

PEI's Election Budget

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STAFF GONZO

March 17th, 2000-
As my eyes rise up
from my snow
covered Doc
Martens, I see the
silhouette of the
Coles Building, lying
in the shadows of
Province House. It is
7:55AM and I have
traded my sure to be
snowstorm cancelled
class to sit in with
barely 20 other
journalists. On this
St. Paddy's Day they
will ingest and
interpret some 230
pages worth of
numbers and
propaganda and the
spin they take from it
will guide how the
general public will
take it. What I want
to do is portray how
a gig like this goes

down.

The first thing
one needs is a press
pass. I had secured
this in November but
waited until today to
claim it. This
necklace gives me
privileged access and
assures me guarded
words from everyone
from the security
guard to the Minister.
It also entitles me to a
thick manila envelope
of documents and
unfettered access to
coffee and other
munchies.

On Thursday,
I had been told that I
should get involved
with what is known
as the "lock-up."
What that means is
my presence at 8AM
Friday morning to get

the information I need
and give me time to
digest it before the
actual announcement
in the Legislative
Chambers of
Province House. I
sign a consent form
promising not to leak
anything between
eight and eleven.
Leak is simply
beating someone to
the punch by getting
the information out
before the
announcement is

"[It] reinforces what I think about
most journalists... hacks."

made. Then he asks
me for my cell phone.
I only need to smile
and shrug before he
realizes I am a writer
from the UPEI paper.
It is an
interesting exercise to

see these journalists
brain storm and
discuss the varied
content within the
budget. Little groups
huddle in corners.
Credit must go where
credit is due and the
4 French journalists
were deep into the
document when I
walked in. I got a
chuckle out of how
things play out with
the Franco contingent
equivalent to 25%,
kind of like their
contingent in Canada.
I must also point out

that I was the first
English journalist
there which
reinforces what I
think about most
journalists... hacks.
I spent this

time looking over the
speech the Provincial
Treasurer Patricia
Mella will give in the
Legislature. Then I
took a closer look at
the numbers. What I
see seems to be good
news and I am not
surprised by this
because it has all the
fixing of an election
budget. The one thing
that stands out to me
is something called
the Sinking Fund.
What this really is is a
contingency fund that
the government can

use to make
sure they
stay in a
surplus
area. The
fund sits at
\$23 million
presently and
the government has
decided to draw on it
to make sure the
budget is balanced.
What this little
hoarding exercise is is
a special slush fund
that I expect to get
used up in the course
of the impending
election campaign.

Here are the
key numbers that
stand out. The
government has
revenues of \$882
million and expects to
spend just under that
in its forecasts to
arrive at a surplus of
about \$200,000 for
the year 2000-2001.
Revenues are down
by about \$11 million
due primarily to
cutting the provinces
tax rate from 58.5%
to 57.5% of the
federal tax take. This

coupled with federal
tax cuts accounts for
most of the \$11
million. The most
alarming part of this is
that federal transfers
to the province
amount to \$340
million or about 38%
of all of the
government of PEI's
revenues.

Last years
budget (1999-2000)
had a \$16.5 million
surplus which the
Tories managed to
bury in a manner that
would make Paul
Martin envious.
Basically, they took
\$12.5 million of that
surplus and set up 4
different funds to
spend it with this
year. This led to a \$4
million surplus which

was put against the
net debt of the
province which is
\$986 million. This
level of debt is
dangerous because
the total Gross
Domestic Product
(GDP- which is the
total value of all
goods and services
produced on the
island- basically
everything) is \$2.99
billion. This creates a
debt to GDP ratio of
33%. This high level
of debt means that
the province must
pay \$108.5 million in
interest charges
which represents
12.2% of the budget
expenditures. This is
the third biggest

Candidates
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Senior Class Awards

The Senior Class Awards are given to those graduates who have made a contribution to the Senior Class and to UPEI. Listed below are the awards to be given out. Nomination forms are included in the Graduation Information Packages being mailed out next week. Please take the time to enter your choice of nominee for each award and return the form to the "Senior Class Box" located in the Breezeway before Friday, April 7, 2000.

Awards

- Owen MacDonald Award - Student Excellence
- Service Awards
- Spirit Award
- Class of '98 Leadership Award
- Life Executive

Please remember that nominations close on April 7, 2000. Voting will take place during Senior Week Registration on May 7, 2000. Awards will be presented at the Awards Ceremony, Friday, May 12, 2000.