chair: Oh.

Mr. Brown: I want to say right up front, this program is a program that is running in other jurisdictions. It is similar to the federal program. When it was set up in 2001 this program was challenged by the federal government.

I just want to give you a little bit of a history here. Ten applications were sent to Korea. The office in Korea sent back that they rejected the applications based on that it was not an equity investment but it was a passive investment. That's what the department was claiming at that time. The intermediaries, or the companies that do the work for the companies on PEI, challenged that decision and sent it to the federal Department of Justice and basically asked the question: If I'm a director in a company does that absolve me of all responsibilities, or am I directly involved in a company?

The justice department at that time issued a memorandum that said: If you are a director, you are an active person in the company. Because directorships, as according to our company act and all other company acts across the country, you're a director, you're responsible for the company. You can be sued as a director of the company. Our own legislation, workers compensation, if you

don't pay your compensation bill, your company goes bankrupt, we can go after the directors of the company. So the ruling was quite specific.

Close to 1,500 or 1,600 visas have been issued under those rules. So this is a legal, legitimate program. There is nothing illegal about it because it has been proven to be corrected. The only way they could beat us, the other provinces, when it came down to our program was to change the rules of the game. I've got to thank the staff and the department for their tremendous work in this effort.

I have a little slide here, I just want to show you here, and I'll go right to the money. Here's little old IIDI, the little Crown corporation that was set up, and a number of employees that worked over at the Euston Street office, under the former minister. This was the competition that they were up against. Little IIDI, with a couple of employees over there - Bank of Montreal, CIBC. These are the companies that we were competing against for immigrants to come to Canada. And you know what? We won. We did a great job at it. I want to thank the employees for their hard work in going up against these big companies. The only way these big companies could beat us was to get the rules changed.

Now, there was a lot of talk about the immigrant. Okay. According to the guidelines \$200,000 has to be invested in a company. The intermediaries - these are the people that work with the immigrants, both in China or foreign countries and PEI companies, and companies on PEI to see the funding flow. These intermediaries are a part of a national organization that is authorized, that is credentialed. They have a website. Everyone that works for that organization must be credentialed and everything. So it's not a bunch of rogue people out there doing applications without any certifications and that. The people that

do that have to be certified, have to go through this organization, which is approved by Immigration Canada. All up front.

So there's a structure here similar to other structures. The immigrant invests \$200,000. The immigrant can either say to the intermediary: I don't want to invest \$200,000 of my own money. The intermediary says: Okay, you put in \$110,000. We will go and get you to borrow the money and put it in your name for the other \$90,000. That's the way the \$200,000 is made up the majority of the time. That's the majority of the structures. Again, there are different modifications of this structure out there. But, again, it's a private transaction between a private company and a private investor.

Here's how the money is broken down. The net investment is \$200,000. The preferred shares redeemed by the Island company in the future is \$90,000. Now, the \$90,000 that the intermediary borrows, puts it into the 110, moves that to the company. That's what's invested in the company. The company then automatically returns \$90,000 into a trust account in order to pay the intermediary or the investor back after five years. The program was set up. We have to make some contingency there in order to protect the immigrant some way here in order to pay the immigrant back after five years.

Then the money, the other 55,000, goes to the intermediary and the agents. Now, I know there's a lot of people out there saying \$55,000 is a lot of money to go to the intermediary and the agents. This is a very competitive market out there. We are up against, as I showed you before, Bank of Montreal, the various banks, various - we're up against the Quebec government, which has a tremendous amount of resources, which have embassies, which have offices, throughout the world. They have aggressively marketed this program. We are

up against the United States here, EB-5 program, which is like this program. There is a tremendous amount of competition out there. When we go to a foreign market in order to attract investors to this company we are there competing against the US, Australia, New Zealand, other countries.

The intermediary or the companies over there go and get the immigrants who want to immigrate. That's their fee. Now, the federal government pays a fee, too, to them. The federal government started out their program saying: We're the federal government, we don't have to pay a fee. They got no investors so they had to start paying a fee. The Quebec government said: We don't have to pay a fee because all we have to do is set up a web site and people will apply. Didn't happen. So they have to pay a fee.

That's the cost of doing business in these foreign countries. Right or wrong, that's the business environment we're in and that's what we had to pay and that's what was paid.

The net amount then goes to the Island company, \$55,000. Now I know in the paper it was said that \$10,000 went to some companies, a minimum of \$10,000 went to some companies. When the program was first up and running that may have been the case. May have been the case. At that point in time it was a new program. PEI was not known. People were nervous of our program. People were saying: Is it right? What can we do? The intermediary fees and the foreign agents charged us a lot of money because they said: I'm not going to bring you any immigrants to your program unless you pay me \$60,000, \$70,000 a unit. That was the cost of doing business. That was the cost of getting into the business, and that's what happened. I'm not going to apologize for it. It was a very competitive market.

The little old IIDI went out there and did it.

Each year built up its portfolio, built up its reputation, and we did have a good reputation out there. The previous administration, I'll give them some credit for that. It was a hard struggle. Maybe some other administrations would have said: It's not worth it, shut it down. But I commend the former minister for persisting and going ahead with it.

Then the 55,000. Okay. That's the next question. The previous administration started saying: We have to get more money into the company. We came along and we said: We want a minimum of \$55,000 invested into the company. So in our letter - and I'll give you our letter, I have a letter here that shows - the business eligibility letter. It clearly states in the eligibility letter that went out to any company - and I just want to read it to you just to make the facts clear:

Companies will incur an accounting fee ranging from 2,500 to 5,000, depending on your company preparing its own business plan. An investee company should anticipate legal fees ranging from 2,500 to 3,500.

This was in the letter that we sent to every investor, every company that got approval under the system.

Again, it's a private transaction. If the company chose to go to a legal firm or an accounting firm, the accounting firm or the legal firm said: No, I'm going to charge you \$10,000, or I'm going to charge you \$5,000, that's between the company and their legal advisors and their accountants. I cannot get in there and regulate that. It's like me saying - you know, everybody has bought a used car in their life and has gone down the street and a person says: I could have got you a better deal on that. We're not into that business. We outlined to the company that here's what you can expect to pay. If they paid more, that's their deal, not my deal. Like I've always said, it is a transaction

between the private company and the investing company.

So I'll pass out a copy of the draft letter that has been sent out to everybody.

Now there's discussions - I'll just be two more minutes. Sorry, Leader of the Opposition, I know you're anxious. I'll just be two more minutes. Two more things.

Now, when we came into the administration we said: We want more money into the immigration services. It was costing us a lot of money in terms of newcomers' association. The education system was starting to pressure us for more money. So we set up a fee structure that said: Off of each unit we're going to take money. If you got four units we took 18,000. That's what we did because we have to pay for the services that we're providing the immigrant when they come to PEI.

Another thing. The final two months of the operation, three months of the operation, there was concern about: This program is closing, there is no way we can get replacement investors. If a company came along the visa was issued, or the visa was not issued, we could always find a replacement investor for that company. We can't now because the program is closed. So what we did at that point in time, we said: We want each intermediary company to set up a \$5,000 per unit fund in order that if an immigrant was not approved that we would go to that fund and pay the immigrant that didn't get their visa approved their money back. Okay? That's not our responsibility. That is the responsibility of the intermediary, but we asked him to do that.

Now I can assure this committee there is money sitting in funds out there. If the immigrants are all approved - let's say they're all approved - and everyone is issued a visa, the rules of engagement are quite clear. That \$5,000 - if I'm a company that

was taking \$5,000 off my unit and at the end of the day all the units were approved and everything, that company will receive that money back. We're not keeping that money. So I just want to make sure. Every company out there that has \$5,000 taken off their unit in the last round, if all the units are approved and all the immigrants are approved, they will get that money back. We have made instructions that they get that money back.

Now, there's discussion about: Why didn't we wait until the visa was issued? The visa is an unconditional permanent resident of Canada. Unconditional. You have to understand that. It's unconditional. We give the visa and we don't have any investment, the immigrant says: I'm not investing any more, I don't like the deal, I'm not going to invest. We have no legal recourse. That's why the other programs do what we do. Put your investment and we'll nominate and then we'll work on the visa after. Because you have to understand, once the visa is issued they're a permanent resident of Canada. They have every right under the Charter of Rights and everything. That's why the good faith deposit was issued, was to make them come to PEI for at least a year.

Talk about how much money. There it is right on the wall up there. In 2001 we brought in \$3.2 million. We lost 134,000. But seeing that IIDI is an independent Crown corporation that had to be carried forward. Last year, 2009, we brought in \$21 million. We paid \$5 million out to settlement services and the department of education and other organizations. We ended up with a \$8.6 million profit. We're going to give the Province of Prince Edward Island a \$4.1 million dividend and we're going to end up with \$7.3 million.

Do I apologize for that? No. It's the cost of doing business. That money will be sitting in IIDI. I've requested the government to allow that money to sit in the fund. We have

2,000 immigrants coming over the next three to four years. That money will be used in order to provide settlement services, language training or education training, and things like that.

Again, the program was closed down. We charged some extra fees in order to build up a fund in order to have the systems in place for when the immigrant lands. Great job by the employees of the department.

There was a question by the Leader of the Opposition about the deputy ministers and things like that, how were they paid. As you can see, there was a management fee paid out of this corporation to the government of \$450,000 to offset costs that the government provided to this organization.

Other than that, committee, and Chairman, again I can just say it was my opinion and the opinion of a lot of people that have been calling our office: Good program. Some of the stories that are in the paper are isolated cases. If a guy paid \$10,000, \$12,000 for his accounting or his legal fee, that's his problem. There are recourses that that person can take in order to get their fee readjusted. But again, I must say, it's a private transaction between a private company and a private investor.

Here's how the distribution went to the companies: 27 community care facilities were provided funding under this program, 27. Senior citizens today, that money went into senior care, into senior citizens' homes to improve their facilities. That investment went in. So it's helping our seniors. Manufacturing, 390; services, retail and restaurants 612; tourism, 280. That's the breakdown on where the money went or the companies that we have in place here today.

You have the slides. I have the program here for you. The other programs, you can see them. The federal government pays a \$28,000 commission. The Quebec

government pays commissions. This is not a one-off program. The programs that were competed against were right.

May I say, one of the arguments we said: Give us the Quebec program. We'll compete with the Quebec program. Give us the same rules as Quebec. We're told no. Quebec has a \$400,000 investment. Our investment's up to a million. Who's going to win at the end of the day? We're going to give it a shot, we're going to give it our best effort, see if we can make the new program work. If not, I hope that the Legislature and the opposition again joins me in Ottawa in order to get the program readjusted that works for PEI.

Thank you.

Chair: Thank you, minister, for your presentation.

We'll open it up for questions now, and Leader of the Opposition, Olive.

Leader of the Opposition: Minister, my questions are on the administration again.

Mr. Brown: Sure.

Leader of the Opposition: That's where the concerns are.

Mr. Brown: Yeah.

Leader of the Opposition: Why do you continue to protect Brooke MacMillan, and in particular, do you feel he's actually in a breach of trust?

On August 5th he was still deputy minister in your department. August 6th your Premier announced a change in deputies. Yet the two deputies were in your department making decisions for the month of August. Why do you protect him? He's in the public, as recent as today, talking about the units that one particular business received under the

previous administration, then received units again under the change of rules that he brought in. Why do you protect him, and do you not see that he's in a breach of trust?

Mr. Brown: Leader of the Opposition, those concerns came to the Premier, what you just indicated here. An independent - Paul Jelley, a well-respected civil servant, reviewed this predicament, or reviewed this situation. He has written the Premier back clearing him of any conflict of interest. If this committee thinks the rules of the day are not correct, make a recommendation back to government to change the rules. But under the current rules, and the review that was done, he was cleared.

Leader of the Opposition: Mr. Minister. -

Mr. Brown: What can I -

Leader of the Opposition: A question for you. There's a difference between conflict of interest and breach of trust. Here is a senior deputy minister that made the administrative changes to the program. Turned around on August 5th, is still deputy minister. You said in your last presentation there were 66 applications, if my memory serves me correctly, and only 56 got approved. How did the department deal with his application overnight, from midnight or the evening of August 5th until August 6th? How did that happen?

Mr. Brown: The same way. The same way they dealt -

Leader of the Opposition: What about the other 400 people that were given letters that they were refused? Businesses that were in the queue? Here's the senior deputy minister running this program and he gets approved based on rules that he changed and he's still in the department. That's a breach of public trust. Do you not agree?

Mr. Brown: Leader of the Opposition,

that's your opinion.

Leader of the Opposition: I'm asking you what your opinion is -

Mr. Brown: That's your opinion.

Leader of the Opposition: - as a Crown minister.

Mr. Brown: Yeah. As a Crown minister, an investigation was done into this situation. The report went back to the Premier clearing this individual of anything under the current rules. I have to abide by that. You're asking me to overrule an investigation that was done. Not going to do it.

Now the Auditor General is in reviewing all the files now. I'm waiting for his report, as the committee's waiting for his report.

You know, I just have to say one thing here. When the Polar thing came up, when the Auditor General said: I'm doing an investigation, when I was in opposition we allowed the Auditor General to do his investigation. Were we doing a parallel investigation, having committee hearings? No. We respected the independence of the Auditor General and we respected him and we said: You go and do our investigation. We will wait until your investigation and your report is done. We gave that common courtesy.

I cannot understand why this committee will not give the Auditor General that same courtesy as we did when we were in opposition.

Leader of the Opposition: Mr. Minister, today is December, I believe the date is the 16th. It's important, yes, to learn lessons from the past, but it's also more important to take the things that were right in the past, deal with the present.

Your deputy minister, Brooke MacMillan,

provided a terrible wrongdoing to the people of the Province of Prince Edward Island and he's now in a promotion. Again it goes back, this is the same deputy minister that went to the United States to buy a vehicle when your department was trying to be the lead department to build business on Prince Edward Island. This deputy minister changed all the rules. Turned around - yes, he had units in the previous government that were legitimate. Still in the department as your deputy on August 5th. On August 6th, what happens?

He doesn't go to his new job. He's still there. You have two deputies at the same time. Out of 66 applications that were processed, 56 were approved. He was approved. That is a breach of public trust.

Mr. Brown: Leader of the Opposition, that's your opinion. That allegation was brought forward and it was investigated. Now we're not going to - if we're not going to -

Leader of the Opposition: But you told us, and what the Premier told us -

Mr. Brown: - respect the investigation process, let's throw it away.

Leader of the Opposition: Yes, but what the investigation - what the Premier said and what you keep saying, the investigation was on a conflict of interest. You're the minister. We're talking about a breach of trust. This is different. Why didn't you deal with it? You're the minister. You keep telling us you're responsible for the program. Are you yet going to deal with the fact that this is a breach of public trust?

Mr. Brown: The investigation was done, Leader of the Opposition, and I'll await the Auditor General's further comments on this. If everybody wants to be an investigator and go out like crime scene investigators and everything and not allow the professionals

to do their job, then do it. But we're watching too much television today that - you know. Let the investigation occur. That's all I'm saying. If the Auditor General comes back -

Leader of the Opposition: So will you agree that you'll bring Brooke MacMillan in front of the committee? He's already gone publicly and every day he adds a little bit to the story. This is Public Accounts. Why does he not come here and sit next to you, if he has to?

Mr. Brown: Because he's not the deputy minister of the program.

Leader of the Opposition: He was deputy. He's made a lot of changes. He's obviously taken advantage of a public program. He's breached the public trust. Why is he not with you?

Mr. Brown: All I'm saying - are you saying anyone at senior compensation breached trust if they got units? That's all I'm saying.

Leader of the Opposition: What I am saying and asking the -

Mr. Brown: Because there was, you know, if you want to get into it -

Leader of the Opposition: - questions of, minister, is about, in particular, Brooke MacMillan.

Mr. Brown: Are you indicating to me that -

Leader of the Opposition: What we're asking about is Brooke MacMillan. You know that and I know that. You also know what he did wrong. You also know what two deputy ministers you had for the month of August and when he finally did leave. What I'm asking you: Why do you keep protecting him?

Mr. Brown: Because an investigation was

done and he was cleared. You know, what am I going to do? Go down to the courts and start telling the courts: You made the wrong decisions. Proper protocol was handled here.

Leader of the Opposition: Did you go to your Premier -

Mr. Brown: If you can -

Leader of the Opposition: - and tell him: Mr. Premier, I have a problem, this deputy minister has breached public trust and I expect you to do something? Did you do that?

Mr. Brown: An investigation was done and the individual in question was cleared.

Chair: Change the -

Mr. Brown: Subject.

Chair: - subject here for a couple of minutes. Oh, we may not be changing the subject -

Mr. Brown: Oh. Doesn't bother me, Mr. Chairman.

Chair: - but going to a different member. Janice Sherry.

Ms. Sherry: I have a couple of comments as a lead-in, Mr. Minister.

I guess the thing that disturbs me to some point is there were a number of very well respected business people in Prince Edward Island who were involved in the PNP that do great work across the province. About a week and a half ago I ran into a gentleman in a grocery store who I have a great deal of respect for, who looked worn and frazzled, and we stopped and we had a little bit of a friendly discussion.

He said to me: Am I a criminal? I said: What would you mean by that? He said: I

have to say, I did take advantage of the PNP. I didn't think I was doing anything wrong. I thought that the program was legitimate. He said: I'm afraid to say in public that I received units because somehow between the opposition and the media it looks like the program was not a viable program.

I guess my question to you is - the other day in the paper, I picked up the newspaper, and it implied that there was an RCMP investigation in regards to this PNP. Can you elaborate on what the paper was trying to indicate by saying that there was an actual RCMP investigation happening in regards to somebody who used this program?

Mr. Brown: As I understand, the RCMP, it's not an investigation. A complaint has been laid. They're waiting to look into the complaint. Is it a complaint against the immigrant investor program, itself? No, it isn't. That's my understanding of what I've been told of this program. It's not a complaint against the program. It's a shareholder's dispute. That's what I understand.

Ms. Sherry: So it isn't about the actual dollars -

Mr. Brown: My understanding is that it's a shareholder's dispute and not a challenge against the program did anything wrong.

Ms. Sherry: Can I ask a supplementary question -

Chair: Sure.

Ms. Sherry: - Mr. Chair? The other part to that was, you know, when I talked to this individual another thing became evident to me through the discussion that -

Chair: Excuse me, just one sec?

Do you mind moving back from the table some, please? I would ask you to give us our

space while we were doing the committee. So, thank you. That's fine there. Just not too close to the table. Thank you.

Continue.

Ms. Sherry: That it was indicated through the same exchange that there were actually people built cottages with dollars from the previous administration through this program under the former government.

I guess there seems to be a lot of questions coming from the opposition members in regards to administration and the change in protocol in the administration. Could you elaborate a little bit on what the program looked like under the previous administration and what the changes are administratively that seem to creating some of the angst here?

Mr. Brown: The program was started in 2001. It was a structure that was brought to the government of the day, I assume, that said: We can get immigrants to immigrate to PEI, we can get investment in Island companies on Prince Edward Island. The documentation that I reviewed was basically that we have the same program today as we had in 2001.

The program was approved. The intermediaries went out into the marketplace and tried to sell the program. At that point in time it was: PEI, who's PEI? Is this structure good, will I get my money back? It was a hard sell. At that point in time, some of the things that I looked at, there were high fees, but that was the cost of doing business. Reviewing the documentation, that was the cost of doing business and that was okay in my books. You're getting into the marketplace, you have to do an additional cost.

Investors came. Investments were made. The government was monitoring it all the time and they saw some situations, I

assume, and they started changing the rules also in order to correct some of the issues that were coming up.

You have to agree here that it was a fast-moving program at a particular time. It was a program that, once approved by the Department of Justice and the federal government, became a very popular program and things started moving quite good, I would say. Investments were made, some questions were brought up and guidelines and rules were changed.

Ms. Sherry: To better the program, minister?

Mr. Brown: Oh, yes. In my opinion, there was always an improvement being made to the program. The changes that were occurring were changes to protect the program and protect the integrity of the program all the way through.

As when we came into the administration, the staff advised us of some changes that they would like to have and were trying to get approved. We approved the changes, ie. the source and use of funds. That's one of the reasons that was put in. If a company came to us and said: I'm going to do this with my money and I'm going to do this, we made them sign a form to say: I'm doing this, and our form says if you don't do it we will expect the money back.

I know there was a comment the other night that programs were changed retroactively. Well, somebody had some approvals under the old system. We required them to sign the source and use of funds statement when they received their investments and we made those rules retroactive. I have no problem with that because some people were saying: I got my letter, and at the time I got my letter that rule didn't apply, so I shouldn't have to apply to that rule. We said: If you want the investment to go into your company, you're going to have to sign under

that rule. Some people got mad at that but we forced the rule to occur.

I must say it was a continuing, evolving program.

Ms. Sherry: Throughout all the years.

Mr. Brown: Each improvement that was made, under both administrations, was a good change.

Ms. Sherry: Okay.

Mr. Brown: You know, situations come up. Things were done that maybe the previous administration, and our administration, thought: Okay, we have to correct that. We made corrections along the way.

Ms. Sherry: Thank you, minister.

Mr. Brown: But as for companies feeling that - I've been fielded the same questions too, and I commend the Leader of the Opposition here, too, that, they're saying it was a good program. It was a good program. We're questioning the administration of the program.

But I can assure, and the Leader of the Opposition and the former minister can attest to it, it was a good program. It benefitted PEI companies and I don't think the companies that received these units, except a couple in question that the opposition is questioning, are good for the economy of PEI. Twenty-seven community care facilities. A ton of small little businesses. I was up to one there last Friday meeting with them. They took me across the street. They said: This company wouldn't have these employees today if it wasn't for this. We wouldn't be expanding our business today if it wasn't for this.

The 400 reject letters are the reject letters. We have to deal with them. People came back afterwards and said: I want more units.

It was a tough program. The previous administration -

Chair: Yes, Brooke. Brooke.

Mr. Brown: - was probably under the same pressure.

Ms. Sherry: Thank you, minister.

Mr. Brown: Thank you.

Chair: That was Janice.

Paula Biggar.

Ms. Biggar: Thank you, Mr. Minister.

Certainly, as the MLA of a big aerospace centre, I certainly see the benefits of the PNP with 50 new jobs coming into my district.

Talking about the economy, certainly we're in a bad state of affairs right across the country. You mentioned before, but the infusion of the investments through the PNP program, do you feel that's been critical to where our economy is here on PEI? Just as a supplementary to that, these intermediary fees that all of sudden have a big cloud over them, were those fees just implemented or have they always been in place? If you want to comment on both.

Mr. Brown: I have a picture up here on the wall here. The number of people employed on PEI is up 1.4%. We have the historically low unemployment rates. Labour income's up 4%. Retail sales are up. Building permits are up. The population's up. It's great. Our growth is second to Saskatchewan, and it was either go get foreign investors - which the act clearly states we should do - or sit back and watch a lot of little companies on Prince Edward Island go bankrupt.

Is that a dramatic statement? Look, there are tough times out there. Tough times are

coming. I'm a strong believer that this program is going to help us weather this storm a lot easier. We're lucky that the program was put in place. We're lucky that the small staff at IIDI did the tremendous job they did.

I've got to say, like, there's a comment out there that we flew to China and we flew to Dubai and we had sandwich boards on ourselves running up and down the street saying, you know, we have visas for sale. That is not the case. That is not the case.

Mr. M. Currie: I never heard that one.

Mr. Brown: No. That's the impression. We were over there pushing this. We weren't pushing it. We left a tremendous amount of potential immigrants to Prince Edward Island off the list. When Bill C-50 was coming through and the federal government was saying: We're concerned about immigration, we have a 900,000 list, we're going to close the list, we're going to only allow - we're going to reduce our immigration to Canada. When the intermediaries found out that our program was closing down, there was a lot of investors out there saying: I may not do it this year but I'll do it next year, I'll invest next year, I'll get into the PEI program next year. But when the rule came down and said we have three months, everybody that was in the queue said: I'm signing up now.

That's one of the reasons we went to the various countries in order to do the interviews and in order to process the application.

Do I think anything was done wrong there? No. My information that is given to me, the interviews were correct. There was indications that the bonuses were used in order to entice more immigrants and that maybe we did some shoddy work. A lot of files were rejected. I'm told that close to 400 files - people came in for interviews and

their assessments were done, were told no. If it was a pure immigrant for bonus package, they would have just approved everybody.

Thank you.

Ms. Biggar: Just a follow up. The new program, you mentioned a little bit about it. Why do you think they put such a high threshold on that this time around, and once again, with these intermediary fees, did they just start?

Mr. Brown: No. No. The intermediary - do you mean there's a group of -

Ms. Biggar: Yeah.

Mr. Brown: There's the intermediary and there's the agents that are in the foreign countries. They're all certified and credentialed through the federal government, and there's a federal agency. In the past there was an organization out there that was doing visas and there were some questions about them and some problems occurred. There was a formal organization set up in order to credential them and do their work for them.

That is a legitimate federal program. They're on the web site. It's a rule of ours. In order for you to apply to this program you have to have one of these certified people to do your application. We do not accept applications unless it is done by a lawyer or a certified person. Okay? The fees are the fees.

Under the new program, these companies out of Quebec can go sell an investment in Quebec for \$400,000. My threshold now is a million. So it's going to be very difficult to sell it, but I've made a - I've said to the federal government: You tell us we can do it. We'll go and try it. If not, we're going to be back at your door. Because one program, we're a country of diverse regions, and that's what we argued when we went up

there. Like, one program can't fit Canada. Can't fit us all in one basket. We need special treatment or special items down here.

The EB-5 program in the United States clearly defines rural parts of the country and urban parts of the country. They distinguish. If you go to this part of the country, the investment is this. If you go to this part of the country, the investment is this. I asked for same set of rules. I asked for the Quebec rule and it was: No, you've got a million dollar threshold, you've got a one-third investment in a company.

The intermediaries and the agents are telling me: We can get some but don't expect what you're used to.

Ms. Biggar: Thank you, Mr. Minister.

Chair: Buck Watts.

Mr. Watts: Thank you, Mr. Chair.

Mr. Minister, regarding the program, as I travel around in my district and through the streets of Charlottetown and at different functions here and there, there's no doubt that I think everybody around this table has been hearing the same thing as I have, and people do have questions, and they do have concerns, about mainly the administration of the PNP.

But I'm also hearing a lot of questions from my constituents saying: There has to be a lot of good. This program has to be doing a lot of good on PEI because it seems like the economy of PEI is doing well. But their question is: Why aren't we hearing anything positive about this PNP program? My only answer to them is: We have to look at the media to try and help us spread the good word about this. But, of course, as we all know it doesn't take very much to get te stuff going and get stories going, and of course the media has to do - to be

successful, sensationalism is their game. So they'll take a little story and if it's not a good story, if it's on the negative side, then for sure that's what we're going to hear. But I would really like to hear, especially from the media and from our own party, try and get out the more positive spin on this PNP.

Now, just for one instance, last Saturday I was in Charlottetown. I drove out University Avenue. It took me probably 20 minutes to get out University Avenue with the traffic. When I got out past the Charlottetown Mall, I couldn't believe the amount of vehicles that were parked in the parking lot at the Charlottetown Mall, Canadian Tire, Sobey's all the parking lots. They were full. I couldn't have parked a bicycle in there, there was that many people. So that really tells me something about the economy. It's really doing fairly good, although we are in times of a recession.

So I believe the PNP has something to do with that. It has to. So, I mean this PNP definitely has a positive impact on our economy and I believe that the public has a right to know that too. They have a right to know that the PNP program is a good program and that - you don't administer any program without glitches here and there. So we've got to get beyond this negativity about the PNP and get some positive spin on it and let the public know that it is good.

I really look forward to the future of this program when it's going from an investment of \$200,000 to \$1 million. If that will work, if the immigrants are willing to come here and invest a million dollars, imagine what that's going to do.

My question is, Mr. Minister: How successful do you think we're going to be in bringing immigrants in here? How realistic is it that they are going to come here and pay a million dollars to invest in a company in PEI when they can go to Quebec and do the same thing for \$400,000?

Mr. Brown: It's going to be extremely difficult. That's the bottom line here. We had a program, a structure was brought to the government, it was an excellent structure. Again, I know some of my own members will get me afterwards, but the previous minister - my interpretation would have been: Anybody else would have said it's not worth the hassle, forget it. But they said: If the rules are there and the Department of Justice approves it, let's proceed. And we proceeded.

I can say - the numbers are quite clear there - if it wasn't for this program the economy of - a lot of small businesses in PEI would be at our door right now asking for investment dollars. We don't have the options, we don't have the choices of other provinces close to the money markets, close to the stock markets and things like that in order to - we are looking at various mechanisms that I can get private investment into the private companies on Prince Edward Island. There's a certain new set of rules that are out there in terms of capital pooling program, but with the capital meltdown that is occurring worldwide, that program that we're working on - this is a capital pooling program where we can get a number of companies together, put a pool together, like an RSP sort of thing, and then go to the capital market and get investment into the pool, and then the pool would distribute that money to the companies.

With the current capital situation out there now we're told that's going to be virtually impossible to bring this one forward. There are still immigrants wanting to come to Canada. We're hoping to work with it.

As for the administration of the program, when the decision was made to close the program or to change the rules of engagement, the decision was made. Our doors were being hammered on in terms of people wanting to come to this country, people wanting to invest in this program,

and the decision was made. Do we do it? Do we set it at 800? Do we set it at 1,200? Do we set it at 1,800? Do we set it at 2,000? My instructions, or the general instructions, were: It's closing. Let's try to process as many as we can. Let's get as many as we can into the queue, into the program now, and do it.

I ran it - or, you know, it was run like a private sector company. I know the criticism is going to be that it's a Crown corporation. We ran it. We ran it to maximize the benefits to the Province of Prince Edward Island. We ran it to maximize the investment into companies. We ran it to maximize the immigration pool for Prince Edward Island. The numbers are quite clear, I think. That will be up to the Auditor General and that will be up to this committee to say: Did it meet the objectives of what the act says? The act clearly states: Your job is to go out and get foreign investments. The numbers are quite clear. We went out. If we were a company presenting this to our shareholders, the shareholders of PEI, and said: We're a company, we did this, our profits have gone from a loss of \$131,000 to a net profit of \$8.6 million with a return to the government of Prince Edward Island of \$4.1 million, and not only that, we made \$5.2 million donations or commitments to our education, to our newcomers' association, I think the shareholders of that company would be pretty proud of the returns that this program brought to the Province of Prince Edward Island.

We did what we did. The Auditor General will comment on it. This committee will comment on it. I look forward to your judgments, and I look forward to the comments of the Auditor General, and I look forward to the recommendations of both this committee and the Auditor General in moving forward in a new program. We did what we did, and what is the result of it? We have 1,800 people, or we have a lot of

people, in the queue waiting.

Now I know there has been a concern about processing times, and you know, that the processing time will be extended. I have documentation here that shows the average processing time is still within our time frame of 18 months. It's still within our time frame. The Premier and I, when we were in China, when we flew to Hong Kong, met with the embassies in order to state our case. The embassies have been clear. They know what was done here.

I know the Heidi Smith letter, e-mail that got out, saying she has concerns about it. Those were her concerns about the processing time that it would take. Her e-mail did not indicate that it was a wrong program. Her e-mail did not shut us down because she had no legal jurisdiction to shut us down. Her concern was processing time and the amount of staff she has to do the processing.

Now I and the other provinces have been asking the federal minister to put more funding into this program in order to get immigration to Canada, and that's being done.

Chair: Charlie.

Mr. McGeoghegan: Just clarification on a few things.

Earlier it was asked about the RCMP investigation. This shareholder's dispute, that would be between shareholders of a specific company, which would have nothing to do with the program. Right?

Mr. Brown: Again, that's a complaint that was made to the RCMP. I have no direct insight into it and neither should I. I would never call the RCMP barracks and start asking about a file that they're investigating. That's against the law. I and anyone else will have to wait until that investigation and

that report is done by the RCMP.

Mr. McGeoghegan: Right.

Mr. Brown: But my interpretation of what I've been told is - put it this way, they're not knocking at my door.

Mr. McGeoghegan: Yeah. Well, there was insinuations made in this program. There's been a lot of that and a lot of coffee shop hearsay thrown around so it's good to get clarification on some of these things that seem to be out there.

Four hundred refusal letters. Would a lot of those be second batch? Like, coming back the second time?

Mr. Brown: Again, when that program was closing, we had so many agents across the world banging at our door saying: We have more immigrants for you. We have more people wanting to enter your program. It is a very successful program. It's a well-respected program that was built up over the years. The respect of this program was built up. And I daresay we could have put a thousand more through if we had the time. But we didn't have the time.

There was a concern that the investments, we were getting more investors than investees. We sent for a general call. We opened it up and said: Put your applications in. A tremendous amount of applications came in. They were reviewed, and as with anything that was opened up, there was a tremendous amount of applications that came through. Are you really going to do this? Do you have the money to put into it? No, I don't have any money, I don't have a company, but I was told on the street that it's free money, I'm just applying for it. We said: No, it's not free money. You just can't come in the door and get a \$55,000 cheque.

That's the general impression that was out there. I'm told a tremendous amount of the

applications - not all of them, but some of them, and I'm not saying a general statement here today - is that a lot of them came through the door thinking: Here's my form, I pick up my cheque and go home.

Mr. McGeoghegan: But some of them (Indistinct) -

Mr. Brown: I know there was a guy on the radio the other day complaining about it also. But again, the approval letters that went out clearly stated what you should expect to get into your company and what fees you should pay. What more can we do?

Mr. McGeoghegan: So some of those, though, could have been companies that received units in the past that came back the second time. That's the point I was trying to make.

Mr. Brown: Could be. Yeah.

Mr. McGeoghegan: Yeah. Okay.

Can an investor invest more money into a company after the five-year time is up, if they so choose?

Mr. Brown: That's a good question. We're going to encourage the investors that have invested in the companies to this point in time to review their investments in the companies. Now that the company has a person on the board of directors - and I must say, when you're on the board of directors of a company you get all the financial statements of the company, you're allowed to go to the annual meetings, you're notified of annual meetings, you're allowed to ask questions, you're allowed to look into the books of the company. It is my information that each investor had to sign a document saying: I read the business plan and I approve of the business plan.

Not only that, an accountant had to look at the business plan and sign a letter to it and a

lawyer had to sign a letter to the business plan. So each investment document is this thick to what we did in order to assure the immigrant and the investor of this program. The rules of engagement were set up. We expanded them a bit. It just got better as it went along, and the credibility of this program got better and better and better. Our competition saw it getting better and better and better and they probably sat in their ivory towers and said: How come a little company, a little place in PEI, IIDI with 37 staff, beat us? Well, they're beating us because they're better. Well, we just change the rules, I guess.

Mr. McGeoghegan: So if at the end of five years when the investor gets their part of the money back, if at that time the investor and the company are having a good business relationship going on, if that investor wants to make more investment into that company, which he's now a shareholder of anyways, he can do that.

Mr. Brown: Yes, he can. There is all that - the program has set up quite a structure here that allows the companies to meet with foreign investors. You have to understand, these are high net worth, highly educated people, these investors. They know their investment portfolios. They have to have a net worth, I'm told, close to \$800,000.

Mr. McGeoghegan: One more thing. The million dollar threshold for the new program that's up and going now. I guess in some ways the federal government is trying to benefit the rich, and what about the little guy? Like, that's where I see this. If you have to have a million dollar investment, you're going to have to have a lot bigger company to invest in.

Mr. Brown: That's right.

Mr. McGeoghegan: So what about all these little companies and little guys? They're not going to be able to benefit from the

program. Is that right?

Mr. Brown: That was our argument, That was the previous administration's argument, on the changes to the program. Identical to that.

This program is set up for Central Canada. It's set up against little companies. That argument was made by both me and by the previous administration. I still strongly believe in it. The thresholds are so high that it's going to be extremely difficult for a small province like PEI to take advantage of such a program.

Chair: Mike Currie.

Mr. M. Currie: Thank you.

Minister, the changes that were made when you got the new agreement with Ottawa to the program, was Ottawa given advance notice that you were going to go to Hong Kong and Dubai?

Mr. Brown: Yeah. They were, Mike.

Mr. M. Currie: They were aware of that?

Mr. Brown: Yeah. They were aware what we were doing. I'm told they were notified of -

Mr. M. Currie: In advance.

Mr. Brown: We notified them that we were going to do this and that's why Heidi wrote the letter saying: If you do this, I'm going to have processing times. But again, I was advised by the political people in the minister's office and things like that: Continue on.

Mr. M. Currie: That was my next question. So the decision to do that, to go to Hong Kong, wasn't clearly made by you. It was made by other people?

Mr. Brown: There's an independent board or there's a board of IIDI. My instructions were that the program was closing down -

Mr. M. Currie: (Indistinct) Premier's office. You work for the Premier.

Mr. Brown: Yeah. My instructions were: The program is closing down. They came to me, 1,200, 100, you know, what do we do? I said: How many do we have? We can have as many as we want, basically. I said: Let's go out and try to get as many as we want because I want my queue full for the population in the upcoming years.

It was like a pension plan closing down. You have to understand. It was like - this is closing. September 2nd, I'm out of business. I had certain rules I could apply and the decision was made. People were hammering at the door to put investments into PEI. Intermediaries were telling me we could put a substantial amount of money into Island companies before this program is closed down. Did I agree with it? Yes, I did, because I was faced with - well, look at the numbers. What can I say? Look at the numbers: \$21 million came in, 8 million's going to the province, 5.2 million went to the department of education, the newcomers' association.

As you always said, I come from a competitive background, I come from a private sector company. Yeah. Go out and do it.

Mr. M. Currie: I think, minister, there's probably, from listening to around the table, Buck and other people, about the rules of engagement is the one that I think they're having trouble with.

I think what they're seeing or hearing - I guess they're seeing it on the front page of the paper every day, a headline - the 400 rejection letters. What seems to have happened is an individual that already got

units in a previous day was now allowed to change the rules to accommodate himself and his wife. And there's 400 in there that got rejected that probably never got units but would like to take advantage of the situation to help them through a hard time. There is the root of the problem.

Mr. Brown: Yeah.

Mr. M. Currie: That's what has to be dealt with. It's the optics, or whatever you want to call it. That's the one that's sticking. I don't know how you're going to deal with that by saying it's been looked into and it's good.

But the 400 people that are out there that got rejection letters are as mad as heck that an individual in a position of trust, placed there by the Premier, could then go and give himself a whole new slew of units to accommodate himself who already received them. That is the one that is bothersome.

Mr. Brown: I guess, and I'm not going to talk a specific case, but as for - you know yourself, it was your rule that after five years, when a rollover occurred - that's the term for it - when the five-year immigrant, the investment came up, the immigrant was paid their money back, that that company was now eligible for renewal. That was a rule that was there, Mike, when I came in.

Mr. M. Currie: Yes.

Mr. Brown: That rule was applied to a number of companies. It was there. It wasn't changed. It was if the five-year rollover occurred and your company was still wanting new investors, that applied, that rule.

As for opening up the program, the rule changes, I know there's a criticism about that. I had 1,800 investors wanting to invest. I was running out of community care facilities. I was running out of

manufacturing facilities. You know, we opened it to the service sector.

Mr. M. Currie: Gravel trucks.

Mr. Brown: Yeah.

Mr. M. Currie: Yeah. I'm just trying to figure out, being in your position, how would you answer the little company up the street that Buck talks about that would like to get the units, but knowing (Indistinct) now sees in the paper every day that an individual, a deputy minister, has got himself a whole new slate.

That's the one. How do you answer that question to those people that are calling you?

Mr. Brown: I'm informed by the staff, Mike, that the rejections that went out didn't meet the criteria of the day. Like, it wasn't just 400 went out. Like, it didn't go out that we ran out of investors. The letter didn't go out and say: Look, you're not getting your investment because we ran out of investors. The letter didn't go out. It was just: You didn't meet the criteria.

Mr. M. Currie: One final question.

Mr. Brown: Sure.

Mr. M. Currie: We're almost at the time here. Of any of those 400, did any of them call you -

Mr. Brown: Sure.

Mr. M. Currie: - and you revert, changed them?

Mr. Brown: No. Now, let's get this thing straight.

When people came in - when the program was made, I guess, public, and I guess people were asking about units and that -

and like I said in the Legislature to a question from the Leader of the Opposition, people were calling MLAs. The accounting firms and the companies told people that applied: Go to your MLA, go to your politician, go to whoever you can to get this done. But you know, there was a set of rules.

I had people in my office each and every day with files saying: Can you do anything? My thing was clearly to them: I'll look at your - if there's a problem with your file or things like that, if you didn't meet the thresholds or something like that, I'll ask for a review of the department. That's the extent I went. As a politician, as somebody that represents people - and I can assure people that it was from all political stripes and from all ends of the Island.

Like I said in the House, the staff was extremely busy. Some people came and said: I have the letter from the Department of Tourism that I'm eligible but they're saying I'm not eligible. I said: Review the file. That was new information that came forward. Any one of us would say that a constituent comes through the door and says: Review this. I looked at some of them and said: Go back to the department, tell them your new information, see if we can work with you. That's -

Mr. M. Currie: You never overturned any of these 400 rejections?

Mr. Brown: My instructions were clear to the staff. If you can work with these companies and see if these companies can fit, see what we can do here.

Mr. M. Currie: Okay.

Mr. Brown: As I expect any of us would do. We're all elected by the constituents that elect us.

Chair: Thank you, minister.

I know that we didn't get to - I mean, we didn't have the time today that we thought we were going to have. We thought we'd have two hours for questions and it ended up being just 45 minutes after your presentation. So probably at the beginning of the year, you'd be prepared to come back and finish with the questions? Because I had some here today that I wanted to ask and I know the Leader of the Opposition had also a lot more questions. So if we check with your department and you and line a date up for January, it would be okay?

Mr. Brown: Mr. Chairman, I just have a request.

When I was in opposition when the Auditor General came in and was looking into Polar Foods, we gave you the courtesy of waiting for the report. We gave you the courtesy. We gave the government of the day the courtesy of saying: We will wait for the report of the Auditor General. He is doing his report. I've come here twice. I'm willing to stay here all afternoon, but I would like the same courtesy because that's why every weekend there's a new article, a new revelation in the paper. We're all out investigating this. We have a professional body looking into this program. I would ask the committee to wait for the investigation or the audit to be done and to come back with that. That's my request.

Chair: You know, minister, I guess my thing would be on this too, is that, you know -

Mr. Vessey: Mr. Chair.

Chair: Yeah. You'll get your time. I have the chair right now and I'll give it to you.

Mr. Vessey: (Indistinct).

Chair: Okay. I'll put your name down here then. Okay.

My feeling on that, minister is that you've already opened up twice. The first time you came you did a presentation that took an hour and 25 minutes so we had very little question time to ask questions. Today again, we were slow getting going because we had other business that we dealt with first. But we didn't get very much time and you took another 20 minutes with a presentation again today.

Maybe if you would come back early in January and just open it to question, question, question, and get through the list of questions that we have. I don't think - I mean, obviously you're not trying to hide anything -

Mr. Brown: No.

Chair: - because you've already been here twice. I think that probably if we had you here for another meeting that we could get through most of the questions, and we'd deal with questions only.

So would you make yourself available to the committee?

Mr. Brown: It's a committee decision and I'll wait for the committee.

Chair: I know that but I've asked you. Will you make yourself available?

Mr. Brown: It's a committee decision. If the committee orders me back I guess I have to come back, don't I?

Chair: We're not asking you. I'm just asking if you'd like to make that commitment on your own?

Mr. Brown: Mr. Chairman, all I'm saying to you is, like you know, people are given an opportunity to let an investigation occur, okay? Somebody goes to the police or somebody goes to the RCMP and lays a complaint. An investigation is done. They

don't go right down to the courthouse and start having the trial right away.

All I'm saying is there is an investigation or there's an audit being done now. Why can't we wait for the auditor? Why can't we wait for the recommendations of the Auditor General and then sit down? The common courtesy when I was in opposition that I gave the administration at that time of saying: The auditor has been called in. We're not going to do anything until the Auditor General's investigation is done. We'll wait for the report. We waited for the report. The report came in and we discussed the report.

All I'm asking, Mr. Chairman, and the Leader of the Opposition, is the same courtesy, and then maybe instead of each and every week revelations are being made and people are calling up and saying: I think the lawyers and accountants did wrong, I think this, I think that. I don't know why we're judging this when a formal, professional body is investigating it. But it's up to the committee.

Chair: Okay.

Robbie.

Mr. Vessey: Thank you, Mr. Chair.

I'd like to thank you again today, minister, for coming in. I think this has been a great program for the province and the economy of Prince Edward Island.

I'd like to make a motion today that this committee now move on to other business and wait for the Auditor General's report. At that time, if we figure the committee needs to question anybody else, we bring them in at that time.

Leader of the Opposition: Can I make an amendment to that motion?

I would like to amend the motion in terms of that we can move on to other business after the minister comes back to finish answering the questions, because we're not totally done with this at this time. So can the motion read that -

An Hon. Member: After the minister comes back to answer questions.

Leader of the Opposition: - that can take place after the next time the minister comes back?

Chair: Okay, we're speaking to the amended motion, are you, now?

Anybody want to speak to the amended motion?

Leader of the Opposition: Can I speak to the -

Chair: Yes, you may.

Leader of the Opposition: We just finished the shortest session on record in the Legislature. Every time we asked questions around the PNP people hid behind the fact that someone had to go and take that question under advisement. This is Public Accounts, and if we can learn from our history, in the past when people waited for the Auditor General or whatever there was a huge lapse in time. You're the minister that says, and I would agree with you, that this is an important program.

If we're ever able to get the integrity back into the program, we need to ask the questions now and clear up the difference between rumours, innuendo, and stick with the facts. That's our job in terms of Public Accounts. I think it's really important that we continue to ask the questions and allow the general public to realize that they can put some trust back into government, and also in terms of public officials and people

like deputy ministers.

Chair: Rob Vessey.

Mr. Vessey: Thank you, Mr. Chair.

The hon. Leader of the Opposition had some time here this afternoon to ask a lot of questions. I'm not sure if she's asked very many. She said she had 200 and now she has 400. I think the minister has entertained that if you wanted to submit questions to him, he would respond to you.

This committee has other business to do, and the Auditor General is at work here, and we'll deal with the report when that comes back. The theatrical politics that's been going on and the accusations - it's a disgrace to the program and I say shame to the hon. Leader of the Opposition for that.

Chair: Charlie McGeoghegan.

Mr. McGeoghegan: Like we talked about earlier, about being able to stay, we knew from the last meeting a few weeks ago that the opposition had a lot of questions. We knew a week and a half ago or so that this meeting was going to take place today. Our members from all over PEI made changes to their schedules to allow all afternoon because we knew that the opposition's argument was that at the last meeting they didn't have enough time.

We extended the last meeting so we could get more questions in. We knew that this was going to be a hot topic. The minister changed his schedule so that he could be here all afternoon, but yet the opposition still didn't change their schedule to get the questions asked. But yet they're complaining about not getting their questions answered.

So I really have a problem with the way that this is trying to be spun. If the minister is willing to stay, let's hear him now. If not,

let's wait till the Auditor General's done.

Chair: Anybody else?

Janice Sherry.

Ms. Sherry: Hon. Chair, the words that were used here at the table today, words like integrity and trust and tarnishing this program, we keep going back and forth.

I guess if we stay on the issues at hand - and I do agree, that the public has every right to understand and know what the PNP is and means - if we're going to do that, then we absolutely have to say it as it is instead of implying and striking out at the integrity and the trust of individuals.

I think we saw that when we talk about the House on the floor of the Legislative Assembly. Every one of us was accused on the floor of the House that we all possibly had PNP's or involvement in PNP's, with the hon. member knowing that we could not answer a question like that as backbenchers, nor could ministers answer those questions on the floor of the House.

I think, if we talk about integrity and trust, then we need to act respectfully and mindfully as we conduct this investigation for the betterment of Islanders, not about striking out and tarnishing the integrity of individuals.

I would just like to say, for the public record, that personally, as an MLA, that is my job here.

I also would like to state for the public record, that I never got a PNP.

Thank you.

Chair: That's nice to know. Okay -

Ms. Biggar: Question.

Chair: No, I'm going to speak to it.

Ms. Biggar: Okay.

Chair: Thank you.

I'm very appalled that that motion would come on the floor, but I guess, really, I'm not because I realize that the rush was on to have this meeting before Christmas, because the minister wanted to close this down and move on. He didn't want to come here and -

Mr. Vessey: (Indistinct).

Chair: - I expect the same respect that I gave you when you were speaking, and the other members. I did not interrupt any of you fellows and I expect the same courtesy around the table.

The minister, obviously, does not want to deal with this because he took away the time, both times, to come here to instead of answering questions put presentations on to cut back his time. He talked about wanting to wait for the Auditor General. We checked with the Auditor General. The Auditor General had no problem whatsoever with this committee doing interviews and following up on this program because he said it would not effect anything that he was doing under this program.

I was told when you wanted to have this meeting before December that you wanted to close it down as quick as you possibly could so you could sweep it under the table. I said: No, that wouldn't happen. This government said they were going to be open and accountable. They'll not sweep anything under the table. But I guess it comes to show that that's exactly what's happening. You're using every trick in the books that you've got to close this meeting and close this agenda down.

You had your little meeting. They got their instructions from the fifth floor today to

close this thing down as fast as they could because they didn't want to deal with this. It was very obvious from the time we walked in here today that that was the agenda here today, to get in here, ask a few questions and close this thing down.

Well, you know, I -

Mr. McGeoghegan: Stay all afternoon, then.

Ms. Biggar: Yeah, we're ready to stay.

Ms. Sherry: (Indistinct) a motion on the floor.

Ms. Biggar: We're not looking to close this down, Mr. Chair.

An Hon. Member: You're (Indistinct).

Ms. Biggar: You're closing the meeting (Indistinct).

Chair: Anyway, the minister doesn't want to come back. He's probably getting a little hot under the collar because things are starting to get to him and he was - what I was really appalled at was the minister, when he was in opposition there and sitting right over there in the corner -

An Hon. Member: (Indistinct).

Chair: Yeah, he hit that seat there pretty well every time. His comments were: Let's bring in the bureaucrats. He said that every single time and he said: If I was in government, I would let the bureaucrats come in here and speak for themselves.

Ms. Sherry: (Indistinct).

Chair: And so what happens? As soon as he sits in that chair and he knows that the bureaucrats would probably break this thing wide open, he says: No, I'm sorry, you can't come in.

Anyway, the committee has a vote on the table and I think it's there. I'm just very disappointed and shocked that you'd want to close this thing down, minister, instead of get to the bottom of it.

Mr. Brown: Mr. Chairman, I want to rebuttal you.

You know yourself, it's not shut down. No way is this committee shut down. There's an investigation being done right now. You're fully aware of that investigation being done by the Auditor General.

When I was in opposition, Mr. Chairman, and you were vice-chairman of the committee, we waited till the report was done. Were we out accusing employees and accusing staff of misappropriation of funds? No, we weren't accusing that. We didn't accuse the staff. We trusted in the system. We have an Auditor General doing that report. Public Accounts, if you look at it, Public Accounts looks at the public accounts, the blue book, and the auditor's reports. Why don't we wait for the auditor's report and talk about the auditor's report? That's what Public Accounts is about. If you want to turn it into a court, get a resolution of the Legislative Assembly and turn it into a court. But we have separations of power. We have proper procedures being done here.

All I'm saying is: Wait till the proper procedures. Wait till the proper report has been done. Do you want me back then? I'll come back and stay the week. Like, am I holding back information? You wrote me a letter, you gave me a deadline to get it in, I hope I met that deadline to get the information back to you.

Chair: Well, you were a little late, but it was okay.

Thank you.

Mr. Brown: (Indistinct) I think what we're

doing here is just - there's a tremendous amount of good people out there that I think the Auditor General's report, if he identifies things, appropriate action will be taken. Your committee, after the Auditor General's report, can make recommendations back to us. If you don't think procedures were followed or things were followed and that things should be done, well, that's the committee.

But I would wait if I was sitting here as a member. I would wait for the report of the Auditor General and discuss it, but I guess that's you and that's me.

Chair: We have a -

Mr. Brown: Thank you.

Chair: - motion on the floor.

Are we ready for the vote?

Ms. Biggar: On the amendment first.

Mr. Vessey: The amendment first.

Chair: Vote on the amendment.

Committee Clerk: The amendment was that we move on to other business once we have the minister come back again to answer questions.

An Hon. Member: Question.

Chair: All in favour of that amendment, signify by saying 'aye.'

An Hon. Members: Aye!

An Hon. Members: Nay!

Chair: Okay, we got - it's a tie vote. So we'll have to -

Mr. Vessey: No, no, no.

Ms. Biggar: (Indistinct) time to vote!

Chair: We'll poll everybody around the table then just to make sure because there was only one 'nay' and one 'aye.'

So what I will do is have a poll vote around the table just to signify.

So we'll start with the member, Mr. Vessey.

Mr. Vessey: Best read the amendment again, please.

Committee Clerk: Sure. The amendment is that we move on to other business once we have the minister come back again to answer questions.

Mr. Vessey: I have a question.

Chair: I'll do a poll so everybody will be able to vote this time, and I'll go to you first. You supported it?

Mr. Vessey: Let's just do as -

Chair: Well, we did that and it was a tie vote, so we'll go around the table.

Ms. Biggar: No, it wasn't.

Chair: Yes, it was, one each. No, there was only two votes.

Ms. Sherry: You only asked one question.

Chair: That's all.

So are you for it or against it?

Mr. Vessey: I'm against that amendment.

Chair: Okay. Paula.

Ms. Biggar: Against that amendment.

Ms. Sherry: Against the amendment. (Indistinct).

Chair: Sonny.

Mr. Gallant: Against.

Leader of the Opposition: Support.

Chair: Support, okay.

The amendment was defeated.

The motion now is - read it, please?

Committee Clerk: That the committee move on to other business until the Auditor General's report is completed.

Chair: All in favour of the question, signify by 'aye.'

Some Committee Members: Aye!

Chair: Those opposed?

An Hon. Member: Nay!

Chair: Motion carried.

Call for a motion for adjournment.

Ms. Biggar: I move.

Chair: Okay.

The Committee adjourned