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STATEMENTS BY MEMBERS AND ORAL QUESTION PERIOD  
(PRELIMINARY PROCEEDINGS)

FOR

Wednesday 31 October 2007



**STATEMENTS BY MEMBERS**

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

**PRESIDENT'S EXCELLENCE AWARDS**

**Mr. Dumville:** Thank you, Madam Speaker.

Fifty of our local companies have been nominated for the President's Excellence Awards through our Greater Charlottetown Area Chamber of Commerce.

Finalists in the six categories involved were recognized by the chamber's selection committee, a committee of five judges and were adjudicated by submissions from nominees from the general public.

Madam Speaker, we are recognizing here our friends, our neighbours, our business associates and they represent a group we should all be proud of. As I mentioned, some 50 companies have been singled out for this year's award and these enterprises will be publicly honoured at tomorrow night's dinner, the President's Excellence Dinner and Awards ceremony, which will be held at the Delta Prince Edward here in Charlottetown.

This independent panel of adjudicators representing the Charlottetown chamber have narrowed down these nominations to three finalists in each of the following categories: marketing, innovative business practice, customer service, workplace excellence, emerging business, and excellence in business.

While it is not yet public knowledge which of these 50 companies nominated are the successful winners this year, all of these

innovative and outstanding companies are deserving of our appreciation and congratulations.

On behalf of my colleagues here in the House, I would like to convey that sentiment to the nominees and wish them good luck tomorrow evening.

Thank you, Madam Speaker.

**Some Hon. Members:** Hear, hear!

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

**ISLAND YOUTH IN ROYAL WINTER FAIR**

**Mr. McIsaac:** Thank you, Madam Speaker.

The Royal Agricultural Winter Fair in Toronto is the largest indoor combined agriculture, horticultural, canine, and equestrian event in the world.

I'm happy to announce that 18 of our Island youth have been chosen to attend this year's addition of that tremendous event. Ten of our Island 4-Hers are attending in the junior beef category and eight are attending in the junior dairy category.

Over 25,000 students from all across Canada visit the Royal each year and it continues to be a popular group excursion for students of all ages. This is from both city and rural boards throughout our country. Madam Speaker, nothing compares with the multiple layers of sight, sound, smell, and taste that make the Royal experience. And in my opinion, nothing

**ORAL QUESTION PERIOD    31 OCTOBER 2007    PRELIMINARY PROCEEDINGS**

can compare to the hands-on learning that our 4-Hers will experience their visit as they will learn and discover scientific and practical dimensions of Canada's agri-food system.

I congratulate these 18 young Islanders as they set out for Toronto and I'm sure they will all return home from the 2007 Royal Agricultural Winter Fair with new and innovative ways and ideas to benefit all of us as they enhance the future of our farming industry.

Thank you, Madam Speaker.

**Some Hon. Members:** Hear, hear!

**Speaker:** The hon. Member from Montague-Kilmuir.

**HALLOWEEN SAFETY**

**Mr. Bagnall:** Thank you, Madam Speaker.

It's that time of year again when children begin to think of the perfect costume for Halloween. Amongst all the excitement, children can sometimes forget to be careful. On a night of make believe, the real fear isn't of witches and goblins standing on your doorstep but the possibility of accidents involving young children. By taking a few precautionary steps, we as a community can insure a safe and secure evening of trick or treating for our children.

Safety begins at home with the parents. It may be as simple as ensuring any child under the age of 12 is accompanied by an older, responsible youth or an adult to sit down and map out a trick or treat route for their children. If all parents can educate their children on the importance of wearing costumes that can be

easily seen in the dark by attaching reflector tape, carrying a flashlight, and not running from house to house and never entering an unfamiliar apartment or house without adult supervision, then no preventable accidents need occur.

Motorists must be urged to be especially alert on Halloween night. By driving slower, entering and exiting driveways carefully, and keeping a watchful eye for children walking on roadways and curbs, we can prevent potential accidents.

Halloween can be a nerve-wracking time for some but it doesn't need to be. If you would prefer your child not to go door to door, many Island community centers host Halloween parties as an alternative. Regardless of whether or not your child is going door to door this year or even if you do not have a child, education is the key to making this Halloween as safe as it has been.

Madam Speaker, thank you very much.

**Some Hon. Members:** Hear, hear!

**Speaker:** Questions by Members starting with Responses to Questions Taken as Notice.

The hon. Minister of Health, Social Services and Seniors.

**Mr. D. Currie:** Madam Speaker, I'm responding today and going to be tabling a volume of information on services to seniors in respect to geriatric programming and mental health issues and I will be tabling that report today but I also do want to reconfirm to the House here today the commitment that I have as minister responsible for seniors in this

**ORAL QUESTION PERIOD    31 OCTOBER 2007    PRELIMINARY PROCEEDINGS**

province that we are going to continue to build on the work that has been done on the Seniors' Secretariat. And we will be announcing the Prince Edward Island Seniors' Guide, which will be an information tool for all seniors across the province to access services as well as seniors as well as their families. So we continue to embrace the secretariat and we see a tremendous amount of opportunities in working with the Seniors' Secretariat and also the seniors' organizations across the province in helping us shape policy and hearing what the day-to-day issues are across the province with seniors.

So we're excited about the work that has been done and we're going to continue to make that commitment to all seniors in this province.

I want to table the information here today.

**Speaker:** Shall it carry?

**Some Hon. Members:** Hear, hear!

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

**CLIMATE CHANGE PROGRAM REVENUE**

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

The Provincial Treasurer stated in his budget speech that a number of corrections had to be made in the Budget introduced in the spring; therefore, implying his figures, the minister, treasurer, are far more accurate and the deficit of \$42.3 million is the result of these corrections.

My first question is to the minister of treasury.

In regards to the eco-fund, Mr. Minister, in your budget speech you said, and I quote: For example, the former administration included \$15 million in revenue from the federal Climate Change Program. After the new government took office, we were told that this revenue item had to be spread over the fiscal years of 2007, 2008, 2009, 2010. This means that in this area alone budgetary revenues were over-stated by \$10 million. My question - could the minister please explain to us just exactly who he means when he said: We were told that this revenue item had to be spread out. Who is the we?

**Speaker:** The hon. Provincial Treasurer.

**Mr. Sheridan:** Madam Speaker, the we is my department acting on what they believed was the best policy with regards to this issue. Thank you.

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

**ACCOUNTING PRACTICE FOR ECO-FUND REVENUE**

**Leader of the Opposition:** Okay, thank you Mr. Minister.

My next question is for the minister of the treasury again. The Provincial Treasurer is now stating that or has for the media that PSAB or the Public Sector Accounting Board has backed off of their view that the \$15 million should be accounted for in one year. He's now saying that his government has decided to use only \$5 million in the 2007 Budget. Would the minister please explain why you want to include only \$15 million in this year's Budget?

**ORAL QUESTION PERIOD    31 OCTOBER 2007    PRELIMINARY PROCEEDINGS**

**Speaker:** The hon. Provincial Treasurer.

**Mr. Sheridan:** Madam Speaker, I believe the hon. member means that I put \$5 million in, not \$15 million.

So what's taken place, just to answer the question again as I did earlier in the House but just to confirm for you, what's taken place is the Public Sector Accounting Board had an idea out there in actual form that they do across Canada. They are a piece of the accounting board across Canada. They give ideas on how accounting should be done across this great country. Each of the provinces and municipalities and the federal government perform according to what is suggested. They floated the idea back in February that you should spend the money on the year that you receive it. That being said, the former administration took that and put the full \$15 million into this year's Budget. On us taking office, our government along with each of the governments across Canada were trying to get them to pull that suggestion from the table and that's what's taking place at the deputy's table in July that they actually got the PSAB to remove that piece from the table. As I stated earlier, I'm not blaming the previous administration for the way they did their accounting. PSAB had floated that idea out there. The former administration chose at that time to put \$15 million directly into their one-year budget. When we got there, we were trying to avoid that because of the blips that it makes inside a budget. No province in the country wanted to do that. They wanted to have even accounting so you put it in your budget the year that it will be spent. That's what we were trying to avoid and that's what we did. We achieved our objective by having the deputy's table for all of Canada get PSAB

to withdraw that piece from the table and that's what's happened. So now we have it spread over the three years so that we can spend the money in the same year that it enters our Budget.

**Premier Ghiz:** Great job. Great job.

**Some Hon. Members:** Hear, hear!

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

**Leader of the Opposition:** Thank you Mr. Minister for that answer.

My next question is back to the same minister. Why then does the minister of treasury - let's review this. The director of that board, the PSAB board says that its policy hasn't changed. The staff that you're referring to that gave the previous minister advice and your staff hasn't changed. I'm curious why the present minister has made the decision to include only \$5 million in this 2007 Budget.

**Speaker:** The hon. Provincial Treasurer.

**Mr. Sheridan:** Madam Speaker, thank you very much for that opportunity.

Just make this very clear. When the PSAB person was contacted, he was asked: Has anything changed within this year? Answer is no, no question. Nothing changed within PSAB within this year. What happened was they floated an idea out there, put it on the table to say that you should put it in to the current year. Whenever you receive the funds, the full \$15 million, that it should go into your budget. It didn't fly. They withdrew that piece from the table and went back to what the original wording was that you had the option

**ORAL QUESTION PERIOD    31 OCTOBER 2007    PRELIMINARY PROCEEDINGS**

on doing either. Nothing has changed. PSAB contact answered positively correct. Did anything happen and change this year? No, it did not. If they had accepted what he had tabled, then something would have changed and, yes, you would have had to table it all in one year - \$15 million. But in the case where you asked him the straight question did anything change this year, the answer is no. We revert back to the old format, which has been in place for some time, and you can use any format you like.

One of the big pieces that you should remember here and why my staff advised me the way we did was what the auditor likes to see is consistency and how you handle monies coming from the federal government. That's all they ask. So when these dollars come, as in wait-time monies, you spend it out over the time period that it's allotted for. In this case, it's three years and so we wanted to allot the dollars out over that three-year period just as has been done in the past. Consistency is the goal of the auditor and we wanted to honour that.

**Some Hon. Members:** Hear, hear!

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

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

My next question is to the same minister. Was this just an attempt to discredit the former government and to try and inflate your deficit?

**Speaker:** The hon. Provincial Treasurer.

**Mr. Sheridan:** Madam Speaker, Thank you very much, Madam Speaker.

I think that I've made it very, very clear in this House that this is not something that we are blaming on the former administration. I've made it very, very clear. They did not act in contravention to - Does the hon. member have something else to say?

**Speaker:** Hon. member, the Provincial Treasurer has the floor.

**Mr. Sheridan:** Thank you very much.

I am saying they were not in contravention in what they did. They acted. They had the option on which way to go. There was nothing there. There is no hay to be made. I said that we worked on what was consistent within the department. Thank you very much.

**Premier Ghiz:** Excellent job. Excellent job.

**Some Hon. Members:** Hear, hear!

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

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

My next question is to the same minister. The actual quote you said the day we were in the committee of the whole was you did clarify, you said: If you are listening to what I said, I am placing no blame on the former administration. Thank you for that. You still agree with that, which is terrific.

So my question is you had the option of including either \$5 million or \$15 million. I understand in the department of environment there were many environmental projects plus from your Minister of Agriculture who supports the notion that agriculture can put

**ORAL QUESTION PERIOD    31 OCTOBER 2007    PRELIMINARY PROCEEDINGS**

projects ahead. I know you have a new office interested in the area of energy. It sounds like there's a lot of projects that would have been able to use this \$15 million. Why did you choose to just put five?

**Speaker:** The hon. Provincial Treasurer.

**Mr. Sheridan:** Madam Speaker, it's a very good question. It would be nice if I could speak when I'm asked to speak.

**Speaker:** The hon. Provincial Treasurer.

**Mr. Sheridan:** Thank you very much.

The projects that the hon. member speaks of are not ready to be tabled. They're not ready to be paid for. We were trying to act in a very accountable way. We wanted to act the way the Auditor General would respect. We wanted to make sure that we did it as was the habit in the past to make sure that we're consistent with all procedures with regards to money coming from the federal government. That's the way it's been done. That's the way we wanted to allocate it and that's what we've done.

**Premier Ghiz:** Great job.

**Some Hon. Members:** Hear, hear!

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

**TOBACCO TAX REVENUE**

**Leader of the Opposition:** Thank you, minister, for that answer.

My next question is to the same minister. Let's talk about the tobacco revenue. This Liberal

government adjusted the tobacco revenue by \$7 million. They blamed the previous government for over-stating the value of the tax revenue. Is that your opinion, Mr. Minister?

**Speaker:** The hon. Provincial Treasurer.

**Mr. Sheridan:** Madam Speaker, yes, certainly it is.

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

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

The actual tax collected on tobacco products in 2005 was \$27,539,000. In 2006 the actual tobacco tax collected was \$28,183,000. Both of these numbers are actual audited numbers. There's no estimating here. The former minister budgeted \$27 million for the tobacco tax for this year, which is kind of an average for the last two years.

**Speaker:** Question.

**Leader of the Opposition:** My question is: Does the minister have the confidence in the Auditor General, Colin Younger's audited financial statements to the \$27 million for 2005 and roughly \$28 million in 2006?

**Speaker:** The hon. Provincial Treasurer.

**Mr. Sheridan:** Madam Speaker, I have all the confidence in the world in the Auditor General. Thank you very much.

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

**Leader of the Opposition:** My next question



**ORAL QUESTION PERIOD    31 OCTOBER 2007    PRELIMINARY PROCEEDINGS**

is simple then. If you have that confidence, why are you estimating the revenue here to be \$20 million? How did you come to that decision?

**Speaker:** The hon. Provincial Treasurer.

**Mr. Sheridan:** Madam Speaker, obviously, there's tracking devices inside the province. Those were where the numbers were going. I would not ever suggest that the figures that the hon. member has presented here today be wrong but I know that there was great consideration taken that we knew that they were tracking off as of last year when this Budget was put forward and we knew that they would not ever reach those type of levels. I will confirm those numbers and get back to you on that. But as it was tacking, definitely, there's no question that we'll ever get near those numbers and we will follow those up and, hopefully, we'll be near them.

**Premier Ghiz:** Great job.

**Speaker:** Thank you. The hon. Leader of the Opposition.

**Leader of the Opposition:** Thank you for that answer.

Madam Speaker, my next question is just for the same minister. So I just want to repeat then numbers because in 2005 at \$27,539,000 and at 2006, it actually went up to \$28,183,000. So in terms of tracking for this year, are you telling me in six months that we've dropped \$7 million?

**Speaker:** The hon. Provincial Treasurer.

**Mr. Sheridan:** Madam Speaker, as I said, I'll

have to confirm those numbers. I believe for 2006-2007 it's considerably less. I would never doubt the numbers that the hon. member is presenting but I believe that they were off as well and that we were looking at when the Budget was put forward in the spring that it was quite a bit over what it actually was recorded for the previous year. And the question was why would they ever be tabled at that exorbitant rate. So we know that the numbers were not there beforehand in the last 2006-2007 and they were tracking very much lower again for this current year so we had to make an adjustment inside. It was the only way we could do it. Seems like the hon. member could answer it for me next time. Thank you.

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

**TOBACCO TAX ACT**

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

I look forward to when you're doing your Estimates on the floor, you have that documentation with you.

My next question is for the office of the Attorney General. Would the minister please explain the purpose of the tobacco tax act that you're bringing in?

**Speaker:** The hon. Minister of Education and Attorney General.

**Mr. Greenan:** Madam Speaker, the answer to that question would be that I'll have to get back to the member because I don't have that information at my fingertips.

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

**Leader of the Opposition:** My next question is for the same minister. Last week I believe you suggested that you thought the intent was to help raise tax revenue for tobacco because of the organized crime in the province. I'm just curious. Do you have any idea of the estimate of organized crime that when we don't have the tobacco tax collected from your bringing in this new act, how much dollars we're losing?

**Speaker:** The hon. Minister of Education and Attorney General.

**Mr. Greenan:** Madam Speaker, in response to the question, I do recall seeing the figures but I am not totally sure so I do not want to give a figure and not be accurate so I will get back to the member with that actual number.

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

## GAS TAX REVENUE

**Leader of the Opposition:** Thank you, Mr. Minister, for your comments.

I believe too the RCMP, the city police, there was a whole group that's under your jurisdiction there. They would probably be able to help you with a briefing on - I think they were quoted when you and another minister were quoted in the paper about two weeks ago that the figure was between \$4.5 million and \$7 million.

My next question is actually for the minister of treasury. I'd like to talk to him a little bit to get some questions around the gas tax. The reduction in the gas tax and the improvement

of the disability tax credit was at the treasurer's discretion and people are very pleased with that. That was a really a move that many Islanders were pleased. People like to have more money in their pockets but my question is: What programs and services does the gas tax revenue usually pay for?

**Speaker:** The hon. Provincial Treasurer.

**Mr. Sheridan:** Madam Speaker, the gas tax goes to general revenues. Obviously, it pays for the great services that our health department and our education department provide for this province and we think that those tax dollars are very closely monitored and we wanted to make sure tax fairness was brought forward to this province. We understand over the past 11 years that taxation has gone through the roof on a number of facets of our economy here; one being our gas tax which has just gone up ridiculously from 12.2 to 20 cents on this piece that we cut back by 4.4. We also saw property taxes go up by 70% in the last 11 years and we just think it was shameful and we wanted to make sure that we made inroads on it right away.

**Premier Ghiz:** Great. (Indistinct)

**Some Hon. Members:** Hear, hear!

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

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

My next question is for the same minister. Just in the area of the gas tax, you mentioned that some money comes in general revenue for hospitals and education. Do you use any of that money for paving?

**ORAL QUESTION PERIOD 31 OCTOBER 2007 PRELIMINARY PROCEEDINGS**

**Speaker:** The hon. Provincial Treasurer.

**Mr. Sheridan:** Madam Speaker, as I said, these gas taxes go into general revenues. We allocate where those funds go. Would it go to paving? There's a certainly a possibility that some of those dollars go that way. There's no question about it. It's general revenue. We allocate it where we feel best fit. Thank you.

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

**Leader of the Opposition:** Thank you for that answer.

My next question is for the same minister. When the gas tax decreases by one cent, how much is lost in estimated revenue for that year?

**Speaker:** The hon. Provincial Treasurer.

**Mr. Sheridan:** Madam Speaker, we do a quick math with the 4.4 cent per litre discount. It's going to impact our province by in and around \$9 million so divide that by four and we're at \$2.4, \$2.3.

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

**Leader of the Opposition:** Thank you.

In terms of my next question is for the same minister. In the area of government spending for paving, transportation, school buses, heating for government institutions from manors to hospitals, where is the revenue source to absorb the extra costs? I understand this summer alone the price of asphalt had hit prices through the roof. Every time you tuck a penny off, I understand that it costs more to actually put fuel into the school buses and into

heat so where is the revenue source to absorb the cost?

**Speaker:** The hon. Provincial Treasurer.

**Mr. Sheridan:** Madam Speaker, thank you very much for the opportunity to answer that.

This is why our government was voted in in May because they feel that we'll take better care of the provincial coffers. We will make sure that dollars will be allocated to where the different -

**Speaker:** The hon. Provincial Treasurer.

**Mr. Sheridan:** We'll allocate the funds toward the proper channels and make sure that dollars don't go into friends' pockets. We'll make sure that it's spent on education, health, and on our highways.

And speaking of highways, I'd like to say that the Minister of Transportation and Public Works has done a phenomenal job over the past three months. We got more paving done this year than any other year and have not increased the Budget on additional costs.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** Very important to note that it's in how you run your books once the dollars are in there - it's very important as to how you run your books once you're in office and make sure that the dollars are being allocated to the correct portions and we will make sure we do that and we'll be a very accountable and transparent government. Thank you, Madam Speaker.

**Premier Ghiz:** Great job. Great job.

**ORAL QUESTION PERIOD 31 OCTOBER 2007 PRELIMINARY PROCEEDINGS**

**Some Hon. Members:** Hear, hear!

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

**HARMONIZED SALES TAX**

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

My next question is to the same minister. In terms of transparency, where in the Liberal platform did the Liberal Party tell Islanders they were thinking of making a fundamental change in the Island tax system by introducing an HST?

**Speaker:** The hon. Premier.

**Premier Ghiz:** Thank you very much, Madam Speaker.

And it's a pleasure to rise and indicate to the minister or to the Leader of the Opposition what this minister has been trying to do since he took office back in the beginning of June is to introduce tax fairness for the people of Prince Edward Island. That's why one of the first initiatives undertaken by this government was to come in with a reduction in the gas tax by 4.4 cents a litre, which is going to put \$10 million more in the pockets of Islanders which is an investment. Now, of course, we could have formed government on June 12<sup>th</sup> and came in and perhaps spent \$15 million on building a new golf course or we could have spent millions of dollars on dealing with patronage cases because we would have come in and fired 800 people but this government is not going to act like the previous government did. We're going to come in and make sure we introduce tax fairness to Islanders and put more money in their pockets.

**Some Hon. Members:** Hear, hear!

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

**An Hon. Member:** - the opposite.

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

My next question is actually to the minister of provincial treasury. That was great legislation that was brought in, by the way, for the previous government to ensure workers that were on callback didn't get let go.

**Some Hon. Members:** Oh, oh!

**Speaker:** Order.

**Leader of the Opposition:** My question is to the minister. Most Islanders do not want to move to HST. In fact, this morning I had a long discussion with a gentleman at a garage who told me the number of people who are coming in worried in about filling their tanks, their furnace, et cetera, with oil and heat for the winter, especially what he described to be as the working poor. He himself probably makes around \$8 to \$10 an hour and he says he's having difficulty paying his bills now. His questions and our discussion was why now. Why is the government intent on hurting average Islanders with the imposition of an HST?

**Speaker:** The hon. Provincial Treasurer.

**Mr. Sheridan:** Madam Speaker, I'd like to take this opportunity here in the House today to tell each and every member along with everyone that's listening and watching today that this government stands for tax fairness and

**ORAL QUESTION PERIOD    31 OCTOBER 2007    PRELIMINARY PROCEEDINGS**

we will never introduce tax policy that would be bad for regular Islanders.

Let me just tell you this about the last administration. They were so concerned about what was going to happen in the last four years that they wouldn't even look at how they were hurting this province by not instituting an HST type tax. They would not look at it. They buried their heads in the sand and they were so worried about what their placements would be once this was formatted that they would not look to see what it would be. Can this province afford to go to HST? This is not a tax grab. This will impact the Province of Prince Edward Island in a magnitude of millions of dollars. We need to have the federal government come on side. The previous administration would not go to the federal government because they didn't want to impact any of their appointments after they were put out of office so they would not look at this. We came into this office and made sure that we were going to look at every tax policy with regards to Prince Edward Islanders and make sure that we offer up the very best. It's very early in deliberations. We will make sure that the federal government is alongside to make sure that we could ever make this work. We will never institute a program such as HST that would ever impact low-income Islanders. We will make sure that everyone is taken care of or we will not institute a tax such as HST.

**Some Hon. Members:** Hear, hear!

**Speaker:** The hon. Member from Belfast-Murray River

**FISHING ASSOCIATIONS LOSE DFO FUNDING**

**Mr. McGeoghegan:** Thank you, Madam Speaker.

My question is for the minister of fisheries. The federal minister of fisheries has indicated that fishing associations will no longer be able to use the proceeds from the sale of snow crab quotas. This is a major loss to our fishing associations on PEI in the gulf region. My question is, Mr. Minister, is this indeed the case?

**Speaker:** The hon. Minister of Fisheries and Aquaculture.

**Mr. Campbell:** Thank you very much, Madam Speaker.

I don't know. I think maybe what the hon. member is referring to may be the la Rock decision where it's been decided in Supreme Court that the sale of DFO resources can no longer be used to fund DFO initiatives. I understand last night in Parliament our good friend Lawrence MacAulay, did ask a question of this nature and I am presently working with the staff from my department to better understand how it directly affects PEI and we will do this in consultation with the PEI Fishermen's Association and I'm very pleased to be able to invite the hon. member from Belfast-Murray River to join me in that process. Thank you, Madam Speaker.

**Some Hon. Members:** Hear, hear!

**Speaker:** The hon. Member from Belfast-Murray River

**MIDWATER TRAWLING**

**Mr. McGeoghegan:** Another question to the

**ORAL QUESTION PERIOD    31 OCTOBER 2007    PRELIMINARY PROCEEDINGS**

minister of fisheries. DFO announced today that the Julianne III will not be involved in midwater trawling in the southern Gulf of St. Lawrence this fall. Is this a change in the decision of DFO to allow midwater trawling in the gulf this fall?

**Speaker:** The hon. Minister of Fisheries and Aquaculture.

**Mr. Campbell:** Thank you very much, Madam Speaker.

And, you know as I've clearly stated over the last number of weeks, the presence of midwater trawlers in the southern Gulf of St. Lawrence is a major, major concern to the industry here on Prince Edward Island and to myself personally as well. Obviously, I had a lot of involvement with the seiner issue in the past. With regards to the hon. member's question, the decision that was announced this morning by DFO is not a decision that reflects a change in policy and doesn't reflect a change in their decision to allow midwater trawling in the Gulf of St. Lawrence. This is a decision by the Barry Group in Newfoundland, the vessel the Julianne III, the larger of the two vessels that has been approved for midwater trawling in the southern gulf, is owned by the Barry Group. And I believe that they've been engaged in another fishery in Atlantic Canada this fall and they've decided that due to time constraints and the nature of the fishery that they're presently engaged in that they won't be fishing in the southern gulf this fall.

Just for the hon. member and for this House's information, later this week I'll be meeting with the Canadian ministers and the federal minister in Winnipeg and my position and the

position of this province has not changed and midwater trawling will be on the agenda for those meetings.

Thank you, Madam Speaker.

**Some Hon. Members:** Hear, hear!

**Speaker:** The hon. Member from Tracadie-Hillsborough Park.

**TRAFFIC BACKUP ON ST. PETERS HIGHWAY**

**Mr. Watts:** Thank you, Madam Speaker.

My question today is for the minister of transportation. The intersection of the St. Peters Highway and the Charlottetown by-pass highway is one of the busiest intersections, especially during morning rush hour traffic when it is not unusual to have traffic backed up for close to three kilometres. Now in that immediate area, we have Northridge Parkway coming out of Hillsborough Park where it is virtually impossible for that traffic to turn on to St. Peters Highway, especially going into Charlottetown. My question for the minister is: What is your department, Mr. Minister, going to do to solve or alleviate this problem?

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

**Mr. MacKinley:** Thank you very much.

One of the things we're going to do, and we've started it, is we're trying to make a four-lane highway from the Queen Elizabeth Hospital right through to the airport to speed up the traffic flow because traffic has increased. We're putting more money into that. We have

a little problem with an overpass and there's a little dispute of who owns the overpass, the city or us. Like it's up overhead there. I just forget the name of the district where it's at but I believe it was the previous government of ours put it in but anyway, there's an overpass there years ago. And this government, like they don't know anything about overpasses. They never put one in in their lives but I mean thing is times have changed. The bridge has been opened. And in your case in that intersection, they're very close together so I have got people looking at that. The first thing I did - is my answer too long?

**Speaker:** Getting there.

**Mr. MacKinley:** All right. I'll sit down, whatever.

**Speaker:** The hon. Member from Tracadie-Hillsborough Park.

**Mr. Watts:** Supplementary question, Madam Speaker. Could the hon. minister give me some idea of time lines, just when we might expect the construction to commence?

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

**Mr. MacKinley:** Are you talking about the Norwood intersection, fixing that or the by-pass of widening it to four lanes? Which one?

**Speaker:** The hon. Member from Tracadie-Hillsborough Park.

**Mr. Watts:** Well, Mr. Minister, I'm talking specifically about where Northridge Parkway intersects St. Peters Highway. That's where the main problem is.

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

**Mr. MacKinley:** Madam Speaker, I've got a government car, I think it was on June 12<sup>th</sup> or something, and I got about 17,000 kilometres on it. Deputy and I have been out on the roads looking at roads at safety, more than I can say the other ministers ever did other than their own districts. But those two intersections are very close together to the main intersection there and we've got consultants or designers making design work to figure out how to do it because with changing that intersection, what I'm told by the engineers, is that we would have to also change the intersection there by say Kentucky Fried Chicken, the one that's going through. And that could take as much as two to three years and it's going to be very costly to do that. And we're wondering if we get the four-lane highway in, would that not increase the (Indistinct) the traffic so there won't be this three kilometre backup. These are things we're looking at. Also, the intersection there was put in numbers of years ago when people didn't know, grandfather, any better that that could cause problems. Any intersection that's been put in in the last say 10 years or so, 12 years, you could be held liable for it, the province, if anybody ever got in an accident because when you do that, you know the difference and that's where we're at right now.

**Premier Ghiz:** Great job.

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

#### **HARMONIZED TAX(FURTHER)**

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

**ORAL QUESTION PERIOD    31 OCTOBER 2007    PRELIMINARY PROCEEDINGS**

My next question is for the Provincial Treasurer. I understand that in relation to the HST, the federal government may actually provide some dollars as an incentive. Yesterday, when the health minister was doing his estimates, he mentioned that his budget has gone up 9%, which would be about \$30 million. If the federal government gives you \$30 million, is this how you're planning on paying off the hundreds of promises you made to Islanders by taking this cash grab and then ramming a new tax down the throats of Islanders?

**Speaker:** The hon. Premier.

**Premier Ghiz:** The hon. Leader of the Opposition mentioned promises from the election platform that everyone here on this side of the House ran under. I thought I should address this. The new Government of Prince Edward Island will not be introducing any new taxes that's going to be a burden on the people of the Province of Prince Edward Island.

**Some Hon. Members:** Hear, hear!

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

**Mr. M. Currie:** Thank you, Madam Speaker.

A question for the minister of economic development: Minister, could you tell me how many people are employed at the Pepsi bottling plant in West Royalty?

**Speaker:** The hon. Minister of Development and Technology.

**Mr. Brown:** We met with the company.

There's anywhere between 40 and 50 employees we're told at any given time. It fluctuates during the year.

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

**AGREEMENT WITH PEPSI BOTTLING PLANT**

**Mr. M. Currie:** Madam Speaker, I believe the number to be a lot higher than that on average, I guess, over the course of the year. But in about a year ago, there was an agreement put in place with Pepsi to do a 50/50 on putting glass on the shelves, recyclable cans on the shelves to I guess allow the company to invest and secure the jobs at the plant. Is that agreement still in place?

**Speaker:** The hon. Minister of Development and Technology.

**Mr. Brown:** Madam Speaker, we've been meeting with both companies here with the minister of environment and the new can law that's coming in. And we're principally negotiating with the two companies and we haven't concluded the negotiations at this time.

**Premier Ghiz:** Good answer.

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

**Mr. M. Currie:** Well, Madam Speaker, there was an agreement in place. I'm just wondering. Did you throw that out the window?

**Speaker:** The hon. Minister of Development and Technology.



**Mr. Brown:** It's my understanding - and I'll check with my staff when I get back - there was no signed agreement between the companies. The agreement was basically if we bring in canned pop to Prince Edward Island, the previous administration asked - the bottling companies asked for, you know, can we get 50/50 sharing on the shelf. Currently, some of our people are telling us that's very hard to do because of the charter of rights and shelf space. What could end up happening is that the bottles be on one side of the shelf and the cans be on the other and that same bottle could stay there for six or seven months or just expire. So do we want half the shelf space used just for bottles sitting there for six or seven months and then being expired and thrown out. And that's what we're looking at, hon. member, to see if that can be done and the way the bottling companies are telling us right now, we may give it a shot. But you're just going to see the shelves, the bottling side of it just sit there for six or seven months and then we have to throw the bottles out because they expired.

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

**Mr. M. Currie:** Well, Madam Speaker, I don't feel very comfortable with the answer from the minister because I don't think this government is doing anything to secure the jobs at the Pepsi bottling plant and there's over 100 people working out there and it's unfortunate that you're taking that stand because I believe I heard in the media where you did say that you're going to let the market decide. To secure these jobs and to allow the company to invest, and we did have legislation in place that kept cans out of the province, it stood the test of time. I'm just

wondering why you're not standing up for these workers.

**Speaker:** The hon. Minister of Development and Technology.

**Mr. Brown:** Madam Minister or Madam Speaker, this is one of the reasons we're not doing what the previous administration did, rushed through this legislation. That is why the minister and the Premier has instructed us to do a study on this issue. That's why we didn't rush into this Legislature right after the election, pass this bill, have cans in. And believe me, Madam Speaker, my phone is ringing off the wall for people asking for cans to be put in the store right away and beer especially. And this is one of the reasons we're studying this to say: Okay, how can this be done to help the employees of this company across Prince Edward Island? This is the main reason - and I can inform the member - that's why we didn't rush in here, pass the piece of legislation in order for it to happen. We're taking our time. We're viewing all options. We're talking with the company. We met with the vice-president of Pepsi and he has indicated there's specialty bottles he may want to do here that we're looking at. But I can assure the member we are working with the companies. We are concerned about the jobs here but also we are losing a substantial amount of tax revenue here by not having cans on PEI. All you have to do is go to the other side of the bridge and see the cars lined up at the service station there. It's estimated that we are losing millions of dollars and we have to balance that off so that's the reason we're taking our time here. We're going to do it right but we're going to do it for the people of Prince Edward Island.

**Premier Ghiz:** Great job.

**Some Hon. Members:** Hear, hear!

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

**Mr. M. Currie:** Thank you, Madam Speaker.

I guess the minister answered the question, I believe, that's on the minds of a lot of people and that is that that's the end of our bottling plant here on Prince Edward Island. It's unfortunate. I believe your government said you were going to put Islanders first but it looks like you're going to put Islanders out of work first. That's the first thing you're going to do.

My question then is for the minister. Are you going to do an exit strategy for the Pepsi bottling plant, the same as you're doing for the hog plant?

**Speaker:** The hon. Minister of Development and Technology.

**Mr. Brown:** Madam Speaker, I can assure the member there's no exit strategy at this point in time. We are negotiating. We are working with the bottling companies as we speak. Studies are being done. The companies are sending us information on what can be done. We're looking at various options. We're not going to rush though. We do have- and I can assure you we do have in our minds each and every day the workers at that plant and we will work with the workers at the plant with the companies in order for the best interests of those employees.

**Premier Ghiz:** Great job.

**Some Hon. Members:** Hear, hear!

## FALL CRAFT STUDIO TOUR

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

**Mr. M. Currie:** Well, Madam Speaker, I am disappointed because here we have one (Indistinct) they're going to close the hog plant and put 125 people out of work. You go to the other side of the city and they're going to put another 100 people out of work. I did ask a number of times, tabled questions on any job announcements or expansions. I don't see any in six months so I am rather disappointed.

I'll ask the minister another question then. Minister, our studio tour in the fall happened the end of September. Could you give me an update on the two-day event? Did you tour any of the crafters across PEI?

**Speaker:** The hon. Minister of Development and Technology.

**Mr. Brown:** Madam Speaker, first of all, the preamble there, there was discussion about what announcements are made. I will be tabling after Question Period the announcements that were made since our administration but I'm also going to be tabling a number of announcements. The member indicated previously that it's only being done in Charlottetown. I'm also going to be tabling over \$780,000 of projects that have been done through the Community Development Fund from one end of Prince Edward Island to the other.

Madam Speaker, the Premier was quite clear when he came to power. Do your job. Do the best you can for Prince Edward Islanders, okay, Madam Speaker. I don't want you out on

**ORAL QUESTION PERIOD    31 OCTOBER 2007    PRELIMINARY PROCEEDINGS**

the roads spending all the time taking pictures of yourself and getting pictures in the paper. That's why I only have four announcements in, which I'll be tabling later. But according to this document, I could have been out on the road with possibly 48 pictures in the paper. We're putting Islanders first, not ourselves. Thank you very much.

**Some Hon. Members:** Hear, hear!

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

**T R A N S P O R T A T I O N  
COMMUNICATIONS' OFFICER**

**Mr. M. Currie:** Madam Speaker, the communication person who works for the minister of development must be bored to death because I believe he's leaving you. Is that so?

**Speaker:** The hon. Minister of Development and Technology.

**Mr. Brown:** Madam Speaker, yes. My communications officer is leaving. He's got a job at ACOA and things happen and change around. But you know what, I was going through some of the documentation the other day and, you know, this member has got up time and time again and talked about the waste of money we've been doing on this side of the House. You know what, Madam Speaker, and I want to tell the people of Prince Edward Island. Prince Edward Island government owns a half a million dollar yacht sitting in Miami, a half a million dollar yacht sitting in Miami right now owned by the Government of Prince Edward Island. Talk about - that member over there bought that

yacht (Indistinct). You know they ran Prince Edward Island like Gilligan's Island. We're not going to do that.

**Some Hon. Members:** Hear, hear!

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

**Mr. M. Currie:** Madam Speaker, we invested in a lot of boat shops across PEI and, of course, this one was done at that famous Cornwall Business Park.

My question for the minister of economic development. What economic impact did -

**Premier Ghiz:** (Indistinct)

**Speaker:** Oder.

**IMPACT OF CRAFT INDUSTRY**

**Mr. M. Currie:** What economic impact did the crafters have on our economy last, the end of September?

**Speaker:** The hon. Minister of Development and Technology.

**Mr. Brown:** Madam Speaker, I know. The craft industry on Prince Edward Island is a tremendous industry on Prince Edward Island and I got to commend the former government and this member. I know I give him a rough time the last couple of answers but I got to commend him here. He set up the craft industry on Prince Edward Island, set up this division under BDI and the people who are working there in BDI in this area do a tremendous job. I hear from crafts people from all across Prince Edward Island. The loan program that he set up

**ORAL QUESTION PERIOD    31 OCTOBER 2007    PRELIMINARY PROCEEDINGS**

to see them through the winter is an excellent program. The craft industry on Prince Edward Island is important and employs many, many Islanders and with the programs that were established by the former government made that happen so I'll give him some credit for that.

**Speaker:** Final question. The hon. Member from Georgetown-St. Peters.

**Mr. M. Currie:** Final question.

**Speaker:** Final question.

**SNOW CONTRACTS**

**Mr. M. Currie:** Well, Madam Speaker, it's nice to see the minister of transportation back. After the Cornwall scandal story broke last week, he left the province and he was apprehended and brought back.

But anyway what I want to ask today I guess of the member is it's my understanding that you're going to change the snow contracts for the western part of the province this winter. Are you making any changes to the snow contracts that are presently there?

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

**Mr. MacKinley:** You know, it's awful funny. I go in my briefcase and I can see where he blundered the snow contract up in Prince County where he made a mess of it where Norm MacPhee and them criticized him for making a mess. We've also got a petition where girls in Cornwall had to go after you and embarrass you to put in a sidewalk. Oh, we also have a rejection here - public inquiry

into modern allegations of phone monitor or something, videos of culverts you wrecked when you were the minister cost about \$80,000 to fix. Late night closure to Borden scales - he didn't even know where the Borden scales was. Transportation (Indistinct) workplace - they were charged for not following the proper workplace -

**Speaker:** Hon. minister, do you have an answer to the question?

**Mr. MacKinley:** I am answering. He refused to say how much he lost in the sawmills and he sneaked out and got in his truck and took off before the media could get ahold of him. I'll table all this and if there's any more, Mr. Minister - Minister faces charges in roadwork accident. I'd better stop there.

**Premier Ghiz:** Great job. Facts, facts.

End of Question Period.