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LEGISLATIVE ASSEMBLY
OF
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RESPONSES TO QUESTIONS AND ORAL QUESTION PERIOD
(PRELIMINARY PROCEEDINGS)

FOR

TUESDAY, 22 MAY 2018

Responses to Questions Taken As Notice

Questions by Members

Speaker: The hon. Leader of the Opposition.

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

IIDI is one of the most powerful organizations in all of government. Much attention lately has been focused on its immigration and lending activities, but IIDI is a big player in the Island economy in other ways, as well.

IIDI and the private sector

Question to the economic development minister: Why is IIDI competing so heavily with the private sector?

Speaker: The hon. Minister of Economic Development and Tourism.

Mr. Palmer: Thank you, Mr. Speaker.

IIDI does play an important role in the economy of PEI. We're a lender to a number of businesses across PEI, about 1,000 is the count now, and 60% of those in rural PEI. We continue to invest in business. And business in return has been doing tremendous things on PEI.

Our exports are the highest they've been in four years. Sorry, the fourth consecutive year of growth. We're happy that IIDI can support small business across PEI.

Thank you, Mr. Speaker.

Speaker: The hon. Leader of the Opposition.

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

Government, through IIDI has assumed control of the Charlottetown Area Development Corporation, CADC.

Now, IIDI now owns and operates over 115,000 square feet of commercial real estate in Charlottetown and Stratford; 2,000 parking spaces in Charlottetown and 91

residential housing units on the Charlottetown waterfront.

Commercial landlord and government business

Question to the economic development minister: Why is being a commercial landlord now a core business function of government?

Speaker: The hon. Minister of Economic Development and Tourism.

Mr. Palmer: Thank you, Mr. Speaker.

CADC is going through a transition now and IIDI and the province are in the process of making changes to that so that we can further respond to the needs of Islanders to further support small business across PEI. We are in the process of doing that now. It will take some time.

There are sizable assets that were held by CADC and we continue to work with that organization to better understand what those assets are and what we need to do with those in the future.

Thank you, Mr. Speaker.

Speaker: The hon. Leader of the Opposition.

Leader of the Opposition: Thank you.

Mr. Speaker, government, through IIDI has assumed control of the Summerside Regional Development Corporation, SRDC.

IIDI now owns and operates over 100,000 square feet of commercial real estate; the Holman Building that houses the education department, as well as developed and undeveloped land and properties on the Summerside waterfront.

Government control of economic development

Question to the economic development minister: Why does government need to control so much economic development potential?

Speaker: The hon. Minister of Economic Development and Tourism.

Mr. Palmer: Thank you, Mr. Speaker.

This is an evolution of the business. SRDC had turned into a property manager over the years, not a development agency anymore. We really know that there's a lot of opportunity in Summerside, as an example. We are changing the model so that we can further respond to those needs.

Mr. Trivers: Turning it all into affordable housing?

Mr. Palmer: The board of SRDC has been changed now, so that we can further respond to those needs, and move from a property management role back into a development role with the assistance of the Regional Economic Advisory Councils, as well.

Thank you, Mr. Speaker.

Speaker: The hon. Leader of the Opposition.

Leader of the Opposition: Thank you, Mr. Speaker.

Government, through IIDI, has also assumed control of the Slemon Park Corporation. So, IIDI now owns and operates an airport and runway; 830,000 square feet of commercial real estate and 253 residential housing units.

Goals and objectives of IIDI

Question to the economic development minister: How is this growing corporate empire consistent with the goals and objectives of IIDI?

Speaker: The hon. Minister of Economic Development and Tourism.

Mr. Palmer: Thank you, Mr. Speaker.

Slemon Park Corporation is a very important strategic asset of the province. We have a runway that we made significant investment in the last year or so. So much so, we made the improvements there that the Snowbirds, who are coming here this summer for an air show are going to be able to use the runway and they hadn't been able to use it for a number of years.

Mr. R. Brown: Great.

Mr. Palmer: It's those kinds of investments back into the community – now we have a fully functional airstrip that hadn't been operational for a number of years. We have lots of inventory there in manufacturing space and warehouse space and we have residential space.

I think it's a tremendous asset for us to have in Summerside, and happy that we have complete control over that, now.

Thank you, Mr. Speaker.

Speaker: The hon. Leader of the Opposition.

Leader of the Opposition: Thank you, Mr. Speaker.

This corporate empire has been growing in the shadows because by law only deputy ministers can sit on the IIDI board.

Behind closed doors IIDI now has grown to include a loan portfolio of over \$157 million; management of provincial immigration programs; over one million square feet of commercial real estate; an airport and a runway, and 344 residential housing units.

This evening, the opposition, we will be calling Bill No. 106 forward for debate. Bill No. 106 would allow members of the public to sit on the board of IIDI, thus strengthening public oversight for taxpayers.

Support of An Act to Amend the Island Investment Development Act

Question to the economic development minister: Will you be supporting this bill?

Speaker: The hon. Minister of Economic Development and Tourism.

Mr. Palmer: Thank you, Mr. Speaker.

I'm in full support of this bill. We're happy to have more people on our board at IIDI, to help strengthen the decisions that we make there.

Our overall loan portfolio, which is managed by IIDI and Finance PEI is about \$355 million. There are about 1,000 businesses on PEI that have loans from IIDI

and Finance PEI. The average loan is about \$340,000 and it supports 14,000 employees across PEI; 60% of those are in rural PEI.

We're very happy to be able to continue the growth, and support small business wherever we can.

Thank you, Mr. Speaker.

Mr. R. Brown: Great.

Speaker: The hon. Member from Georgetown-St. Peters.

Mr. Myers: Thank you, Mr. Speaker.

As the Leader of the Opposition said: without the same level of public accountability as other boards, the IIDI board has pushed a few boundaries.

A whole chapter in the 2016 Auditor General's report looked at IIDI's business practices and found issues with them.

Deputies on IIDI board

Question to the minister: Do you think allowing only deputies on the IIDI board have made it more transparent and accountable?

Speaker: The hon. Minister of Economic Development and Tourism.

Mr. Palmer: Thank you, Mr. Speaker.

We're supporting the bill that's going to come on this evening. We're happy to have more people involved in IIDI. As a part of that transparency, the IIDI report is available every year in September. We publish that to the website and if anyone needs a copy of it, they can certainly go there to find out all the details, Mr. Speaker.

Thank you.

Mr. R. Brown: Great.

Speaker: The hon. Member from Georgetown-St. Peters.

Mr. Myers: Thank you, Mr. Speaker.

I look forward to having Bill No. 106 on the floor tonight. It'll be a couple of big weeks in a row for me getting bills passed. Maybe

we should keep the House open for another few weeks.

Without –

Mr. R. Brown: (Indistinct)

Mr. Myers: – I love helping you. I love helping you making PEI better.

Without public oversight IIDI can get involved in politically-driven projects that can be risky to taxpayers –

Mr. R. Brown: (Indistinct)

Mr. Myers: Yes. In case part of the restructuring of \$38 million loan in 2014 government ended up providing – and I quote: \$1.2 million in new financing available for the borrower to start two new businesses that would be 100% financed by the province.

Financing to new startup businesses

Question to the minister: Do you think giving 100% financing to two new business startups is a good business decision?

Speaker: The hon. Minister of Economic Development and Tourism.

Mr. Palmer: Thank you, Mr. Speaker.

Our loan portfolio, which I said is 60% held in rural PEI. That business line makes money; \$15 million in revenue comes in, we pay out about \$9 million in interest expense. We have an annual write-off of about \$1 million. We make \$5 million while we support Island business from tip-to-tip.

Thank you, Mr. Speaker.

Mr. R. Brown: That's a school every year.

Speaker: The hon. Member from Georgetown-St. Peters.

Mr. Myers: Thank you, Mr. Speaker.

So last year you wrote off \$18 million, which is a school. The Minister of Communities, Land and Environment is right, you wrote off a school last year alone in loans and here we are talking about wanting the need for new schools all over the place.

That \$13 million loan refinancing was a tricky one and there was a lot of heat from the board and the Premier's office. The Member from Montague-Kilmuir and everyone else in the Cabinet at the time recalls what a political hot potato it was.

A question to the minister: Do you think that the IIDI board would have given 100% financing if members of the public had been sitting on the board?

Speaker: The hon. Minister of Economic Development and Tourism.

Mr. Palmer: Thank you, Mr. Speaker.

Again, I'm happy to support the bill that's going to be on the floor this evening so that we can add further diversity to our IIDI board. That board is important. The loan portfolio that's managed by that board is very important to the small business right across PEI. It continues to grow and I think the average exports are \$1.3 billion in PEI, which IIDI and the funding that they provide to small business, is a very, very important part of that. So we're happy to have business to continue to grow on PEI and I don't know – the opposition seems to think that the economy is not doing well and that we don't have lots of great investment coming into the province, we do, and we're happy to play a role in that as well.

Thank you, Mr. Speaker.

Speaker: The hon. Member from Georgetown-St. Peters.

Mr. Myers: Thank you, Mr. Speaker.

I don't think anybody over here is questioning the economy. The root source of why the economy is healthy may not be steps the government has taken, it may be good potato prices, and good yields, and good fishing, and lots of things that Islanders are doing in spite of all the craziness that you guys are putting on their plate.

In 2016, IIDI lent \$8 million to the Summerside Regional Development Corporation. In February, 2018, the province took over the Summerside Regional Development Corporation.

Government handling of multi-million dollar loan

Question to the minister: How will your department be handling this multi-million dollar loan that you now owe to yourselves?

Speaker: The hon. Minister of Economic Development and Tourism.

Mr. Palmer: Thank you, Mr. Speaker.

IIDI does play an important role in that and as part of the disclosures that we have with IIDI and Finance PEI, just today, actually, we are now disclosing on our website all approvals greater than \$1 million as a further transparency piece by Finance PEI and IIDI. As we go through the wrapping up of business exercises at SRDC, we will eventually be disposing of those assets, Mr. Speaker.

Thank you.

Speaker: The hon. Member from Georgetown-St. Peters.

Mr. Myers: Thank you, Mr. Speaker.

In March, 2017, the province through IIDI, took ownership of Slemon Park Corporation which was created in 1992. In late summer and early fall of 2017, IIDI loaned over \$4 million to Slemon Park, which it now owned.

Question to the minister: Did you find it odd that the first loans that IIDI made to Slemon Park in 25 years came after your government bought it?

Speaker: The hon. Minister of Economic Development and Tourism.

Mr. Palmer: Mr. Speaker, I'm very happy with the results of the loan portfolio that we have at IIDI and Finance PEI. As I said, we net \$5 million from that loan portfolio. There's no new government money that goes into that. That is self-funded from the proceeds of the loan payments, so it's not new government money at all and we continue to make money in that portfolio.

Mr. R. Brown: That's good.

Mr. Palmer: Thank you.

Speaker: The hon. Member from Borden-Kinkora.

Mr. Fox: Thank you, Mr. Speaker.

The Auditor General's report e-gaming had this to say about illegally-destroyed records: We were not provided any emails or other government records for these individuals. We have received some records from the other public bodies and sources external to government. This should have been retained from these email accounts. Those records destroyed belonged to premier Robert Ghiz, former chief of staff, the deputy minister of tourism, and former chief clerk of the Executive Council.

Illegal destruction of records

Question to the Premier: How were the officials who ordered this illegal destruction of records sanctioned by your government?

Speaker: The hon. Premier.

Premier MacLauchlan: Mr. Speaker, this has been looked into by the Auditor General. It's been dealt with extensively in this House. There was legislation brought in to ensure that there's a new regime for handling records and, indeed, a very significant investment in additional resources to ensure that the requirements and the stipulations of that legislation is lived up to.

Thank you, Mr. Speaker.

Speaker: The hon. Member from Borden-Kinkora.

Mr. Fox: Mr. Speaker, former premier Ghiz and the current Deputy Minister of Finance ordered the illegal destruction of these records.

Question to the Premier: Along with purged email accounts, what other e-gaming records were illegally destroyed before they could be archived and reviewed by the Auditor General and other authorities?

Speaker: The hon. Premier.

Premier MacLauchlan: Mr. Speaker, I note that the member opposite is using terms of such as 'illegal' in the preamble to his

questions and I want to draw to the attention of the House, as has been done before, that in April of this year – just last month – the RCMP indicated in a public way that they have, in fact, investigated this matter, conducted quite a number of interviews, and concluded that there was no criminal activity.

Thank you.

Speaker: The hon. Member from Borden-Kinkora.

Mr. Fox: Thank you, Mr. Speaker.

I'll get to that investigation in a minute.

Both premier Ghiz and the current Deputy Minister of Finance have been named as defendants in the \$50 million e-gaming lawsuit, along with two of the officials whose records were illegally destroyed on the orders of premier Ghiz and the Deputy Minister of Finance.

Question to the Premier: Are you not at all concerned that laws were circumvented, ignored, and broken so brazenly.

Speaker: The hon. Premier.

Premier MacLauchlan: The Auditor General has looked into this matter and came back with her report and she spoke directly to the issue that the hon. member is raising.

The RCMP reported last month, after conducting on the order of 50 interviews, that there was no evidence of criminality, or any grounds for laying charges. The lawsuit that the hon. member is referring to is presumably before the courts. It seems to show up from time-to-time. But let me say that it's been talked about in this House before and I think the best approach for that lawsuit is to let it to proceed on its own merits.

Thank you, Mr. Speaker.

Speaker: The hon. Member from Borden-Kinkora.

Mr. Fox: Thank you, Mr. Speaker.

Dr. Kevin J. Arsenault has conducted an investigation and the review of the illegal destruction of e-gaming records.

Mr. R. Brown: Ah, come on.

Mr. Fox: In the course of the investigation, Dr. Arsenault was granted an interview with Sgt. Shaw of the RCMP investigative crimes unit, who said – and Sgt. Shaw stated: The provincial government has standard operating procedures and things that I'm not privy to. I don't know how government works.

Knowledge on record retention laws

Question to the Premier: Given the admitted lack of knowledge on record retention laws within the provincial government by the RCMP investigators, how would they be able to properly determine whether an attempt to commit mischief of data has taken place?

Speaker: The hon. Premier.

Premier MacLauchlan: Mr. Speaker, I don't have much to say about the source that was cited in the preamble to this question, but I will later table the report, the public report, of what the RCMP through staff Sgt. Kevin Bailey had to say about the RCMP's investigation and the conclusion that they reached.

Thank you, Mr. Speaker.

Speaker: The hon. Member from Borden-Kinkora.

Mr. Fox: Thank you, Mr. Speaker.

Under the Ontario gas plant scandal, the Premier's former chief of staff, David Livingston, was found guilty of attempting to commit mischief to data in part because of what the judge referred to as a 'scorched Earth policy'. The PEI Auditor General confirmed that no e-gaming records were found for the three key senior government employees whose records were illegally destroyed, two of whom that had apparent conflicts of interest.

Attempt of data mischief

Question to the Premier: Do you agree that there are reasonable grounds to believe that Robert Ghiz and Neil Stewart committed the same crime as David Livingston was found guilty of?

Speaker: The hon. Premier.

Premier MacLauchlan: Thank you, Mr. Speaker.

Let me say, again, I have confidence in the RCMP. I have confidence in the Auditor General. Both of them arrived at a conclusion quite in contrary to the language that the member is using in the preamble to these questions. Neither the Auditor General nor the RCMP, in both cases after a thorough investigation, concluded that there was any reason to lay criminal charges.

Thank you, Mr. Speaker.

Speaker: The hon. Member from Borden-Kinkora.

Mr. Fox: Thank you, Mr. Speaker.

Dr. Arsenault's investigation sheds additional light on the questionable and potentially illegal practices that went on as part of this government's e-gaming cover up.

RCMP and OPP criminal investigation (further)

Question to the Premier: Would your government support asking the Ontario Provincial Police to undertake a further review of –

Mr. R. Brown: Oh, you don't think the RCMP is good enough?

Mr. Fox: – the destruction of e-gaming records to determine whether there are, in fact, criminal grounds to lay charges in this matter?

Ms. Biggar: (Indistinct)

Mr. R. Brown: (Indistinct) no good.

Speaker: The hon. Premier.

Premier MacLauchlan: Mr. Speaker, the Royal Canadian Mounted Police are our

provincial police force. We've had a long relationship with the RCMP providing public safety, providing advice, conducting investigations, dealing with the public, which is what they've done in this situation and I am confident, based on what the RCMP has said through staff Sgt. Kevin Bailey's confidence, that this matter has been thoroughly investigated.

I have confidence in the RCMP, and I will repeat: I have confidence that we acted on the confidence in and we acted on the advice of the Auditor General and this matter has been thoroughly examined. It has been responded to through legislation, through resources, through implementing the recommendations of the Auditor General and I am confident that we have acted in the proper fashion and that this matter has been thoroughly investigated and that we know the answer. There is no basis for any further investigation into criminal activity.

Thank you, Mr. Speaker.

Speaker: The hon. Leader of the Third Party.

Dr. Bevan-Baker: Thank you, Mr. Speaker.

A few weeks ago during estimates, I asked the Minister of Education, Early Learning and Culture about a gentleman called Tony Geraci from the United States. The minister was unfamiliar with his name.

An Hon. Member: (Indistinct) BC Tony.

Dr. Bevan-Baker: Mr. Geraci made a trip to PEI in 2016 when he met with the then minister of education, the then Minister of Agriculture and Fisheries, and had a meal with the Premier. On all three stops, the response to Mr. Geraci's proposal to establish a universal, free school lunch program across Prince Edward Island was met with enthusiasm.

It's been almost two years since that visit and despite some very modest pilot projects, we are a long way from the shared vision of the PEI Home and School Federation, at least some government members, and Mr. Geraci himself.

Universal free school lunch program

A question to Minister of Education, Early Learning and Culture: Since our chat during estimates, have you familiarized yourself with the work and vision of Mr. Geraci?

Speaker: The hon. Minister of Education, Early Learning and Culture.

Mr. J. Brown: Thank you, Mr. Speaker.

Yes, I have a general awareness of Mr. Geraci and who he is. I don't think anybody had ever said that we were going to be adopting any plan that Mr. Geraci had, but what I will say is that what we have done is double the budget for the school food programs.

In the last year, and reaffirmed again for this year, we have hired on, with the great help from the Department of Agriculture and Fisheries, an individual to work at the public schools branch to help to develop a program of which the home and school has indicated on numerous occasions, not least of which at their last AGM, they were very proud.

We are proud to help do our part to continue this work.

Thank you.

Speaker: The hon. Leader of the Third Party, your first supplementary.

Dr. Bevan-Baker: Thanks, Mr. Speaker.

Mr. Geraci has been involved in establishing programs in places with virtually none of the inherent ingredients necessary to make the program a success. Yet, he has managed to make it work there successfully. He described Prince Edward Island as the first place he had ever been where all of the necessary components for such a program are right here already at our fingertips.

Necessary components for lunch program

Minister, what is holding up the rolling out of such a program?

Speaker: The hon. Minister of Education, Early Learning and Culture.

Mr. J. Brown: Thank you very much, Mr. Speaker.

As I indicated during estimates, this is an initiative that you cannot just turn a switch on and you're off and going. What I will say further to that, and I think I did indicate it at that point in time, is it's a community initiative at its heart.

As the hon. member indicated, we do have the resources here on Prince Edward Island to pull off a great school food program, but to do that you need to engage the community and that's what we're setting out to do. That's what Morgan Palmer does every day in her work with the public schools branch and we hope that that will continue and build into something great.

Thank you, Mr. Speaker.

Speaker: The hon. Leader of the Third Party, your second supplementary.

Substantial benefits of lunch program

Dr. Bevan-Baker: Thank you, Mr. Speaker.

With over 20% of children on Prince Edward Island living in food insecure households, and nutrition being a critical of health, of wellbeing, and of intellectual functioning, and the fact that these initiatives offer substantial economic benefits to local producers, why is such a program not a top priority for this government?

Speaker: The hon. Minister of Education, Early Learning and Culture.

Mr. J. Brown: Thank you, Mr. Speaker.

I'll indicate again, as I have on numerous occasions in here, that I think we are doing great work with our school food programs right now through the communities that are there to deliver them. As I indicated here previously, 40,000 is the number of meals and snacks that we deliver to Island students every week.

When I say 'we', it's not us. It's not the department. It's the communities that pull these together and I could point to a couple of great programs in my own district. That is what really makes these work; is that we have community involvement. The community comes together. It takes advantage of the resources that it has

inherent in it, and it builds a great program that helps do much more than just feed the children.

Thank you, Mr. Speaker.

Speaker: The hon. Member from Charlottetown-Parkdale.

Ms. Bell: Thank you, Mr. Speaker.

The PEI Home and School Federation recently invested in research to assess PEI schools and how they stack up against the public schools branch policy on school nutrition. There were some notable successes. East Wiltshire school, for example, where there is a great breakfast program and other novel initiatives. At Kinkora the students are in partnership with farmers in the area using locally-sourced ingredients and cook all the meals in the new culinary program. At Gulf Shore, where the students even grow some of the food served in their school.

Food programs in all Island schools

All of these ventures are happening as a result of visionary staff or volunteers. A question to the minister: When will all PEI schools enjoy similar programs?

Speaker: The hon. Minister of Education, Early Learning and Culture.

Mr. J. Brown: Thank you very much, Mr. Speaker.

Thank you, hon. member, for the question and the way in which it was put. As I indicated when I was responding to the hon. Leader of the Third Party's question, this is exactly what we're looking to have accomplished in Island schools; the communities to get involved and take ownership of the food programs within their schools.

We want to have families and community members that understand what it is to eat in a healthy way and what that does for students in our schools. That provides a much more holistic approach to healthy eating than if we were just to feed the student one meal a day.

Thank you, Mr. Speaker.

Speaker: The hon. Member from Charlottetown-Parkdale, your first supplementary.

Ms. Bell: Thank you, Mr. Speaker.

I'm glad to hear the minister speaking about the importance of healthy eating, because in that same study the home and school federation assessed what percentage of schools were meeting the school board's nutrition policies and not a single one did. Zero per cent.

Implementation of nutrition policy

Minister, when are you going to properly implement the Public Schools Branch's nutrition policy?

Speaker: The hon. Minister of Education, Early Learning and Culture.

Mr. J. Brown: Thank you, Mr. Speaker.

As we have discussed numerous times in this House, it's not for me to implement the Public Schools Branch's policy. It's the Public Schools Branch that will implement their policies and us that direct them in respect of initiatives that we would like to that.

That's exactly what we're doing here. That's exactly why we have hired on an individual that will guide the process to develop plans that will help to bring community members so that the programs that are developed in the communities are sustainable, are holistic and are the best programs possible for, not just the students, but the entire families in those communities.

Mr. R. Brown: Great.

Mr. J. Brown: Thank you, Mr. Speaker.

Speaker: The hon. Member from Charlottetown-Parkdale, your second supplementary.

Ms. Bell: Thank you, Mr. Speaker.

Minister, for an Island-wide program to be success, your leadership and vision is crucial.

Island-wide school lunch program

Minister, will you spearhead an Island-wide, free, universal school lunch program that focuses on sourcing local products, health eating and opportunities for learning? No or Yes?

Speaker: The hon. Minister of Education, Early Learning and Culture.

Mr. J. Brown: Thank you, Mr. Speaker.

We're on a trend here of getting alphabetically-listed questions, which we apparently appreciate.

In that spirit, I will note, again, that our department is looking to engage with communities; engage with the Prince Edward Island Home and School Federation. We have hired on a person to help with this engagement process. We are looking at them to come up with ideas and to enable a program that will be healthy; will be sustainable and will build communities as we go forward for their own good.

Thank you, Mr. Speaker.

Speaker: The hon. Member from Vernon River-Stratford.

Mr. McIsaac: Thank you very much, Mr. Speaker.

My question is to the hon. Premier: A lot of us have been watching and listening about the NAFTA discussions that have been going on. I thought they were rolling along pretty well. We know all sides wanted to look at this agreement to see what may be able to be tweaked to make it better for all concerned.

Now, we hear comments about the US midterm elections coming up that may delay it. The Mexican elections are coming up, as well.

New NAFTA agreement

I'm wondering if the hon. Premier could tell us if he's heard anything further as to the timeframe and when this new NAFTA agreement may be settled.

Thank you very much, Mr. Speaker.

Speaker: The hon. Premier.

Premier MacLauchlan: Mr. Speaker, from early 2017 when this process started, Prince Edward Island has been actively engaged at the official's level. We have some very fine people, who've been involved with other officials.

There have been numerous discussions directly among the premiers and the prime minister to keep Prince Edward Islanders apprised of developments.

I think the most direct thing I can say, is we heard minister of foreign affairs, or global affairs, Chrystia Freeland say, last week, that she felt there was some further, I might say, wiggle room, I think that was her language.

The key issue, as I understand it, is that it's the focus of the negotiation are rules of origin in the auto sector. There are other issues that will be dealt with consequent or subsequent to that issue, but that's the one.

At this point, it would be well beyond my authority or insight to give any clear timelines for the likely resolution of this matter.

Thank you.

Speaker: The hon. Member from Vernon River-Stratford, your first supplementary.

Mr. McIsaac: Thank you very much.

Looking at it then, from a provincial point of view, this is pretty important to all of us in the agricultural sector, for sure, because trade is – a trade agreement like this can be make or break for our exports.

I'm just wondering what is being done from the provincial end of things with regards to this negotiation?

Thank you very much, Mr. Speaker.

Speaker: The hon. Premier.

Premier MacLauchlan: Thank you, Mr. Speaker.

From the outset of these negotiations, which the objective is to get a better agreement, not just any agreement, our officials and our government has been in direct contact with

the leading players in PEI industry, whether it's on the food side, our leading source of exports to the States; manufacturing, which has grown now, seven years in a row. Last year, we exceeded \$1 billion in our exports to the States.

We have great companies, who understand the situation, the relationships, and we're very directly in touch with them in terms of what they believe they have at stake, and how we can best serve their interest.

Thank you, Mr. Speaker.

Speaker: The hon. Member from Vernon River-Stratford, your second supplementary.

Mr. McIsaac: Thank you, Mr. Speaker.

Again, I guess, it comes right back to those commodities, especially here on PEI with regards to supply management. I know twice in this House we had full discussion on supply management and had unanimous support for that.

Supply management re: NAFTA agreement

You're speaking about getting any agreement or getting an agreement, there's a lot of give and take. I'm just wondering if you can give us a little head's up, or let us know that supply management will not be a key, or a make-or-break of this agreement because it means so, so much, as you know, to the Province of Prince Edward Island.

Thank you, Mr. Speaker.

Speaker: The hon. Premier.

Premier MacLauchlan: Mr. Speaker, first, of course, our government is fully supportive of supply management and the sectors that have prospered as a result of those arrangements now going back more than four decades.

This is something that has been in discussion. According to our information, at the table to develop an improved NAFTA. The United States has put forward a proposal on supply management. That has been in the public domain. From all of the discussions we have had with the federal government, and I can say I've had these

discussions directly with the federal minister of agriculture and Agri-Food; the federal government has steadfastly refused to discuss any weakening of our supply management arrangements.

Thank you, Mr. Speaker.

Speaker: The hon. Member from West Royalty-Springvale.

Mr. Dumville: Mr. Speaker, as Islanders are aware, I am sitting as an independent member of this respected Legislative Assembly. There are many reasons for this, including my concern for the direction of the Liberal Party of PEI.

As I have indicated, the Premier's management style made it impossible for me, as an elected member of this House, to represent the people effectively and openly.

Exclusion of loyal Liberals re: future of party

Question to the Premier: Premier, it is known that loyal Liberals at large are also being excluded. How do you think this will affect the future of your party?

Speaker: The hon. Premier.

Premier MacLauchlan: Mr. Speaker, let me call it our party. I'm happy to report, since the question has been asked, that as recently as last Wednesday, we had our annual leader's dinner, which had our best attendance that we've seen in many years. I'm happy to say that there was strong, strong enthusiasm in that room for the program and for the –

Mr. Myers: Heard they said they wished –

Premier MacLauchlan: – team –

Mr. Myers: – they'd had better speakers.

Premier MacLauchlan: – and for the leadership of our party.

Thank you, Mr. Speaker.

Speaker: The hon. Member from West Royalty-Springvale, first supplementary.

Mr. Dumville: Thank you, Mr. Speaker.

The Liberal Party has a rich history of establishing strong, relevant resolutions at the national level. It has been brought to my attention that the 30 resolutions coming forward from the national Liberal Party biannual in Halifax contained none from Prince Edward Island.

National policy resolutions

Mr. Premier: Does it not concern you that your priorities for Islanders are not in line with national policy resolutions going forward?

Speaker: The hon. Premier.

Premier MacLauchlan: Mr. Premier, I'm not sure that Liberal Party affairs down at the national level would be the appropriate subject for Question Period.

Let me say that I was at that meeting – those meetings in Halifax and everybody I talked to was telling me how impressed they are by the activity; by the growth; by the success and by the achievements of our province and our government –

Mr. Myers: Who did you talk to (Indistinct)

Premier MacLauchlan: – and our party.

I was glad to be there and –

Mr. Myers: (Indistinct)

Premier MacLauchlan: – I can tell you, people all across the country know that PEI is doing well.

Thank you, Mr. Speaker.

Speaker: The hon. Member from West Royalty-Springvale, your second supplementary.

Mr. Dumville: Mr. Premier, it is common knowledge that you are on your fourth provincial policy committee chair, and that you have a strong hand in the committee's work.

Committee work and representation of Islanders

Do you feel this approach is representative

of Islanders' decisions, direction and wishes?

Speaker: The hon. Premier.

Premier MacLauchlan: Mr. Speaker, our party has a number of committees. They are well led and, indeed, the people, who comprise those committees are great volunteers. They're great representatives of communities throughout the province.

I have full confidence in that committee and its current leadership and in those who have contributed. We just completed, at our recent annual general meeting, an extensive policy consultation process that was led by that policy committee.

I have no problem whatsoever with the work of our party or of our committees, and I think you can see the benefit of it in the work that is being brought forward to this Legislature and in how well our province is doing.

Thank you, Mr. Speaker.

Speaker: The hon. Member from Rustico-Emerald.

Mr. Trivers: *Merci, monsieur le Président.*

Thank you, Mr. Speaker.

Récemment, la province a reçu un avis d'une poursuite judiciaire potentielle en raison de gestion de fonds fédéraux pour l'éducation de langue française.

Recently, the province was served with a notice of potential legal action over how it manages federal funds for French language education.

Legal action re: federal funds for French language education

Question au ministre de l'Éducation et procureur général: Comment se fait-il que les choses sont rendues à cet état?

Question for the minister of education and Attorney General: How have things been allowed to get to this state?

Speaker: The hon. Minister of Education, Early Learning and Culture.

Mr. J. Brown: *Merci beaucoup, monsieur le Président.*

Thank you very much, Mr. Speaker.

Comme je l'ai dit, nous sommes très fiers de notre programme d'éducation en langue française. Nos investissements dans ce programme sont beaucoup meilleurs que dans notre programme anglais. Il y a une très grande différence dans le coût pour éduquer un étudiant en français qu'en anglais. C'est plus que 50 % dans la différence.

Like I said, we are very proud of our French first-language education program. Our investments in this program are much better than in our English program. There is a really big difference in the cost of educating a student in French compared to English. It's more than 50% in the difference.

In our capital budget, over the last 15 years, we have spent 20% of our capital budget on 5% of the students in this province. We are very proud of the investments we have made in French language education. It costs roughly \$17,000 a year to educate a student in our French as a first language system, a little under \$11,000 on the English side, and we are proud of the work that we've been able to do to invest in French as a first language education and culture in this province.

Thank you, Mr. Speaker.

Speaker: The hon. Member from Rustico-Emerald, final question.

Mr. Trivers: *Merci, monsieur le Président.*

Thank you, Mr. Speaker.

It's true that the French community really has rallied and they do a fantastic job, and they have some really fantastic programs within their schools, but the community is claiming that the province repeatedly violated the Charter of Rights and Freedoms in how it managed federal dollars from a federal-provincial agreement for French language education.

Les fonds destinés à d'autres fins ont été utilisés pour des coûts opérationnels tels que les salaires.

Averting potential legal battle

Question pour le ministre: Quelles étapes entame la province afin d'échapper une autre poursuite judiciaire coûteuse et de longue durée?

Dollars earmarked for other purposes were used to cover operational costs like salaries.

Question for the Minister: What steps is the province taking to avert another – there is over 90 outstanding – another costly and lengthy legal battle?

Speaker: The hon. Minister of Education, Early Learning and Culture.

Mr. J. Brown: Thank you very much, Mr. Speaker.

As I have said previously on this subject, my door is always open to discussion and I will say –

Mr. Trivers: Well, they're suing you.

Mr. J. Brown: – that there is a long history of investment in French first language education in this province.

Mr. Trivers: *Écouter.*

Listen.

Mr. J. Brown: In respect of the particular agreement that the hon. member is speaking of, that agreement was drafted some number of years ago –

Mr. Trivers: (Indistinct)

Mr. J. Brown: – with consultation with the French Language School Board and is an agreement between this province and the federal government and they have indicated that they are content with the way in which we spend the money, and they do look at that every year.

So, we are happy with that and again, moving forward, we will work with the French Language School Board, provided they're willing to work with us and I will

indicate that the very first meeting I had with them, they arrived with a stack of Supreme Court of Canada cases.

Mr. Trivers: *Nous travaillons ensemble.*

We work together.

Mr. J. Brown: Discussion goes two ways, and in order to have a discussion you have to be willing to talk.

Thank you very much.