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**Official Report  
of Debates  
(Hansard)**

**Wednesday 20 November 2002**

**Journal  
des débats  
(Hansard)**

**Mercredi 20 novembre 2002**

**Standing committee on  
estimates**

Ministry of Northern development  
and Mines

**Comité permanent des  
budgets des dépenses**

Ministère du Développement du  
Nord et des Mines

Chair: Gerard Kennedy  
Clerk: Trevor Day

Président : Gerard Kennedy  
Greffier : Trevor Day

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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Wednesday 20 November 2002

Mercredi 20 novembre 2002

*The committee met at 1630 in room 151.*

**Clerk of the Committee (Mr Trevor Day):** Honourable members, it's my duty to call upon you to elect an Acting Chair. Are there any nominations?

**Mr Ted Chudleigh (Halton):** Why don't we have Mr Brown do it?

**Clerk of the Committee:** Are there any further nominations? I declare nominations closed, and Mr Brown as Acting Chair of the committee.

MINISTRY OF NORTHERN DEVELOPMENT  
AND MINES

**Mr Gilles Bisson (Timmins-James Bay):** On a point of order, Mr Chair: I believe we have unanimous consent that, given the time we have left for the Ministry of Mines, we would go 25 minutes for the minister and 25 for each opposition party, rather than 30, 30 and 30.

**The Acting Chair (Mr Michael A. Brown):** Agreed? Agreed. We are here today for consideration of the estimates of the Ministry of Northern Development and Mines. We will commence with vote 2201, item 1.

I'd like to welcome the Minister of Northern Development and Mines and staff. We are always pleased to have you here. You have, as you heard, 25 minutes.

**Hon Jim Wilson (Minister of Northern Development and Mines):** Mr Chairman and members of the committee, I am joined at the table here by my Deputy Minister, Cam Clark, and Don Ignacy, our chief administrative officer.

I am honoured today to speak to the 2002-03 estimates committee on behalf of the Ministry of Northern Development and Mines.

I would like to point out that it has been eight long years since a Minister of Northern Development and Mines has addressed this eminent body called the estimates committee. Since that time, much has transpired at the Ministry of Northern Development and Mines. For that reason, I have been looking forward to using this opportunity to illustrate how over the last few years MNDM has evolved into one of the most effective, dynamic ministries in the Ontario government.

I want to begin by reminding the committee that the Ministry of Northern Development and Mines is the only regional ministry in the government of Ontario. As such, it plays a central role in many issues on behalf of its northern stakeholders, and I would not be exaggerating if

I said that in Northern Ontario, MNDM is all things to all people.

Since 1996, the ministry has been significantly strengthened to focus on delivering front-line services in the north. Since that time we have also been much more active at Queen's Park, influencing decisions for northern Ontario that make sense in the north.

We have improved and stimulated flows of ideas and concerns from our northern stakeholders to my predecessor ministers Chris Hodgson, Tim Hudak, Dan Newman and to me. Those concerns were and are being brought directly and forcefully to the Cabinet table.

As a result, today MNDM is leading the charge for prosperity in the north with strategic plans for economic development.

Furthermore, we are meeting the highest standard of excellence in improving an already superlative investment climate for mineral development through the provision of valuable geological information and effective administration of Ontario's Mining Act.

Therefore, I welcome this opportunity to outline our recent achievements and reiterate our commitments to continue strengthening northern Ontario and the provincial minerals sector.

Our mandate: we at the Ministry of Northern Development and Mines share a vision of the north. We envision a northern Ontario driven by a vibrant economy. We see a flourishing northern economy that combines the strengths of resource industries with the emerging opportunities of a knowledge-based economy. And, we're working with northerners to achieve that vision.

We're working with northerners to build a solid physical and telecommunications infrastructure that attracts investments and helps northern Ontario businesses compete successfully in world markets. We're working with northerners to build prosperous, safe communities where residents enjoy a high quality of life and access to quality health care and education.

We're working with northerners to achieve those goals through partnerships, strategic investment and economic strategies that address the unique challenges and conditions of the north. Our vision of excellence also extends to the mineral development sector.

We foresee a provincial minerals sector that is globally competitive and sustainable. We are fostering a competitive and sustainable minerals sector through progressive mining legislation. We are enhancing our invest-

ment climate by the fair and efficient administration of Ontario's mining lands.

We are attracting mineral developers with our quality client service and state-of-the-art geological mapping and data. Together with our stakeholders in the minerals sector, we are achieving levels of mineral investment and production that are unequalled in Canada and among the highest in the world. Together we've achieved all of that with environmentally responsible exploration and mining activities which protect Ontario's natural heritage for future generations. A vibrant economy and a competitive minerals sector will provide well-paying jobs, opportunities for youth and a solid foundation for prosperity throughout northern Ontario.

Our ministry is one of the smallest ministries in the Ontario government, yet the scope of our work is pervasive. We touch the lives of all northerners in some form or fashion. Our work is important to the continued economic development of the north and the growth of Ontario's mineral development industry.

Small as we are, MNDM is, as government operations go, efficient, responsive and nimble. The proof lies in our achievements. I'd like to outline for you now how effective we are in assisting northern stakeholders to achieve our shared vision of a prosperous northern Ontario.

First I'll speak about the Northern Ontario Heritage Fund Corp. I've alluded to the importance we at MNDM attach to working with our stakeholders in Ontario's urban, rural and remote northern communities. We respond to regional and community priorities. Out of that close collaboration we foster locally relevant, locally driven economic development solutions. We identify and promote opportunities for growth and investment.

Nowhere is that more evident than in the activities and success of the Northern Ontario Heritage Fund Corp. The NOHFC is an integral part of the government's approach to building strong northern economies. After doubling the fund's annual allocation to \$60 million for a five-year period in the 2000 budget, we announced details of an expanded, refocused mandate in early 2001.

The NOHFC's new program criteria were developed in close consultation with our northern stakeholders. The following eight new programs, aimed at responding to the needs expressed by community leaders, have since been introduced. They are northern health care assistance; expanded cellular telephone service; capital assistance for the agricultural sector; northern trails; capital assistance to enhance drinking water protection in northern Ontario; capital assistance to enhance northern communities; far north assistance; and economic diversification assistance.

Since October 1996 the Ontario government, through the NOHFC, has contributed \$389 million to some 1,130 projects. Furthermore, it has generated an additional \$900 million from project partners. These projects have created an estimated 15,650 jobs in northern Ontario.

In order to give you some idea of the very positive impact that the NOHFC is having upon our northern

stakeholders, I'd like to mention some of the more notable recent projects in the northwest. They include:

- the expansion of the Thunder Bay airport in partnership with Confederation College aviation centre;
- the installation and expansion of cellular telephone service along Highways 11 and 17 from Hearst to Kenora;
- the purchase and installation of a CT scanner at Kenora's Lake of the Woods District Hospital;
- the major expansion of three industrial sites in the Kenora area, covering 245 acres of land in the Airport Road area;
- the purchase of fire and emergency equipment for the township of Ear Falls; and
- the implementation of a geosciences mapping project in the Lake Nipigon region involving the Ontario Prospectors Association, Lakehead University and area communities that will attract mineral investment to the area and generate new economic development opportunities.

Some notable projects in northeastern Ontario include:

- repairs to the Sturgeon Falls sewer plant, as well as to the first and second phases of the Cache Bay road storm sewer project;
- the establishment of Hockey Heritage North, Kirkland Lake's newest tourism project which pays tribute to the achievements of Canadian hockey players, coaches and builders;
- the development of Dynamic Earth, Science North's new earth sciences tourist attraction, which will showcase the region's geological, industrial, and environmental past as well as profile its green future;
- the construction of a manufacturing facility at the Moose Deer Point First Nation near Parry Sound designed to produce plastic components through an advanced injection moulding process;
- the construction of a new communications centre in Sault Ste Marie to house the Sault Ste Marie innovation centre and a new call centre, creating up to 600 jobs;
- the expansion of a busy primary road linking downtown Sudbury to the communities of Levack, Onaping, Dowling, Chelmsford and Azilda; and
- upgrading the electric power distribution system and other improvements at the former Canadian Forces Base North Bay, now the site of an industrial park that has attracted four aerospace companies and hundreds of jobs.

So you can see how effective the role of the NOHFC is throughout northern Ontario.

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Northern highways: our northern stakeholders will tell you that highways are their economic lifelines. Quite rightfully, they view prosperity as being inextricably tied to highway infrastructure. We agree and are committed to ensuring that this network continues to be a catalyst for the growth and development of strong communities in northern Ontario.

That's the reason for the unprecedented investments we have been making since 1995 in its rehabilitation and

expansion. Record funding has been the one constant theme in MNDM's northern highways program over the last six years.

The northern Ontario highway network reflects the vastness of the region. It consists of more than 11,000 kilometres of highway, roughly equal to the distance from Toronto to Whitehorse and back. It carries people, resources and products among northern communities, between northern and southern Ontario, across Canada and into the United States.

In 2002-03, we've invested \$255 million in improving our northern highway system to promote economic growth and prosperity in communities across the north. Improved highways will also promote the safe and efficient movement of people and goods, and thus encourage businesses to grow, to create jobs and a better quality of life for northerners.

To illustrate, I'd like to just list for you today a few of the many notable highway accomplishments we've sponsored this fiscal year. They include:

- the continued four-laning of Highway 69 south of Parry Sound, with budgeted investments of \$54 million. We've opened four kilometres of new four-lane highway south of Parry Sound;

- the continued four-laning of Highway 11 from North Bay to Huntsville, with budgeted investments this year of \$34 million. This year, we opened up the eight-kilometre Trout Creek bypass and a 13-kilometre section from Melissa to Emsdale;

- the four-laning of Highway 17 east of Sault Ste Marie, with budgeted investments of almost \$15 million;

- improvements to Highway 101 from Matheson westerly, worth more than \$13 million;

- improvements to Highway 11 east of Kapuskasing, worth more than \$10 million;

- improvements to Highway 17 east of Blind River, worth more than \$8 million;

- improvements to Highway 502 south of Dryden, worth more than \$5 million;

- improvements to the Oskandaga River Bridge on Highway 11/17 west of Thunder Bay, worth more than \$5 million;

- improvements to Highway 17 west of Dryden, worth more than \$10 million.

We continue to invest in the rehabilitation of hundreds of kilometres of roadway, the repair and reconstruction of several bridges and the addition of passing lanes in critical areas across the north, as well as the ongoing four-laning of the most travelled sections of Highways 11, 17 and 69. They are our priorities.

Furthermore, we continue urging the federal government to invest more aggressively in the expansion of the Trans-Canada Highway.

At the end of this fiscal year, our government will have invested more than \$1.6 billion since 1995 to improve the northern highway system—more than any previous government. This record level of investment reflects the high priority we attach to the maintenance of

a safe and efficient highway system in the north. I think it speaks volumes of our commitment to northern Ontario.

Ontario Northland: on another transportation front of special significance to stakeholders in northeastern Ontario, MNDM continued to implement the service improvement strategy announced by the Ontario Northland Transportation Commission in December 2000.

Based on recommendations in a report commissioned by the Ontario Northland Transportation Commission board, a two-phase strategy was initiated. Phase one involved exploring divestiture options for ONTelcom, reorganizing of marine operations and enhancements to motor coach services, as well as to the Little Bear and Polar Bear Express train services. Phase two explored options for alternative delivery of the ONTC's freight and passenger rail services and the divestiture of the Cochrane Station Inn.

On April 1, 2002, the Owen Sound Transportation Co Ltd underwent a change in governance. Formerly a wholly owned subsidiary of the ONTC, the OSTC is now a separate operational enterprise agency of the province of Ontario. The OSTC operates a seasonal vehicle and passenger ferry, the MS Chi-Cheemaun, between Tobermory and South Baymouth on Manitoulin Island, as well as the Pelee Island ferry service under contract to the Ministry of Transportation.

I am pleased to report that we announced on Friday, October 18, that the ONTC was entering into negotiations with Canadian National Railway for the acquisition of ON Rail. The announcement followed a formal request for proposals, a process that was carefully managed and properly run. It resulted in one internal and four external proposals being reviewed. The CN proposal was judged the one that most closely met our stringent criteria in respect of the service improvement strategy for ONTC rail services. While we are negotiating with CN, I want to stress that no final decisions have been made with respect to the divestment of ONTC assets.

There has been one constant element in the service improvement exercise since it was launched in December 2000, and that has been our assurances to stakeholders that service will indeed improve. That's what stakeholders have been demanding for years. We will be delivering the improvements they have been demanding and the improvements that they deserve.

Our stakeholders will have continued access to quality telecommunications and transportation services. Any agreement we reach will support and enhance economic development in the region. Any agreement we reach will protect current employment and foster growth of new jobs. It will also ensure competitive pricing for customers. It will maintain or enhance current service levels.

Finally, if rail or other services are sold, the taxpayers of Ontario will receive fair value for those assets. I want to remind you that the negotiated settlement is subject to cabinet review before it can be adopted.

Just turning to the globally competitive minerals sector, our northern stakeholders and MNDM concur that the future of the region rests on a globally competitive

northern economy. In the provincial minerals sector, we are ensuring Ontario's regulations, policies and programs respond to changing economic conditions around the world. Quite frankly, the ministry, prior to my arrival and I hope since my arrival, has been very successful at this.

In 2001, the conditions we created for a thriving mineral sector resulted in Ontario being ranked as the world's most attractive jurisdiction for mining and exploration by the Fraser Institute's annual survey of mining companies. The Ontario government continues to be a world leader in developing policies and initiatives to maximize mineral investment and exploration and support a healthy, vibrant and sustainable minerals sector.

Proof of our effectiveness was evident last year when Ontario's exploration expenditures increased, despite a decline at the national and international levels. This increase helped Ontario become the leading destination for exploration expenditures in Canada.

We are enhancing our status as a world-class investment jurisdiction by adopting solid measures, such as tax reductions, reduced regulatory red tape, enhanced client service and expanded geoscience databases that support our mining industry.

Recently, we introduced a flow-through tax regime to encourage investment in mineral exploration. In addition, the province reduced the mining tax rate by 50%, reduced corporate income tax for resource companies and granted a 10-year tax exemption and reduced tax rates to encourage the development of new mines in remote parts of the province.

However, one cannot stress enough the importance of providing quality information to our clients. Consider the work of our Ontario geological survey. The Ontario geological survey at MNDM consists of a geoscience program and a resident geologist program. Today, I'd like to single out the efforts of the geoscience program.

Based out of Sudbury, it is responsible primarily for the collection, interpretation and dissemination of geological, geochemical and geophysical data. Last year, the OGS mapped 10,000 square kilometres of ground in its base operations. The information it offers yields important clues as to the location of new ore deposits that will create wealth in Ontario.

Our staff identified a number of extremely interesting and new PGE or platinum group element hot spots in the Lake Nipigon area, around Lac des Iles west of Lake Nipigon, as well as East Bull Lake, Agnew Lake, Dana Lake and Seymour Lake, north of the Nipigon basin.

Staff also noted significant potential for diamond discoveries in the Kirkland Lake-Temagami corridor, Wawa, Attawapiskat, the James Bay lowlands region and along the northern Ontario-Manitoba border.

The OGS also found strong exploration potential for a wide variety of minerals in southern Ontario. These include vermiculite prospects north of Peterborough, wollastonite north of Kingston and occurrences of tantalum, titanium, mica and calcite throughout the southeastern part of the province—not bad for a guy with a degree in theology.

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Furthermore, the OGS concluded the three-year program of geophysical, geochemical and geological surveys known as Operation Treasure Hunt. I'm going to wind up here, obviously. Operation Treasure Hunt was very successful. It was a \$29-million program, the goal of which was to stimulate exploration for mineral deposits such as diamonds, gold, copper, zinc and nickel.

This is the most aggressive geoscience initiative of this complexity ever undertaken by a government in Canada. This is also the first time in a decade that such extensive airborne surveying has been done in Ontario. Operation Treasure Hunt has led to a significant increase in mineral exploration. Results will help prospectors and mineral explorationists select exploration targets more effectively and narrow their search for the new mineral deposits that will become tomorrow's mines. Operation Treasure Hunt has yielded an impressive array of products.

I just want to touch on northern tourism. Actually, I'll skip that and go to quality health care. I just want to mention a little bit about that before winding up here because I see my time's almost up.

*Interjection.*

**Hon Mr Wilson:** Five minutes?

In our travels across the north time and time again, the members who serve the north and those of us who have the privilege of serving the north in the ministry capacity, hear about the topic of health care. I want you to know that we've been doing our part, in addition to the Ministry of Health of the province of Ontario, to improve the health status and the health resources made available to the people of northern Ontario.

Of course, we're very proud of having played a role in the made-in-northern-Ontario medical school that was announced that will have two campuses, one in Sudbury and one in Thunder Bay. It's the first time a medical school has been created in 30 years.

**Mr AL McDonald (Nipissing):** It should be "in North Bay."

**Hon Mr Wilson:** It should be "in North Bay." Now, don't get that on the record.

The medical school, as you know, is developing a business plan and it's looking for a location. It's hired its first dean, Dr Roger Strasser, and I think it's going to be a great tool—I wish I had thought of it during my time as Minister of Health—to attract doctors to the north, to keep them in the north and to help with youth out-migration, which is really my number one concern as minister. When we saw the most recent federal census data, we were very concerned about the extent of youth out-migration in the north. Certainly having a medical school will go a long way to training those professionals and keeping those professionals in the north.

Just to let you know in winding up, the heritage fund has also contributed more than \$43 million to 242 projects for the purchase of medical equipment and renovations in small hospitals and community health centres throughout the north. I want to commend the

board prior to my arrival, my predecessors, for thinking up this special medical equipment and renovations program. Many of these hospitals, due to the relatively small population in the areas that they serve, simply can't afford to raise the money from the communities to the extent of fundraising that can be afforded in many communities in the south. It's just not there in the north. The heritage fund was very pleased to help out in that regard and I think it really was a new area for the heritage fund and well worth the taxpayers' and northerners' money.

With that, Mr Chairman, I will wind up my remarks and I thank you for your patience.

**The Acting Chair:** We will move, then, to the official opposition. I think there's an agreement that you're going to use five minutes and then—

**Mr Rick Bartolucci (Sudbury):** Five or so.

**The Acting Chair:** Five or so, and then we'll defer to the New Democratic Party and come back to the official opposition.

**Mr Bartolucci:** Minister, it's good to have you here at estimates. We're going to spend my little time with you talking about Highway 69, obviously. It's probably the most important issue in our community with regard to safety in travelling to Toronto. I'd like to know why you haven't applied to put Highway 69 as the province's number one priority on the Canada strategic infrastructure project.

**Hon Mr Wilson:** That question would be more appropriate to the ministers in charge of making that list up. All I can tell you is that it's obviously been a huge priority for this government. This construction of Highways 69 and 11 represent the largest megaprojects ever undertaken in northern Ontario. The fact that you had a Premier from North Bay and a finance minister—

**Mr Bartolucci:** I want to know why you haven't applied—

**Hon Mr Wilson:** I'm showing you what a large priority it was. The finance minister was from Parry Sound-Muskoka, Mr Miller's riding. Back in 1995 they actually started four-laning these highways, starting at each end. It had never been done before in the history of Ontario.

We are continuing in our commitment. The government lives by its motto: "A promise made, a promise kept." We're doing the high-traffic areas first and we're moving forward in a methodical but determined way to some day, hopefully soon, finish the four-laning of Highways 69 and 11.

**Mr Bartolucci:** I return to the question. Since you're taking credit for northern highways and since you think you take responsibility for northern highways, let me phrase it a little bit differently. I want to know why your government hasn't placed Highway 69 as the number one priority for multi-laning from Sudbury to Parry Sound in an application to the Canada strategic infrastructure project.

**Hon Mr Wilson:** It's not my area to fill out those applications. It astounds me how—as I said to reporters recently, we'd have more money for 69 and 11 if they

would pay their share of the Trans-Canada Highway, Highway 17. You'd think your federal cousins, the Liberals in Ottawa, could look after one piece of highway in the province of Ontario. They don't even do that. They give us absolutely nothing. They spent \$1 million in the last 19 years on that highway. We've spent tens of millions of dollars on that highway and we're four-laning and adding passenger lanes and safety enhancements to that highway. If they would at least live up to agreements we have now, at least live up to funding the one piece of highway that they actually have to look after in this province, we'd certainly have a lot more money available for Highways 69 and 11.

**Mr Bartolucci:** The federal government has already committed to being a partner as late as, or as early as, whatever way you want to define it, in the federal House today. In a question, the federal government said they would certainly be coming to the table with a 50-50 proposition under this program if in fact the Harris-Eves government and its ministers would apply and put Highway 69 as the number one priority.

So I return for the third time, Minister: why has your government not applied to this program in order to complete this project?

**Hon Mr Wilson:** Well, that's news today.

**Mr Bartolucci:** It is news.

**Hon Mr Wilson:** You missed the mayor of Sudbury, Jim Gordon's, comment, his challenge. I'm glad to see you're taking the mayor's challenge seriously. He wants \$75 million from the federal government to help the completion of the four-laning of 69. He made that challenge to the federal government. So what you're telling us today is news you've obviously gotten in the last couple of hours of the question period. Congratulations. The federal Liberals are finally listening to the mayor of Sudbury.

**Mr Bartolucci:** The federal Liberals need you to come to the table.

**Hon Mr Wilson:** We've been at the table.

**Mr Bartolucci:** You have not been. You have not applied that—

**Hon Mr Wilson:** Who's been paving the road and four-laning it in a megaproject way since 1995? It sure as hell hasn't been the federal Liberals.

**Mr Bartolucci:** Minister, with all due respect to your lack of ability or knowledge when it comes to Highway 69, you have not put in one penny in multi-laning Highway 69 from Sudbury. You know that and so does the community know that. So let me bring you back to the question. Why have you not applied to the federal government for funding the four-laning of Highway 69 from Sudbury to Parry Sound?

**Hon Mr Wilson:** As you know, we have spent money and we're committed to spend more money on four-laning exactly that portion of the highway. We're going to continue with the environmental studies, with the property acquisition, with everything that needs to be done, to ensure that it is done. If there is an opportunity now from the federal government for their involvement, I

more than welcome it and I thank Jim Gordon for taking the lead on that.

**Mr Bartolucci:** First of all, Minister, let me tell you it was Crash 69 who met with Allan Rock; it was Crash 69 who had ongoing meetings with Allan Rock. We sent letters to your Premier and he has yet to respond to them. However, having said that, we don't care who takes the credit for it or who tries to take the credit for it. We just want it done.

So would you please tell me, then, is four-laning Highway 69 from Sudbury to Parry Sound your number one priority for the Canada strategic infrastructure project? It's a simple yes or no.

1700

**Hon Mr Wilson:** It's certainly one of our top priorities. I will continue to advocate, as I know our other northern members will, to make sure we fulfill that commitment.

**Mr Bartolucci:** Then have you made application to the federal government?

**Hon Mr Wilson:** Again, I'm not the one who makes applications.

**Mr Bartolucci:** You're a minister and you don't know whether you've made application for this federally?

**Hon Mr Wilson:** You just found this out yourself a little while ago.

**Mr Bartolucci:** No, Minister. I want to know, has your government made application, yes or no? You should know that.

**Hon Mr Wilson:** I know the Minister of Transportation has had discussions with the federal government and so far they haven't put a penny in. If you're telling me that in the last two hours they've announced, because they knew you were coming here and somebody asked a backbencher question or whatever the hell they did in Ottawa this afternoon, to make you look good, then fine; I will get that Hansard and I will make sure they pay their \$75 million toward it.

**Mr Bartolucci:** Are you telling me then you're prepared to make an application to the federal government, since you obviously haven't made an application for the number one priority, for this project?

**Hon Mr Wilson:** How would you know whether we made an application? That's confidential between governments and you wouldn't have access to it. You wouldn't even know if we made an application.

**Mr Bartolucci:** You have not made an application. You know that and the ministries know it. Why don't you admit it?

**Hon Mr Wilson:** Under SuperBuild you wouldn't even know, Rick.

**Mr Bartolucci:** Listen, tell us. Have you? I'm asking you the question. Have you made application?

**Hon Mr Wilson:** I've answered your question six or seven times.

**Mr Bartolucci:** You have not. You've not answered it at all.

**Hon Mr Wilson:** Your tone is as cold as always.

**Mr Bartolucci:** Let me talk about high-traffic areas, as opposed to dangerous sections of the highway. You will know, Minister, or at least you should know, if you have any knowledge about Highway 69 at all, that that section between Sudbury and Parry Sound has a remarkably high number of tragedies: 46 in the last three years—your statistics—and 10 so far this year. If you base it on traffic volume, that dangerous stretch of highway is not going to get first priority. Will you commit today, then, to making sure that stretch of highway is your number one priority, because of the number of deaths involved?

**Hon Mr Wilson:** We've set our priorities. You know them very well, and it is on the list. We have other high-traffic areas, including straightening out the S-curve at Estaire that we announced just a few weeks ago. We're doing this as fast as we can. As I said, a project like this takes time to do right. You seem to want to tread on all the property owners' rights. You never talk about that. You mislead, frankly—

**Mr Bartolucci:** Excuse me.

**Hon Mr Wilson:** I withdraw that.

You let on that this can be done overnight. I have a six-kilometre piece of highway and we're in the third year of property acquisition between Collingwood and Wasaga Beach. These things take time. People have rights. They go to court if you try and stampede—

**Mr Bartolucci:** We never want to mislead people, Minister.

**The Acting Chair:** Do not use that word.

**Mr Bartolucci:** Well, he used it.

**The Acting Chair:** He withdrew it, and you will too.

**Hon Mr Wilson:** The fact of the matter is, the process—

**Interjection:** Be a man, Rick. Withdraw that.

**Mr John O'Toole (Durham):** Absolutely. Stand up and be a man.

**Hon Mr Wilson:** The fact of the matter is, the process is moving along and we're putting record amounts of money into it.

**Mr Chudleigh:** On a point of order, Mr Chair: I don't believe the member for Sudbury has withdrawn the inappropriate word.

**The Acting Chair:** Maybe he could clarify. Have you withdrawn that comment?

**Mr Bartolucci:** I absolutely did, when I suggested that he hadn't.

One final question—

**The Acting Chair:** Just withdraw.

**Mr Bartolucci:** I did.

**The Acting Chair:** Straight up.

**Mr Bartolucci:** I withdraw it.

**The Acting Chair:** OK.

**Mr Chudleigh:** Thank you.

**Mr Bartolucci:** One final question: have you entered into any negotiations with the Robinson Huron First Nations people with regard to the four-laning of Highway 69 from Sudbury to Parry Sound?



**Hon Mr Wilson:** I can't comment specifically on the negotiations right now, because they're exactly that, negotiations.

**Mr Bartolucci:** Just say yes or no.

**Hon Mr Wilson:** You know there have been talks going on for a long time, and I can't say any more than that.

**Mr Bartolucci:** I just want to know if you have entered into negotiations. I don't have to know who; I don't have to know where. I just want to know, have you entered into negotiations?

**Hon Mr Wilson:** If it's the transportation estimates you want, you have the wrong minister.

**Mr Bartolucci:** You're the guy who's always making the announcements.

**Hon Mr Wilson:** We make announcements on behalf of everything.

**Mr Bartolucci:** Answer the question.

**Hon Mr Wilson:** If you haven't noticed, the ministry's focus is to act on behalf of 11 different ridings. I feel like the MPP for nine of those ridings, anyway, because we have two good MPPs there. We act on everything from health care to library services to roads to highways to infrastructure to, you name it, tourism. We act across all ministries and I don't know the details of every negotiation that's going on, but I'll be sure to get back you on that particular one.

**Mr Bartolucci:** I'm sure you will. I want to thank you, Minister, for avoiding the answers to all of my questions.

**The Acting Chair:** Thank you. Mr Bisson.

**Mr Bisson:** Welcome to the committee, Minister. I've got a series of questions around mining that I want to ask you, but just very quickly—

*Interjection.*

**Mr Bisson:** Hello, Jim. Can we have you back over here? Thank you.

Just a couple of things quickly before we start on some of the specific questions I have about mining.

I heard you say a little while ago in an exchange with Mr Bartolucci that we as members of the assembly would not have any idea, would not know—and I guess it was inferred information would be blocked if there are any applications for funding between the provincial and federal governments. I hope that's not the case.

As I understand it, we're all duly elected members, we're all honourable members and we have the right to know if applications are made to the feds. In fact, I know of a number of them in regard to SuperBuild. I take it you're not saying in the future the government's going to take the position of not working with opposition members on trying to get the feds to pony up their share of money. I hope not.

**Hon Mr Wilson:** No, but the agreement between the federal and provincial governments, which has nothing to do with me, has been long-standing.

**Mr Bisson:** But you wouldn't try to block that information.

**Hon Mr Wilson:** No, no, I wouldn't try to block any information. We discuss a number of issues, both at the ministerial level and the deputy level. Today, with Mr Bartolucci, is the first time I've heard, anyway—and I'll be checking with the Minister of Transportation—that the feds have any interest in funding Highway 69. So that's news. He obviously had it rigged in the House of Commons this afternoon and that's good for him, but now they'd better be prepared to live up to it. So far, the federal Liberals don't abide by, "A promise made is a promise kept," so their saying something in the House of Commons means nothing.

**Mr Chudleigh:** That's for sure.

**Mr Bisson:** The only point I'm making—

**Hon Mr Wilson:** They broke every promise in their red book, they broke every promise they were making Canadians and I'll believe this one when I see it.

**Mr Bisson:** Listen, I don't want to talk about Liberals. I'm here to ask you questions. Thank you very much.

All I'm saying is that I know as the member representing Timmins-James Bay, being a non-government member I've worked with a number of ministers on SuperBuild, and I'm certainly aware of where applications are at and when we're talking to the feds about them ponying up their side of money. I take it we're not departing from the process we've had up to now, because up to now it has worked fairly well. I just want to put that on the record.

**Hon Mr Wilson:** But as you know, SuperBuild, with the federal infrastructure program, has a very strong—

**Mr Bisson:** Yes, you've got to get the feds onside.

**Hon Mr Wilson:** There's a legal clause that requires joint announcements. They're not to unilaterally be doing it in the House of Commons in the middle of an afternoon just before they know Mr Bartolucci's coming to question period to talk about Highway 69.

**Mr Bisson:** Just another thing on highways: Mr Bartolucci was asking the question, is Highway 69 the number one priority of the government? I agree it is a priority, as it is a stretch of highway that we all agree needs to be improved, no question, but I just want to make a pitch for other highways in northern Ontario.

Parts of my riding don't have roads, let alone highways. My specific question to you is, the Mushkegowuk council from the James Bay area has been working, I believe, through your ministry. There's been some contact. I don't know just to what extent. Just so you know, Mushkegowuk represents all the Cree on the Ontario side of James Bay and they are working with you to try to develop, with the Ministry of Transportation, a plan to look at building a road—never mind a highway at this point; we'll settle for a gravel road, one lane, even, if we can get it—from somewhere on Highway 11 up to Moosonee and eventually working its way up toward the James Bay coast. I'm just wondering if you have any details on that at all.

**Hon Mr Wilson:** There have been I guess three meetings between the deputy and federal officials on far north initiatives and roads are, I will tell you, number one

on that list. Bob Nault and I have had one extensive meeting on this. This was part of the meeting. In fact, I sent him a three-page letter yesterday indicating it's one of the areas where I think we can work co-operatively together. They make a very good case in the far north, particularly in the northern part of your riding, where there are no roads; that's absolutely right. The alternatives are rather expensive in terms of transportation.

**Mr Bisson:** Exactly. I just make the pitch because I know there's been some work. I've worked with Mushkegowuk, your ministry and transportation on that and I know there's some work coming. I'm just making the pitch that there are other roads out there that also need to be built.

The other thing, before I get to the other series of my questions, is, when you talked about Operation Treasure Hunt—I agree with you there was a lot of good stuff that came out of that particular project. One of them, and I don't think we went far enough, was the involvement of the Mushkegowuk Cree again on James Bay. As you know, there was a whole project that was put together where Mushkegowuk Cree were hired and trained to basically do a lot of the sedimentary work along the Albany River and others up on James Bay, and it was quite successful, from what I understand. I'd just make a plug with you, Minister, that we need to take a look at how we can do that even better the next time so we're able to properly set up training programs to assist the Cree to get to know more about how they get involved in the mining field, not only from the work they did under Operation Treasure Hunt but looking at how we're able to train the local Crees to do some of the exploration work and some of the more technical work afterwards. I'm wondering if you are willing to try and set up some sort of program that would assist us in developing the skill sets of the Mushkegowuk Crees and others in northern Ontario to better understand the mining industry so they can become full participants in the activity that's happening up there.

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**Hon Mr Wilson:** Again, in discussions we had recently and in my letter to the federal minister Bob Nault yesterday—we talked about this—Dr John Gammon, our assistant deputy minister of the mineral section, has come up with a pretty good idea, I think, in terms of working with First Nations people to help them better understand the benefits, where quality of life could be improved. For instance, he has asked for funding from both our government and the federal government to share in three different videos we'll send out in Native languages and other communications materials. As you know, I and the Attorney General met with First Nations chiefs here just a few weeks ago and had an extensive discussion about, "Hey guys, we can't solve all your treaty problems. I don't have that sort of authority, but we can help improve the quality of life for your people and help create some jobs and do it in an environmentally sensitive way." We'll be having follow-up meetings to that. Any input you have on that, because you're more knowledgeable than I am, is much appreciated.

**Mr Bisson:** There's a motion that will be coming to the House to that effect on December 12. I'll talk to you about that later.

The message I'm bringing to you is that the First Nations people want to participate, but not as observers, and that's their fear. They want to make sure they're able to develop the skill sets in their communities so they can become active participants on those projects. So I commend the idea of doing videos and all that other stuff because that is important, but I think we need to go further. We need to be able to train people so they understand the mining and forestry business and are able to participate. I would argue that from an environmental standpoint it's not a bad thing because we know they are stewards of the environment. Culturally, they come at this from a much different perspective than Europeans. Therefore, I think environmentally it wouldn't be a bad thing.

**Hon Mr Wilson:** Can I just say on that, though, that when the rubber hits the road, I think, as in the example of Atawapiskat and De Beers, the fact that they were able to come to agreements—and I understand that part of the agreement they've come to will be Ontario's first diamond mine, as you know. They are to be commended for that. After quite a few impasses, my understanding is that there will be significant training and significant employment for the First Nations.

**Mr Bisson:** That part is still not resolved, just so you know. I was meeting with the Atawapiskat people on Monday or whatever day it was earlier this week or last week, and there are still some difficulties there. But the ministry did play an active role, and I appreciate that. I recommended that the ministry go up and participate in that, and you did. I think it was extremely useful in being able to bring the parties together.

We only have a little bit of time and I've got a number of questions I want to ask you. The first one has to do with Bill 198. In Bill 198 you've included some changes to the mining tax regime. Specifically, what you've done is that you're allowing for changes to the rate a mine can depreciate, the infrastructure of the mine. Specifically, you've said that in the case of mining assets it's 30%, and 15% for transportation and processing facilities. The first part of my question is, does this represent an increase to the amount they're allowed to depreciate, and by how much? I wouldn't mind a written response on all of this stuff, if you can. Just to put you guys on notice, I want a written response to all of this stuff.

**Hon Mr Wilson:** OK. I'm going to follow up on that. It's an accelerated depreciation, but exactly how much—I'd have to give you an example, probably.

**Mr Bisson:** What I'm looking for specifically is what it was before and what it is now so we can understand what this represents.

**Hon Mr Wilson:** OK.

**Mr Bisson:** The part that got me a little bit puzzled when I looked at it: I can understand why you would do that for future mine development, but I don't understand why you made that retroactive going back to 1988 or

something; I can't remember the date. You went back something like 12 years. Why did you go retroactive on it? What was the purpose of that?

**Hon Mr Wilson:** The bill preceded my direct involvement but we'll find out for you. I think part of it is the reclamation in some of these mines that is going on.

**Mr Bisson:** What was that? Excuse me, I didn't hear you.

**Hon Mr Wilson:** Mine reclamations were going on, and to recognize that work. If I recall a briefing on it, it was some recognition too of—we haven't quite got to, "The deeper you go, the less tax you should pay," but we're headed in that direction with deeper mines, particularly in the Sudbury region.

**Mr Bisson:** Here's my problem. I can understand from the policy perspective why you would say that we allow a higher write-off on mining equipment and processing facilities and transportation equipment. I can understand why you would do that from this point now to the future. The message you're trying to send is, "Come to Ontario and you'll pay a lesser tax. And hopefully there'll be more activity." Will it happen? That's another debate.

Why make it retroactive? If we're saying to a mine that already exists, already has made the investment, is there and has already created the jobs, why would we do a 12-year retroactivity on the portion of their mining equipment, either processing or mining? Why would we do that?

**Hon Mr Wilson:** I'm not sure that's exactly what we're doing. We're just having a discussion here and your interpretation of it is a little different, perhaps, than what the act says.

**Mr Bisson:** OK. I'm just looking at what you've got in the budget documents, and maybe you're right; maybe we misunderstood. I would like a clarification on that.

I just want to put on the record: if it's a question of giving them a gift for money spent in the past in order to say, "This is a write-off," as an incentive to come to Ontario, I don't see that as a very good investment of taxpayers' dollars. If you're going to talk about incentives from today on, that's how you attract them in. You don't say, "For what happened 12 years ago." That's the point I'm getting at.

Specifically, what I want back from you is a written explanation of what exactly you're getting at. Does that mean to say all of my plant, as far as underground equipment and surface equipment and milling equipment—I get those accelerated write-offs for the retroactivity as well? We need an explanation on that.

**Hon Mr Wilson:** Yes, I agree.

**Mr Bisson:** Do you know—you'd probably agree with me. Very good. We're getting somewhere.

**Hon Mr Wilson:** Well, no. Your interpretation of it is very different—

**Mr Bisson:** Well, it's just the way it comes out in the documents.

**Hon Mr Wilson:** —so I'll have to get back to you.

**Mr Bisson:** OK. Good enough. The other thing I want to know: if it is, for what I suspect it is, or isn't, can you get us what it means as far as how much tax we are going to be rebating based on that announcement? If that bill passes, and Bill 198 I presume will pass—you have a majority—and there's no amendment, how much is the retroactive portion going to cost the taxpayer? That is what I want to know. I know you can't answer that today but I'd like to have an answer to that question.

**Hon Mr Wilson:** Yes, certainly when you go back to the 2000 budget, this bill represents a continuation of the tax relief that we're giving to the sector to keep us competitive, so you asked some good questions. The retroactivity, as I said, is—

**Mr Bisson:** Yes, we need an explanation. So you have basically what we're looking for, and I'd like to get something in response to that.

The other thing is the whole policy about mining and parks. As I understand it, your policy still is what it's been under former governments, which is that there is no mining that happens in parks. Correct?

**Hon Mr Wilson:** Once we created a bunch of new parks, yes, it is. In fact, that was clarified by my predecessor in the Ministry of Natural resources.

**Mr Bisson:** OK. Let's deal with the two different parks: existing parks like Algonquin Park, Kettle Lakes, those provincial parks. The policy is that there is no mining that happens in those parks, no mining activity. Right?

**Hon Mr Wilson:** Yes.

**Mr Bisson:** For the newly created parks under the Living Legacy, it's also the same policy?

**Hon Mr Wilson:** My understanding of it was that if there had been previous claims, they would be recognized, otherwise there's no—

**Mr Bisson:** That's right. There's a grandfathering, and that's where I'm going.

**Hon Mr Wilson:** The wording of the actual agreement is from a going-forward basis. There is to be no mining activity in the actual park areas.

**Mr Bisson:** So in the case of the newly created parks under Living Legacy, if there was a claim that existed, they were grandfathered, as I understand it.

**Hon Mr Wilson:** Yes.

**Mr Bisson:** But you're not allowing new claims to be staked after whatever date you created this. I think it was in March 1999. New claims can't be staked?

**Hon Mr Wilson:** Yes. It's contentious, but that's what it says.

**Mr Bisson:** I know it's contentious. I just want to make sure I understand what the policy is.

Do we know how many claims exist in the newly created parks, in the ones that are still on the drawing board, because some are sort of scheduled to be—

**Hon Mr Wilson:** I can tell you there are 117 Ontario Living Legacy-protected sites that impact on mining lands, so I can't tell you how many—

**Mr Bisson:** Do we know how many claims that means?

**Hon Mr Wilson:** Yes. I know what you're getting at.

**Mr Bisson:** Here's what I'm looking for. Again, what I'd like to have is if you can provide us with a list of how many claims there are inside those 117 newly created areas and where they are. If we could get a map, that would be even better. I don't know if you have that detail.

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**Hon Mr Wilson:** Well, if they're staked, they're on the Web site.

**Mr Bisson:** They'd be on the map, eh?

**Hon Mr Wilson:** Yes.

**Mr Bisson:** If you could provide us with all of that stuff, I'd like to know. Is it under ERLIS, or is it under the maps program? Where would you find it?

**Hon Mr Wilson:** I was just looking at it the other day. What the hell was that thing? Maps III or something? It's CLAIMaps II.

**Mr Bisson:** Can you give us the details of where we can get that? Specifically, how many claims do we have that are pre-existing claims that were grandfathered, and where are they? If you have maps to go with that, it would be really appreciated.

That brings me to this question now: if you have a grandfathered claim on a newly created Ontario's Living Legacy park, how do you deal with that if there is mining activity to happen? What's the policy? Do you have a written policy on how that happens?

**Hon Mr Wilson:** Throw that by me again?

**Mr Bisson:** Say you have a grandfathered claim in Ruby Lake park and you have a pre-grandfathered claim. How do you deal with that as a ministry now if the claimholder comes to you and says, "I want to do some exploration or some advance," and they end up finding a mine? How do you deal with that? Is there a policy at the ministry to deal with that?

**Hon Mr Wilson:** It's the same environmentally sensitive approach, for instance, in getting to the staked area or the claim area that they would have had to follow in the past. The idea of the new policy was that there would be no more mining activity in the newly protected area.

**Mr Bisson:** But you grandfathered the claim, so it says to me that eventually somebody can look at those claims, right?

**Hon Mr Wilson:** Well, yes, it's common sense that they're going to have to get there. They're going to have to do it, though, in an environmentally sensitive way. That was supposed to have been the practice—

**Mr Bisson:** That's easily said, but I'm wondering, is there a written policy that has been put out? That's what I need to know.

**Hon Mr Wilson:** I'll ask the deputy to comment on that.

**Mr Bisson:** Can you state your name for the record, please?

**Mr Cameron Clark:** Cameron Clark, the deputy minister.

**Mr Bisson:** Not that we don't know who you are.

**Mr Clark:** The scenario that you're talking about here is when there's a pre-existing claim that's either within or adjacent to one of the—

**Mr Bisson:** No, in. We're talking about in at this point.

**Mr Clark:** OK, so surrounded by—

**Mr Bisson:** Surrounded by the park.

**Mr Clark:** They would have to go through the same approval. This is a business-as-usual scenario, so they would have to go through the same approval process they would have for establishing a mine on crown land. I think you're also referencing the fact that there are access issues that might have to be addressed in accessing that claim or group of claims in the kind of situation you're talking about. In doing so, they would once again have to go through an approval process that would—

**Mr Bisson:** But is it the same process for a claim outside of a park? I would think there would be a different process; you would have a more stringent process because it's in a protected area. I just assumed that's what you would do.

**Hon Mr Wilson:** So far, you can't do anything. We have a number of companies lined up saying, "We can't lay a pipe; we can't do anything," so it's so far been a much more stringent process because nothing's been done.

**Mr Bisson:** So you're saying the claimholder still holds title to the claim but they can't do anything.

**Hon Mr Wilson:** The complaints are coming in and it's very difficult in the few cases where they've tried to do something. That's the way it was meant to be: to be difficult, I guess, in terms of making sure they don't mess up the park.

**Mr Bisson:** I think a lot of people would agree with you on that. There needs to be a balance between—anyway, I don't have a lot of time so I don't want to get into that.

I want to be clear here: if a person has title to a claim that was pre-existing and grandfathered in the March 1993 announcement, does that mean that person then cannot develop that claim, can't work on that claim and can do nothing on that claim? I think that's what you just said.

**Hon Mr Wilson:** No, they can, but we had the case where some people gave up their claims and then sued us in Small Claims Court for the expenses because they figured they'd never get into their claim once it was surrounded by a protected area. You know that very well. It was in the media.

**Mr Bisson:** Yes. So you're saying basically that they couldn't do development. That's what I'm hearing you saying.

**Hon Mr Wilson:** Yes.

**Mr Bisson:** OK, that's what I thought.

**Hon Mr Wilson:** Yes. That's how that piece ended.

**Mr Bisson:** OK.

**Hon Mr Wilson:** So it's a case-by-case basis and the idea is to keep the protected area pristine.

**Mr Bisson:** Is there not any kind of written-down policy on how to deal with this, or is it—I would have to imagine there would be some sort of policy written somewhere, and if there is, can I get a copy of it?

**Mr Clark:** Normally what would happen in instances like this is that the proponent, the person who wanted to develop the property, would obviously have to go through an approval process, and that would mean working through the Ministry of Northern Development and Mines, which would act on their behalf to identify the various approvals they would have to receive from other ministries, including the Ministry of the Environment and the Ministry of Natural Resources.

**Mr Bisson:** But the question specifically, with all respect, is, is there a written policy on how to deal with these grandfathered claims?

**Mr Clark:** Not specifically.

**Hon Mr Wilson:** But Gilles, let's not leave the impression that there's no policy. It's the same policy and process under the previous acts—

**Mr Bisson:** As any other claim, except you're saying no mining in parks, so therefore you can't do it.

**Hon Mr Wilson:** It's just that when they go to look at sensitive areas and that, they'll take more into consideration than they did in the past.

**Mr Bisson:** But I'm understanding what you say means that you'd follow the regular policy that's set out for any other claimholder except that the "no mining in parks" policy would basically stop that from happening. That's what you're saying, right?

**Hon Mr Wilson:** It has been in some cases; it's a work in progress, though. Each one that comes forward in the future will be handled on an individual basis.

**Mr Bisson:** Has there been any mining activity on any of these old claims, that we know of? Can you look that up and let me know and give me the list? The specific question is, has there been any basic or advanced exploration done on any of these grandfathered claims? If you can provide me with a list of where they are, and how many, all that stuff.

Forest reserves inside these same parks—

**Hon Mr Wilson:** There are thousands of prospectors out there.

**Mr Bisson:** Oh, I understand. We both understand. I'd just like to get—

**Hon Mr Wilson:** You don't want us to give you a list of—

**Mr Bisson:** Well, it's pushing a button. It will come out of the computer; no big deal. Or at least point us in the right direction.

We all get these. These are quite handy, I must say, the forest management plans and stuff that are brought forward. This particular one is put out by your ministry, and it deals with the newly created parks. There was something in here that I thought was rather interesting. This particular case—I just use this one for an example—is the Spanish River Valley signature site. If you take a look at the newly created park under OLL, there are areas in there that are put down as forest reserves. Does that

mean what it says in the title: this is only for taking out trees? Why would we have done that? What's the rationale there?

**Hon Mr Wilson:** That's an MNR document, so I'll ask my deputy to comment on that.

**Mr Bisson:** It's living legacy stuff, though.

**Hon Mr Wilson:** I know, and we advocate for all sides—

**Mr Bisson:** I'm coming to something in your ministry.

**Hon Mr Wilson:**—and MNR has a very clear side on this, though, and that's the protection side. We advocate on all sides of it.

**Mr Bisson:** Let me get to my question, because I'm running out of time. Let me not be cute.

**Hon Mr Wilson:** We're not the primary ministry for—

**The Acting Chair:** Mr Bisson, two minutes.

**Mr Bisson:** My question simply is this: is there any possibility of somebody using a forest reserve to do mining as a way of getting around the "no mining in parks" policy? Could that happen? If there's a set-aside inside an OLL park that's a forest reserve and I happen to have a claim on it, or want to stake a claim on it, technically it's outside the park. Does that mean the person can do mining in the park? I'd like to get a written response to that.

**Hon Mr Wilson:** I'll get the deputy to give you a once-over and then we'll have to get a written response.

**Mr Clark:** I'm a little hesitant to get really specific here, because I haven't seen that document and I would want to be very careful about the specifics. However—

**Mr Bisson:** Can I just ask you this, because I've only got a minute left.

**Mr Clark:** I guess my point would be that these areas that have been established as, I think the designation was "forest reserve," in a lot of cases they are in effect parks-in-waiting, because the government hasn't gone through the regulation process. At this time they are withdrawn from staking.

**Mr Bisson:** They're withdrawn from staking. That's what I'd like to get in writing; if you can give me in writing what the policy is for dealing with forest reserves.

My last question: how many mines are self-assured that are not under the mines reclamation program? We passed the legislation; I forget the title. How many mines are self-assured is what I'd like to get a list of in writing, and who are they?

**Hon Mr Wilson:** What do you mean by "self-assured"? They're fully responsible for the liability of cleanup?

**Mr Bisson:** Yes. Because some elected to be self-assured insured if they had the capital to do that and if they were able to prove it to the ministry. I'd just like to get a list of how many of them are self-assured and who they are. I think I just ran out of time.

**The Acting Chair:** I think you're correct.

**Mr Michael Gravelle (Thunder Bay-Superior North):** Minister, I have lots of questions and not a lot of time. If I may, I'll begin with the agricultural research station in Thunder Bay, which may not surprise you. As you know, I had a meeting—you weren't able to be at it, Minister, but the deputy was at it—related to that. I think it was on October 31, the day it was closing. There appears to be ultimately some kind of misunderstanding, although I guess I've argued the toss on that one. The long and short of it is that I understand the ministry is still actively involved in trying to perhaps not necessarily reopen the station but work with the stakeholders, and that certainly pleases me.

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I am wondering if I can get an update. I understand there's a ministry staffer who is working actively. There was a stakeholders' meeting as recently as this past Friday. I wonder if you could give me an update. Perhaps Deputy Minister Clark might want to do that. I would like to know where it's at, where we're at and what we can hopefully expect in the future, because certainly this is an issue that still matters a great deal to a lot of people in northwestern Ontario.

**Hon Mr Wilson:** That's a very fair question and I know the deputy has been working pretty hard at it. It's one of his priorities to try and do something there within our jurisdiction, given that we're not the University of Guelph itself which actually is instigating this closure.

**Mr Clark:** Our role, as I think you know, has been largely a facilitation role. I think just prior to meeting with you, I did meet with a range of representatives from the agricultural community in Thunder Bay to discuss the issue. Subsequently, we were able to set up another meeting where we brought all the parties together from the agricultural community, as well as the University of Guelph, OMAF, the university and the community college. The purpose of that meeting was to see whether or not the parties could reach some consensus or agreement on how to proceed, recognizing that the research facility is closed. They have met since then and my understanding is that they are moving fairly rapidly toward some kind of consensus on how to proceed.

What has been discussed is the idea, first of all, of developing a roster of research initiatives that are of interest to the agricultural community in the Thunder Bay area and, secondly, to look at a variety of funding mechanisms to support that research. This could include the northern Ontario heritage fund in particular. We have, as you know, spent a great deal of money supporting research in the agricultural community over the last number of years. I think they are also looking at FedNor and a number of other funding vehicles.

The sense I'm getting from the discussions is that they are making progress and I'm quite optimistic that they're going to find a solution that allows the research side of this thing to continue.

**Mr Gravelle:** Can I make the jump, then, that in terms of the potential availability of northern Ontario heritage fund money, that would be money that would probably

go to the University of Guelph, which they would agree to be used at the research station, or would it go into funding for some research being done separate from the University of Guelph? Without being too rude, it appears that the University of Guelph has been the barrier to this. I understand they were offered money to keep the station open and weren't interested in doing that.

**Mr Clark:** I think the purpose of the discussions right now is to think about what the best structure is for supporting this and whether money is funnelled through the University of Guelph or whether it comes directly to an organization that represents a cross-section of these users. I think that's what they're trying to work out right now.

**Mr Gravelle:** Any expectation of timing? People are still contacting me about this issue?

**Mr Clark:** The kind of feedback I'm getting suggests that they're hoping to have a proposal together within the next couple of weeks, probably.

**Mr Gravelle:** I don't want to get in trouble again but what could we say publicly? Obviously what we're doing today is a public record. There obviously was a misunderstanding based on our meeting, and I apologize if I was part of that, but can we publicly say that the ministry is very much involved in this process, the goal still being, Minister, to find a way to take advantage of some of the research opportunities?

**Hon Mr Wilson:** Well, I have to be honest about this thing. I appreciate the spin on this but I've told you privately and publicly a hundred times that while you've dragged the Ontario government into this thing very successfully, we're not closing the station. We're just trying to make sure that the research the Ontario taxpayers have helped pay for to benefit northerners carries on. We would love it to carry on in the station. We did not cut one penny from the University of Guelph's research budget.

John O'Toole just left and says they closed the agricultural research centre in his riding. They've closed a number around the province. It's part of a restructuring of research at the University of Guelph.

Every time you speak in the north, you speak, and maybe not intentionally, as if the Ontario government is closing a research centre, and it's unfair. I'm not on the board of governors at the University of Guelph. I have done my best to convince them, as the former energy, science and technology minister who pumped millions of dollars—some \$60 million—into the University of Guelph during my time in that portfolio. I know the research chiefs there; we've used all the goodwill we had, but it's not our decision. At the end of the day we're offering the money, the heritage fund, to whoever wants to complete the research that needs to be done.

**Mr Gravelle:** I don't want to get into an argument with you about it, but I think they might say the research was capped to the university and they're responding to that, saying, "The Ontario government, through OMAF, is responsible." They might say that.

But rather than carry on in that regard, I'd like to move into the area of—

**Hon Mr Wilson:** Everything is capped in life. That's how you balance budgets.

**Mr Gravelle:** Yes, I know. I appreciate that, Minister. It's just that everyone has a different perspective.

Highways: certainly I acknowledge that the province has spent good amounts of funding on highways in the north, and I appreciate that. Obviously, as a member from northwestern Ontario, I'm concerned about getting our fair share of funding. As much as I appreciate the priority—and indeed I think it is—of four-laning Highway 69, there are many other projects in the northwest that interest me as well. I know that Mr Bisson made a great case for it, and we all could. I'm sure my colleagues across the way could as well, and indeed the Chair could.

What I want to know is what role you play directly in the decisions that are made in terms of funding. I know you were up in Hudson this summer to make announcements about funding in the northwest, and I think you went to Timmins to make the announcement in the northeast. What role are you playing directly in terms of decisions about the funding? Certainly I would question some of those priorities.

**Hon Mr Wilson:** Prior to my arrival at the ministry, they sat down in terms of the northern highways budget. Officials sit down and try to take everything into account in terms of what priority areas need to be done. That was presented to me this year for the \$255 million. I didn't interfere in any way whatsoever. I took the word of the police, of the officials at Transportation, of our own safety people that they knew best what portions needed to be done on a priority basis. I did encourage them, along with the Minister of Transportation, Norm Sterling, particularly on 69 and 17, where we announced extra money in the last few weeks for safety enhancements until such time as we get Highway 69 four-laned and further improvements to 17, hopefully in co-operation with the federal government.

In terms of setting a highway budget, it's generally done by officials and I leave it to the experts. The heritage fund, where we've done usually local roads—35 outside of Sudbury; I can't think of a Thunder Bay one off the top of my head, but I'll think of one, I'm sure—is municipally driven. Somebody has applied for that, and it's up to the board, which is made up of northerners, as you know, to decide on their priorities.

**The Acting Chair:** Six minutes.

**Mr Gravelle:** As you know, Minister, there is a real campaign as well to four-lane Highway 11/17 between Thunder Bay and Nipigon. There are some concerns we have about some of our roads—584 between Geraldton and Nakina needs upgrading. I think you would always expect us to fight for those things, and I just hope you will consider them priorities as well, because we're going to keep doing that.

I do want to move on to the heritage fund—we're so limited in time. Some people have said that basically you're holding back a lot of money in the heritage fund. Estimates say you've spent \$60 million, \$60 million, \$60

million, and when you look at it a little more carefully—I think if you look back; I'm not sure whether it's page 16 or 43—you've got different numbers in terms of the amount of heritage fund money you've spent in the last three or four years. It appears in estimates that there's a commitment of \$90 million for the heritage fund. But tell me, how much money is in the bank, not spent but waiting to be spent? Can you tell us that today and, if not, can you perhaps table some of those details?

**Hon Mr Wilson:** There is about \$300 million in the bank, as has been reported. Again, this is an improvement. A lot of that is committed. Hopefully this year we will put out just over \$100 million, which will be a record year for any government in terms of spending under the heritage fund. We can't put out more than we receive in invoices, and that's the problem. Yes, the committee meets frequently. It's dealing with the applications before it. We've promised a faster turnaround, and we've been doing that. I'm impressed, actually, with what the ministry has been able to do in a few months in terms of turning this around. A new customer service orientation there has been generally well received. The only ones who seem to be complaining are a few politicians in the north, and they tend to be provincial politicians. The mayors seem to very much appreciate the service they're getting and the responses they're getting, for the most part.

**1740**

So there is money there, and the trick is to get it out the door, but not any faster than the invoices come in. That's what the federal government got caught for. They have all kinds of groups that don't even exist, apparently, that the auditor—we just went through three months of the newspapers, even the Toronto Star, full of all these scandals at HRDC and other federal departments with groups that don't even exist.

The final thing I'll say is that where I think the rubber hits the road with respect to performance of the heritage fund is that I understand the Provincial Auditor has used it for the last three years as an example of the way funds should be run. I think that's the highest compliment to be given to any government.

**Mr Gravelle:** Minister, I'm not going after you about this; I'm curious. It would be nice to have the details tabled in terms of the amount of money going in and out.

Could I ask you very quickly—I'm not one of those who complains; when funding comes into my riding or to the north through the heritage fund, I'm very pleased to see it and I say so, generally publicly, and that includes getting funding for hospital equipment or MRIs. But do you, as minister, ever think, "Gee, this should be going through the Ministry of Health"? These are health care dollars.

**Hon Mr Wilson:** Yes.

**Mr Gravelle:** To some degree it gets you away from the goals and guidelines of the heritage fund as they certainly were originally put in place and even as you redesigned it. Do you ever make that case?

**Hon Mr Wilson:** Yes. In fact, my very first comments to the heritage fund board as chair were exactly that, and

that I, as fourth in charge in the province and senior minister, could probably help. My experience as Minister of Health, Minister of Energy and Minister of Science and Technology for the last seven years helped drive some of these applications back to the mainline ministries and not just tap the heritage fund because it happens to be either the easiest program to apply to or perhaps the only one a municipality or a hospital can think of, and we've been successful in doing that. We've driven back some multi-million dollar projects that would have taken heritage fund money, and we've been able to keep the heritage fund money intact and actually get that money.

I think the ministries and the government have to be more in tune with what the people of the north need. We have tremendous challenges up there but a tremendous future up there. The focus my deputy and I are trying to put on the ministry is that we will advocate for any issue for any northerner with any ministry in the government of Ontario, and that includes getting funding out of the mainline budgets rather than just out of the special northern allocations.

**Mr Gravelle:** That's certainly how I felt.

**The Acting Chair:** One minute.

**Mr Gravelle:** The Northern Tourism Marketing Corp dissolved, closed down. You've got no money allocated for it, I guess, in the next fiscal year. Mr Miller went on a bit of a fact-finding mission or consultation process this summer. We're very concerned about tourism marketing in the north, and quite frankly we think we've lost a lot. We've lost seasons in terms of that. Please tell us where it's at. I would sure like to know exactly what's going to be happening in terms of the northern component. Is it just going to be brought into the Ontario-wide thing? I know there's a temporary thing. I'm very curious about this and very concerned about it as well.

**Hon Mr Wilson:** After the problems in the past with tourism marketing—actually my parliamentary assistant, Norm Miller, would be the one to really answer this, if he gets a minute to comment. We have been keeping it alive in terms of keeping the core organization there through the heritage fund. So it's not like we haven't been spending any money. We spent a couple of million dollars keeping it alive. Mr Miller's report is moving its way up to senior levels of government, and we hope to have some news to report soon.

**Mr Gravelle:** What's the timing on that?

**Hon Mr Wilson:** Well, as you know, I can't pre-empt my colleagues in cabinet as to when and how they might deal with it, but it's moving in that direction.

**Mr Gravelle:** How about unanimous consent to have five more minutes?

*Interjections.*

**The Acting Chair:** No. The government side.

**Mr McDonald:** First off, I'd like to thank you, Minister Wilson, for being here today. Being the representative from Nipissing and being from northern Ontario and really supporting northern Ontario, I must say that in the six to seven months I've been here as the repre-

sentative for Nipissing, I'd like to take on the role of supporting northern Ontario. I must say you've been a great friend of the north and I want to thank you for your dedication and support of the north. I know you've basically moved up there in the past nine or 10 months that I've known you and you've done a great job. I've heard that from a lot of people in northern Ontario. So thank you for being here today.

I wanted to ask you how you are working with the Smart Growth panels in the northwest and northeast. Maybe you could just concentrate on the northeast a bit. Obviously, we're really concerned about our youth migrating to the south, and the declining population. What I want to know is how we're generating new economic opportunities that build on existing advantages in this area. We're looking at the population shifts—and I know this is something that concerns you, Minister Wilson. Could you outline for us today how your ministry has been involved in the effort of these Smart Growth panels?

**Hon Mr Wilson:** It's a little premature, although we have certainly had discussions with members of the Smart Growth panel. I didn't really tell them anything they didn't already know. As I mentioned a little bit in my comments at the beginning, youth out-migration is a challenge. I know it's one that both panels in the north are taking seriously. I would not really be at liberty, not being a member of the panels, to tell you much about what their recommendations might be in that area, but recently money was set aside in government that hasn't been announced to help support some of the recommendations that may come out of Smart Growth. Obviously, they'll range from things like planning through to new infrastructure needs.

Maybe we'll get another great idea like a northern medical school. As I said, when I was minister for two and a half years, I actually never heard the idea. So great work, northern MPPs. They were all in opposition at the time. No one mentioned it to me in two and a half years.

Smart Growth is a way for northerners to have a say in legislation and policy-making in the province based on the three principles of Smart Growth: promoting a clean and healthy environment, creating strong economies and building strong communities. I think people are going to be pleasantly surprised at some of the recommendations. I think they are going to be, in many ways, very forward-thinking, very cutting edge. I think because the government set them up, the government has a commitment. We might see a little more movement in terms of putting infrastructure in places where it's needed, where it will give us the best bang for our buck, for keeping young people in particular interested in staying where they were raised and contributing back to their communities.

I know that's not a particularly useful answer, but soon there will be more meat to put on the bones.

**The Acting Chair:** Thank you, Minister. We have been called to vote. We have a choice: we can either carry the votes or they will be deemed to be carried.

**Mr Chudleigh:** Do you care?



**The Acting Chair:** It's not up to me.

**Mr Gravelle:** Do we have to vote now?

**The Acting Chair:** They are deemed to be carried if we don't, but we are not at the end of the seven and a half hours. I would tell you that.

**Mr Gravelle:** OK. I'm not an experienced estimates guy so I'm not sure what is appropriate here.

**The Acting Chair:** I can put the question. It's up to the committee; it's not up to me. Agreed? Agreed.

Shall vote 2201 carry? Carried.

Shall vote 2202 carry? Carried.

Shall vote 2203 carry? Carried.

Shall the estimates of the Ministry of Northern Development and Mines carry? Carried.

Shall I report the estimates of the Ministry of Northern Development and Mines to the House? Carried.

We're adjourned.

*The committee adjourned at 1750.*





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