



**Legislative Assembly
of Ontario**

First Session, 37th Parliament

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de l'Ontario**

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**Official Report
of Debates
(Hansard)**

Wednesday 17 May 2000

**Journal
des débats
(Hansard)**

Mercredi 17 mai 2000

Speaker
Honourable Gary Carr

Clerk
Claude L. DesRosiers

Président
L'honorable Gary Carr

Greffier
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LEGISLATIVE ASSEMBLY
OF ONTARIO

Wednesday 17 May 2000

ASSEMBLÉE LÉGISLATIVE
DE L'ONTARIO

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*The House met at 1330.
Prayers.*

MEMBERS' STATEMENTS

EDUCATION FUNDING

Mr Sean G. Conway (Renfrew-Nipissing-Pembroke): I rise today on behalf of the students, staff and ratepayers of the Renfrew county public school board. I'm doing so to once again press their very justifiable claim for rural and remote funding under the new Ontario government education funding formula. Renfrew county, as the House will know, is the largest county in Ontario. From the town of Arnprior in the south to Deux Rivières in the north, it stretches 200 kilometres along the Ottawa River valley, and from the Pas in the east to Combermere and Palmer Rapids in the southwest there is a distance of almost 150 kilometres.

The Renfrew county public school board has been denied again and again the kind of rural and remote funding that they are obviously entitled to under the new formula. They look to the immediate north and west and see the public boards in North Bay and Parry Sound receiving over \$2 million on this rural and remote account, and they ask where, in the name of fairness and justice, is their allocation on that rural and remote account.

They look at the Ontario budget presented by the Treasurer of Ontario just a couple of weeks ago and they now see communities like Gravenhurst and Bracebridge, not more than 90 minutes north of Toronto, being included in northern Ontario for all government of Ontario purposes. Surely common sense and fairness dictate that if Muskoka can be included in northern Ontario, the Renfrew county public school board should, as a minimum, get the rural and remote funding they have so long and so justifiably requested.

ONTARIO PROVINCIAL POLICE

Mr Toby Barrett (Haldimand-Norfolk-Brant): This past Saturday, May 13, I attended the ribbon-cutting opening of the new headquarters for the Haldimand-Norfolk detachment of the Ontario Provincial Police. It was a great ceremony and provided a good official kickoff to the new era of policing in Haldimand-Norfolk.

Although the OPP have been providing all policing services in our area for over a year, they had not yet

officially opened their new headquarters. It was fitting that the ribbon-cutting in Simcoe happened just before Ontario Police Week got underway. Attended by hundreds of local people, the day provided an excellent opportunity to celebrate the contributions policemen and policewomen make to keep our communities safe, and these contributions were recognized by numerous speakers.

The OPP set up displays by its tactics and rescue unit, its explosives disposal division and its emergency response team. There seems to be a sense that much greater emphasis is being put on combatting crime, and that is why safe schools and safe communities must be a priority.

Support for police officers, and for community policing, is alive and well in my riding. Since they were chosen to provide policing to both rural and urban areas in Haldimand-Norfolk, the OPP has been up to the task. I'm pleased to be speaking here today during Police Week, and offer the police of Haldimand-Norfolk many good years in their new home.

OTTAWA AREA

Mr Richard Patten (Ottawa Centre): I'm pleased today to rise to update the House on economic development in the Ottawa area, from whence I come as a member. Yesterday, along with fellow members from eastern Ontario and the Ottawa area, I met with a delegation of municipal and business leaders from the region. The theme of their presentation was the changes in the Ottawa area that are transforming it from a government town to an international centre for high-technology innovation.

Let me restate some of the facts. The new city of Ottawa is Canada's fourth largest city—this within an economic area of a million people. In the final quarter of this year, the technology sector will surpass the federal government as the biggest single employer in the region. Overall, employment in the area is expected to increase by 11% by the year 2004, the highest in Canada. The economic spinoff is great. Each high-tech job supports about three other jobs in the community. Technology is intensive, and the technology-intensive companies will generate over \$10 billion in exports alone this year.

In short, we are seeing the area grow and prosper in ways never seen before. Many of the highly skilled young people moving into the city over the next few years will have young families. One of the things that will happen is that we'll see lots of children in the area. I

find it incredible and short-sighted that the government would force school boards to close schools and cleanse our downtown neighbourhoods of young families at the very time this growth is taking place. This is precisely the time for the government to provide leadership and initiative by revisiting the formula that is closing schools and shutting down neighbourhoods. Now is the time to start planning for the long term, and I encourage the government to start doing that today.

PROPERTY TAXATION

Mr Peter Kormos (Niagara Centre): In the spring of this year, non-profit, ethnic cultural halls in my riding began receiving tax notices indicating that their property taxes had doubled and tripled. This was as a result of an interpretive memo which instructed the Ontario Property Assessment Corp to reclassify these properties as commercial rather than the historical residential classification.

I soon discovered from my colleague Jim Bradley in St Catharines that the same was happening to his cultural halls. He and I engaged in a series of meetings with the regional chair, her citizens' advisory committee and with all our cultural halls, not just in our own ridings but across Niagara region.

I promptly wrote to the minister, calling for an end to this discriminatory practice. Unfortunately, notwithstanding the efforts of Mr Bradley and myself, our frequent raising of this issue in the Legislature during members' statements and during any number of debates, we received no support from our Conservative counterparts, who insisted it was up to municipal councils to simply provide rebates.

Well, our Conservative counterparts were wrong. And although I'm disappointed in their lack of support for cultural halls, I am pleased to tell you, both in my own right and on behalf of Mr Bradley as well, that we've been advised by the ministry that the property assessment corporation has been instructed to reclassify these properties as residential, which is where they belong as non-profit organizations, and their taxes will now be reduced to the historical level that they always have been.

I want to thank Mr Bradley and all those cultural halls and their leadership for participating in this campaign.

BARRIE COLTS

Mr Joseph N. Tascona (Barrie-Simcoe-Bradford): I rise to congratulate the Barrie Colts for winning the Ontario Hockey League major junior championship last night with a hard-fought seventh game victory in Plymouth, Michigan. Now they will go to the Canadian junior championship tournament in Halifax, Nova Scotia, starting this weekend. As well, their goaltender Brian Finlay was selected the most valuable player of the championship series.

The Barrie Colts have reached this lofty pinnacle of success in just five years of existence. In fact, the Barrie

Colts are one of only a few teams in the history of the OHL that has reached the Memorial Cup playdowns within that short a time frame.

Since day one, the Barrie Colts have brought exciting, entertaining hockey to the city of Barrie and have earned extraordinary support from the people of Barrie. The Barrie Colts is a team of young men with extraordinary character and commitment. This year the team has overcome tremendous adversity, both on and off the ice, and still managed to make it to the Canadian championship, an extraordinary feat.

Mr Speaker, I'm sure that you, all members of the Legislature and the people of Ontario will join me in congratulating the Barrie Colts for their outstanding achievement and in wishing them well and all the best in Halifax as they strive to bring the Memorial Cup back to Ontario.

1340

LOW WATER LEVELS

Mr Bruce Crozier (Essex): Over the last month or so I have been bringing to the attention of the Minister of Natural Resources the crisis that we have, not only in Essex county but in the whole Great Lakes basin, with low water levels. Marinas have had to close in my riding because of these low water levels. On the occasions when I've brought it up to the minister, I've asked that he consider giving assistance to these marina operators, to property owners with their problem with the low water levels. The minister wouldn't commit to anything. He talked about low water levels in the province but wouldn't commit to helping these people in a time of crisis.

Well, now we have a commitment from the federal government for some \$15 million, to be matched by the marina operators of Ontario, if the province of Ontario will consider being a partner. I wrote to the minister over a week ago and I've heard absolutely nothing. This government says it wants small business to flourish, it wants to help homeowners, property owners in times of crisis. Here's your chance, Minister of Natural Resources. The federal government has come to the table with some \$15 million and I'm calling upon the Minister of Natural Resources of Ontario to enter that partnership and put the Ontario government's \$15 million on the table.

FEDERAL HEALTH SPENDING

Mr Ted Arnott (Waterloo-Wellington): Again it is necessary to speak in this House about the grossly insufficient commitment to health care by the federal government. Last year I tabled in this House a private member's resolution which called for a full restoration of the federal cuts to the program that supports health care, and the establishment of an escalator clause to keep pace with rising costs. The urgency of the matter was reflected in my resolution's unanimous passage last month with support from the Liberal Party and the NDP, which I appreciated. Yesterday I sent a letter to the Prime Minister of

Canada outlining these facts. The Prime Minister must now be aware of the strong and building consensus about the lagging federal commitment to health care.

Ontario is committed to spending \$22 billion this year on health, up from \$17.4 billion when we took office in 1995. By contrast, the federal government's commitment is down by \$1.7 billion annually. And the architect of medicare and former top adviser to Prime Minister Pearson, Mr Tom Kent, recently made the case for increased federal funding for health care in his testimony to a Senate committee in Ottawa. He stated that the federal government has "dishonoured" the commitment to medicare, that they are the cause of what ails the system and that they must help fix it with a funding boost and a mechanism that keeps pace with the provinces' rising health care costs, all of which underscores the points I made in my resolution.

My hope for the next meeting of federal and provincial health ministers is that the government of Canada will heed a unanimous call, led by our Minister of Health and agreed to by all the provinces, and restore this funding immediately.

RAVES

Mrs Sandra Pupatello (Windsor West): Special congratulations go out today to police and customs for the largest drug bust of ecstasy in Canada's history. They've just announced that today 170,000 tablets of ecstasy were seized at the Toronto Pearson airport. This ecstasy was destined for Canada's streets, and this is why every member of the Legislature needs to come into the House tomorrow during the debate of the Raves Act and vote in favour of this bill, because this bill will allow municipalities to set the conditions to allow for a permit system in order to hold a rave in Ontario.

The timing is critical for us. As the summer months approach, more and more raves will be happening in every city and town in Ontario. It is up to us, and we do have the power to regulate and allow for a safe rave to happen in our communities. I am asking this House with great earnestness to come in during the debate of the Raves Act tomorrow. I am asking both Minister Tsubouchi and Minister Runciman, who headed up the summit held at Toronto police headquarters in March, where I also attended and listened to what the municipalities and police authorities are asking for: the authority to let police lawfully enter a rave and see that the conditions for the permit are being met. Municipalities then can determine what those conditions will be: in the right geographic area; the age control, if they choose.

It is incumbent on us because we have the power to set the legislation that is required. The police do not have the tools as it stands today, nor do the municipalities. But we in this House can make that difference tomorrow when we come to vote on the Raves Act. I am asking you and imploring you for your support.

TOURISM

Mr Marcel Beaubien (Lambton-Kent-Middlesex): Friday is the launch of Ontario Tourism Week 2000, which will run from May 19 to 28. Ontario Tourism Week is a 10-day celebration of the importance of tourism to the province's economy. This year's theme is "All the Best Right Here," in recognition of the diversity of world-class tourism products and experiences Ontario has to offer all year long.

Tourism is a key engine of Ontario's economic growth. Tourism creates jobs, attracts investment, contributes nearly \$16 billion in spending to the province's economy each year, and supports more than 450,000 jobs. Tourism is Ontario's fifth-largest export industry. In 1998, tourism brought nearly \$7 billion in foreign exchange into the province.

The Ontario government is working with the industry to strengthen Ontario's tourism competitiveness and to market the province as a four-season, world-class, must-see destination. Tourism Week is an opportunity for Ontarians to learn more about the many tourism attractions and experiences that our province offers. Events and activities are planned at provincially operated attractions and other locations across the province. Through Ontario Tourism Week and other marketing efforts, we want to tell the people in Ontario, Canada and indeed the world all about this province's many fascinating and exciting and unique tourism experiences.

On behalf of Minister Jackson, I invite Ontarians, tourists, travellers and industry members to take part in Ontario Tourism Week, and I invite them to travel our great province in all four seasons to explore Ontario, a place with more to discover.

VISITOR

The Speaker (Hon Gary Carr): Just before we proceed, in the members' east gallery is Mr Sam Cureatz, the member for Durham East in the 32nd, 33rd and 34th parliaments. All members will join in welcoming him.

We will notice that he is minus the seagull that has made him so famous in this institution.

SPEAKER'S RULING

The Speaker (Hon Gary Carr): Yesterday the member for Algoma-Manitoulin raised a point of order with respect to a written question to the Minister of Energy, Science and Technology. The question was filed on December 22, 1999, and the ministry filed an interim response on May 11, 2000, indicating the final answer would be tabled on June 22.

The interim response filed on May 11, 2000, was in compliance with the period of 24 sitting days pursuant to standing order 97(d). The member, however, is taking issue with the length of time established in the interim response for the tabling of information.

Standing order 97(d) is very clear. The minister may indicate that more time is required to prepare the answer, and the approximate date on which it will be tabled.

I find the standing order has indeed been complied with.

VISITOR

The Speaker (Hon Gary Carr): Just before we begin, I am pleased to inform the members of the Legislative Assembly that we have with us today in the Speaker's gallery Mr Ed Doyle, a former Speaker and member of provincial Parliament for Wentworth-Leeds.

Interjections: The best Speaker we ever had.

The Speaker: I concur with the members.

REPORTS BY COMMITTEES

STANDING COMMITTEE ON REGULATIONS AND PRIVATE BILLS

Ms Frances Lankin (Beaches-East York): I beg leave to present a report from the standing committee on regulations and private bills and move its adoption.

Clerk at the Table (Ms Lisa Freedman): Your committee begs to report the following bills without amendment:

Bill Pr19, An Act respecting Redeemer Reformed Christian College

Bill Pr20, An Act respecting Ner Israel Yeshiva College

Bill Pr22, An Act respecting the Town of Greater Napanee.

The Speaker (Hon Gary Carr): Shall the report be received and adopted? Agreed.

STANDING COMMITTEE ON GOVERNMENT AGENCIES

The Speaker (Hon Gary Carr): I beg to inform the House that today the Clerk received the 10th report of the standing committee on government agencies.

Pursuant to standing order 106(e), the report is deemed to be adopted by the House.

Motions?

Mr James J. Bradley (St Catharines): Mr Speaker, on a point of order: I know the government House leader will want to be in for this and I'm sure he will acquiesce. With the Premier expressing concern about the price of gasoline, I would like to ask unanimous consent for second and third reading of Bill 16, An Act respecting the price of gasoline.

The Speaker: Is there unanimous consent? I'm afraid I heard a no.

Mr Howard Hampton (Kenora-Rainy River): Mr Speaker, on a point of order: Having read about the Premier's concerns about high gas prices, I ask this

House to give unanimous consent for the government to order a rollback of gas prices for the long weekend so we can give Ontarians a break before they get gouged again.

The Speaker: Is there unanimous consent? I heard some noes.

DEFERRED VOTES

PARENTAL RESPONSIBILITY ACT, 2000

LOI DE 2000 SUR

LA RESPONSABILITÉ PARENTALE

Deferred vote on the motion for third reading of Bill 55, An Act to make parents responsible for wrongful acts intentionally committed by their children / Projet de loi 55, Loi visant à rendre les pères et mères responsables des actes fautifs commis intentionnellement par leurs enfants.

The Speaker (Hon Gary Carr): Call in the members. This will be a five-minute bell.

The division bells rang from 1351 to 1356.

The Speaker: All those in favour of the motion will please rise one at a time to be recognized by the Clerk.

Ayes

Arnott, Ted	Hardeman, Ernie	Palladini, Al
Baird, John R.	Harris, Michael D.	Runciman, Robert W.
Barrett, Toby	Hastings, John	Sampson, Rob
Beaubien, Marcel	Hodgson, Chris	Snobelen, John
Chudleigh, Ted	Hudak, Tim	Spina, Joseph
Clark, Brad	Jackson, Cameron	Sterling, Norman W.
Clement, Tony	Johns, Helen	Stewart, R. Gary
Coburn, Brian	Johnson, Bert	Stockwell, Chris
Cunningham, Dianne	Klees, Frank	Tascona, Joseph N.
DeFaria, Carl	Martiniuk, Gerry	Tsubouchi, David H.
Dunlop, Garfield	Mazzilli, Frank	Turnbull, David
Ecker, Janet	Molinari, Tina R.	Wetlaufer, Wayne
Elliott, Brenda	Munro, Julia	Wilson, Jim
Eves, Ernie L.	Murdoch, Bill	Witmer, Elizabeth
Flaherty, Jim	Mushinski, Marilyn	Wood, Bob
Galt, Doug	Newman, Dan	Young, David
Gilchrist, Steve	O'Toole, John	
Gill, Raminder	Ouellette, Jerry J.	

The Speaker: All those opposed to the motion will please rise one at a time and be recognized by the Clerk.

Nays

Agostino, Dominic	Curling, Alvin	Marchese, Rosario
Bartolucci, Rick	Di Cocco, Caroline	Martel, Shelley
Bradley, James J.	Dombrowsky, Leona	Martin, Tony
Brown, Michael A.	Duncan, Dwight	McGuinty, Dalton
Caplan, David	Gerretsen, John	Patten, Richard
Christopherson, David	Hampton, Howard	Peters, Steve
Churley, Marilyn	Hoy, Pat	Phillips, Gerry
Cleary, John C.	Kormos, Peter	Pupatello, Sandra
Colle, Mike	Kwinter, Monte	Ramsay, David
Conway, Sean G.	Lalonde, Jean-Marc	Smitherman, George
Crozier, Bruce	Lankin, Frances	

Clerk of the House (Mr Claude L. DesRosiers): The ayes are 52; the nays are 32.

The Speaker: I declare the motion carried.

Be it resolved that the bill do now pass and be entitled as in the motion.

QUESTION PERIOD

The Speaker (Hon Gary Carr): Just before we begin question period, the members will know we are trying to keep the questions in the neighbourhood of around one minute. We did that reasonably well in the beginning but we are starting to drift off. There are two reasons for that. One is that it allows more members a chance to ask questions and, also, it helps in terms of getting the questions put to the members. So we will try to keep within the one minute.

The members will know that in other Houses, including Westminster, the Speaker actually yells at the members if they go over the minute. I'm not going to do that because, one, it's not my style and, two, I think the Speaker should try to be the one who's most polite in here.

We did try situations where we warned, where we yelled "question," but that didn't work. The reason that didn't work is other members wouldn't know and they couldn't tell if it was me yelling or somebody else. I would just ask the members' indulgence to try to stay to one minute.

I know it's also difficult sometimes to be looking at the Speaker, but if we do get to one minute, if it is helpful, I will be trying to rise or getting close to the edge of my seat so the members know the time is coming up. Again, the reason we are doing that is it allows all members to get as many questions on as possible.

I must say to all members that we have done, I think, an excellent job. We are getting more questions on this session than we have in a lot of other sessions, and it's because the members are doing a fine job in that. I thank them and we'll try and keep in that neighbourhood. Of course, it goes that replies will be within the minute as well.

Mr Dominic Agostino (Hamilton East): On a point of order, Mr Speaker: I'd like to draw the members attention to the west gallery. We have two special people here: Deborah Bisci and Ryan Bisci. It's a special day for Ryan. It's his 10th birthday today, and his first time in the Legislature. We welcome them and wish him a happy birthday.

The Speaker: It's not a point of order, but we wish him a happy birthday as well.

Mr David Christopherson (Hamilton West): On a point of order, Mr Speaker: In response to your comments I just wanted to acknowledge the appreciation of the NDP caucus in some of the ways that you've handled the timing. Often it's our last question that gets lost when the House becomes very disruptive, and I wanted to point out that the stopping of the clock has gone a long way not only to preserving the time but to putting extra emphasis, on ourselves included, on not using up that time. As much as it's our efforts, we wanted to thank you for your consideration and sensitivity toward our needs.

The Speaker: I appreciate that very much. As you well know, in this job it doesn't often happen that a Speaker receives that, so I do thank the member for that. Again, it is because of the co-operation of all the members and I thank all of them for that.

ORAL QUESTIONS

ONTARIO POWER GENERATION

Mr Dalton McGuinty (Leader of the Opposition): My first question is for the Premier. I have in my hand a copy of a document recently filed by Ontario Power Generation with the Ontario Securities Commission. It tells us a couple of things about the president. It tells us that his salary last year was \$1.7 million. It also provides that he's entitled to a long-term incentive plan package of \$843,500 if he helps bring about corporate results, which you and I both know to mean corporate profits.

I'll tell you what I'm concerned about. The president and others at Ontario Power Generation are considering the sale of the Lakeview coal-fired power plant. If they sell it as is, they'll make more money. If they place a condition on it that there be a conversion program put in place to convert from dirty coal-fired to cleaner natural gas-fired, they're going to make less money. What we have in place here is a perverse incentive plan that rewards the president for selling a dirtier plant and punishes him if he sells a cleaner plant. Do you approve, Premier, of this perverse incentive program?

Hon Michael D. Harris (Premier): Yes, Mr Speaker.

Mr McGuinty: Premier, I can't believe you understood what I said. I can't believe you said here today on behalf of the people of Ontario, but most particularly on behalf of the people living in the GTA, who will be exposed to the pollution coming from a coal-fired plant, that you think this is a good idea—because that's exactly what you just said. If this plant is sold as is, the poisonous air pollution emanating from Lakeview would be like adding a million cars to the GTA.

We have in place an incentive plan that rewards not only the president but other officers. It rewards the directing mind in a perverse way. It says you will make more money if you sell this plant as is, but on the other hand, if you place a condition on it that makes it safer for the people living in the GTA, then you're going to make less money. I will ask you one more time, Premier, do you approve of this perverse incentive package?

Hon Mr Harris: Yes, Mr Speaker.

Mr McGuinty: Let's take a look at your record now, Premier. We are the second-worst polluter today in North America. Doctors tell us that air pollution is killing 1,800 Ontarians every year. We also know that air pollution costs our health system over \$1 billion every year. You are the only shareholder in Ontario Power Generation; the government is the only shareholder. As the special shareholder, I am sure that you would want this company

to act in a socially responsible manner. That means you will not permit this incentive package to continue. As Premier for all of Ontario and as somebody who is presumably committed to our health, you will not allow this package to stand.

Premier, tell me you misspoke yourself the first two times. You've had an opportunity to reconsider. You're going to stand up, you're going to do the right thing and you're going to disagree with this incentive package.

Hon Mr Harris: So far in the first two questions I've said yes and yes. It's pretty hard to say I misspoke myself. I'm very supportive of the incentive plan that we have put before our senior people in our bureaucracy and the incentive with the CEO of Ontario Hydro. It has led to unprecedented debt reduction that you were never able to achieve when you were in charge, or that the NDP were ever able to achieve, of about \$3 billion over the last two years. As well, the incentive package has equal weight on environmental incentives as it does on the dollar incentive.

Finally, it is not up to Ontario Hydro to give us environmental conditions; it's up to the Minister of the Environment, who said there will be no sale of the Lakeview plant as a coal-burning facility. That's not a Hydro decision.

ONTARIO REALTY CORP

Mr Dalton McGuinty (Leader of the Opposition): The second question is also for the Premier. In the matter of the Ontario Realty Corp, the last annual report that they put out was for 1997-98. There's a law on the books in Ontario that says they've got to put one out within 90 days after the end of every fiscal year. They've got to submit that to your government. They should have done that 11 months ago. Can you tell us where this missing document is? Why is it that the Ontario Realty Corp has not prepared a public document in keeping with Ontario law and delivered it to you at least 11 months ago?

Hon Michael D. Harris (Premier): I'm sure the minister can respond.

Hon Chris Hodgson (Chair of the Management Board of Cabinet): I will ask the Ontario Realty Corp board of directors, who are responsible for the operations, to report back to me and find out where it is.

Mr McGuinty: Minister, the ORC is breaking the law in not filing their annual public report. That's what provides us with information about what's going on inside the ORC. More importantly than that, the same law says the minister shall then table the report before the Assembly. The law says the ORC is supposed to kick one of these out every year, and if they don't do so, they're breaking the law. It also says that you have the responsibility to then table the report. You haven't tabled the report. That means you're breaking the law.

Tell me, Minister, why is it that the ORC is breaking the law in failing to provide us with a public document and you are breaking the law by failing to table that document?

Hon Mr Hodgson: As soon as I have the report, I will be pleased to table it.

Mr McGuinty: This is so representative of the attitude you have brought, of the mismanagement you have brought to this file, of your refusal to make the ORC accountable to yourself and to the Ontario public.

This is a case that's very simple. The law provides specifically that every year the ORC, your government agency, is responsible for putting before the Ontario public, through you, a document accounting for its activities during the course of the past year. They failed to do so. That's breaking this law. The same law also says that you've got a responsibility to then table that document in this House so we all have access to it and, through us, the Ontario public. That means you're breaking the law. Minister, why is it that the ORC has broken the law and why have you broken the law in failing to table a very simple annual statement telling us about what's going on inside the ORC?

Hon Mr Hodgson: As I indicated, as soon as I have the report I will table it. I will ask the chair of the board for the report.

1410

CANCER CARE ONTARIO

Mr Howard Hampton (Kenora-Rainy River): My question is for the Premier. Yesterday we learned that Gerry Loughheed, the vice-chair of Cancer Care Ontario, is being fired by your government. Gerry Loughheed has criticized your government's discrimination against northern Ontario cancer patients. He has called it "health care apartheid." He has pointed out that cancer patients from southern Ontario who need to travel for access to cancer treatment have all of the travel and accommodation costs paid for by your government, but northern Ontario cancer patients who have to travel hundreds of kilometres to attain cancer treatment are told to pay the lion's share of those costs out of their own pocket. Premier, is this what your government does when someone who advises your government points out that a policy is wrong, that rather than fix the injustice, you fire that dedicated individual?

Hon Michael D. Harris (Premier): I'm sure the minister can respond, Mr Speaker.

Hon Elizabeth Witmer (Minister of Health and Long-Term Care): I would just share with you the fact that the appointments to the Cancer Care Ontario board are reviewed. As you know, we try to ensure that, as appointments are made, we have representation of all individuals from across the entire province. As we take a look now at the composition of the board, we have learned, Mr Loughheed has indicated, that he has responsibilities for another campaign in Sudbury which will keep him busy, and we will be appointing others.

Mr Hampton: I would say to the Minister of Health and I would say to the Premier that Mr Loughheed is very clear: He's not leaving. He's not saying he won't serve; he is being shown out the door by your government.

Premier, this is quite relevant to you because he says in his letter: "In particular, Premier Harris should be held accountable as the MPP for Nipissing. As a northerner, how can he govern this province knowing that cancer patients have to reach into their own pockets to access treatment? In last month's Ontario budget, a thoughtful northern Premier would have eliminated this two-tier travel system."

He's talking about that health care apartheid. He's talking about people in your own riding who have to travel to get cancer treatment and have to pay for that travel out of their own pockets. He's talking about some people who can't access cancer treatment because they can't afford to pay the travel costs, the accommodation costs. Meanwhile, your government pays those costs for some other cancer treatment patients.

Premier, this is specifically to you: Is this how you treat someone who steps forward and says: "This situation is unfair. This situation is unjust. This situation amounts to health care apartheid"? Is this what you do, instead of fixing it?

The Speaker (Hon Gary Carr): The member's time is up. Minister of Health.

Hon Mrs Witmer: As the member of the third party should know, the position taken on travel, whether individuals live in the north or the south or the west or the east of this province, is the same. It is when individuals are re-referred that Cancer Care Ontario is making available the additional money for travel. So it makes no difference where you live; if you are re-referred, you receive the additional funding.

The Speaker: Final supplementary, the member for Nickel Belt.

Ms Shelley Martel (Nickel Belt): Minister, northern cancer patients aren't being re-referred. We have southern cancer patients who are having to access care in northern Ontario, and when they come to Sudbury and Thunder Bay, they are having 100% of the cost of travel, accommodation and food covered by your government. That's the reality. That's the discrimination we're trying to point out to you.

Gerry Lougheed also said the following:

"The cost to fund the travel of radiation patients in northeastern Ontario requires an additional \$3 million, about the same amount of money it costs to run one of those anti-federal-government ads done a few weeks ago. I know that one of the five principles of medicare is accessibility, not propaganda, so the money could be better spent helping northern patients get life-saving radiation treatment. In addition, the northern health travel grant program should be given to northeastern and northwestern regional cancer councils to administer."

There is no need for a review. The discrimination is clear and the time to end it is right now. Will you do the right thing and cover costs for northern cancer patients too?

Hon Mrs Witmer: I have here a letter dated July 1999 to the Premier from Mr Lougheed, where he says, "Your government is doing an excellent job re regional

cancer delivery." I would go on to say to you that it was Cancer Care Ontario, of which Mr Lougheed is a member, that also asked the provincial government to ensure that funding was available in order that individuals could be re-referred. So whether you live in northern Ontario or whether you live in the east, west or south, if there is a need for re-referral to other areas to receive treatment, the same funding is provided to everyone if you are re-referred.

GRANDVIEW TRAINING SCHOOL FOR GIRLS

Mr Howard Hampton (Kenora-Rainy River): My next question is for the Premier. We asked your government yesterday to extend counselling to abuse survivors of Grandview Training School for Girls. Now new information has come to our attention. We have learned that a growing number of women have just become aware of the Grandview agreement, because when they were at Grandview it was called something else. It was called the Ontario Training School for Girls at Galt. They didn't know of the government's offer of counselling and education support and they didn't know it extended to them. We've been told that some of these women who are just learning about the agreement have brought their complaints forward to the Kitchener-Waterloo police.

We've also learned that a lawyer has approached the Ministry of the Attorney General and asked for those counselling and support services, and they've basically been turned down. The lawyer who has approached the Ministry of the Attorney General has made it clear: "Either your government shows compassion and agrees to help these people or we will wind up in court." Your government will be sued.

Premier, will your government do the right thing? Will you include these women in the original Grandview agreement so that they receive the counselling and support services they need, or will you force them to take your government to court?

Hon Michael D. Harris (Premier): I will ask the Attorney General to respond.

Hon Jim Flaherty (Attorney General, minister responsible for native affairs): The availability of counselling, which was raised by the member for Beaches-East York yesterday, is a matter of serious concern. I've had an opportunity to review some of the figures and to check some of the numbers with respect to the number of women involved who have accessed the funds available for counselling, and to what extent they've been accessed. I saw some preliminary figures this morning. There may well be room within the available funds that have already been allotted for counselling, pursuant to the terms of the agreement, to make some accommodations in that regard. You have my undertaking to continue that review and to get back to you about what can be done to ensure that adequate counselling is provided.

The Speaker (Hon Gary Carr): Supplementary, the member for Beaches-East York.

1420

Ms Frances Lankin (Beaches-East York): That's helpful, Minister, because we were going to ask you about the \$10,000 that had been allotted to each woman, many of whom had not utilized that before the cut-off date. The agency you put in charge of administering that is not able to tell us the amount; they can only tell you. I'm assuming you have that. I'm going to ask you to tell us today how much of the \$10,000 has gone unspent and how far that will go in meeting the needs, because your comment yesterday that they can go to free community mental health services is being scoffed at.

In the Kingston area, for example, Dr Margaret Joynt says: "It's very easy for a minister in Toronto to say, 'Oh well, they've got lots of community services.' The services that are free are almost non-existent. What are we talking about?" And Rosa Oliveira, the coordinator of the Kingston Sexual Assault Crisis Centre, says there are waiting periods from four to 14 months.

Clearly you need to review the agreement. The issue of extending the counselling benefits is critical, but also the issue of including the women who were never included under the original Grandview agreement who are now coming forward, who are entitled to the same kind of compassionate treatment. Will you agree, Minister, to review the entire Grandview agreement?

Hon Mr Flaherty: This is a matter of serious concern. You're asking me to review the agreement that your government negotiated in 1994, suggesting to me, I gather, that your government did not do a good job in negotiating that agreement. I have already reviewed—

Mr Hampton: You want to turn this into a partisan issue.

Hon Mr Flaherty: The leader of the third party interrupts me. I have already reviewed parts of it. It's a serious matter. I've looked at what figures we had quickly available with respect to how much money had been used by victims. As the member opposite knows, some victims chose not to participate in the agreement at all and whether some of those victims are also seeking counselling now is another issue. Some people chose not to sign on. That was an option they had, as I understand it, back in 1994.

Having said all that, the important thing is that the necessary treatment is received by these victims of Grandview. You have my undertaking to work on the issue to get as accurate figures as I can and get back to you about it.

GASOLINE PRICES

Mr Mike Colle (Eglinton-Lawrence): A question for the Premier. I was glad to see you complaining about gas prices yesterday. As we begin another summer season, Ontarians are packing up and anxious to travel this summer with the long weekend upon us. Here we go: Gas price gouging season has kicked off again. Obscene jumps in gas prices will once again make long weekends unbearable for many Ontarians. The Ontario Liberals on

this side have put forward four private members' bills to stop the gas gouging. Mr Bradley has put forward a bill, Mr Crozier has put forward a bill, Mr Bartolucci has put forward a bill and I have put forward my own gas price watchdog bill. All these bills would protect Ontario motorists and stop the gas price gouging.

In 1975, Bill Davis stepped in to protect consumers. As Premier, you have the power, and you do so to protect consumers on the price of natural gas and the price of electricity. It's time for you to stop finger pointing and bellyaching and do what Premier Davis did in 1975: protect the motorists of Ontario.

Hon Michael D. Harris (Premier): I think the member would know that I am a Premier and this is a government and this is a party that does not like to intrude in others' jurisdictions. We've been very careful, whether it be school boards or municipalities or the federal government, that we will go to absolutely the nth degree and to any length to work co-operatively with that level of government that has jurisdiction. We are doing that with the federal government, which now has admitted jurisdiction on competition. We have our gas-busters task force reporting. I know that the Liberal Party will often trample on others' jurisdictions willy-nilly, without thinking, but we are not a party or a government that would do that. If at the end of the day the federal government completely abdicates its responsibility, we may then have to look at whether we would intrude on their area of jurisdiction.

Mr Colle: Mr Premier, when it comes to gas price gouging, you're all talk and no action. You, as the Premier of this province, have the power to protect Ontario consumers when it comes to pricing. You do it for electricity; you do it for natural gas. In 1975 Premier Davis stepped in to protect consumers. Stop passing the buck. We have very clear ways of protecting consumers, good suggestions on this side. Pass this bill today. You can stop the bellyaching and take concrete action, because frankly people don't want to hear any more complaints. They want you to do your job. Prices are at 75 and 78 cents a litre.

Are you not stepping in because you collect \$6 million a day in provincial taxes? Are you not stepping in because you collect \$3 billion a year in provincial taxes? You are partners with the oil companies in pocketing all this money. Is that why you're not stepping in? Stop whining and do something.

Hon Mr Harris: I have tell you, I don't get a lot of letters from the oil companies saying, "Dear Partner." In fact, they don't talk to me very much since I have championed the cause in Ontario and raised the issue of the lack of competition. When I raise these issues it seems to cut to the very heart of what they are concerned about, because I do not think we have true competition. That's what we're trying to get at.

Interjections.

Hon Mr Harris: It's very difficult. I think I can be heard over the shouting and screaming of the opposition. I'll do my best, Mr Speaker.

Premier Davis did bring in a very short term intervention bill, which if we were to enact today would freeze artificially high prices for a very short period of time. We don't want to freeze prices high for a very short period of time, particularly artificially high. We would like to see true competition and that is what we are working for.

PUBLIC EDUCATION

Mr Jerry J. Ouellette (Oshawa): My question is for the Minister of Education. Last Thursday the member for Parkdale-High Park questioned your commitment to public education. Specifically he asked, "Minister, don't you just want to not have public education at all?" I know the parents in my riding of Oshawa are committed to public education. I think all the members of this House would like a clear answer to this question. Minister, what is your commitment to public education?

Hon Janet Ecker (Minister of Education): Thank you to the member for Oshawa for an opportunity to counteract some of the inaccurate information we are subjected to from time to time across the way.

Our commitment to public education is very clear. A publicly funded education system, one that has higher standards, better quality, more accountability, is very important, very much a building block for not only our economic prosperity in this province but also our success as a society and our quality of life. When we were challenged by the United Nations and by the federal Liberals to back off that commitment, we stood firm and said no.

Mr Ouellette: The question from the member for Parkdale-High Park raised this issue and certainly suggested that his party would be committed to public education. I would guess it's safe to assume that the Ontario Liberals are willing to join the fight for public education in Ontario. Minister, can you explain what role other organizations or parties are prepared to play in the fight to defend public education?

Hon Mrs Ecker: It was interesting that when the United Nations came out with their ruling, the first people out of the gate were some of the teacher federations, supporting public education. The Liberal Party didn't see fit to issue a statement to that effect, which is rather interesting. The opposition leader, the provincial Liberal leader, Mr McGuinty, stated during the election campaign that he was prepared to consider public funding for private schools. He has been supported in that position by some of his backbenchers. When we asked the question, as I think it was appropriate for us to ask on behalf of taxpayers, what his position was on this issue, he said very equivocally in a letter that he didn't think we should be funding private schools at this time, which is a rather interesting open door, I would suggest, and very much unlike the NDP, who have been very unequivocal in their position in support of public education with us.

1430

PROTECTION OF PRIVACY

Mr John Gerretsen (Kingston and the Islands): My question is to the Premier. You know that you continue to use a double standard when it comes to the so-called snitch lines. The Minister of Finance's tax cheat snitch line was very quietly shut down over two years ago, yet at the same time you continue to use those lines as they relate to the Ministry of Health and the Ministry of Community and Social Services.

Information on individuals apparently is kept for up to seven years, even in cases where individuals have been cleared of any allegation of wrongdoing. According to our privacy commissioner, Ann Cavoukian, an independent officer of this assembly, this may very well be illegal and contrary to section 39 of the Freedom of Information and Protection of Privacy Act.

Premier, will you today commit that you will remove all snitch lines so that the privacy of Ontario residents will be fully protected?

Hon Michael D. Harris (Premier): I think the Chair of Management Board has some information on this, but I'm not sure.

Hon Chris Hodgson (Chair of the Management Board of Cabinet): I guess the question is, will we remove the snitch lines? I don't think so. I don't think that's what the privacy commissioner is asking for either. What she is asking for is a look to make sure that this information is kept confidential and at what point it is destroyed.

We have already committed to review that act, and I would be pleased to take your suggestion and include it in the review that will go before the all-party committee.

Mr Gerretsen: My supplementary is for the Premier as well. As you know, the Speaker is currently deliberating on a matter of privilege raised by the member from Renfrew dealing with allegations by the privacy commissioner that may be viewed as a contempt of this Legislature.

You weren't quite correct in your answer, Minister. I have a copy of the letter to the editor that Ann Cavoukian wrote to the Kingston Whig-Standard. She quite specifically states therein, "I have recommended to the government that the records relating to unfounded accusations collected from 'snitch lines' be destroyed at the end of the required year of retention." That's what the privacy and information act says. It is currently being kept for up to seven years in the Ministry of Health and the Ministry of Community and Social Services.

Why don't you adhere to the law, your own laws that you are now in charge of? It's your watch. It says one year. Why are you keeping this information for seven years, thereby in effect destroying the privacy that people are entitled to in this province? Adhere to the law. You seem to be disobeying the law in a lot of different areas.

The Speaker (Hon Gary Carr): Order. The member's time is up.

Hon Mr Hodgson: To the member across, don't get too excited. I answered your question that her concern wasn't to abolish snitch lines, which is what I thought you said. If you didn't say that, that's fine. She is asking for one year until you destroy the records, as you indicated in your supplemental. I already undertook to you that you can include it in our review of the whole act. We've committed to review the Freedom of Information and Protection of Privacy Act. That will go before the all-party committee and we'll take a look at the results.

VICTIMS OF CRIME

Mrs Tina R. Molinari (Thornhill): My question is to the Attorney General. There are reports out today that show our policies are causing crime rates to fall in most areas. Victims, however, tell a different story. They feel violated, insecure and unsafe in their own communities. In my constituency of Thornhill, safety is an ongoing concern. For that reason, I will be hosting a safety forum with the York region police on May 23. We are looking forward to addressing safety concerns in Thornhill, and those of victims of crime.

Minister, what is the government doing to protect and promote the rights of victims in Ontario?

Hon Jim Flaherty (Attorney General, minister responsible for native affairs): I thank the member for Thornhill for the question. This government has taken a leadership role in protecting victims' rights in Ontario.

In 1995, we promised to advance the rights of victims and I'm very pleased to say that we have lived up to that promise in at least five ways, first of all with the historic Victims' Bill of Rights in 1995. This was an important step in acknowledging and responding to the needs of victims of crime.

In 1998, we established the Office for Victims of Crime. We've staffed the office with crime victims and criminal justice professionals to offer the best possible service.

Third, since 1996 we have tripled the number of domestic violence courts in Ontario.

Fourth, we've also hired an additional 59 new crown attorneys to ensure victims have more opportunities to be heard, and we have committed an additional \$10 million annually to implement a coordinated justice strategy for domestic violence cases.

Mrs Molinari: Thank you, Minister, for that very informative response. The Office for Victims of Crime is clearly one of the most important initiatives for victims put forth by this government. I would like to know what the minister has planned for the future of the Office for Victims of Crime.

Hon Mr Flaherty: I am proud to say that with the help of \$1 million from the budget of my colleague the Minister of Finance, the Office for Victims of Crime will now be a permanent part of the Ministry of the Attorney General. That office does important work. It includes reviewing victims' services in Ontario, developing a victims' services model, reviewing provincial legislation

and policies to provide recommendations for improvements, reviewing federal legislation and policies which impact on the administration of justice in Ontario and again recommending improvements, and enhancing compliance with the Victims' Bill of Rights. The Office for Victims of Crime is a cornerstone of our commitment to promote and protect the rights of victims in Ontario. This funding will allow the government to keep this commitment for years to come.

WATER EXTRACTION

Mr Howard Hampton (Kenora-Rainy River): My question is for the Minister of the Environment. Today I was in Wentworth-Burlington with Jessica Brennan, a candidate in the Wentworth-Burlington by-election—the by-election the Premier's afraid to call—and the issue is this: While communities in Wentworth-Burlington face another drought, your government is busy granting new permits for commercial water-taking of millions and millions of litres of water every day.

In addition, because of your government's cuts to the conservation authorities, we now have conservation authorities like the Hamilton one out there selling water-taking permits, selling water rights because that's the only way they've got to get money, instead of protecting our water resources.

The point is this, Minister: Before the election you imposed a moratorium on water-taking permits because of the absurd situation. Then you took it off. Will you put that moratorium back and then start a process to ensure that our water resources, especially in southern Ontario, are sustainable before you sell and give away more water?

Hon Dan Newman (Minister of the Environment): I want to tell the leader of the third party that we are indeed committed to protecting Ontario's water supplies and ensuring that those supplies are sustainable well into the 21st century. He should also know that it was this government, the Mike Harris government, that showed international leadership on the issue of water-taking. We brought into force a water-taking and transfer regulation to prohibit the transfer of water from Ontario's major water bases.

The leader of the third party should also know that all permits to take water must be posted for a minimum of 30 days on the Environmental Bill of Rights registry for public review and comment. Obviously the comments on that are reviewed by the ministry when making a decision whether or not to grant a permit.

The Speaker (Hon Gary Carr): Supplementary, the member for Broadview-Greenwood.

Ms Marilyn Churley (Broadview-Greenwood): Minister, the inadequacy of that response is breathtaking. We have a serious drought problem in Ontario and you are approving water-taking permits willy-nilly, sometimes without public comment, like the one to Blue Circle Industries. You are allowing them to take 11 million litres a day from one well. Then we see the proposal

from the OMYA company to take 4.5 million litres every day for 10 years from the Tay River near Perth, all this with dropping water levels of lakes and rivers and dry wells.

Minister, the Premier cut your budget once again. You don't have the resources to investigate these proposals. You don't know how much water is out there and you don't know the impact of these permits on the ecosystem. We need a full review of the whole permit-to-take-water system. I ask you again, will you impose a moratorium today on the issuing of new water-taking permits to industry at least for the summer so we can do this?

Hon Mr Newman: The member was speaking willy-nilly. Perhaps that was a reminder of what her government did on the environment with respect to water-taking permits. But we don't take that approach. In fact, as I mentioned, the Environmental Bill of Rights registry requires 30-day posting of any permits to take water. There are also hydrological studies that need to be taken before any permit to take water is put into place.

In fact, this year we're putting conditions on permits to take water, which may include the restriction that no more than 10% of a stream flow may be taken, in order to protect the natural functions of the stream.

1440

SAFE STREETS ACT

Mrs Leona Dombrowsky (Hastings-Frontenac-Lennox and Addington): My question is for the Attorney General. When the squeegee bill was debated, our caucus told you that it would have a negative impact on charity events across the province, and now the chickens have come home to roost. Just last week, on May 12, in the riding of Waterloo-Wellington, the local members of the Ontario Students Against Impaired Driving had to cancel their annual highway blitz as a result of the squeegee bill. They were denied the opportunity to raise funds for a worthy cause solely because of your short-sighted legislation.

Minister, your legislation is costing Ontario charities millions of dollars. Will you commit today to repeal Bill 8 or support the amendments that have been proposed by my colleague from Essex in Bill 64? Will you commit to either of these actions today?

Hon Jim Flaherty (Attorney General, minister responsible for native affairs): I thank the member opposite for the question. If there's some misunderstanding in the member's community with respect to what the act means, then I'd be pleased to have the ministry be of some assistance. I have written to every municipal leader in the province of Ontario reminding them, and I remind the members opposite, that the Highway Traffic Act has always made it an offence for someone, while on a roadway, to stop or attempt to stop a vehicle or to offer or provide any commodity or service to anyone in the vehicle. That's an important first step. That has always been the law under the Highway Traffic Act in Ontario.

Indeed, charities in Ontario have found it quite possible to carry on their charitable undertakings. For example, the London chapter president of the Canadian Cystic Fibrosis Foundation wrote in a letter to the editor of the London Free Press on March 30:

"It is the intention of our foundation and Shinerama committees across Ontario's colleges and universities to continue this successful campaign. In addition to raising awareness and funds for CF research—"

The Speaker (Hon Gary Carr): Order. I'm afraid the Attorney General's time is up. Supplementary.

Mrs Dombrowsky: I find it interesting that the minister would say to us in the House today that it has always been an offence when traditionally, across the province, many charities have for years employed these venues to raise funds. It has never been a problem in the past.

The Kinsmen and Kinnette Club in my community planned to have a voluntary toll on the holiday weekend to raise money for cystic fibrosis. They raised \$2,500 last year. This year when this organization contacted the OPP, as they have done every year, they were denied. It has been indicated that: "As of December 14, 1999, Bill 8, known as the 'Safe Streets Act,' makes it an offence to solicit money from anyone in a vehicle that is stopped on the roadway You can appreciate that neither the OPP or municipal council can supersede the legislation and offer any permission to conduct a roadway toll booth."

Minister, are you prepared to act today to ensure that events like this can continue, as they have for many years without harm, in the province of Ontario?

Hon Mr Flaherty: I remind the member that what she's describing in the letter is a situation where someone is stopping a vehicle on a roadway and soliciting. That has been against the law in Ontario under the Highway Traffic Act for many years.

If there are fundraising groups in—

Failure of sound system.

Hon Mr Flaherty: —cystic fibrosis group in the member opposite's riding, I invite them to contact Chris Townsend of the London chapter of the Canadian Cystic Fibrosis Foundation to learn how they were able to carry on their fundraising quite adequately, and to also speak to the—

Interjections.

The Speaker: Order, please. I can't hear the answer. I need to hear the answer. Attorney General, sorry.

Hon Mr Flaherty: The member might also help her constituents by asking them to consult with the fire-fighters who support the Muscular Dystrophy Association, who came to see me and who were quite satisfied with the resolution of their difficulties. If they need help, they can go to those sources, those other charities, for help and guidance on this issue.

TOURISM

Mr Doug Galt (Northumberland): My question is directed to the Minister of Tourism. Businesses, municipal politicians and local residents in my riding are pretty concerned about your ministry and the way the ministry's Summer 2000 planner was put out. They're upset because neither Rice Lake nor harbours in Cobourg or Port Hope are mentioned in this planner. Trenton, Campbellford and Hastings are also not listed as excellent travel destinations for boaters on the Trent-Severn waterway. And what about the country fairs that take place? Why were they not listed as well?

The calendar of events in the centre of the planner only mentions one art and heritage event in the entire county, while Cobourg's Waterfront Festival, Port Hope's Capitol Theatre, Colborne's Apple Blossom Festival and many others are absent.

Minister, why are so many events and tourist destinations left out, and could you please explain what criteria were used to design this particular planner?

Hon Cameron Jackson (Minister of Tourism): First of all, I'd like to thank the member for Northumberland for his question. He has raised some significant concerns on behalf of his constituents.

The 48-page Ontario summer program planner is an advertising supplement that's produced by the Ontario Tourism Marketing Partnership. I'm pleased to report that in developing this important document to promote tourism in our province, we contacted 2,500 different attractions and over 250 destination marketing organizations within our province. That included Northumberland county. Unfortunately, Northumberland chose not to participate in the advertising program to expose their wonderful festivals and programs.

I also wish to share with members of the House that this is part of an overall strategy to expand and enhance access to festivals in the province. We have been working co-operatively with Ontario 2000, and in that joint marketing we've been able to expose and market far more festivals this year than ever before in the province's history.

Mr Galt: Thank you, Minister, for the response. I'm sure you understand that tourism is one of Northumberland's biggest industries, so you can understand the importance of making sure that most, if not all, events are included. We have great events like the Great Farini Heritage Festival in Port Hope, the Applefest celebration in Brighton, not to mention the rural agri-ventures coming up in Campbellford this weekend.

Minister, for the next publication, can you ensure that the county office in Northumberland will be contacted so that most, if not all, events are listed and mentioned in planners in the future?

Hon Mr Jackson: I want to assure the member that we will continue, as we have in the past, to enhance the commitment we've made to Northumberland and all regions in the province to promote tourism activity.

As you know, the government has committed \$170 million, unprecedented in Canada in terms of marketing and promotion for tourism activities. We recognize it's the fastest-growing industry in our country, and it also includes the unprecedented support we received from the Treasurer and the Premier, with \$50 million in additional dollars for marketing, especially four-season marketing of Ontario. Last year alone, our efforts expanded access to our province by 1.5 million more trips and that resulted in about \$510 million more of consumer spending and increased about 17,000 net new jobs in our province.

There are more regional activities that we'll continue to promote. In fact, I'll be in Northumberland next week during Tourism Week to provide some support for the Port Hope Festival Theatre, and I know the member will be pleased to join me for that important announcement.

1450

ONTARIANS WITH DISABILITIES
LEGISLATION

Mr Steve Peters (Elgin-Middlesex-London): My question is for the Premier. My question is about honour, integrity, and being a man of your word.

Five years ago, you promised in writing that a Harris government would enact an Ontarians with Disabilities Act within your first term of office. You promised personally that you would work with the Ontarians with Disabilities Act Committee towards developing that legislation. That was your personal promise, Premier. You are now one year into your second term of office: half a decade, two elections and three ministers since you promised action. Two broken promises, Premier, no legislation—don't tell us Bill 83 was legislation—and you continue to refuse to meet with the committee.

You talk about being a government that does what it says it's going to do. Premier, you've broken your trust. You've broken your word. Why won't you meet with the committee? Are you afraid to face them?

As the Premier of this province, would you show some integrity and keep your promise to the more than 1.5 million persons in this province with disabilities? I implore you, will you stand up today and commit to one hour of your time to meet with the committee to whom you made that promise, a promise you have not kept?

Hon Michael D. Harris (Premier): I think there were maybe 10 or 11 questions contained in the preamble. Let me say very clearly that I committed to bring legislation forward in our first term of office and I did bring legislation forward in our first term of office. It was debated. In fact, it had considerable consultation. I was asked by the representatives of the disabled community if I would withdraw the bill and have more consultations. I honoured that commitment as well. Immediately upon re-election, probably primarily on that commitment, we asked the new minister to begin those consultations, which, of course, are taking place. I'm a little surprised, from a party that says we do too much, too fast, that you

are now telling me I'm too slow. But we'll try and find the right balance of getting all of our commitments done.

Mr Peters: Bill 83 was a joke. When you look at the government's own Web site, it doesn't say that it was withdrawn by the government; it died on the order paper.

Premier, I have repeatedly asked the minister responsible for disabilities issues, not only in this House but by letter, for details of her elusive action plan. I have asked her who the groups are she claims to be meeting with and what the results are of those supposed consultations.

Now, Premier, I've been forced to go through freedom of information, and you know what? You want \$465 to get simple answers to simple questions. It's absolutely appalling and undemocratic that this government would see fit to charge money rather than giving open and honest answers to that question that both the opposition and the public have a right to know. Answers in question period are an ancient parliamentary right.

Premier, will you save the taxpayers \$465 and instruct your minister to openly and honestly answer a question in this Legislature? Otherwise, I'm sending the cheque over to you. Here's your money, Premier. Now will you please get me the answer to my questions? Where is the minister on her action plan? When is this action plan going to be released? With whom has the minister been consulting? What are the results of these consultations? It's been six months since that action plan was announced. The time is ticking. The time has come for action.

Hon Mr Harris: In addition to honouring the commitment to bring the bill in and honouring the commitment to have more extensive consultations to bring forward legislation, which your government refused to do in five years, the NDP refused to do in five years, which is why it befell our government, like so many things you refused to do—in addition to doing that, without the legislation, we brought in the Ontario disability support program. We've committed \$68.4 million over the next five years to address the needs of Ontarians with Alzheimer's disease. We've provided direct funding to persons with disabilities to enable them to arrange and manage their own attendant services. We've provided 35 million new dollars in resources for more support and services for people. We've committed a new workplace tax incentive to encourage businesses.

I might say, I have a cheque here for \$465. If it doesn't come with strings attached, like most of your promises, the Minister of Finance will be pleased to cash it.

COMMUNITY MUSEUMS

Mr John O'Toole (Durham): My question is to the Minister of Citizenship, Culture and Recreation. As I'm sure you know, my riding of Durham is home to the Clarke Museum. Just recently, the Clarke Museum celebrated its 30th anniversary, and I personally want to thank you for the special effort you made to provide a commemorative certificate. I must also congratulate the

chairman of the Clarke Museum, Brian Jung, the vice-chair, Valerie St Croix, and the past president, Donna Robins, all of whom attended with the other board members.

The Clarke Museum plays an important role in our community and, like many smaller rural communities, faces a number of challenges in fulfilling a mandate to promote and preserve the heritage of local communities. I understand also that the Provincial Auditor has prescribed some changes to the way museums are provided with funding by the government. Minister, please outline what impact these changes have on small rural museums and what our government is doing to protect them.

Hon Helen Johns (Minister of Citizenship, Culture and Recreation, minister responsible for seniors and women): I'd like to thank my colleague from Durham for the question. I would like to tell the people in the audience today that May is Museum Month. I hope everybody goes to their local museum and makes sure they support their local museum. They're a very important part of our local culture, our local history, and it's imperative that we all go to make sure they survive.

The majority of the 600 museums in Ontario are in small communities, so it's really important that we have a granting system that makes sure we're sensitive to the needs of these local communities. The auditor asked us simply to make sure we had guidelines for granting funds to these museums and to make sure we adhered to the guidelines. The government set up six criteria, of which four needed to be met, so that all museums across the province would have an equal chance to make sure they got grants from this ministry. This year we've been able to add 10 new museums to the granting system as a result of that.

Mr O'Toole: Thank you for that very comprehensive response. My riding of Durham is also home to the Bowmanville Museum, with Charles Towes, Arnold Bark and Elin Logan, to name but three. Scugog Shores Historical Museum in Port Perry and Susan Neale were anxious to hear what you're doing to help small rural museums. I hope you can tell us what our most recent budget did to protect the funding for rural and country museums.

Hon Mrs Johns: We have a number of different initiatives I should speak to when I'm asked a question like that. The first would be that we should talk about the heritage challenge fund, which is a \$10-million fund, half of that going to museums. As they find partners, that allows them to match funds, to have longevity, to have financial security. It's really important for our heritage areas across the province.

I also want to talk about the museum granting system we have in place. We have provided nearly \$3 million for that, to make sure the museums across the province have dollars to operate on a day-to-day basis. That's really important for the 600 museums across the province. We look forward to continuing the relationship we have with all museums in Museum Month.

GASOLINE PRICES

Mr Howard Hampton (Kenora-Rainy River): My question is for the Premier. Victoria Day is almost here and the long arms of the oil companies are set to reach deep into the pockets of hard-working Ontario consumers yet again. It's called the long weekend gas gouge. I read in the papers today that you are suddenly upset about this increase in gas prices, so I want to make a suggestion. You are the government. You have the power to bring legislation before this House today, and we can pass that legislation, to roll back gas prices so that the hard-working consumers of Ontario aren't gassed and gouged once again. You have the power. You can bring forward that legislation today by unanimous consent; we can pass it. Premier, will you show us that you're really concerned about the increase in gas prices? Will you roll back the prices before this long weekend and protect the consumers? You have the power. You can do it. Let's go.

Hon Michael D. Harris (Premier): I'm not surprised the member would phrase the question in such a way: "You have the power. Be dictatorial. Use this power. Intervene in the marketplace. Do this. Do that." That is the party that overrode labour negotiations, brought in the social contract, gutted agreements, and one of the reasons you only lasted one term was that you abused power. You intervened in the marketplace, you drove jobs out of this province, you took us to record unemployment, you had record numbers of people on welfare and we had a record deficit—all as the result of your abusive, dictatorial use and misuse of power. And now you want us to do the same. Au contraire. We are a party of consultation; we are a party that works with groups; we are a party that understands federal jurisdiction; and we are a party trying to work with the federal government and those Liberals in Ottawa who won't do the right thing.

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Mr Hampton: I think we've just heard from the apologist for the oil companies. We've just heard the big oil company line. Don't intervene on behalf of consumers. Let the oil companies artificially raise the price by 10 cents or 15 cents a litre on a long weekend with no justification at all. We just heard from the spokesperson for big oil.

Premier, you know and I know that your predecessor Bill Davis, when oil companies were trying to do this once before, brought forward legislation which froze gas prices and then, in effect, rolled back gas prices. I'm not asking you to do something radical. I'm asking you to do something which a Conservative Premier did once before in this province to protect the consumers. What is it, Premier? Are you speaking for the oil companies or are you going to do the right thing?

Hon Mr Harris: There was an area where we could do something to help truckers and motorists and cab drivers that was within provincial jurisdiction. We rolled back the sales tax that you brought in on insurance premiums, further victimizing cab drivers, further victimizing truckers in this province, further victimizing and

taxing motorists all across this province. You had jurisdiction there. What did you do with your jurisdiction? You rolled the prices up by taxing insurance premiums. We took the taxes down to help all motorists.

It appears to us that your Liberal position on this is that there should be a monopoly, their position seems to be to nationalize and we're for open competition.

The Speaker (Hon Gary Carr): The Premier's time is up. New question.

Interjections.

The Speaker: Yes, it was. He got up at 58 seconds. I thank the Minister of Labour. He got up at 58 seconds; it's almost a minute.

RETIREMENT HOMES

Mrs Lyn McLeod (Thunder Bay-Atikokan): My question is for the minister responsible for seniors. A series of articles about abuse of seniors in private retirement homes pushed you to undertake a consultation on the need to regulate these homes over the winter months. Your consultation was done quietly, behind closed doors, by invitation only. We've heard absolutely nothing from you since. I understand that privately you may be saying that these private homes don't want to be regulated and that it's too complicated a matter for legislation.

Minister, as you know, I tabled a private member's bill on care homes the first week of April that would set up a care homes review board to investigate problems with the care provided in these private retirement homes. I sent you a copy. I suggested you might use it as a basis for government legislation which we could all support. I have heard nothing back.

I ask you today, when will you release the results of your consultation on the regulation of private retirement homes and when will you bring forward legislation?

Hon Helen Johns (Minister of Citizenship, Culture and Recreation, minister responsible for seniors and women): I'd like to say two things about how this question was raised. First of all, the member opposite talks about elder abuse. Right in the Blueprint commitment in 1998 and 1999 we said we were going to do elder abuse round tables to ensure that elders lived safely within their communities. We have done that without any questions or answers from the members opposite. We moved forward on that because safety for elders is a very important issue for us.

Secondly, when we're talking about retirement homes, we've done a lot of consultation with people in the community. The parliamentary assistant, Brenda Elliott, has been out talking to people and has done a terrific job with respect to that. I've read the proposed legislation from the member opposite. We work to make sure that every senior in the province is safe.

Mr John Gerretsen (Kingston and the Islands): On a point of order, Mr Speaker: I seek unanimous consent for immediate second and third reading to Bill 16, An Act respecting the price of gasoline.

The Speaker (Hon Gary Carr): I'm afraid I heard a no.

PETITIONS

DEVELOPMENTALLY DISABLED

Mr Alvin Curling (Scarborough-Rouge River): I have a petition that I'm sure the government will pay attention to. It reads:

"To the Legislature of Ontario:

"Whereas Ontarians with a developmental disability are in growing danger of inadequate support because compensation to staff of not-for-profit agencies is, based on a recent survey, on average, 20% to 25% less than compensation for others doing the same work in provincial institutions or similar work in other settings; and

"Whereas there are hundreds of senior parents in Ontario who saved the Ontario government millions of dollars by keeping their child with a developmental disability at home, and who are still caring for their adult child; and

"Whereas there is no place for most of these adults with a developmental disability to go when the parents are no longer able to provide care; and

"Whereas these parents live with constant anxiety and despair; and

"Whereas these adult children will end up in Ontario nursing homes and hospitals if there is no appropriate place to provide care;

"We, the undersigned, petition the Legislature of Ontario as follows:

"To significantly increase compensation for workers in not-for-profit agencies so that it is comparable to the compensation of government-funded workers in identical or similar occupations; and

"To provide the resources necessary to give appropriate support to Ontarians with a developmental disability who at present have no place to go when their parents are no longer able to care for them."

I affix my signature in total agreement with thousands of people who have signed this petition.

EDUCATION LEGISLATION

Mr Rosario Marchese (Trinity-Spadina): "To the Legislative Assembly of Ontario:

"Whereas Bill 74"—you're familiar with that one—"diminishes quality education for students in this province by ensuring teachers will be responsible for more students each day and will therefore have less time for each student;

"Whereas Bill 74 attacks the very heart of local democracy and accountability by creating a system of informers and absolute powers for the Minister of Education;

"Whereas Bill 74 cuts not only the heart out of education but also the spirit by making teachers perform voluntary activities on threat of termination;

"Whereas Bill 74 means fewer teachers so that the government might deliver tax cuts to the very wealthy people of this province; and

"Whereas Bill 74 turns over all control over education in this province to one person, the Minister of Education;

"We, the undersigned, petition the Legislative Assembly of Ontario as follows:

"We call on the government to hold public hearings on Bill 74 immediately."

I affix my signature to this because I support it.

DEVELOPMENTALLY DISABLED

Mr John O'Toole (Durham): The table will be very satisfied that this is the last time I will be presenting this petition on behalf of the Honourable Dan Newman, who, as a minister of the crown, can't present petitions on his own behalf. But his constituents continue to send in these petitions. From Cay Sheddon and Judy Patterson:

"To the Legislative Assembly of Ontario:

"Whereas Ontarians with a developmental disability are in growing danger of inadequate support because compensation to staff of not-for-profit agencies is, based on a recent survey, on average, 20% to 25% less than compensation for others doing the same work in provincial institutions or similar work in other settings; and

"Whereas there are hundreds of senior parents in Ontario who saved the Ontario government millions of dollars by keeping their child with a developmental disability at home, and who are still caring for their adult child; and

"Whereas there is no place for most of these adults with a developmental disability to go when the parents are no longer able to provide care; and

"Whereas these parents live with constant anxiety and despair; and

"Whereas these adult children will end up in Ontario nursing homes and hospitals if there is no appropriate place to provide care;

"We, the undersigned, petition the Legislative Assembly of Ontario as follows:

"To significantly increase compensation for workers in not-for-profit agencies so that it is comparable to the compensation of government-funded workers in identical or similar occupations; and

"To provide the resources necessary to give appropriate support to Ontarians with a developmental disability who at present have no place to go when their parents are no longer able to care for them."

I'm pleased to sign and present this petition.

1510

SCHOOL CLOSURES

Mr John C. Cleary (Stormont-Dundas-Charlottenburgh): I have a petition to the Legislative Assembly of Ontario.

“Whereas the Kinsmen/J.S. MacDonald school is slated for closure,

“We, the undersigned, petition the Legislative Assembly of Ontario as follows:

“To direct the Upper Canada District School Board to remove the notice of closure for the Kinsmen/J.S. MacDonald special school facility.

“Since 1963 the special education facility has adequately served the needs of those students requiring special education programs and services throughout Stormont-Dundas-Charlottenburgh.

“Presently, the Kinsmen school meets the needs of 45 children ranging from minor learning disabilities, behavioural to more complex multi-challenges.”

I’ve also signed the petition.

DEVELOPMENTALLY DISABLED

Mr David Young (Willowdale): I too have a petition, Mr Speaker. The preamble is the same as the petition presented previously by the members from Durham and Scarborough-Rouge River. I’ll not repeat it, but I will read the operative clause, with your permission.

“We, the undersigned, petition the Legislature of Ontario as follows:

“To significantly increase compensation for workers in not-for-profit agencies so that it is comparable to the compensation of government-funded workers in identical or similar occupations; and

“To provide the resources necessary to give appropriate support to Ontarians with a developmental disability who at present have no place to go when their parents are no longer able to care for them.”

NORTHERN HEALTH TRAVEL GRANT

Mrs Lyn McLeod (Thunder Bay-Atikokan): I have a petition to the Legislative Assembly of Ontario.

“Whereas the northern health travel grant was introduced in 1987 in recognition of the fact that northern Ontario residents are often forced to receive treatment outside their own communities because of the lack of available services; and

“Whereas the Ontario government acknowledged that the costs associated with that travel should not be fully borne by those residents and therefore that financial support should be provided by the Ontario government through the travel grant program; and

“Whereas travel, accommodation and other costs have escalated sharply since the program was first put in place, particularly in the area of air travel; and

“Whereas the Ontario government has provided funds so that southern Ontario patients needing care at the Northwestern Ontario Cancer Centre have all their expenses paid while receiving treatment in the north which creates a double standard for health care delivery in the province; and

“Whereas northern Ontario residents should not receive a different level of health care nor be discriminated against because of their geographical locations;

“Therefore, we, the undersigned citizens of Ontario, petition the Ontario Legislature to acknowledge the unfairness and inadequacy of the northern health travel grant program and commit to a review of the program with a goal of providing 100% funding of the travel costs for residents needing care outside their communities until such time as that care is available in our communities.”

I affix my signature in full agreement with the additional 44 constituents who have signed this petition.

EDUCATION LEGISLATION

The Deputy Speaker (Mr Bert Johnson): Further petitions? Further petitions?

Ms Frances Lankin (Beaches-East York): Yes.

The Deputy Speaker: The Chair recognizes the member for Beaches-East York.

Ms Lankin: Thank you, Mr Speaker.

“To the Legislative Assembly of Ontario:

“Whereas Bill 74 diminishes quality education for students in this province by ensuring teachers will be responsible for more students each day and will therefore have less time for each student;

“Whereas Bill 74 attacks the very heart of local democracy and accountability by creating a system of informers and absolute powers for the Minister of Education;

“Whereas Bill 74 cuts not only the heart out of education but also the spirit by making teachers perform voluntary activities on threat of termination;

“Whereas Bill 74 means fewer teachers so that the government might deliver tax cuts to the very wealthy people of this province, and

“Whereas Bill 74 turns over all control over education in this province to one person, the Minister of Education,

“We, the undersigned, petition the Legislative Assembly of Ontario as follows:

“We call on the government to hold public hearings on Bill 74 immediately.”

I am in complete support and affix my signature.

The Deputy Speaker: I just want to comment on the members who are standing up and those who might be standing up sometime and having a conversation. It obstructs the view of the Speaker to recognize people who are standing up. My apologies to the member, but I didn’t see you. I only take a little bit of the responsibility for that; the rest of it I’m going to blame on the members from Brampton and Parkdale-High Park.

PENSION FUNDS

Mr Pat Hoy (Chatham-Kent Essex): “To the Legislative Assembly of Ontario:

“Whereas the Ministry of Health announced a new model on January 25, 1996, for improving and coordinating long-term care services. The amalgamation of the home care and placement coordination services function did shift to community care access centres (CCACs). The governing bodies of various pension plans, namely the Ontario Municipal Employees Retirement Savings (OMERS), Victorian Order of Nurses (VON), Family Services Association (FSA) and Hospital of Ontario Pension Plan (HOOPP) have failed to successfully negotiate agreements for a transfer of pension assets.

“We, the undersigned, petition the Legislative Assembly of Ontario as follows:

“That the pension adjustments are a transition item which the ministry has not yet addressed. We are requesting a one-time adjustment to enable the transfer of pension assets. This transfer is required to ensure that employees transferred from predecessor employers (namely health units and the Victorian Order of Nurses) to community care access centres as part of the mandatory government reform initiative for ‘single access to long-term-care services’ receive pension benefits equal to those which they formerly enjoyed. Provincially over 3,000 health care workers are affected. The individuals who transferred to the CCACs had no control over what would happen to their prior pension contributions. Unless a one-time adjustment is made to enable the transfer of reserves, the typical employee will lose about \$2,000 annually in pension benefits compared to the position they would have been in had they been allowed to remain in OMERS.”

This is signed by a number of residents who have great concern for this from the Chatham area, and I affix my signature to it.

GOVERNMENT ADVERTISING

Mr James J. Bradley (St Catharines): I have a petition to the Legislative Assembly of Ontario:

“Whereas essential health care and educational services have been deprived of government funding because the Conservative government of Mike Harris has diverted these funds to self-serving propaganda in the form of pamphlets delivered to homes, newspaper advertisements and radio and TV commercials;

“Whereas the Harris government advertising blitz is a blatant abuse of public office and a shameful waste of taxpayers’ dollars;

“Whereas the Harris Conservatives ran on a platform of eliminating what it referred to as ‘government waste and unnecessary expenditures,’ while it squanders well over \$100 million on clearly partisan advertising;

“We, the undersigned, call upon the Legislative Assembly of Ontario to implore the Conservative govern-

ment and Mike Harris to immediately end their abuse of public office and terminate any further expenditure on political advertising.”

I of course affix my signature because I’m in complete agreement.

HIGHWAY SAFETY

Mr Pat Hoy (Chatham-Kent Essex): “To the Legislative Assembly of Ontario:

“Whereas 13 people died during the first seven months of 1999 on Highway 401 between London and Windsor; and

“Whereas traffic levels on all sections of Highway 401 continue to increase; and

“Whereas Canada’s number one trade and travel route was designed in the 1950s for fewer vehicles and lighter trucks; and

“Whereas road funding is almost completely paid through vehicle permit and driver licensing fees; and

“Whereas Ontario road users pay 28 cents per litre of tax on gasoline, adding up to over \$2.7 billion in provincial gas taxes and over \$2.3 billion in federal gas taxes;

“We, the undersigned members of the Canadian Automobile Association and other residents of Ontario, respectfully request the Legislative Assembly of Ontario to immediately upgrade Highway 401 to at least a six-lane highway with fully paved shoulders and rumble strips; and

“We respectfully request that the Legislative Assembly of Ontario place firm pressure on the federal government to invest its gasoline tax revenue in road safety improvements in Ontario.”

I affix my name to this petition signed by concerned residents from the Tilbury region.

1520

ORDERS OF THE DAY

Hon Dianne Cunningham (Minister of Training, Colleges and Universities): I seek unanimous consent that, notwithstanding standing order 77(b), House debate on Bill 33 may proceed without reprinting.

The Deputy Speaker (Mr Bert Johnson): Is there unanimous consent? It is agreed.

FRANCHISE DISCLOSURE ACT, 1999
LOI DE 1999 SUR LA DIVULGATION
RELATIVE AUX FRANCHISES

Mr O’Toole, on behalf of Mr Runciman, moved second reading of the following bill:

Bill 33, An Act to require fair dealing between parties to franchise agreements, to ensure that franchisees have the right to associate and to impose disclosure obligations

on franchisors / Projet de loi 33, Loi obligeant les parties aux contrats de franchise à agir équitablement, garantissant le droit d'association aux franchisés et imposant des obligations en matière de divulgation aux franchiseurs.

Mr John O'Toole (Durham): Mr Speaker, when debate begins, if we could have unanimous consent for the following arrangements for the afternoon's proceedings:

Debate begins with one hour for the NDP, followed by one hour for the Liberals, and concluding with the government caucus for the remainder of the time. There will be no questions and comments on members' statements.

The Deputy Speaker (Mr Bert Johnson): Is there unanimous consent? It is agreed.

Mr Tony Martin (Sault Ste Marie): The business that we attend to here this afternoon is the culmination of a lot of work by a lot of people over a long period of time, actually some 30 years, but most particularly over the last five or six years and, in a most intense way, over the last few months in this place and around the province.

Thanks have to go to a lot of people, and I will reference them as I move through my comments here in the House this afternoon. I particularly want to give credit to the co-operative nature of the last couple of months, where this business is concerned, between all of the parties here at Queen's Park—the Tory caucus, the Liberal caucus and our own—in moving this forward under some very trying and difficult circumstances and finding some room, some common ground, some compromise so that at the end of the day we might be able to say to the 40,000 franchisees in Ontario that there is some legislation that governs their industry that they can count on if they have to go before the courts to get a grievance resolved.

Unfortunately, though, what we have today will not do all the things that some of us hoped it might do, things that were actually contained in a bill that I tabled in the House at least three times over the last five or six years that would have seen us move to actually regulating the relationship, that would have been good for those franchisees who are now doing business in this province, many of them under some duress.

The bill that we will pass here today will present some opportunity for them; however, it will not avoid the very costly court proceeding, with the money that has to be spent on legal advice and lawyers that will inevitably ensue from what we do here today. Having said that, it will be helpful and will respond to some needs that have been defined and requests by people in the industry out there, particularly the franchisees, and so we are happy to be participating in this debate and laying before the House some of the proceedings, some of the discussions, some of the thoughts and presentations that exist across Ontario today.

What we're dealing with today is the quintessential story of power and control. The world we live in today defines power and control by money: how much money you have, how much money you can make, how much

money you can get other people to give you, and, in some very rare instances, how much money you can share to make sure everybody is doing well.

In an environment of that nature, it seems to me, in the short time I've been looking at this piece of work, there are other factors at play. Among those factors is fear, a fear among people who shouldn't be fearing, who should not be worried about their livelihood, their future, their investment. Having done due diligence, having in all goodwill invested their money, sometimes all of the money they own and then some, they should simply be called to work hard, to put in the effort and realize the return that should happen on that effort. However, alas, that's why we're looking at legislation today. That's why in my view legislation is required, legislation that goes far beyond what is on the table today, which we are going to be satisfied, at the end of the day, at this point in time, will take us a small distance but which is not nearly good enough to deal with the very real anxiety and fear that is out there today among the some 40,000 franchisees doing business in this province. Those 40,000 franchisees represent, just to give you an idea of the scope of this industry, some \$4 billion in investment by franchisees, some \$45 billion worth of retail sales, and in hires it is the employer of some 500,000 workers in the province.

It's very important that we take a serious look at and take to heart that which we might do, and make every effort to go as far as we can to put in place things that will create a level playing field, that will present to people the opportunity they felt they were getting into when they signed agreements to go into business in Ontario.

Just to highlight the aspect of fear, during the presentations we heard as we travelled the province some four or five weeks ago, the Canadian Federation of Independent Grocers, who presented to us I believe in Ottawa, said:

"Fear is generated when franchisees are forced to sign restrictive or controlling franchise agreements that limit their ability to manage their businesses as independent operators in the best interests of the consumer ..."

"Fear occurs when franchisors locate new stores in the same marketplace as the franchisee they supply. Fear of economic retaliation should franchisees associate to discuss common areas of concern and, therefore, increase their potential bargaining power ..."

Unless you've had an inside look or you have been in relationship with somebody or you've actually been in business yourself as a franchisee, it's hard to imagine and understand that that exists today out there in the small business sector, the franchise sector of the industry that drives this province. However, it does, and that's why we're here today. We're here today to do something that will be helpful in lessening that fear, in lessening that anxiety and giving these folks some access to vehicles that will reduce the possibility of this continuing and give people some redress.

Franchising in Ontario was studied as far back as some 30 years ago, when the Grange report was commissioned by a predecessor of mine in Sault Ste Marie, the then Minister of Consumer and Financial Affairs for the province, Arthur Wishart. In commissioning that report, he also asked that a review be done of pyramid selling and referred sales. Just to give you an idea of the flavour, the sense of what was happening in franchising even as far back as 30 years ago, you had a government looking at franchising, pyramid selling and referred sales. In describing franchising in Ontario, that report called for a review of the "evils of franchising." I have to tell you that those evils exist to this day and are more disconcerting because of the size of the industry in Ontario compared to what it was 30 years ago, and the number of people involved, the number of lives affected by this.

The Grange report recommended legislation. The report was filed with the minister of the day and, alas, nothing was done. It sat on a shelf until a most recent attempt to do something substantial when, as many of you will remember, the Pizza Pizza debacle blew up in this province. Some of you will remember that in response to that, a colleague of mine in this place back in the early 1990s brought forward a piece of legislation to deal with it. There was a lot written in the local newspapers about Pizza Pizza at that time and the very difficult circumstance the franchisees found themselves in trying to deal with the franchisor in that instance.

1530

I share with you just some of the commentary that was written in the Toronto Star on May 2, 1993, talking about Lorne Austin, the main franchisor in that instance. They called him a "flamboyant con man with a string of bankruptcies." "Austin was one of the most prolific white-collar criminals I have prosecuted in my career." That was said by the judge who found him guilty. Kent Neal, assistant Attorney General in Florida, called him a "racketeer, a wheeler-dealer, a cocaine-crazed megalomaniac."

This is just one of the people operating franchises in this province who are taking advantage of men and women of goodwill who simply want to invest some money to secure a job and a future and a pension and perhaps even, who knows, pass that on to their children so that they might leave a legacy. But when you're dealing with the kind of person described here in the Pizza Pizza situation in the Ontario of that day, you don't have to wander too far to begin to realize just exactly what was happening and why we need the kind of legislation that Jim Wiseman called for at that time, that I've called for over a period of five or six years now, most recently in Bill 35, that would not only call for disclosure up front before an agreement is signed, and the right to associate, given that those are important things, but would call for a regulating of the relationship so that people like Mr Austin no longer have the freedom to operate in the way they have.

It's interesting, reading one of the documents out of the United States that is put out to attract franchisors into

Canada, and Ontario in particular, that they describe the environment for franchising in Ontario as the Wild West: "Come on in and shoot them up. Take advantage, get what you can and don't worry about the carnage that's left behind. It's just a matter of making money as fast as you can and then ultimately getting out."

Most recently, in the mid-1990s, on the urging of Mr Wiseman, who had tabled a piece of legislation at that time, the then Minister of Consumer and Commercial Relations, Marilyn Churley, commissioned a study. I have here the results of that study, under the heading of "Franchise Sector Working Team." It was a report to the Minister of Consumer and Commercial Relations. It was finally completed and tabled with the previous Mike Harris government and the minister of the day, Mr Norm Sterling. Interestingly enough, the central recommendation in that report was that legislation be developed and put in place. So once again there was a call for legislation. There was a call for legislation in the Grange report. There was a second call for legislation in the franchise sector working team report to the minister in 1995.

Just to give you an idea of some of the pull and tug that's happening within this place and across the province as we work to achieve even some small victory in this effort, here's a part of a letter that was written by one of the participants in that working team who saw it as not in keeping with the voice that he was carrying from a significant number of franchisors across the province. As a matter of fact, the member who wrote this letter was sitting on the working team representing the non-Canadian Franchise Association franchisors in the province. Now, if you figure that the Canadian Franchise Association represents some 15% of franchisors in the province, then this fellow represents the other 85%; at least that's the math that I would do. So you have 85% of the franchisors in the province saying to the minister of the day, "Given that everybody else on the working team agreed, as did the people who put together the Grange report, that we needed legislation, regretfully I have advised Mr Art Daniels and Mrs Eleanor Friedland that I will not be able to sign off on the status report of the franchise working team." It says: "It was my understanding that on August 22, representatives of the team were to review the final document which had been circulated previous to this meeting. The earlier circulation was to provide an opportunity for all representatives to review with their constituency the content of the final report."

He goes on to say, "At no time was it contemplated that we would move directly from a report to recommending any type of legislation to government without understanding the need and the mandate of an industry self-managed organization." He goes on to say that he, "on behalf of the people that he speaks for will be pulling out of the franchise sector working team and will not be supporting the recommendations that are herein."

Even at that point, we weren't sure what kind of legislation might be imagined or put together. It was just a recommendation that legislation be considered given that

it was recommended in the Grange Report, and you have the spokesperson for conceivably 85% of the franchisor piece of the industry saying, "We're not interested in legislation." It just gives you the flavour of the discussion and the debate and the difficult challenge it presented to those of us who felt very strongly that, not only was legislation needed but that legislation with teeth was needed if we were going to take control of this industry and provide the level playing field that so many of the franchisees, who came before us over the last few years, indicated was required.

I'll just leave this aside for a second because I'm going to need it in a few more minutes to highlight another point I'm going to make as I go forward.

The central recommendation to the working team was that we have legislation. However, a major player pulled out over this issue and this will become important later in my discussion or my presentation here this afternoon. And so begins to unravel a public relations exercise to put a good face on an industry rife with difficulties, because the major players, some of the bigger franchisors, could not agree that legislation was necessary. The pressure began to block or to slow down or to minimize, at the end of the day, what would be presented and what would be acceptable or accepted here in this Legislature.

It was at about this time that I was approached in my home town, the constituency I represent here in this place, Sault Ste Marie, by some of my constituents, a couple of very well respected, good corporate citizens in Sault Ste Marie, franchisees in two very successful Loeb grocery stores who found themselves one day under the gun by the new owner of the chain, Provigo, operated out of Montreal.

They decided at head office that they no longer wanted franchise stores. They wanted corporate stores in about, I'd say, 25 to 30 different locations across a stretch of territory in northern and eastern Ontario that went all the way from Sault Ste Marie over to Ottawa. My own constituents called for an appointment, we sat down, we talked, and they shared their situation with me. They brought me to a meeting of a larger group of franchisees in the Loeb grocery industry across all of Algoma, again people who had invested their life savings, who had gone to family members to entice them into buying into this dream they had that they would be able to build something that would employ a lot of people, including some of their family members, and ultimately, at the end of the day, be able to turn that over to their children by way of a legacy.

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These people I met with—I shopped in their stores—were good business people. They did good work and they contributed in a very positive and constructive and creative way to the overall life of my community. As a matter of fact, there was one gentleman in Sault Ste Marie, a Mr Cairns, who built up a store in Blind River to a point where it was very successful. He turned it over to his son and then moved to the bigger city of Sault Ste Marie and took over a store there and built it up. It was

an empty Safeway store that he took over, no longer operating. He took over that location and he built it into a going concern. The parking lot was always full. I shopped there. The aisles were always busy with people. Mr Cairns could be found at any of a number of charitable events in the community of a weekend with his wagon making hamburgers and hotdogs and selling all kinds of soft drinks, the proceeds of which went to the charity of the day. As a matter of fact, you had to get your name in early in the year to actually tie down that wagon and Mr Cairns.

This was the kind of person we were dealing with in Sault Ste Marie, who came to me distraught to a point of despair almost because there was nothing he could do in front of this unilateral decision that was made to take away his livelihood, to take away that which he had invested in, that which he thought was going to be his future that he could pass on, once again, to his children.

Do you know what, Mr Speaker? It happened to his son as well. The store that he had left in Blind River that his son continued to operate, that was doing well, they decided it was going to become a corporate store as well, no questions asked. It was just a matter of that's the way it was.

A Mr Williamson, the same story, the same kind of very good corporate citizen in Sault Ste Marie.

As a matter of fact, these people—and I find this really disturbing and strange in the world that we live in today. These people spent literally weeks sleeping in their stores so that Provigo wouldn't come in and change the locks when they came to work in the morning and throw them out.

I knew very clearly, because of my roots politically in the New Democratic Party, the struggle of workers with the corporate agenda. I had a feeling that small business was also more victim than winner in the economy that was evolving in Ontario and that I saw operating around me. I had no idea how pervasive and close to home and how callous it all was, absolutely no idea, until I met personally with these men and women, these families, and they told me their stories. I couldn't believe it until I saw it for myself.

I drove through the parking lot of Cairns' grocery store one night at about 2 o'clock in the morning. I saw the family inside looking out the window, getting set up for the night, and I looked in the parking lot and there was a vehicle with shaded windows sitting there, motor running. It sat there all night—

Mr John Gerretsen (Kingston and the Islands): Was Howie visiting?

Mr Martin: No, that was another time, John—intimidating these families into perhaps giving up what they had.

There was a real feeling of powerlessness, and that was when I first tabled the bill that I am still calling on the government to perhaps at some point in the not-too-distant future take hold of and make their own and make what's in it the order of the day in terms of legislation

and regulation where franchising is concerned in the province of Ontario.

It wasn't long after that that one Mary Carlucci came to see me; same story. Mary Carlucci is woman who worked her way up the ranks, got a job as a checkout clerk and stocking shelves, was a dynamo, worked hard, was bright, learned the industry, was given an opportunity to become a manager and then ultimately was given the opportunity to own her own store. She took over a store that was generating some business, but certainly not the million-dollar business that she built it up to over a period of some 10 years. I have to tell you the story was very similar with her. She was notified one day—and her parent company was National Grocers, Mr Weston. I was just reading in the paper the other day that he made a historically record-high profit. I wonder how Mary Carlucci feels about that. She's out of business. She no longer has a store. She's no longer able to do the business that she loves. I talked to her a couple of months ago and said: "How are you doing? What's it feel like to be out of the grocery business?" She said: "I miss it. I miss it like it was part of me, to walk into the store—the smell, the noise, the interaction." She loved doing the grocery business. She's no longer doing that. She's doing something else and she's quite successful at it. Given the effort that she made and the work that she did to build up that store, it doesn't surprise me.

But she got a phone call to say that there was going to be a marketing meeting at the local hotel just up the road. While she was gone at the supposed marketing meeting, the executives of National Grocers moved in and changed the locks, took over the cash registers and told any family members who were there to go home, and that Mary would explain to them later what had happened. Boom, she was gone. She came to me. She got some legal advice and began a campaign that at the end of the day meant that she got a little bit more than she was initially offered by way of a buyout package, but certainly nothing reflective of the investment that she made and the return on that investment that should have been expected, nothing that reflected the effort that she made to build up that store and make it a force to be reckoned with in Sault Ste Marie—nothing even close to reflecting the goodwill by way of the hockey teams that she sponsored and the other sporting things that she was involved in, in Sault Ste Marie. Not even close, just: "Thank you very much; it was nice. We'll see you later, and don't give me a hard time or else I'll see you in court." That's Mary Carlucci.

I just want to share with you a couple of quotes that were in the newspaper around the time of the Larry Cairns and Mary Carlucci difficulties in Sault Ste Marie. It said in the Sault Star in August 1996, "Larry Cairns and Mike Williamson are among 21 franchisees who launched a \$200-million lawsuit against Provigo Inc and its Loeb Inc division." Then in the Sault Star of August 4, 1996, it says, "June 28: Launch 21-franchise lawsuit ... Agreement terminated as of November 2." They were gone. They were out of the picture. Then it says in the

Sault Star of August 16, "The last 18 months Provigo has taken over the operation of 47 of the 111 Loeb franchise stores, replacing franchisees with corporate managers."

Across a strip of Ontario that ran all the way from Sault Ste Marie to Ottawa, some 47 families—because it's usually families who run grocery stores; they're normally family operations. Some of them have been around for a hundred years. We met some of them when we out on the road doing the hearings—a couple who came before us in the Ottawa area. They're now feeling the pinch from their particular owner at the moment, but back in 1995-96, some 47 Loeb grocery store operators, owned by Provigo, lost their stores and were replaced by corporate managers.

Mary Carlucci: On January 8, 1997, National Grocers entered Carlucci's office and changed the locks. This was in the newspaper in February 1999. Carlucci was seen as a crackerjack in the grocery business. Mary raised sales from \$9 million per year to \$22 million per year in the time she was in business, yet National Grocers felt it within their purview to take that away from her because she obviously wasn't doing well enough. She wasn't doing enough business for them.

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That's just part of the story that's out there, that's unfolding in Ontario today. Right now, as we speak, there are a number of grocery store operators—families who have run grocery stores across this province for some 100 years now—who are great duress, under great stress as they deal with their parent companies. The grocery store business has consolidated very much over the last short number of years to the point now where I think two major entities control 80% of the activity in Ontario. We'll talk in a few minutes about that as well, because this government has committed to moving with me and the Liberal caucus to making representation to the Competition Bureau of the federal government to see if we can get some action on that front.

The bottom line in all of these stories—and the stories that I will continue to share with you as I have time here this afternoon—is that these folks lost their stores. People across this province, some 5,000 of them per year—according to the working paper that the Ministry of Consumer and Commercial Relations put out not more than a year or a year and a half ago—some 5,000 franchisees, which often represent the livelihoods of families, are before the courts every year in this province. At the end of the day, most of those actions result in those people losing their investment.

If we're to believe Kevin Ryan, the senior vice-president of franchise operations for National Grocers, he says in his letter: "The committee has acknowledged that not all franchisees are the same. For example, in our industry, we are franchising stores that employ more than 200 people, with investments that range between \$5 million and \$7 million when one includes the cost of land, building, equipment and inventories." They range between \$5 million and \$7 million including building,

equipment and inventories. That's gone. That's investment these folks made on behalf of the system.

In this business, I'm told, the franchisor has all the power; the franchisee invests all the money. It's the franchisee's \$5 million to \$7 million that ultimately disappears in these circumstances. If you don't believe me, I suggest that you go and talk to Mr Cairns or Mr Williamson or Mary Carlucci, who is still in Sault Ste Marie. However, you may have some difficulty, because what's interesting in all of this is that when a deal is done between the franchisee and the franchisor—which ultimately happens because it's the only thing that franchisees are left with in trying to minimize the damage—usually there's a rider, a gag order, that comes with that. It says that these people can't talk to people, can't tell others about their circumstances and what happened and at the end of the day what they got.

You can go and talk to Mr Cairns or Mr Williamson and their families or Mary Carlucci. Off the record and informally, they'll probably tell you a lot of things. But publicly they can't tell you anything, which makes for some difficulty in terms of some of the disclosure legislation that's part of the Bill 33 package that we're being offered here today. However, it's still—and I say this reservedly—better than nothing at all, because we gained a few other things in this whole piece that made that true. Anyway, we'll set that aside for now.

I actually brought the Loeb people to Queen's Park. I had meetings with them. They met with members of government. They came to the gallery here. I asked questions of the minister. I asked when he was going to bring in legislation that would protect these folks. I brought Mary Carlucci down here and did the same thing, because I wanted this story to be told, and I wanted to expose the difficulties these people were facing and the injustice that was inherent in franchising in the province.

Not long after that, I brought Peter Thomas in here, another victim, another person who had, in all good will, taken the money he could scrape up, that he had worked hard to generate over a long period of time, probably went to family and others and took some money out of the bank, borrowed some money and invested it in an opportunity that he thought, if you followed all the rules and regulations, turnkey. The document he was presented by the franchisor said, "You can't miss." But, alas, he could, and Mr Thomas did. Unfortunately, today he's short his life savings and he's not well. I suggest that maybe some of that not being well might be connected to some of the anxiety and stress that came with the very difficult relationship he had with that franchisor. There has to be some moral and ethical responsibility there as well. I share with you, from the Report on Business magazine from December 1998, that in an 18-month stint, Mr Thomas lost some \$170,000 in investment.

It's interesting. We're debating a piece of legislation here that is primarily about disclosure and the right to associate. It's suggested that if Mr Thomas had simply looked harder at the document that he was presented with

by the franchisor, he may not have got himself into the deep water that he did. There are some who suggest here, rather callously and flippantly, that you can't legislate against stupidity. I suggest to you that that's patronizing and belittling of the very well-meaning, hard-working and intelligent people who get hoodwinked in this province today by salesmen with a dream to sell that in the end turns out to be pretty sour.

Mr Ned Levitt happens to be the CFA, Canadian Franchise Association, general counsel. He said in an article in a newspaper not so long ago, "A good salesperson can sell around a disclosure document." I believe that to be true.

Ultimately, after I had asked the minister one more time when he was going to bring legislation forward to protect the investment of people like Peter Thomas, I brought before the House Mr Les Stewart, somebody who was directed to me because word was out there now across the province that I had an interest in franchising and was working on trying to get some legislation in place and would take the time to listen and try to develop some strategy around their particular story, but build that into the bigger agenda here, which was to get what we're talking about here today, legislation in place in Ontario.

What to say about Les Stewart? Every story of a nature that is evolutionary and building on that which is common among us in terms of what we want for each other is always championed by a small number of people, and in many instances by one person. I have to tell you, it was the support, the encouragement, the candidness and the very hard work of Les Stewart, in many ways, that has us here today in this House discussing this legislation. I have nothing but thanks and good feelings regarding Mr Stewart where this is concerned, because he was a victim himself of a franchise operation that he looked at. Mr Stewart was an MBA from Western. He did the due diligence, bought the goods, thought that this looked like a good plan. He couldn't find any holes in it until he actually got down the road a little ways and began to realize that the projections that were in the document à la how much money he could expect to make weren't panning out and that he was going further and further in the hole as each year went by.

Mr Stewart, who was a Nutrilawn franchisee, lost some \$130,000 in his first two years, achieved less than 25% of the projected sales revenue. Trust me, Mr Stewart is no slouch. I don't know when Mr Stewart sleeps, I have to tell you, because I know that whenever I try to get hold of him, he's working, doing something, trying to do that which is required to put bread on the table and pay the rent and live a dignified life. But even with all that work and all that effort, he achieved less than 25% of projected sales revenue and watched 17 of 24 Ontario markets change ownership in that system in four and a half years.

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He went on to found the Canadian Alliance of Franchise Operators, an organization that has been helpful to me as I've worked to try and bring some understanding

and some commitment to this on the part of the government and others out there who might have an interest in this whole franchising industry.

His trial record was closely watched by the franchise industry and his story was written up in the *Toronto Star*.

It was after Mr Stewart came to me, and we talked about his particular story and we looked at what he would need in order to get some resolution to this difficulty, that I tabled my legislation for the second time in this place. Then, to give the government of the day some credit, they finally tabled some legislation. Minister Tsubouchi at that particular time put on the table a package similar to Bill 33. In my view, it wasn't good legislation, but nevertheless for the first time in 30 years in Ontario something was on the table that we could take a look at and perhaps build on and make something out of. It was a compromise arrived at by people from the working group, primarily franchisors or franchisor-friendly lawyers. The franchisees in the group were, for the most part, successful, continuing to operate systems out there and, of course, very much aware on which side of their bread the butter was located.

Some likened the compromise that was arrived at re the predecessor to Bill 33 as bringing drunk drivers together with Mothers Against Drunk Driving to draft legislation on drinking and driving. It was legislation that called for fuller disclosure of information before a franchise agreement is signed and basically the right to associate; that was it. I'm not saying that wasn't a good move, that it isn't something that will be helpful out there, but it's not, in my view and from talking to numerous franchisees, including the people I've just told you stories about and many, many others, enough at all.

This first offering disappeared before Christmas 1998 and then ultimately died when the election of 1999 was called. At that time it was an all-or-nothing offering. We were here; it was about 11 o'clock on the night we were to rise before Christmas. All of a sudden the House leader came back to me and said: "The government's willing to consider passing the franchise legislation. Are you in agreement?" I said: "Whoa, hang on here. I've got to talk to some people." In discussing this with some folks, we decided no, there just was not enough in this for us to agree to its going forward, and so at that time it was stopped.

Now, to give the present government credit, and particularly the current minister, Mr Runciman, the same bill was introduced in the 1999 fall sitting at the same time I tabled my bill, Bill 35, for the third time in this House. However, this time the feeling was different, in my view. The minister met with me and indicated a willingness to co-operate, and soon after that, just before the House rose, again at Christmas for the winter break, it was indicated that hearings would be possible. And in discussions with the subcommittee after Christmas, in January, it was agreed that we would travel the province for a week.

Now, that may not seem like much, but when you consider the record of this government where consul-

tation is concerned and travel by committees is concerned, this was a huge concession, a huge win. I have to give full credit to the Minister of Consumer and Commercial Relations for agreeing to that, because that gave us the wonderful opportunity to get out there and hear first-hand from franchisees.

I suspect the Canadian Franchise Association, and others who represent the franchisor side of this, suspected we wouldn't get any franchisees to come because they weren't quick off the mark to sign up to make presentations. It was only after it became obvious that we were filling the slots with franchisees and others who had an interest in this that they began to come forward, and in fact created a bit of havoc near the end because they weren't included. They were too late and didn't get on.

As a matter of fact, Mr Thomas didn't get on because there was some negotiation that went on behind the scenes that made sure there was some balance in the presenters who came before the committee at that time. Nevertheless, the fact that they were able to come and that they agreed to come—you have to understand the risk that many of these folks took in coming forward and telling their story—

Mr Rosario Marchese (Trinity-Spadina): Threatened, right?

Mr Martin: Yes, they're going public with a very difficult relationship. You can imagine having difficulty with, say, your partner or one of your kids, and all of a sudden going public with it. That's just, in some small way, to try and help people understand how difficult this might be.

However, in this instance, franchisees coming forward to put on the table some of their concerns and their grievances re the industry or the system they belong to presented some real risk to them of some retribution. We have story after story of retribution happening in many of these industries across—

Mr Marchese: They sign an agreement saying, "You can't go out and talk about this or that."

Mr Martin: Absolutely. You can't do that. You can't join an association. You can't talk about it. You can't do this, you can't do that.

I have to say that the minister's agreement to go out to hearings was a real plus and a very courageous move. It gave us the opportunity to hear from some very honest and courageous franchisees out there who played a big part in exposing, in a fuller way than ever before, the very real challenges that exist in franchising in Ontario today.

It gave us an opportunity to call on franchisees to come forward, and they did. They told their stories—an opportunity to expose the very problematic culture of franchising happening in Ontario. The press did a very good job of covering these events. We heard from experts in the field. We heard from franchisors. We heard from lawyers, and most importantly we heard from franchisees, and in that franchisee sector we heard from people who had been victims who are out there now trying to put their lives together, dealing with all kinds of

debt and strain and anxiety and, in some instances, sickness. We heard from some franchisees who are at this very moment experiencing some difficulty with their franchisor who came and shared with us the nature and the tone of that. We heard from people speaking on behalf of franchisees, which I thought was very important.

In listening to the stories of franchisees, it became obvious to all of us that this is a problem that pervades, in many interesting and different ways, the culture and the society we're trying to build here in Ontario, because it lends itself to participation by some people who are quite vulnerable: laid-off workers who are given a severance package, looking for someplace to invest it; franchising, a turnkey operation, looks good, looks like it can't miss. Alas, the literature I've looked at says that going into franchising is actually more risky than going into the traditional, start-up small business operation, something I don't think a lot of people out there knew or know and that we shared in a very real way as we went around during these hearings.

New immigrants coming to this country are often attracted to franchising because they can't speak the language, they don't know the business culture and it presents an easy turnkey operation. Many of them become indentured workers. All of these people are for all intents and purposes buying themselves a job. Then we have well-established families out there running operations like grocery stores who today are finding themselves under duress. As ownership of those systems change hands and the priorities become different, these folks find themselves up against a wall and facing the possibility of losing something that, in some instances, their grandfathers built many years ago.

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The spinoff to this whole piece, which could have been covered in a very effective, however perhaps short-term and incomplete way, is the issue of sourcing product or tied buying as identified in the Grange report. For example, in my community, we have a local dairy that provides a first-class product but can't get the product on to the shelves of some of the local big chain grocery stores. That limits the ability of the local franchisee to deal with a local producer in order to up their potential to make an extra few dollars of profit; it limits the local producer's opportunity to get his product out to the market so that the consumer can decide, using whatever vehicle they can, which and what they want to buy.

We had people come forward in Sault Ste Marie from North Bay, New Liskeard, the Soo, Algoma and for miles around to talk to us about the impact of this kind of tied buying, which was referenced first in the Grange report and included in the bill that I put on the table here at the place. It was killing local economy. Small producers had to go through hell and high water to ultimately and finally get their product graded and then back and on to the shelves, and by that time, according to one of the egg producers in the New Liskeard area, in many instances, it wasn't their eggs coming back, and the eggs that were coming back were rotten. So, this kind of tied buying is

not good for local producers and it's not good for local economies and I don't think it's good for franchising either, because it doesn't give franchisees that extra opportunity to make a few dollars that would keep their heads above water.

So what did Bill 35 call for? Among a lot of other things, in Bill 35 we called for the Ontario Securities Commission to act as a conduit and vetting mechanism for disclosure statements, because as it stands now, the question that needs to be asked is, if we're calling for disclosure, disclosure to whom? What's going to be in that document, and who's going to make sure that what's in that document is in fact the truth? That's the problem we have now. This doesn't go the distance that I thought was necessary, which was to have a vehicle—which, as a matter of fact, a presenter in Sault Ste Marie, Gerald Nori, referenced. He made the very strong recommendation, as well, that the Ontario Securities Commission be given the extra facility to do this.

In Bill 35, we also called for a dispute resolution mechanism, which we think is essential to protecting franchisees from not only losing their money when the franchise goes sour but then having to dig deeper into their pocket or borrow more money, or go into debt in other ways, to go to court to fight some of these battles.

We also called for further definition where fair dealing is concerned, further detailing of how renewal of agreements and termination of agreements happen and penalties for breach of any of these rules. Bill 35 would have given franchisees the right to source product where they could get it as long as it was not an issue of trademark. In other words, Bill 35 would regulate the relationship, something the government refused, and continues to refuse, to do.

As we went through the hearings, it became obvious from listening to the folks who came forward that the overwhelming sentiment was that the government move to regulating the relationship, that simply regulating a requirement for disclosure and giving franchisees the right to associate was not nearly enough, particularly for those already established franchise operations who were in some disagreement over one issue or another with the franchisor and needed some relief.

Just to give you an idea of what was told to us during the hearings, of the witnesses who came forward, one out of 50 people said that no law was needed; 13 out of the 50 people who presented said that Bill 33 was enough; eight out of those 50 people said Bill 33 with some enhancement; and 28 out of 50, a majority of the people who came before the committee, said that they recommended Bill 35 be adopted by the government and become the law of the land where this is concerned. That's overwhelming, in my view.

We also presented, during the hearings, two huge documents that the Canadian Alliance of Franchise Operators and Les Stewart put together that documented the stories of some 4,600-plus families in this province over the last five to seven years that have been damaged in franchise relationships that have gone sour.

So you have some 50 people coming before the committee, you have a majority of those people calling for Bill 35, and if you add the people who called for Bill 33 plus enhancements, we're talking 36 people out of 50. In my view, that's quite overwhelming. If you put that together with the stories that were in the documents that we presented and the stories that I brought before this House over the last five or six years—almost every six months I had another person in the gallery whom I asked the minister about and presented to the public in that way. You would think that the government would be willing to move to adopting Bill 35.

However, having said that, I am thankful, because the government did move. The government made some significant and important concessions and they will be helpful to the 40,000 franchisees across this province, and for that I am grateful to the minister and to his staff and to everybody else who worked with us over the last few months to get us to where we are today, where we have all-party agreement to move this piece of legislation quickly through this House today so that the 40,000 franchisees out there who are waiting for this will have to wait no longer.

The government agreed, just to put it on the record, to an amendment to the fair dealing clause to include “commercially reasonable” in the definition—that was suggested by a number of presenters at the hearings—and an agreement to include myself in the development of the regulations that will follow the passing of this legislation and a commitment in writing to some language under the disclosure clause to red-flag issues around the sourcing of products and a reference to the need for a statement on dispute resolution mechanisms available to both parties in an agreement. These references put these issues clearly on the table among a number of other important commitments to be dealt with by the parties to agreements and I think ultimately down the line to be dealt with again by the government.

There was also a very important agreement on a letter to be sent to the federal government on the issue of sourcing, which I believe I have here somewhere and in fact wanted to read into the record—here it is—that I think is very important as well, because the issue of sourcing and competition in franchising is of some real concern to a whole lot of people. I will read this:

“Dear Minister:

“Today the Ontario Legislature passed the Arthur Wishart Act (Franchise Disclosure). This act establishes standards for the disclosure of information by franchisors, ensures that franchisees have the right to associate, and requires fair dealing by both parties to a franchise agreement.

“During public hearings on this bill, the standing committee on legislation and private bills received submissions about restrictive product supply/sourcing practices that are common in many franchise systems. ...

“This issue was raised at the committee's hearing in Sault Ste Marie, and I want to acknowledge that Mr Tony Martin, the MPP for Sault Ste Marie has been actively

engaged in this issue for some time. Other members of the committee, including Mr Michael Brown, MPP for Algoma-Manitoulin, have also raised this issue with me and I share their concerns.

“I note the April 17, 2000 announcement that the federal government is consulting on possible changes to the Competition Act and I ask you to include the issue of restrictive product supply/sourcing practices relative to the franchise marketplace and to discuss improvements to the act within the context of the Competition Act review.

“While Ontario is moving to require disclosure to prospective franchise investors, the franchise marketplace operates within the context of federal competition law. Ontario supports changes to competition policy that foster growth and competitiveness within the small business sector, while ensuring that the franchise marketplace is in compliance with both the letter and spirit of competition law.”

In closing, I'm also happy to tell you that the government has agreed to an amendment introduced by myself and unanimously supported by all of the members on the committee, including my colleague from Ottawa-Vanier and the members of the government side, Mr Gilchrist and Mr Gill among others. The short title of the bill would become the Arthur Wishart Franchise Disclosure Act, and that's in keeping with the effort that Mr Wishart made back in the late 1960s and early 1970s to get this issue on the table.

1620

Mrs Claudette Boyer (Ottawa-Vanier): C'est avec plaisir que j'apporte mes commentaires au projet de loi 33. I would like to share my time with the member for Kingston and the Islands, the member for Eglinton-Lawrence, the member for Glengarry-Prescott-Russell and the member for St Catharines.

The final consensus reached by the standing committee on regulations and private bills was that the franchising legislation should go forward with the provision that it is not nearly as extensive as we might have liked. The obligation of the franchisors to provide complete disclosure documents—that is, pre-sale information—and the right for the franchisees to associate are surely a first step in the right direction.

We really cannot deny the fact that legislation in this field is desperately needed. After hearing the testimonials of people who lost their life savings and went through many hardships, it became clear to other members of the committee and myself that something had to be done. Through these public hearings we were all made aware of the difficulties encountered by many who had been involved in franchises. The number of presentations that brought to light serious problems allows me to conclude that these were not isolated incidents. Constituents, franchisees and potential franchisees approached us with their concerns and they really wanted this bill to go ahead.

The franchisee is induced to rely on the trust that he or she places in the franchisor's sales associate. This bill now increases the obligation on the franchisor to disclose

pertinent information such as all material facts, all financial statements and copies of all agreements relating to the franchise. This bill also allows for an evaluation of the contents of the disclosure.

Je crois que le message clair et précis qu'apporte l'obligation de divulgation du franchiseur apportera sûrement au franchisé l'information nécessaire pour prendre une décision éclairée par rapport à son investissement. Ceci lui permettra d'acheter une franchise non pas avec son coeur mais avec sa tête. Let the franchisee now buy a franchise not with their heart, but with their head.

Les amendements adoptés à l'unanimité par le comité ont donné un peu plus de mordant à ce projet de loi. J'ai bien dit au début de ma présentation que ce projet de loi était un premier pas.

Although this bill brings us a step forward, I really believe we have to give it a little bit more teeth. The second step should be post-sale legislation that would really regulate the relationship between the franchisor and the franchisee once the franchise has been sold and an agreement has been signed.

What we need is a central registry in order to allow potential franchisees to cross-reference disclosure documents. That is a necessary step that must be undertaken in future legislation.

We need to clarify and define the meaning of "fair dealing." We need to establish the right of franchisees to acquire goods and services independently and locally under certain conditions. This bill needs to promote the local economy.

We also need to strike out the exemption for crown corporations. We need to establish a franchise registry. We need an alternative dispute resolution in order to alleviate the stress on an already overburdened legal system.

Yes, with a few changes this legislation can reach the objective of protecting consumers without affecting the professional and honest businesses.

This was my first experience going through public hearings as an MPP. When people would ask me, "Come on, listen, what did you learn from these public hearings?" I was tempted to answer: "Well, the answer is, do I really want to buy a franchise now? Would I really get enough protection? Would I get the protection needed?"

All these Liberal amendments, the needs that I think should be there, should be enacted in due time, most certainly in a second step of legislation. They are very necessary components of good franchising legislation. I do, however, recognize that franchising is important to the economy of this province. This is an important portion of the Ontario labour market. Unfortunately, I think this bill does not lay out any specific penalties for franchisors who fail to abide by the terms of this legislation. In light of all this and the great financial strains that franchise agreements impose on franchisees, let's hope that this will be looked into.

This is how I feel about this, and being on that committee and having said that there was unanimous consent, I will support this bill on the understanding, as I've said

before, that this is just a first step, that we have to go along with other amendments and review the bill. Of course the franchisees really wanted this bill to pass right now because of a lot of impending court settlements to be done. So this is a start. It's a start in the right direction. I think this bill is really better than nothing.

I would pass on now to the member for Kingston and the Islands.

1630

Mr John Gerretsen: Let me first of all say that it is nice to stand in the House on an occasion when, in effect, all three caucuses agree on a bill. Sometimes people get the impression that the people in the opposition always oppose everything a government brings forward. This is a perfect example where it does not if it's good and sound legislation.

I would like to pay tribute, though, to the member from Sault Ste Marie. We don't often pay tribute to members from other caucuses here, but I will do so because I know it was his persistence over the last number of years on this issue—at least since I've been here, since 1995—that something had to be done with respect to franchise agreements. It shows you that if you're persistent enough, you can effect a change if you have a government ministry that is willing to listen to those concerns and deal with them.

I'd also like to pay tribute to Mr Runciman for taking up the challenge that Mr Martin threw out, saying, "Yes, let's get together, let's come up with a bill that may not go as far as the franchisees may want to take legislation of this nature, but that's a step in the right direction."

We've already heard quite a bit about the disclosure requirement, and that's certainly needed. Over the last 20 or 25 years in my practice as a lawyer, I've probably dealt with about a dozen or so individuals in my community, usually people who had great dreams about getting involved with a franchise, usually sinking in their entire life savings, quite often mortgaging the house they had, trying to put every penny together to get a franchise. Unfortunately, quite often after a few years their dreams turn to disasters.

Mr Mike Colle (Eglinton-Lawrence): Nightmares.

Mr Gerretsen: Nightmares. There's no question in my mind at all that the franchisors hold all the power in the franchise agreements that are out there currently. That's why legislation is needed. At least this is a step in the right direction to somehow level the playing field a little bit between those people who want to get involved with a franchise and the franchise holders that certainly seem to hold all the cards.

It's interesting; I have an information sheet here. Just to give the people of Ontario some idea how many franchisors are out there in Ontario, there are over 500 of them, and there are 40,000 franchisees. Nowadays just about every small and large retail operation seems to be a franchise of some sort. You go to some malls and you literally don't see any local stores at all; it's all franchise.

Quite often these people pay a hefty price to get involved. Statistically the average investment is \$135,000

to get involved in one of these franchise operations. Of course they're based on royalty payments—monthly, quarterly, yearly—although usually at least monthly and quarterly—whereby the franchisor gets anywhere between, I suppose, 3% and 4%. I've seen as much as 10% of the gross sales. That's a significant amount in a lot of cases. It's not unlike a lot of the shopping centre leases that kind of work like franchise agreements. They're almost set up in the same way these days. If you want a store in a shopping centre, you basically pay your rent on how much you sell. The better the business, the better the franchisor, the better the landlord does.

It's been my experience that usually it was a "take it or leave it" situation. The proposed franchisee signed the agreement, and if you wanted to make even one meaningful change to the agreement, the franchisor usually wasn't interested in talking to that individual. It's a one-way street. Having this cooling-off period whereby financial disclosure has to be given and there are a certain number of days allowing the proposed franchisor to get out of it I think is a good idea.

As has already been stated, though, this bill basically deals with the initial agreement, with the rights of the parties as they enter into these agreements. It really doesn't deal at all with what happens if disputes arise with respect to the agreement while it's in operation.

It provides legal recourse in accordance with the laws of Ontario, because some of the franchise agreements out there right now, believe it or not, don't even provide for the laws of the province of Ontario to apply; it's wherever the franchisor originally started, which may be in one of the American states etc. But that's cleared up in this act as well.

The other thing that's kind of interesting is that the franchisees now have the right to form associations and to find out how other similar franchisees of that particular name store are doing elsewhere. I've seen franchise agreements where that was explicitly forbidden, where basically these individuals couldn't talk to similar operations elsewhere in the province, which when you think about it is almost like, I don't know, an edict against the freedom of speech concept we hold so dear in our democracy. It was included in some agreements.

Mr Colle: A gag order.

Mr Gerretsen: A gag order, as my colleague says. That's now specifically allowed, and if there's something in a franchise agreement that forbids that, that's overridden by the provision of this act—another good idea.

Unfortunately the bill fails in that it doesn't set out specific penalties for franchisors who fail to abide by the terms of the legislation. That's a failing in the bill. That should have been included in the bill. Hopefully, once we get to the second stage of actually coming up with a bill that deals with the continuing relationship between franchisor and franchisee after the initial agreement has been signed, we can remedy that in the next piece of legislation. We support this bill, but on the clear understanding that this is only a first step and not the last step towards franchise legislation.

There are a couple of other interesting provisions in the bill. One deals with the issue of—where is that again? I know it's right here. Well, I've spoken about the fact that there aren't specific penalties for a franchisor who fails to abide by the terms of the legislation. If I could urge the people of Ontario to do one thing, and not only the people of Ontario but people who are interested in getting involved with these franchises—I'm speaking from having personally dealt with a lot of these individuals over the last 10, 15, 20 years—it's that if you are interested in getting a franchise, go and talk to similar franchise holders in other communities.

Find out what their experience is. There are some excellent franchisors out there who want to do the right thing with the franchisees; there's no question about that. They are co-operative. They want to make sure that their franchisees are happy and successful, because the more successful they are, the more money the franchisor will make as well. But there are also some franchisors out there who don't seem to have that same kind of attitude. This may be rather difficult to believe, but as a lawyer I firmly believe that in a lot of these situations it's not so much what's in the legal agreements that counts, but that the way in which people, franchisors or franchisees, deal with one another in actual fact is a heck of a lot more relevant than what is actually in the written document.

I would suggest to anybody out there who's thinking of fulfilling their dream, of getting involved in running their own business, of getting involved with a franchise, that they talk to somebody who's already in that field, that they talk to one of the other franchise holders in those communities.

1640

One final little thing: I've seen many franchise agreements that do not include an automatic renewal clause for the franchisee and where in effect the franchisee at the end of a five- or a 10-year period is completely under the control of the franchisor as to whether or not that franchisee will still continue in that operation. That is something that I feel should be legislated into law.

If all the rules of the agreement have been adhered to, then there should almost be an automatic renewal at the behest of the franchisee. You could theoretically have situations where somebody has built up a tremendous business and after 10 years or whatever the term happens to be, the franchisor states, "I'm not interested in dealing with you any more; I'm going to deal with somebody else." The people in that particular case who have been the franchisees will lose a tremendous amount of money, their investment, their years of service etc.

We support this bill. I'm in favour of it, but I think it's only a first step.

Mr Colle: It's certainly very interesting to follow my esteemed colleague from Kingston and the Islands. He talked about his experience as a lawyer. I have to say that this legislation and the whole area of franchise legislation, or lack of it, is really in many ways a gold mine for lawyers. I know that he is not one of those lawyers who take advantage of these situations, but I would cer-

tainly tell people that this legislation doesn't preclude the fact that a lot of litigation could follow as a result of getting into a franchise agreement.

I want to commend the member for Sault Ste Marie for his diligence and commitment in trying to improve the lot of franchisees. I think you have done an outstanding thing in contributing your time and dedication to that.

I also want to give praise to Mr Les Stewart for his dedication to improving the plight of franchisees. He's been faxing and e-mailing me non-stop for the last two years or so on this issue. He's been very helpful and I think he's helped to bring forward this legislation which is needed.

As my two colleagues have said, my colleague from Ottawa-Vanier—which really should be Ottawa-Eastview. That's really where she comes from. I hope they go back to the older names. I could never understand why they call it that. I always call it Eastview. The former mayor of Eastview, Mr Grandmaitre, may he prosper and may he break 70 in his golf game.

Anyway, I'll get back to this legislation. I know that the indications we received from the franchisees were that they wanted to proceed with some kind of protection, and Bill 33 does give them more protection than they have now. That's why my party was more than willing to co-operate with you, Mr Speaker, and with Minister Runciman and the government members in terms of coming to an agreement that we get this bill passed quickly, because it does aid a lot of small business people who are either in the throes of some litigation or are in franchise situations. That's why our party has been very co-operative in ensuring this bill comes through speedy passage, because it is needed.

I think it's a good opportunity, though, as the member for Kingston and the Islands said, to encourage people who are considering purchasing a franchise to be on guard. You know the old Latin saying, "Caveat emptor." Be careful, buyer beware. It's very attractive and very lucrative to buy a brand name and that's how many franchisees are doing it. They're buying that brand name. But buying that brand name, whatever the company may be, is very expensive and there are many strings attached to being part of that brand. There's no instant financial reward in anything and there's no instant financial reward in owning a franchise. It's no different than starting up your own mom-and-pop coffee shop. You have to basically put in blood, sweat and tears and you have to put a lot of your money at risk. The franchise is not a guarantee of instant success, and there are many problems and challenges that go with owning a franchise.

As we've heard here, there are some very honourable franchisors who have a good track record, a good relationship with their franchisees, and that's commendable. But there are many out there who don't have a good track record in being fair to their franchisees. Again, the sorrowful part that we've seen and know of is that many people who buy franchises are people who have maybe gone into a buyout package at work, people who have put together a little nest egg. You know, Mr and Mrs Jones

are nearing retirement age. They put that money together and buy a little shop on Main Street and they sell Joe's Hamburgers, or whatever it is, under the franchise name. They go into it with their last life savings and they hope to live off that into their golden years, you might say. But many of these people are really disillusioned and they lose their life savings. Many have lost their life savings.

Before you go into this kind of venture, you have to use due diligence. This legislation will help in protecting you once you get into an agreement, but please don't assume this legislation protects you and gives you carte blanche to sign agreements with whoever is selling that franchise brand. And remember, there are enormous pressures out there to buy franchises. In the newspapers every day, on the Internet, there's all kinds of promotion of franchises. People who are contemplating that should perhaps contact Mr Les Stewart, Mr Tony Martin, Mr Runciman or Mr O'Toole from Oshawa, and say: "I'm thinking of this. What are the pitfalls?" Contact your MPP and go and visit local franchisees who have similar operations. Ask them what they've gone through and do your due diligence.

If you're going to make a lifetime investment here, spend a couple of months doing that kind of research and I think you'll go into it with open eyes, because it is very complex. There are a lot of strings attached. I know that there are a lot of nuances. For instance, many people don't know that the lease for a property you may have to operate Joe's Coffee Shop under the franchise name is signed by the franchisor. So the franchisor decides whether that lease will be renewed. Therefore, you may be doing very well in that business, but the franchisor may decide not to renew your lease. You could be out in the cold because the franchisor may decide the price of renewal is too much or not to their liking or perhaps the location is problematic. The franchisor still can dictate over whether you get a lease renewed or not.

The other major pitfall is, while you can open up your doughnut shop at a certain location, there's nothing in many agreements to preclude a similar doughnut shop by the same franchisor to be opened down the street from you. Now, there's fine print there which says they can open up down the street from you, but you have the right of first refusal. I know in some cases the franchisee has bought the second doughnut shop down the street to protect his assets, but then you cut into the income of the first franchise you bought. Now you split it with the second. Then what happens if they open up a third one around the corner in the same town? Are you going to buy that third outlet? They can do that. So don't think that because you're doing very well and you've got your franchise going, that's there in perpetuity.

I've talked to some franchisees who have done very well financially and are very happy with the arrangement they have. They are out there. Do your investigation in terms of what the track record is, what the history of it is in your community, in your neighbourhood, before you go ahead into this venture. You can do well and perhaps

take care of your family and pay the bills, but it is not easy work. It is still a very risky venture.

A lot of these brand names are very much into promoting their profile rather than giving you a good deal. You may buy a very glossy brand name. Don't feel self-assured because you've bought this name that's got a lot of hype behind it. It's better to do your due diligence and get into an agreement with a company or a franchisor that's got a better track record. You may not have that glossy brand name, but you may have a lesser brand name and you'll be able to accomplish your goals as a small business person.

1650

There are a lot of warnings that have to go out there. As you know, this is a growing field, because wherever you go, whether it's in Hawkesbury, whether it's in Eastview, whether it's in Sault Ste Marie or whether it's in London, Ontario, what's happening on Main Street is we have the franchises taking over. The little individual entrepreneur operations are being shoved aside, and people are moving towards these franchises because they see them as being more successful, perhaps because of the advertising they do.

With this trend continuing, not only in Canada and Ontario but all over North America, I think there should be even more warning given to people who are contemplating this: Please consult your lawyer, consult your fellow business people, people who are already in franchises. Do all kinds of research so you can get a pretty good handle before you enter into this extremely challenging business venture. Don't underestimate how challenging and difficult this will be, even though you now have some good, added protection here with Bill 33.

As you know, a lot of the Bill 33 protection is pre-sale, which is fine. A lot of the problems happen post-sale. One of the areas I'm still not very satisfied with is the area of single-sourcing, that you still have to buy your product from Joe's Hamburgers, the franchise. You can't buy from other tomato farmers or butchers; you have to buy from their producers of that product so you can make your hamburgers in the franchise operation. You don't get to pick and choose and get competitive prices. The agreement states you have to buy those products from that source. Just be careful of that. If you can find some of your ingredients cheaper in town, you may not be able to buy them, even though it's better for your business, because the franchisor dictates you have to buy from them. That's how they make their money. Remember, the franchisors are in this to make money. They're not in it as a philanthropic exercise. They're not the Knights of Columbus; they're not the Kiwanis. They're big business that makes money by getting people to pay them big money. They're not, as I said, a Big Brothers operation. Be very cautious of that.

The other area I'm still not that satisfied with, and I hope somehow in the future we can deal with it in the regulations, is this whole area of dispute resolution. With due regard to my colleague from Kingston and the Islands who represents the legal profession—as you

know, most people in the legal profession are fine and excellent, but it just leaves too much room for post-sale litigation in terms of how you resolve disputes. That's why we put forward a dispute resolution tribunal, which we thought would be very good for this, but as you know, the government wasn't willing to go that far. They're willing to go a small step in that direction, which is good, but I really think we would save the people of Ontario millions of dollars in legal fees, we would save a lot of Ontarians the agony of going through litigation and confrontations with franchisors if we had a system—and I would recommend that maybe in your golden years way down the road, Mr Speaker, you would make a good franchise Ombudsman, or Mr Stewart. That would be something you could contribute.

Really, we're talking about thousands and thousands of families who need some kind of mechanism where they don't spend millions of dollars in legal fees but they have a way of resolving a dispute with their small business, which they're doing for all good purposes, to just try to make a living and pay bills. They're going in with good intentions, so I think they deserve some protection. As you know, a lot of these people are also new Canadians whom we find sometimes have language barriers. They come here to Ontario and they're gung-ho; it's the land of opportunity: "I'm going to be part of this big chain of Joe's Hamburgers." But it's not that easy.

Again, my parting words are to thank you for your work and the co-operation that the minister and the members on the other side showed in trying to make this as good as possible, but I really think we should continue to warn people to be very careful before they get into a franchise. Please do your due diligence and be careful.

Mr Jean-Marc Lalonde (Glengarry-Prescott-Russell): It is with pleasure that I rise today to debate Bill 33 and inform those who intend to buy a franchise.

Bill 33 is an act concerning fair dealings between franchisees and franchisors. The only thing I can say is that this legislation is about five years too late for many franchisees in Ontario. I remember in 1995 and 1996—Mr Speaker, I'm pretty sure you remember too, because we had to travel all over Ontario to protect those IGA-Loeb owners—when several franchisees in Ontario were having difficulty and turned to this government for help. This government was not willing to proceed with any legislation to help these franchisees. It appears that if it is not the Harris government that brings forth legislation, it is not good. It never sees the light of day; it never sees the light at the end of the tunnel. I think this is unfair to the people of Ontario.

In 1996, when the Loeb franchisees were experiencing great difficulties, I was trying to help the franchisees—Mr Milks and his family from Rockland in my riding, along with 21 other franchisees in eastern Ontario. I have the whole list here of the 21 franchisees: Arnprior, Bayridge, Blind River, Brady Street in Sudbury, Cochrane, Ottawa, North Bay, Sault Ste Marie, Kanata, Kirkland Lake, again Sault Ste Marie, Sudbury, Lincoln Heights in

Ottawa, Manotick and many others. This government didn't want to listen.

Meetings were held with the then Minister of Consumer and Commercial Relations, the member for Markham. Today he is the Solicitor General. But these discussions went nowhere. Also, a Franchise Sector Working Team was established by this government, made up mostly of franchisees. The report, of which I have a copy here, was presented to the minister and also to the Premier in August 1995. This wasn't enough to get this government to take any action at the time.

The Loeb franchisees were threatened day by day. I remember meeting with many of them in the Ottawa area. They were afraid to leave their stores. They had to put chains on their doors. I was there myself to look after the security of those people. I stayed at the Rockland store on several evenings with Mr Milks, our local franchisee, as they were afraid that the franchisor would come in at any moment and take over the store. The OPP were put on alert. These families were fearful of the franchisor.

Both a Liberal member, Bob Chiarelli, who is now the chair of the Ottawa-Carleton regional government and a candidate for the mayorship position of the new city of Ottawa, and also the NDP member for Sault Ste Marie, Tony Martin, who is right now the Speaker of the House, brought forward a bill in 1996 that this government chose to ignore. In fact, I have today a copy of a letter dated July 22, 1996, written by Mr Chiarelli, and another one written by the member for Lanark-Carleton, who was then the Minister of Consumer and Commercial Relations, that stated, "Unfortunately, due to other significant government priorities, my ministry was required to temporarily set aside discussion respecting our proposal for some form of franchise legislation." Unfortunately—

1700

Ms Frances Lankin (Beaches-East York): That was Mr Sterling.

Mr Lalonde: Yes, it was Mr Sterling who clarified that at the time. The letter was signed by himself, sent to Rolly Laberge, Loeb Fallingbrook, 1675 Tenth Line Road, Orleans, Ontario. He too lost his franchise because of this government's inaction.

This is five years later, and this government has now decided that this matter is important. How many franchisees like those in my riding have suffered losses because this government didn't have time for them?

I have a copy of another letter, written by the Premier of Ontario. The Premier also said at that time that they didn't have time really to look at this legislation. Those people were suffering, the whole family, the whole community, because those people who operate their own store, IGA-Loeb, were also involved in the community helping out Boy Scouts, hockey teams, majorettes, you name it. They were really involved in the community. That wasn't good enough for the Premier of Ontario. He decided to delay passing this legislation.

By the way, this one from the Premier again was very clear. It says, "I've noted your concern about unfair busi-

ness practices on the part of Loeb Inc and your support for the introduction of franchise legislation." He realized there was a concern, but he didn't do anything at that time. While franchisees were losing their businesses and life savings, the Premier was noting their concerns. I guess we can say thank goodness the Harris government finally has time for franchisees and also has noted their concerns, but I can tell you that many people in my riding, not only the franchisees, were affected by the inaction of this government. The local Loeb grocery store employees, all 125 of them, experienced a lengthy period of uncertainty, not knowing if they had a job from one day to the next. Even today, many people in the community feel they have lost a part of their identity. Mr Milks, like many others, was part of their community.

I would like to talk for a moment about another case in my riding, that of a Canadian Tire franchise. This franchise was owned by the Lamoureux family in Hawkesbury. This was a family business, operated by the Lamoureux family for over 25 years. When the father died, the son and daughter, who had worked there for many years, had no security whatsoever, and in fact had to look elsewhere for employment. The franchisor regulations prevented them from taking over. The Lamoureux family has opened up another store, Home Hardware, and today their business is just booming. It's just to show that the franchisor regulations at the moment did not stand at all even though we have to support them. This government was inactive in those regulations.

I must say I support this legislation but I would still like to see specific penalties for franchisors who fail to abide by the terms of the legislation. As you well know, the franchisors are in a much better position to proceed with litigation than the franchisee. Let's take the next step and pass this legislation as soon as possible.

I would like to inform those people who intend to buy a franchise that, first of all, they should contact a qualified lawyer who is fully aware of what a franchise is; otherwise, any lawyer could take their case. But you have to look over the fine print in the agreement before you sign a contract.

Mr James J. Bradley (St Catharines): I really enjoyed the previous speakers in the Liberal Party on this bill because they've addressed all aspects of the bill. I don't know if there's anything more I can address. I may have to diverge a bit to other areas and try to tie them into this legislation.

One of the franchisees I'm worried about, and I know the members opposite are, are the franchisees who sell gasoline. You would know that. These are the independents. I just happen to have a bill before the House—regardless of what anybody thinks of gas prices, I happen to have one for franchisees. Well, not quite franchisees, but these are the independents. The independent dealers have a situation where the big oil giants, the friends of Mike Harris, the oil barons in this province, get together and they sell their gas, or can sell the gas, to the independent dealers at a price different from their own dealers. Therefore, there's the potential of putting the

independents out of business. So you will see that for the last couple of days I've risen to ask unanimous consent to pass a bill which is essentially only one page long—in fact, yes, it is one page long—called An Act respecting the price of gasoline, Bill 16. It simply prevents predatory pricing practices, so what we're looking for is fair pricing there.

Some of my colleagues have other bills: the member from Essex north, Mr Crozier; Mr Colle, the member for Eglinton-Lawrence; Mr Bartolucci, the member for Sudbury.

I know some people are calling for decreasing the tax. The tax isn't what's going up; it's the profits of the oil companies as they gouge the people of this province. You would know, being a northerner, Mr Speaker, what it's like up there. The price of gasoline is atrocious. Now people in the south are feeling this. It went up in St Catharines the other day to 75 cents a litre.

I heard the Premier barking the other day—I'm not giving him any animal attributes; it's a term we use—about the problem. The Queen's Park press gallery went to him and said, "What do you think of this, Premier?" I think he hit the ball and it was still going last I saw it. Of course he's going to say: "Ain't it awful. What are the feds going to do?" What we have exposed, just as with the franchise act, which is provincial—all these bills could be provincial. The Premier has it within his power to do something about it. Now, if I were in the scrum—and there are many reporters who could do my job better than I do, no doubt. Once in a while I'd just like to be a reporter and I would have asked the question: "It's in your ball park now, Premier. What are you going to do about the gas prices?" Well, the only time he seems to meet with the oil barons, the captains of the oil industry, is at the Conservative fundraisers, not calling them on the carpet and saying this is unacceptable.

I remember Bill Davis—I think you're old enough now, Mr Speaker, being 37, to remember when Bill Davis, in August 1975, brought in an act which in effect froze the price of gasoline and home heating fuel because it was going up at an atrocious rate. In other words, he was controlling the price.

I was talking to an individual from Prince Edward Island who said: "We have a price in Prince Edward Island. We control the price of gasoline. We make it fair to all: fair to the consumers, fair to the companies, fair to the franchisees." They make it fair to everyone. So it's clearly within provincial jurisdiction, but all we get is passing the buck. Now, if there's credit to be gotten, the Premier will be first in line along with his ministers and a dark blue backdrop, but when it comes to accepting responsibility, these people take a hike.

The Premier is a lion when he's dealing with poor people in this province, putting the boots to the poor, but when it comes to sharpening his elbows to deal with the oil giants in this province, the Premier is gone; the Premier is missing in action.

I'm just saying it's in his jurisdiction to be able to deal with gas prices. So when I turned on my local radio

stations this morning, I could have screamed at them. Here's Mike Harris on there talking about, "Isn't it awful, the price of gasoline," and I'm saying, "Who asked the next question, which is, 'What are you going to do about it, Mike Harris?'" Mike Colle, the member for Eglinton-Lawrence, asked that today. You've asked questions in the House, Mr Speaker, about the price of gasoline, and it affects franchisees in this province as well.

Hon Helen Johns (Minister of Citizenship, Culture and Recreation, minister responsible for seniors and women): How?

1710

Mr Bradley: Because they're impacted by the rip-off of consumers by the major oil companies in this province. I intend to stand up for the independent dealers, for fair prices, not something that's just gouging. The last I saw, the price of world oil hadn't gone through the ceiling at the wellhead. So this is just the pre-long-weekend gouging of the people of this province, and I'm calling upon the Premier to do something about it. If he did, I'd be the first to get up in the House and applaud him for following the advice of the opposition to do so.

But I did listen to the Premier this afternoon with another franchisee of the government. Is Ontario Hydro a franchisee? I think it is.

Hon Mrs Johns: No, it's not.

Mr Bradley: It's not? It's comparable, though, isn't it? I listened to the Premier this afternoon. Dalton McGuinty asked a question about this bonus that Mr Osborne from what we used to call Ontario Hydro is getting: in excess of \$800 million if you make more profit. "Well, what better way to make the profit," they may think, "than selling those dirty coal-fired plants like Lakeview, like Lennox, around the province?"

Hon Mrs Johns: They're not franchises.

Mr Bradley: They're not franchises, but they're close to it.

Hon Mrs Johns: They're not.

Mr Bradley: I'm accepting the interpretation of the Speaker, who sees that I'm coming back to this bill, I want to tell you. He sees that.

This afternoon it sounded as though the Premier had made a commitment that the Lakeview generating station would not be sold unless the condition were placed on it of converting it to natural gas. I was happy. The NDP environment critic and I almost fell out of our chairs this afternoon, thinking, "Here's an announcement."

It wasn't even at the top of the CN Tower, with a backdrop and the compliant National Post—the national people, not the people here because they're not compliant, but the national people they fly in for these things. No headline in the National Post, that favourite of the government, no great song and dance, dog-and-pony show: I knew the Premier had slipped up. He had made a mistake in what he said.

I saw everybody scrambling. If the news media were here—they can't be because they're busy, so they can't be where they used to be all the time, watching from the press gallery—to watch the look on the face of the

Minister of Energy and the Minister of the Environment when the Premier said that, and both of them left. I don't know why it was. There may have been an accident somewhere, or they may have been scrambling for something else. I think they were scrambling, and out came this press release to back-fill for the Premier. I could hear the beeping sound. You know when the truck's backing up? I could hear the bugle of retreat being sounded. They ran down to the Ministry of the Environment. It wasn't even in the regular font. That's how you look when it's thrown together at the last minute. They scrambled with this press release and got it out and said, "Oh, we're going to have a moratorium till we decide what we're going to do."

They asked the Minister of the Environment out in the hallway, "Does this mean that you will not sell any coal-fired plant without a condition that it be converted to much cleaner natural gas?" He used every weasel word that all ministers, I'm told, have used over the years, regardless of which party. I'm told that. I can't remember ever using it myself. He used every weasel word there was to get out of it. I'm not saying he's a weasel; I'm saying he used weasel words to get out of it. He had all these various conditions and so on. In fact, it was a reversal. Within an hour, they trotted him out. Poor Dan Newman had to go outside and the Premier went down the secret corridor—you know where it is; it's just over there, where you don't have to go through the scrum. You simply go down this corridor through all the offices. What do you call that nowadays? I know what we used to call it; I can't say it. But I remember there's a corridor there where the Premier can go down.

Anyway, franchisees are very concerned.

Hon Mrs Johns: Did you use it?

Mr Bradley: I've never used it myself.

The franchisees are very concerned about this, and so they should be.

So that's what happened this afternoon. The government is in total turmoil. I thought the Minister of Energy was going to have a cardiac arrest when the Premier gave that answer.

When you're up in the press gallery looking down, you can see the ashen faces—except those who've gone to tanning studios—of members of the government. You can tell that I don't go to a tanning studio, because I don't look very healthy, I don't think.

The good piece of news this afternoon—you know how you always think the opposition's negative? We're not always negative. The good piece of news this afternoon was that the Minister of Finance listened to what I had to say and to what the member for Niagara Centre, Peter Kormos, had to say, and some municipalities and the cultural clubs in our communities. Do you remember I was up asking about—and so was Mr Kormos—the assessment change for the cultural clubs? Their assessment was going up 200% and 300%. The Armenian Community Centre, the Canadian Polish Society, the Ukrainian Black Sea Hall, Club Heidelberg, the Croatian National Centre, Club Roma, Slovak Hall and many

other halls were all confronted with the fact that they were going to have a huge increase in their assessment.

I want to give the Minister of Finance credit. May I give my friend Ernie Eves credit for this? I recommended that the government simply write another memo saying that they will revert to residential classification instead of commercial and that would solve the problem.

We had some local people, the two local members—and I'm not critical of my friends from the Niagara region. We all try to act on behalf of the people here. My good friends from Niagara Falls and Erie-Lincoln both said: "The local municipalities can solve this. They can give grants in lieu or the province will give up its portion of the education tax and so on"—a lot of red tape. I was going to phone Frank Sheehan and say, "Frank, we can't have this, too much red tape." I knew it could be solved with just a memo from the province, and municipalities didn't have to get into the jackpot of deciding who is going to get this consideration and who isn't, because that gives an excuse for people who dislike cultural clubs. There are some people—nobody in this House, I'm sure—in the province who dislike the idea of cultural clubs, special clubs of people from various backgrounds existing, and it would give them an excuse to attack those individuals.

I was happy to get a memorandum—it was in response to one of the petitions I presented in the House—and the minister indicated that the word has gone out that they shall revert back to residential. That's your piece of good news this afternoon. So don't think that all things that come from the opposition are bad news. I know the members don't.

I also was at a meeting last night of the Grantham High School reunion committee and I want to remind those in the province who haven't—

Hon John R. Baird (Minister of Community and Social Services, minister responsible for francophone affairs): Are they concerned about franchises?

Mr Bradley: They are concerned about franchises. Some of them are franchisees. I understand they have over 1,000 people, at least, who have registered. This is Friday and Saturday of this coming weekend. The problem is, the gas prices are going to be so high.

Hon Mr Baird: Is there a number for registration?

Mr Bradley: There is an e-mail address. Here's what it is: www.grantham2000.com. If you access that you get information, as the member for Etobicoke North wanted me to mention, on the Grantham reunion. He knows that I'm right into computers.

I may be prevailed upon to speak on the Friday evening to bring greetings, but I want to assure people, not to keep attendance down, that my remarks will be very short on that occasion. I'm going to introduce the former principal. That's the job they've given me. I said I would say everything I could in the House about it so that I wouldn't have to say anything at the reunion itself.

It's a great weekend, from 6 o'clock to 12 midnight. There're going to have it at Governor Simcoe Secondary School because the old school is not available. They're

going to have decade rooms and complimentary food platters available. Relax in the Grantham theatre and watch early videos of Grantham. They have something else there that the Liquor Licence Board does not allow us to mention. You have to be careful. As the member formerly for London North, now London North Centre, would tell me, you can't mention—I hope her relatives who are in St Catharines will show up, because they're certainly welcome. This is Friday night and Saturday of this weekend. If the minister is down, we'll welcome her. On Saturday, from 9 am to 12 pm, the gym will be open for fun and games; no gambling though, not gaming. From 12 o'clock to 2 o'clock is the family barbecue; you can bring the kids. At 2 o'clock there's a group photo. The nostalgia room is from 12 to 3. Saturday night at the Jack Gatecliff Arena and the Rex Stimers Arena—they're combined—there is a Saturday night party. All this for only \$30 when you register.

1720

Hon Mr Baird: A user fee?

Mr Bradley: We would like not to have a user fee, but in Mike Harris's Ontario, of course, we have to implement user fees because you can't use any of these facilities without them.

So I welcome all people to the Grantham reunion who are Grantham graduates or friends of Grantham.

Mr Steve Gilchrist (Scarborough East): I'm pleased to rise to join in the debate today on the bill. In fact, I'm particularly pleased because my background, before being elected, was in the franchising business, of course.

Mr Bradley: Canadian Tire, my favourite.

Mr Gilchrist: That was with Canadian Tire. I wouldn't have brought it up if not prompted by our colleague opposite from St Catharines.

The perspective I bring therefore is as someone who was very fortunate to have been part of a franchise system that took great pains to make sure they had full disclosure; took great pains to make sure that before anyone was selected to be a dealer they went through an extraordinarily rigorous training program, not just including various competency tests but active, hands-on training in large, medium and small Canadian Tire stores. There was not only a guarantee therefore that the prospective dealer had a complete awareness of the Canadian Tire system, but Canadian Tire had a very thorough awareness of the prospective dealer. It was only after a six-month training regime that Canadian Tire made its final decision. Along the way you had very detailed access to all of the pricing issues, all of the staffing issues, the relationship with the head office.

I guess what I took from the hearings we held earlier this year was the very stark contrast to many other companies. We heard particularly from representatives from the grocery industry that they had heard something very different in their training; that they had not had full access to information, they had not had the sort of detailed knowledge of the relationship and all of the ramifications, all of the pitfalls that might come forward

in the course of the relationship between the franchisee and the franchisor.

Mr Speaker, you of all people know that the roots of this bill go back almost 30 years, to the Grange report of 1971 commissioned by Mr Arthur Wishart, after whom we have named this bill.

All across Canada franchising accounts for \$90 billion in sales and Ontario is responsible for an extraordinary 60% of that, \$54 billion; 40% of all the retail dollars generated in this province are generated within a franchise system.

Unfortunately, existing legislation does not cover the franchise relationship. It really is quite extraordinary that we have taken this long to codify into law the sorts of standards, the expectations that all members in this House, and quite frankly all people in this province, would have reason to expect in a contractual relationship between an franchisee and a franchisor.

Alberta set the trend; so far they are the only province that has passed franchise legislation. I think it's quite appropriate that we're taking a lead. Hopefully the other provinces will take heed of what Alberta and now we are proposing to do, and will expand the coverage to protect their franchisees and franchisors equally.

We had a number of representations, not just from individual franchisees and franchisors, you will remember, Mr Speaker, but also from the Canadian Franchise Association. They admit member franchisors on the basis of rules very comparable to what we're proposing in Bill 33: rules that would force disclosure; rules that would provide for penalties if disclosures were inappropriate or inaccurate; and fair dealing. I'd like to think we've gone even beyond what the CFA has stated as their expectations of members in terms of our standing up for those three principles.

The legislation is also based on the work of the Franchise Sector Working Team, representing franchisees and franchisors from all across Ontario. We've heard from the member from Sault Ste Marie, before he moved over to take a different job in the chair today, that he has had a personal interest in this. How appropriate, given that Mr Wishart represented the same riding 30 years ago. I think this is an issue that crosses partisan boundaries. Quite frankly, we've taken great pains to make sure that this bill deals only with the framework around disclosure, the framework around fair dealing. It isn't appropriate for this Legislature to interfere in the actual contractual arrangements between a franchisor and a franchisee as long as there is full disclosure up front. If in fact there are penalty clauses, if in fact there are hazards if you transgress certain rules, then I think the franchisee has to be accountable for those indiscretions. On the other hand, if the franchisor does not provide that notice up front, that's a whole different ball game.

I know the member from Durham will be following up on my comments with other observations, but I just wanted to touch very briefly on the three core components of this bill.

First off, the disclosure issues: Franchisors will be required to meet a very high standard of disclosure. They're going to be required to disclose information on their backgrounds, including any litigation history and business background. They're going to be forced to disclose information in the franchise offer, including any terms of possible renewals or termination. In addition, they're going to be required to disclose all material facts; that is, any information about the business whatsoever that a franchisee would reasonably be expected to take into account before making their sometimes very significant investment.

Penalties: If a franchisor does not provide full disclosure, I think it's quite an extraordinary penalty that we've provided for in this bill: the right to rescission; an expectation that the franchisor will have to buy back the equipment, buy back the inventory and buy back the supplies if they have not dealt honourably, honestly and completely candidly with the franchisee. That is about as onerous a penalty as you could ever expect. And that's over and above any civil penalties that the franchisee would still be able to apply for through the courts.

At the heart of it, though, is the issue of fair dealing. How will that help franchisees? Quite simply, the government has been called on to ensure that we have a bill that guarantees there's an incentive for reasonable actions on both parties. Such a provision exists in the Alberta legislation, and we're making sure that guarantee is in our bill as well.

I think we were very heartened that while there were certainly those who took exception to some of the fairly minor details in the bill, we had very strong support. I think in fact the quote from Mr Cunningham, who is the president of the Canadian Franchise Association, speaks perhaps most eloquently:

"The CFA advocates Bill 33 for its commendable balancing of regulation without red tape. We feel the government goes just far enough towards allowing the franchisees access to the information they need to steer clear of unscrupulous sellers. As well, the bill is consistent with the high standards our association endorses in promoting fair dealing. The bill's protection of a franchisee's freedom to associate with organizations without interference from the franchisor has always been our position. Further, the time delays and higher costs incurred by excessive regulation are not problems encountered in the proposed legislation."

Before concluding, I'd just like to expand on one thing Mr Cunningham put in that comment. We heard far too often in those hearings that one of the single biggest problems franchisees faced was the inability to associate with their peers. In many cases, the franchise agreement expressly prohibited their sharing information, even in some cases sitting down and having a coffee with their colleagues running comparable franchises elsewhere in the province. We think that's wrong. Again I think back to my Canadian Tire background, where the Canadian Tire dealers formed a very strong organization. I wouldn't suggest they were as powerful as Canadian Tire

Corp, but they were certainly strong enough to withstand the inevitable pressures from the parent corporation, particularly in those lean years when margins were tightening up, to take a bigger piece of the pie.

1730

Thirty years ago, when you got a Canadian Tire dealership, it was literally a handshake and about a one-page franchise agreement. Now it's a thick legal tome that would take you hours to read through and digest. But along the way the Canadian Tire Dealers' Association has guaranteed that there has been a balance. They have access to the inner workings of Canadian Tire; the dealers have representation on all the appropriate boards, whether it's marketing or advertising.

We'd like to see those same powers, those same rights, accrue to all franchisees across this province. It is absolutely unacceptable to us that any two or more franchisees not have the ability to come together to share their concerns, to develop a common strategy, whether it's marketing or advertising or defence of a profit margin, and be able to take that concerted position against the franchisor. The franchisor continues to hold a preponderance of the power in the relationship simply by dint of the fact that they are the supplier. We think this is an appropriate balance, responsible franchisors are already doing it, and we think most of the others will willingly embrace this concept as being in the best interests of their franchise operation.

Again, I appreciate the opportunity to have said a few words on this bill. I was struck by the common concern from members from all three parties, the fact that the hearings were extraordinarily free of partisanship. I think due credit should be given to the person sitting in the Speaker's chair right now for recognizing that while we all might have wished to see other minor additions to this bill, it is an extraordinary, important first step forward. At least it gives us a framework on which we can reflect in the months and years to come.

If there are any shortcomings, I can assure you that members on this side of the House will be equally demanding of further changes. In the meantime, though, we've given those franchisees, in particular those we heard at the committee hearings and the ones who sent us written submissions, some reason to believe in the system again, that there has been progress, that we have moved forward, and that we're giving them the protections to guarantee that they can continue to have faith in the investment they've made in their business and in this province.

The Acting Speaker (Mr Tony Martin): Further debate?

Mr O'Toole: I'd like to thank the member from Scarborough East for relating his actual experience in the debate today, as he has all through the discussions on Bill 33.

I have a few formal remarks to make, remarks that are prepared, of course, but first I want to thank the member for Sault Ste Marie, who has obviously had a very important role in this. It's most appropriate that you're

now sitting in the chair to actually moderate the reasonableness of this debate.

The member for Ottawa-Vanier has been very facilitating as well, attending all of the public hearings throughout the province, and her comments here today reflected that tone as well.

The member from Kingston and the Islands was next to speak today, and with his legal training certainly had something to add to the debate.

The member from Eglinton-Lawrence, as the critic, is aware, as he has been in the House for some time, just how long it's been for government to try and bring forward something that's balanced and reasonable.

The member for Glengarry-Prescott-Russell certainly is a businessperson. Even as we speak, he's a businessperson, owning a hockey team or something. It's sort of an NHL franchise sort of thing—not quite that status. But he's very familiar with the issues.

The member for St Catharines, of course—we're all glad to hear that he's having a school reunion.

With all respect, the Honourable Bob Runciman, who's the Minister of Consumer and Commercial Relations and the member from Leeds-Grenville, sends his regrets because he is conducting ministerial business as we speak. When I spoke with him and the House leader in the House yesterday, he wanted to share his thanks with the House, and I'm doing that formally. Minister Runciman has been very inclusive in this whole process. I can assure you, as his parliamentary assistant, it's a pleasure to be empowered by someone who's able to allow everyone to participate in the process. I know he took great pains to meet with the member from Sault Ste Marie, and between the two of them basically brought this thing to a unanimous agreement. We found the balance at this point in history that works for the greatest number. That's democracy and I commend everyone for doing that.

Out of respect for the minister, I'll read his remarks. He said that this is in his own handwriting and it's very difficult for me to actually read it, but I will try.

He commends all members of the committee for the excellent work that's been done. It's an example of how the process can work for members on both sides of the House when they put partisan interests aside. That's very important for all of us to learn here. I recognize that the opposition has a different role than government—our role is different and your role is different. You're actually here to criticize us, basically, with the hope that we'll make amendments.

Some people suggest that opposition MPPs can't make a difference. Well, this legislation puts that to rest. I especially want to point out the impact that Tony Martin has had on this bill. Mr Martin is very conscientious and committed to good franchise law in Ontario and has worked hard with the government to get this on the table. Hopefully the example set by Mr Martin and others of the opposition parties will be heeded by the members and leaders and will bear witness that we can work together and provide good legislative framework in areas that

could quite easily be contentious. It is dealing with a balance of power, really, between the franchisor and the franchisee and I believe we've struck that balance, as delicate as that is. It's never perfect. We're dealing with human beings here.

I go right back to the minister, who allowed this transformation from sort of a very arcane relationship where the franchisee could basically get cleaned out in three years if they weren't practising due diligence. We've now got a disclosure piece that I think is a huge improvement, without being overly dominating in a market situation. You know that what's a success today because of marketing may not be a success in the future. It's up to both sides to keep the relationship open and fair.

Franchising is an important part of the Ontario economy—that's been said a few times—and it is estimated that franchising in Ontario accounts for \$45 billion to \$50 billion in business and sales annually, which is remarkable. So we say that small business creates jobs and tax cuts create jobs, but this all fits into that whole thing of providing a framework where people can create an enterprise and the entrepreneur's spirit that makes Ontario a great place to live and work and invest.

Franchising is a powerful engine for economic growth. As I said, it creates jobs. Moreover, many men and women in this province see a franchise as a way to reach their dreams of a better tomorrow. It is important that individual companies doing business here continue to see Ontario as a great place to do business. We need to see Ontario as a place that promotes, encourages and rewards effort. Therefore, I urge the members to support the Franchise Disclosure Act. The bill as amended by the standing committee is now called the Arthur Wishart Act. The member for Scarborough East and others went on to some extent, but that name honours the memory of Art Wishart, the MPP for Sault Ste Marie from 1963 to 1971, a member of the Order of Canada, the Attorney General of Ontario, and the Minister of Financial and Consumer Affairs.

Mr Wishart recognized the need for some reform for protection for people entering into the franchise marketplace some 30 years ago. As a result, there was the Grange Report on franchising, which Mr Wishart as Minister of Financial and Consumer Affairs in 1971 was really the genesis of. You as the succeeding member from Sault Ste Marie should take some pride and pleasure, and I might commend you for bringing his name to the bill despite the fact that he was a member of the Progressive Conservatives of the day.

1740

I'm pleased to be involved in the enactment of a bill that bears the name of Arthur Wishart and can be traced back to his work in this area, as I've just said. Mr Wishart is the predecessor of another Sault Ste Marie MPP who has devoted much of his time and effort. As I've said, Tony, Mr Martin, I appreciate that as well. I know just how committed you've been in an emotional and a material sense. Some of the material you brought I'll be carrying around for years. You and your support

staff were just bringing boxes everywhere and sharing with us the research that had been done. It takes that diligence to bring this to the forefront.

At the same time, there was a franchise working group that really did a lot of effort and preparation in getting this on the radar screen. I don't take any credit, but I think the government, some might say, has a pro-business agenda. I call it a pro-jobs agenda. It's that relationship of creating the opportunity for investments. I don't even mean this in an ideological way or a partisan way. The evidence is over 700,000 jobs. We all have to do more about that. It crosses the ideological boundaries for sure. This is an issue that's near and dear to all of our hearts.

I can say quite sincerely that this is a better piece of legislation thanks to the co-operative manner in which it was approached and the process of working with the ministry and members on the committee on all sides. The bill fulfils the commitment made in the throne speech to introduce and bring to law the franchise legislation.

This is the first Ontario government to introduce franchise legislation and to take responsibility for this rapidly changing business activity. The bill reflects the government's desire to find the right balance between the distinct needs of both parties. On the one hand, there is the need for marketplace fairness. Potential investors and franchisees need more information and transparency to make fair business decisions. On the other hand, there is an equally compelling need to avoid the necessity of cumbersome regulations.

To find this balance, the Ministry of Consumer and Commercial Relations and, I might say, the staff, Bonni and Mr Joe Hoffman and other individuals, worked together. These include the Franchise Sector Working Team, as I said, a small group of franchisees, franchisors and legal experts. A consulting document was developed and sent to some 300 organizations who were asked to comment. More than 95% responded.

The standing committee on regulations and private bills completed four days of public hearings in March in Toronto, Sault Ste Marie, Ottawa and London. We heard from franchisees, franchisors and other key stakeholders from across the province. As members would appreciate, franchisors and franchisees have very different needs. Achieving a consensus on proposed legislation was not an easy task. However, the Franchise Sector Working Team has achieved a consensus.

I would like to take just a few moments to acknowledge the work of the members of the Franchise Sector Working Team. This group of individuals representing both franchisees and franchisors has been diligently working behind the scenes for some five years to put together a piece of legislation that strikes a balance in terms of the interests of all the stakeholders. It is a tribute to the efforts of this group that they have been able to reach consensus and we've got the legislation, as amended, before us.

This is quite an achievement. On behalf of the minister, I would like to formally thank the members of the

working team. They include Richard Cunningham, who is in the members' gallery today—I'd like to thank you for the work you've done, Richard—president of the Canadian Franchise Association; Sam Hamam of One Hour Moto Photo; Nick Javor of Tim Hortons; John Lessif, a franchisee with McDonald's Restaurants of Canada; Ned Levitt with the law firm of Levitt Beber; Tony McCartney, a franchisee and representative of the Colour Your World Dealers Association; Kevin Ryan of National Grocers; and John Sotos with the law firm Sotos Karvanis. Finally, as I said before, Mr Joe Hoffman, director of policy for the Ministry of Consumer and Commercial Relations, as well as Bonni, his assistant or policy person. I might say Joe is the chair of the Franchise Sector Working Team.

We know that what is proposed in this bill may not go far enough to please everyone, but I am satisfied that the bill has gone as far as the balance permits at this point. This legislation would encourage a fair and open competitive marketplace. That's primarily what's here without over-regulating either party. It does deal with disclosure. It does deal with fair dealing. It does deal with the right to associate and encourage more opportunities for investment in this province and for individuals to live, work and invest in this province.

As I'm trying to leave time here to complete this bill, I'm going to skip most of it that's been prepared here. Usually there's a part here that says, "In conclusion," so I'll just draw that right now. In conclusion, I publicly want to thank all the members of the committee who participated: the Franchise Sector Working Team members; you, Mr Speaker, in your role as MPP for Sault Ste Marie; and others who contributed greatly to this bill. That will end my remarks, in the hope that this will be passed unanimously.

The Acting Speaker: Further debate?

Mr O'Toole has moved second reading of Bill 33. Is it the pleasure of the House that the motion carry? Carried.

Hon Dianne Cunningham (Minister of Training, Colleges and Universities): Mr Speaker, I'm now asking for unanimous consent to move third reading of Bill 33.

The Acting Speaker: Is it agreed? Agreed.

FRANCHISE DISCLOSURE ACT, 1999

LOI DE 1999 SUR LA DIVULGATION RELATIVE AUX FRANCHISES

Mr O'Toole moved third reading of the following bill:

Bill 33, An Act to require fair dealings between parties to franchise agreements, to ensure that franchisees have the right to associate and to impose disclosure obligations on franchisors / Projet de loi 33, Loi obligeant les parties aux contrats de franchisage à agir équitablement, garantissant le droit d'association aux franchisés et imposant des obligations en matière de divulgation aux franchiseurs.

The Acting Speaker (Mr Tony Martin): Is it the pleasure of the House that the motion carry? Carried.

Resolved that the bill do now pass and be entitled as in the motion.

Mr James J. Bradley (St Catharines): On a point of order, Mr Speaker: This House is in such a benevolent mood this afternoon, so much co-operation on all sides, that I'm asking for unanimous consent to proceed with second and third reading of Bill 16, An Act respecting the price of gasoline.

The Acting Speaker: Do we have unanimous consent? No, we don't. Sorry, to the member from St Catharines.

Mr Rick Bartolucci (Sudbury): On a point of order, Mr Speaker: I seek unanimous consent to have second and third reading of Bill 52, the identical legislation that Premier Davis introduced in order to ensure that there was fairness in the industry for the consumers.

The Acting Speaker: Do we have unanimous consent? No, we don't have unanimous consent for the member from Sudbury.

It now being close to 6 of the clock, I declare this House adjourned until 6:45 of the clock this evening.

The House adjourned at 1748.

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