



---

ISSN 1181-6465

**Legislative Assembly  
of Ontario**

First Session, 39<sup>th</sup> Parliament

**Assemblée législative  
de l'Ontario**

Première session, 39<sup>e</sup> législature

**Official Report  
of Debates  
(Hansard)**

**Wednesday 7 May 2008**

**Journal  
des débats  
(Hansard)**

**Mercredi 7 mai 2008**

**Standing Committee on  
Estimates**

Ministry of Economic  
Development and Trade

**Comité permanent des  
budgets des dépenses**

Ministère du Développement  
économique et du Commerce

Chair: Tim Hudak  
Clerk: Sylwia Przedziecki

Président : Tim Hudak  
Greffière : Sylwia Przedziecki

---

### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Le Journal des débats sur Internet**

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

### **Renseignements sur l'index**

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

---

Hansard Reporting and Interpretation Services  
Room 500, West Wing, Legislative Building  
111 Wellesley Street West, Queen's Park  
Toronto ON M7A 1A2  
Telephone 416-325-7400; fax 416-325-7430  
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation  
Salle 500, aile ouest, Édifice du Parlement  
111, rue Wellesley ouest, Queen's Park  
Toronto ON M7A 1A2  
Téléphone, 416-325-7400; télécopieur, 416-325-7430  
Publié par l'Assemblée législative de l'Ontario

## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Wednesday 7 May 2008

Mercredi 7 mai 2008

*The committee met at 1634 in room 228.*

MINISTRY OF ECONOMIC  
DEVELOPMENT AND TRADE

**The Chair (Mr. Tim Hudak):** Good afternoon, folks. We are calling back into session the Standing Committee on Estimates, our second day of consideration of the estimates of the Ministry of Economic Development and Trade. There's a total of four hours and 55 minutes remaining of this ministry. You'll remember when this committee was adjourned last week, the official opposition had completed its 20-minute rotation. It is now the turn of the third party, so we'll begin with Mr. Miller, who has 20 minutes, and then we will continue a rotation for 20 minutes until we get close to the end of our time.

Minister, deputy and assistant deputy minister, welcome back. Mr. Miller, the floor is yours.

**Mr. Paul Miller:** Good afternoon, everyone. Once again, I've brought my entourage, as you can see. I would like to start off with maybe some follow-up on some of the initial questions I asked in our last meeting.

Mr. Chair, I believe the first question I asked was about manufacturing job loss numbers for a number of Ontario municipalities. I'm just wondering: Are those available? If not, when will they be available?

**Hon. Sandra Pupatello:** I think we mentioned last time you asked those questions that our data come from Statistics Canada, so it's everything that's available on the StatsCan website and that's the data we collect.

**Mr. Paul Miller:** So is that data available for me?

**Hon. Sandra Pupatello:** It's available on the website, absolutely.

**Mr. Paul Miller:** So I should look it up myself, then?

**Hon. Sandra Pupatello:** It's the same data. We don't do any further analysis or collection of data other than what StatsCan does. So we wouldn't have the specifics that he was looking for.

**Mr. Paul Miller:** So what you're telling me is that the ministry doesn't keep track of individual cities in Ontario, their present job losses or the situation they're in? They just follow StatsCan?

**Hon. Sandra Pupatello:** To the extent that StatsCan gives that level of detail, that's the detail we have as well.

**Mr. Paul Miller:** So I guess that's my only avenue then. I'm a little disappointed. I thought we'd have a bigger handle on that.

Moving on, I asked about job commitments in three ministry-funded projects, the first one being the \$235-million Beacon agreement with GM. Do we have any answers on that one?

**Hon. Sandra Pupatello:** In all three contracts that you requested, none of those are being made available to the public. None of the contracts out of AMIS, OAIS or the upcoming the Next Generation of Jobs Fund would be the kinds of contracts that we would publicize.

I know you gave us the opportunity last time to explain our position on this policy. We know that this is often proprietary information with the businesses that we're dealing with. They'll often identify for us what new innovation or new technology is in their plan to bring to Ontario or bring to the project, which is competitive information for them, and we recognize in our discussions with them since 2004 that if they knew this was material that would then become public, it takes away their competitive advantage and they simply won't apply. For that purpose, when there have been FOI requests on these contracts, the FOI office in fact has upheld our position and has released limited information, but not information that would answer this member's question.

**Mr. Paul Miller:** I guess in my municipal experience the only time we didn't give information at the municipal level would have been real estate deals with the city or pending contracts that had been tendered out for competition. This I find highly irregular. I'm not sure where in the Freedom of Information and Protection of Privacy Act it says that you can't release job commitment numbers in these kinds of agreements. I'm quite confused by that. Maybe you could help me out.

**Hon. Sandra Pupatello:** Just as an example, some of the technology that we actually want to bring into Ontario would be technologies that result in better levels of productivity, so it's directly related to a jobs number. Even the former government, when they released their program—I won't get the title wrong. It wasn't auto specific; it was industry specific. In fact, the Chair may actually have been on his way into the ministry or out of that ministry at the time that it was released. I know Jim Flaherty was there at the end of it all. But again, it was the same issue. At the provincial level, when we are dealing with private companies, we engage in very confidential information and discussions with them on the contract, with the understanding that that is not informa-

tion that's going to be released to the public, or they simply won't engage us and then we won't have companies that will come to make those investments under these programs. So it would completely undermine the programs.

**1640**

**Mr. Paul Miller:** Would it be fair on my part to assume that these contracts would involve public funds?

**Hon. Sandra Pupatello:** Absolutely, they would.

**Mr. Paul Miller:** They would.

**Hon. Sandra Pupatello:** They are public, taxpayers' dollars.

**Mr. Paul Miller:** So we're saying that the public of Ontario are not privy to the fine details in those contracts. Is that what you're telling me?

**Hon. Sandra Pupatello:** I think that if the member ever has an opportunity in the future to be a member of the government, he can select the kind of policy he would have in his dealings with the private sector.

We've realized since 2003, when we tabled the first program, which was the \$500-million Ontario automotive investment strategy, that when those programs are engaged in detailed contractual discussions with companies, they know it is a confidential discussion with MEDT. That's simply the way it has been from the beginning.

The programs have been very, very successful. In fact, there are a number of companies in the Hamilton area that have benefited because of the OASIS program, and we're happy about that. The companies are telling us that it has worked, and that other jurisdictions would have received those investments were it not for the program we had. So we know it is working.

I appreciate the member's interest in knowing that level of detail, but again, when we've been FOIED in the past, we've explained that the very nature of the program compels us to be very judicious about information we would release to the public. It includes the kind of competitive information that a company gives us in order to meet criteria set out in that program, which is simply not information we would make public.

**Mr. Paul Miller:** Could the minister explain to me how she links that with the competitiveness of a company, because they're getting money from the government? I fail to see the relationship between that and what you have told me. Maybe you could explain that further.

**Hon. Sandra Pupatello:** Sure. The very nature of the automotive sector—I know this member is very familiar with it, as well as our members of this committee—compels Ontario companies to become increasingly more competitive. "Increasingly more competitive" puts our companies, our government and all the representatives in the House in a position to say, "We need our companies to be more competitive. That means the workforce we now have needs to produce more." That's essentially what that would be: higher levels of competition to be more competitive on the world stage.

When they make application, whether it's a small or medium-sized business or a large company, in order to meet the criteria we set out, we would say, "What is the

new technology you are bringing that's going to make it faster, lighter, quicker, speedier processing?"—whatever that thing is. That very piece of information may or may not change what the workforce level is, because productivity automatically includes a conversation about the workforce. So we recognize that in the long term our goal is for our companies to be more productive and more competitive on the world stage.

That type of information is confidential in a conversation they would have among themselves. They're prepared to give us that information to meet the criteria of the program and access the funding. Again, they understand right at the outset, in dealing with economic development and trade ministry officials, that it is very confidential information. We would not speak of it, whether it's related to a program or just related to conversations, like some of our recent conversations around CanGro in Niagara. There is data and information that we have, based on our conversations with company officials, local leadership or individuals who might be interested.

We are in no position to have that public conversation about what our discussions have been. It would be seen as completely inappropriate. In this case, we simply won't divulge information where we've guaranteed these companies confidentiality.

**Mr. Paul Miller:** Thank you, Minister. Once again, I hate to belabour this, but I fail to see the relationship between productivity, workforce levels, research and development, new technology—I'm assuming that some of this money from the government would go to those territories. I fail to see how that puts a company at a competitive disadvantage with announcements in new technology, which they can protect through their own sources in the plants. They don't have to share their technology by saying how much money they've got. All those four things—productivity, workforce levels, research and development, and new technology—are not sacred cows in my opinion.

If I can ask this question from a different angle, are there any job commitments in your agreements with GM, Ford or Chrysler? I'm not talking about numbers or money here; I just need a yes or no. Are there any job commitments in these agreements?

**Hon. Sandra Pupatello:** The one way that I'm able to answer that question is to tell you that in all of the examples you've listed, these companies have not breached any part of their contract with the Ontario government.

**Mr. Paul Miller:** So they don't share those kinds of resources with you, is that what you're saying? They'll share it with you, the government, but not the public.

**Hon. Sandra Pupatello:** Well, no. You asked specifically about our contracts, and our contracts have not been breached by any of these companies.

**Mr. Paul Miller:** Well, I fail to understand it, but anyway.

GreenLink: I'd like to ask questions about your participation in the recently released DRIC Windsor-Essex Parkway proposal. Could you give me some details on that?

**The Chair (Mr. Tim Hudak):** Can you be more specific with your question?

**Mr. Paul Miller:** Well, my understanding is that the city of Windsor opposes your proposal and favours its own plan called GreenLink. Is that so?

**Hon. Sandra Pupatello:** Chair, just because this falls under another ministry, is there some—I'm not going to be outside of—

**The Chair (Mr. Tim Hudak):** It's a fair question by the minister. We are considering the estimates of the Ministry of Economic Development and Trade. Therefore, I ask members of the committee when they're asking their questions to make sure they are relevant to the estimates that are before the committee: programs the ministry runs etc.

**Mr. Paul Miller:** Thanks, Mr. Chairman, but I do see the relevance of the initial question, which I expanded on.

**The Chair (Mr. Tim Hudak):** Could you phrase it—Windsor says one thing and Ms. Pupatello in her role as an MPP says something else. You need to phrase it in a way that has to do with the ministry.

**Mr. Paul Miller:** All right. Could the minister make it more clear for me what direction the government is taking with the city of Windsor in this proposal? One says one thing, another says the other. I just want to know which way we're going.

**Hon. Sandra Pupatello:** Chair, only because the MEDT isn't responsible for GreenLink per se. It's certainly an economic issue for the government of Ontario, but it just doesn't fall within. I don't know if you have a protocol on this.

**Mr. Paul Miller:** I can expand on the question if you'd like.

**The Chair (Mr. Tim Hudak):** Make it as specific as you can to the ministry.

**Mr. Paul Miller:** All right, I'll try to be specific. My understanding is that the provincial plan calls for 11 short tunnels or overpasses, totalling 1.8 kilometres, creating 240 acres of green space. This compares to the GreenLink proposal backed by the city of Windsor which creates 300 acres of parkland, with fewer but longer tunnels totalling 3.8 kilometres. Are these numbers accurate?

**The Chair (Mr. Tim Hudak):** If the minister responds from the capacity of her ministry—

**Hon. Sandra Pupatello:** Let me say that certainly it's outside the purview of the Ministry of Economic Development and Trade. I'm happy, from an economic perspective, to speak of the importance of a border route and additional border crossing at the Windsor-Detroit crossing.

It is the largest and busiest border crossing in North America, and it's imperative that the four levels of government on two sides of the border are actually quite engaged in this. The DRIC, or the Detroit River International Crossing, is the committee that's comprised of the government of Ontario, the state of Michigan, the federal government of the United States and the federal government here in Canada. Those four governments are all

members of the DRIC, or Detroit River International Crossing.

They engaged in, and started over a year and a half ago, an environmental assessment that's based on seven criteria. Those officials from those parties, who are members and work on this environmental assessment, have been actively engaging and consulting with the public. Of course, much of that consultation has been with city officials and the city council and mayor. The mayor in fact is the spokesperson on this file for the city of Windsor. Over the course of the last year and a half, the DRIC committee, which is officials and not politicians or elected representatives, have been engaging in consultation and every several months have come forward with yet another tabling of where they are at that point.

The final recommendations were tabled last Thursday in the city of Windsor by the federal government, as well as the provincial government represented through the Ministry of Transportation whose officials sit on the DRIC. When this final recommendation was tabled, the members of the committee also made the public understand that while this is the final recommendation that's been tabled, it too is a function of the environmental assessment, and the requirements of the EA call for public consultation on this final recommendation. In fact, what has been tabled is 11 tunnels that span the course of about seven kilometres. There are 240 acres of green space affiliated as well with that plan that's been tabled. As cabinet ministers, the two local MPPs, me being one of those two, haven't—

**Mr. Paul Miller:** I don't need the whole proposal in my short time. What I'm trying to say is—

**Hon. Sandra Pupatello:** I'm happy to continue, though.

1650

**Mr. Paul Miller:** I know. You'd be glad to take my whole 20 minutes.

With all due respect, Minister, my understanding is that the GreenLink would cover 64% of the road—this all relates to money that we're putting into this proposal, so I think it is economic development, with all due respect—whereas the new DRIC plan would cover 33%. I just want to know, are those numbers accurate: 64% of the road with green space, where the DRIC plan would cover about 33%. Is that a good—

**Mr. Lou Rinaldi:** On a point of order, Chair: I think we need your due diligence to rule on this. I don't see this in any light in the Ministry of Economic Development and Trade that we're here to discuss today. I'm sure—

**Mr. Paul Miller:** A point of order—

**Mr. Lou Rinaldi:** Mr. Miller could get that information through other sources.

**Mr. Paul Miller:** With all due respect, Mr. Chairman, a point of order—

**Hon. Sandra Pupatello:** I'm happy to take the question, Chair.

**Mr. Lou Rinaldi:** I think I have the floor, Mr. Chairman.

**The Chair (Mr. Tim Hudak):** I'm going to hold the time. I don't want to take away from Mr. Miller's time in this. I can make a ruling on this thing that will make it clear, if that's okay. We have the estimates of economic development and trade, so I do need members to make sure their questions are based on the estimates. The estimates have a role for economic development and trade in terms of promoting the province and creating jobs. The minister answered the last question in that capacity. I wouldn't expect the minister to answer detailed questions if it's being funded by another ministry, but I would assume that she can answer it in terms of the economic development potential of the project.

**Hon. Sandra Pupatello:** Yes, and I am happy to take these questions. I just realized that the protocol for estimates is specifically related to—

**Mr. Paul Miller:** There goes my five minutes, Mr. Chairman.

**The Chair (Mr. Tim Hudak):** I stopped the clock for the point of order to allow you to continue.

**Mr. Paul Miller:** Okay.

**Hon. Sandra Pupatello:** I will tell you that it is the intent of the Ministry of Economic Development and Trade, as it has always been, to be an advocate for infrastructure development in the province of Ontario. This is the most significant corridor for international trade in Ontario, and in fact in the nation. We're very pleased to see that what's been tabled as the final recommendation by DRIC is by far and away the largest investment in infrastructure that Ontario has ever seen through the Ministry of Transportation. It is a phenomenal project.

**Mr. Paul Miller:** Is this a photo op?

**The Chair (Mr. Tim Hudak):** It's a question that a different ministry is the lead on. So I think it's fair for the minister to answer for economic development if we ask her that.

**Mr. Paul Miller:** I understand that this is a major project and, with all due respect to the minister, these questions involve money and the best way to do the projects. They are questions which economic development was part of. I firmly disagree with Mr. Rinaldi's comments because it is my option to ask questions on, as you pointed out, Minister, one of the major projects we've seen in years—

**Hon. Sandra Pupatello:** I'm happy to take your questions on this.

**Mr. Paul Miller:** I've got a lot more and I'd be happy to share them.

**Hon. Sandra Pupatello:** If I can just finish the last one, then. At this point, \$1.6 billion to \$1.8 billion is the estimate. In fact, the estimates from both the city's proposal and the government of Ontario's proposal are similar, off by probably half a billion to \$700 million in terms of costing. But by far and away, it is miles away from where we were in 1999 when a nine-point plan was tabled by the governments of the day, which would have had two lanes going in each direction along E.C. Row,

which is cutting across the community, east to west. It is now along Huron Church. The Windsor-Essex Parkway is how it's been tabled. It goes along Huron line and takes into account the communities that find themselves along Huron line. That \$1.6 billion to \$1.8 billion is in fact going to connect those communities with 240 acres of green space. It's actually quite a phenomenal project that's been laid out. I hope Mr. Miller has an opportunity to see it when it's finished because I think it's something he'll be really proud of as a representative of the government.

**The Chair (Mr. Tim Hudak):** You have three minutes left.

**Mr. Paul Miller:** I've got three minutes left? Okay.

It's my understanding that, at best, both plans could cost about \$1.6 billion and at worst the GreenLink might cost a little more. Would that be—

**Hon. Sandra Pupatello:** Half a billion to \$700 million or so.

**Mr. Paul Miller:** Half a billion more. If this GreenLink project has so many advantages and has the backing of the mayor and the Windsor city council, why is the province backing an inferior proposal?

**Hon. Sandra Pupatello:** In fact, it isn't an inferior proposal, so the premise of the question is wrong. What's really important to note is that the same seven criteria that all of the recommendations have to be scored against have to take into account what the city has proposed. All of the proposals then get run through those same seven criteria. The reason that the project has grown since its inception of being along E.C. Row, going east-west a couple of extra lanes, to this phenomenal project is because the DRIC officials have actually taken all of the best parts of GreenLink that fit within the seven criteria.

Some of what the city proposed simply doesn't make the grade. There were several safety issues that came to light and that DRIC had to tell the public about. The sides, for example, of the tunnels went straight up and down. That wouldn't allow EMS personnel to get into the tunnels if there was a fire or a crash. What the city of Windsor proposed didn't have shoulders through the tunnels. That simply doesn't meet MTO standards. MTO will not pay for a highway if it doesn't have a shoulder. So those are very specific items that were difficult in the city's proposal.

**Mr. Paul Miller:** That's good. I've got just about everything I need except how many trees they planted.

Is it true that Ontario officials met with non-city, county politicians a day prior to releasing the DRIC's final \$1.6-billion parkway plan to the public and the city of Windsor?

*Interjection.*

**The Chair (Mr. Tim Hudak):** Yes. Mr. Miller, if you could relate these things to the ministry and the estimates that are before us. Asking the minister about city council meetings I don't see as a question that's—

**Mr. Paul Miller:** No, I asked if Ontario officials met, not city councillors.

**The Chair (Mr. Tim Hudak):** Oh, I'm sorry.

**Mr. Paul Miller:** I guess you didn't hear it. I asked if Ontario officials met with the non-city, county politicians a day prior to releasing the DRIC's final—

**Hon. Sandra Pupatello:** Sorry. Non-city county?

**Mr. Paul Miller:** Non-city, county politicians: Non-city of Windsor, county politicians—I don't know who was there; I'm just asking—a day prior to releasing the DRIC's final \$1.6-billion parkway plan. Yes or no?

**Hon. Sandra Pupatello:** I hope that this member also has the next day's newspaper, which also identified that the warden of the county of Essex, who was out of town on the day the DRIC would be tabled, asked if he could have his briefing the day before. So, in essence, he had about a 30-minute meeting where he was shown exactly what everyone else was shown the next day when the county warden would not be available.

**Mr. Paul Miller:** So that would be a yes.

**Hon. Sandra Pupatello:** I'm being very clear. The warden has answered that question in the local papers.

Chair, it is a little difficult, because this kind of questioning on these matters—I appreciate the politics involved for the member perhaps, but he's clearly reading the local newspaper into the record, and I appreciate that. I just wish he would read all of the newspaper into the record.

**The Chair (Mr. Tim Hudak):** Our time is up. We don't have to get too much into the back and forth.

Again, I do want to remind members that we have the estimates for the Ministry of Economic Development and Trade for 2008-09. If it's about economic development, the minister's free to respond, but the level of detail for a non-ministry item wouldn't be expected.

We have 20 minutes now to the government members. Mr. Rinaldi.

**Mr. Lou Rinaldi:** Minister, welcome. It's the first time that we get to chat from this side.

I do want to talk a little bit today, in the 20 minutes that we have, about some of those budget line items that I think people need to know and the committee members need to know.

Can you make some more detailed comments, when we talk about the increase in our 2008-09 budget over the 2007-08 budget that specifically relates to, for example, the Next Generation of Jobs Fund and the Invest Ontario agency—and, as you know, Minister, something that's very close to me is the eastern Ontario development fund that we used to have many years ago that was gone and now is part of our budget this year. As you speak about these, can you relate what your ministry's expectations are in expanding these funds, where we want to go and, hopefully, what our goals would be? I think this is really, really important, as we transform the job situation in Ontario from the past into the future, so if you could elaborate on that a little bit, I'd appreciate it.

**Hon. Sandra Pupatello:** I think Mr. Rinaldi is very accurate in identifying how the Ministry of Economic Development and Trade has increased in terms of its overall budget size. It's directly related to programs that

are meant to respond to the challenges and the opportunities that exist in Ontario today.

The largest impact on our budget line, in fact, is the Next Generation of Jobs Fund, which is a \$1.15-billion fund which is the next generation of what was a very successful Ontario automotive investment strategy. We're able to take \$1.15 billion and go around the world. In fact, we can't find a fund in any other jurisdiction that is as large as our fund.

**1700**

Moreover, the fund comes with a 45-day service guarantee which the business community thinks is just terrific, and we're having a terrific response from it. What that means is that from the time we accept a completed application for the Next Generation of Jobs Fund, 45 days later our government is compelled to have an answer, yes or no. If the answer is yes, if they meet all of the criteria that have been set out on our website at [www.ontariocanada.com](http://www.ontariocanada.com), then we're also prepared to put 20% of our share on the table, right at the front end. That's really meant to help companies with that capital flow, to get those projects going. The response we've had is terrific.

In addition, it goes beyond what the auto fund did because it moves into other sectors as well. There's a recognition that there are a tremendous number of sectors that we can scour the globe for opportunities to bring those sectors here into Ontario, where we do very well—the IT sector, for example. ICT is the third-largest sector in North America, right here in Ontario, and we're very proud of that. So we're going out and telling them, “This is the fund, [www.ontariocanada.com](http://www.ontariocanada.com). Come and look and see. Do you have a project that you can bring here to Ontario?”

This member referenced the eastern Ontario development fund. This particular member was a huge proponent of the development of it, and he's right to say that these kinds of initiatives for eastern Ontario did exist. In fact, eastern Ontario had an office for development back in the day. Unfortunately, under the last government here in Ontario, that office was closed. We've moved back into the business of looking at our areas that see challenges in many different ways, and sometimes more severely than others.

Eastern Ontario has seen some areas that are more chronic than others where we've got to respond, and we've done that with a very healthy fund specifically geared towards opportunities that we can bring into eastern Ontario. We're very happy to say that we're now going through all of our processes to identify how those criteria will come out. Our parliamentary assistant to the Minister of Agriculture is heavily involved in that plan. We're just about ready to launch that and we believe we're going to have a great response from it.

We've also done some very interesting things in economic development and trade around our communities in transition program. That's a fund that we've actually taken to be able to have that kind of funding for communities that are going through very particular

challenges. The member from Northumberland recognizes many in his own area that have taken advantage of the communities in transition fund, where we work with largely municipalities and economic development commissions that have really good plans, that need just that extra bit of help to build a strategy for how to respond to a challenge that exists in their community. We're able to do that.

The response we've had from communities is that this government is listening. We recognize what those challenges are. In some instances, there is no place for the provincial government to respond to something that is happening in the business community because of global competition, the rise in the Canadian dollar, oil prices being what they are—I think today it's \$119 a barrel. Those kinds of issues make it difficult for a sub-national government to respond. So where can we intervene? How can we be helpful? We're finding ways to make a difference in those communities.

I thank you very much for that question.

**Mr. Lou Rinaldi:** That kind of zeroes in on the direction we're going. I just want to spend a minute to talk about the eastern Ontario development fund. We know that eastern Ontario has one of the oldest infrastructures when it comes to roads and bridges, and is one of the least populated parts—maybe not quite as bad as some places in northern Ontario. Any help we can provide to the local communities or for industry to locate or expand—or retain, I guess—is certainly a welcome gesture. I can tell you that folks, not just in the riding of Northumberland—Quinte West but all of eastern Ontario, are waiting with open arms for when we finally announce it. I know the staff, both out of your office and the ministry staff, have done a great job in trying to put a real comprehensive plan together that I think addresses those needs, after the extensive consultation we did where stakeholders in those communities were able to put their best foot forward. We're anxiously waiting for that. I know that in the next two or three weeks we'll be able to announce that—hopefully—and can get eastern Ontario moving.

Having said that, I think it's also very important that—

**Mr. John O'Toole:** The ethanol plant, just east of Peterborough.

**Mr. Lou Rinaldi:** Peterborough is included and so is the city of Kawartha Lakes, and east. I want to try to help the member from Durham.

Minister, I just want to get back to some of our principles, when we talk about how to move forward. I touched before on our five-point economic plan and what we're basing some of our move-forward ideas on. We do have a five-point plan: investing in skills and knowledge; investing in infrastructure for a stronger Ontario; lowering business costs, because that's certainly something that we hear; strengthening our environment when it comes to innovation; and the partnership piece. Obviously those are key to not just your ministry, really, but to move forward with job creation and the economy.

**Hon. Sandra Pupatello:** I'll speak specifically to key partnerships that we've engaged in through the Ministry of Economic Development and Trade, where we've reached out to some sectors that are seeing tremendous growth. One of the large reasons that we have a net new job number of some 450,000 jobs or more in Ontario—net new jobs—is that much of that comes from sectors like the financial services sector and the ICT—information and communications technology—sector, where we are seeing tremendous growth. While some don't want to admit it, those sectors, in fact, are very well-paid sectors.

The more that we can do as a government, where we can insert ourselves and intervene to actually be helpful—we've engaged round tables with both the financial services sector and the ICT sector as two good examples of partnerships. At these round tables, depending on what the conversation or agenda of the day will be, we'll bring in our colleague ministers from other ministries that have a direct relationship with that sector as well. With financial services for example, I'd bring my colleague the Minister of Finance. With ICT, I might bring the Minister of Health because e-health and various strategies employed in the health sector will actually be helpful to our IT sector here in Ontario.

It's become a very good forum for us to be very informed about the current needs and issues and challenges facing our sectors where we want to see growth. Number two, it gives us an opportunity to have that dialogue in a very direct manner, to say, "If we did this, what would our response be? How is it that we can make that change and improvements?"

For both of those sectors, as an example, their number one issue is talent. But, for finding people with the right set of skills, they will grow. We know, of course, that our Ministry of Education and our Ministry of Training, Colleges and Universities have key levers to make certain that the people we graduate have the skill set that those two sectors need. And so, at our round table sessions, we brought the Minister of Education and the Minister of Training, Colleges and Universities to the table to hear first-hand what levers they can employ to make a difference for these sectors. Those are really good examples of key partnerships.

Our programming is another very key area where we can show clear partnerships, both the advanced manufacturing investment strategy—which is a half-billion-dollar loan program where we very directly partner with business on projects—and our Next Generation of Jobs Fund, again, a direct partnership with business where we partner in the investment they're prepared to make in Ontario.

They meet criteria, and we're clear about those criteria being focused on advanced levels of manufacturing, on key initiatives, innovation related to our green agenda or our climate change agenda, green technologies, clean technologies, and making new products innovatively with higher levels of productivity, products that we want made in Ontario that they then can sell to the world. We are an

export jurisdiction and we know that our programming needs to line up with helping our companies in Ontario export to the world.

Many of our partnerships, again, are through our international marketing centres. As an example, we're opening 10 offices around the world. We opened the Mexico City office yesterday, where we have key opportunities in partnering with our businesses here in Ontario to bring them to other parts of the world so they can do business. We believe that the healthiest economy for us will be one where Ontario will have companies, frankly, with a footprint all over the world. We want our companies to be global. All we can do in our policies is to help Ontario companies be global. That's what we believe we need to do.

So our focus has been, in a huge way, seeing that our 10 offices are up and running and that we have key senior economic officers in all of them. The public can find information on all of our 10 IMCs through [www.OntarioCanada.com](http://www.OntarioCanada.com). Look at what they do. Look at what products they have. Depending on the market it's in, there may be one relevant to New Delhi or the Indian market, as an emerging market, or there may be one relevant to Munich, Germany. Depending on their product will depend on where and what part of the world they should be engaging.

Our SEOs—senior economic officers—are in a position to help do that matchmaking, help clear the way to find where their market might be in those parts of the world, saving businesses time and money. We're having some great success by the work of our international marketing centres.

1710

**Mr. Lou Rinaldi:** Do I have time left?

**The Chair (Mr. Tim Hudak):** Absolutely. You still have eight minutes.

**Mr. Lou Rinaldi:** Good. Obviously, there's no clear single bullet. We're facing some challenges and I think, as a government, we haven't ignored the fact or tried to obscure the fact that there has been some significant job loss in Ontario. I have some in my riding and I'm sure every part of Ontario has been touched by job losses. We talked about all the contributing factors. Ontario is not insulated from the rest of North America or probably the world when it comes to that issue, and I think people understand that. But I guess, Minister, just recognizing that those jobs that are lost are real jobs—I often say Mr. Smith, working in ABC factory, 45 years old with two kids and a mortgage—and that they're gone, can you sort of elaborate on some of the programs we just talked about? How do we bring forward those folks to get them back into the workforce? Not just how we bring them back to work, but what are we doing to industry to be able to stimulate that?

**Hon. Sandra Pupatello:** Much of our five-point plan, the \$1.5 billion that was announced in the last budget, is focused on skills and knowledge in our workforce. Much of that plan is also geared to a response in offering programs that never existed before.

When we took over Employment Canada and had it run through the provincial government—through the Ministry of Training, Colleges and Universities—it also meant that they had to adopt some of the federal rules. Frankly, rules that were developed in the 1970s simply don't work so well anymore in this current environment. So what has happened, and what we're pretty excited about, is that the Premier spoke very directly to a very similar case study to the one that you mention today. If you're 45 years old and you've worked somewhere for 20 years, what do you do when that job is gone? How do we take that person and retrain them for a job that is available in this market and cannot be handcuffed by those rules of EI that come from the federal government and that just aren't realistic in many instances? So this second-career program that MTCU is now busy developing is especially meant to address the need of that case study that you mentioned. We're going to have a program that can address things like the expenses and living costs that a 45-year-old would have, someone with a spouse and children and a mortgage, having to make that big step to go back to school, to go back for a year extra at college, whatever that retraining is going to be to be able to add on to that skill set for the job that exists today.

I have to say on the job numbers that we've got to be very clear. When we read in the paper that a company has announced a layoff of X number, the reason we're so careful is, it's actually quite difficult to discern what are the real numbers. Much was said about the GM announcement some time ago. Let's be clear: A year before, this same automotive company had also announced that 1,000 people were going to be laid off several months down the road. As this company went through those several months, the number that was announced initially and the number that it actually was differed by 600 people. That is significant. So when we hear a large number like we heard from General Motors the other day of 900, we have to step back and say, yes, that's what they've announced may happen in September, but we have to recognize that ultimately, the number is rarely the number that is initially announced.

The reason that's important is that some—perhaps opposition members—want to make the count and they will count the most egregious number when that, in fact, is not the number. We've got to be really careful about how we talk about it.

We know that there are challenges, and we are working with companies at every opportunity that we have. I spoke with the CEO at Campbell's the other day because we recognize that the Campbell Soup Co. is an important part of the fabric of Ontario. We've got to talk about, is there an opportunity for them to engage with us where perhaps we haven't had that engagement before? Let's talk about it. Often, in the economic development business, they say it's easier to save a job and expand from current facilities in Ontario than it is finding brand new greenfield investments in Ontario, so we've got to be mindful of opportunities from the companies that we

already have in this province. Much of the time that we spend through our industry section is, in fact, on talking to companies that are here today, making them aware of the multitude of assistance that can be had from the government of Ontario alone, whether that's an apprenticeship tax credit to help retrain some of the people on the job for a tremendous benefit—the best apprenticeship tax credit that exists in North America—or perhaps it's going to be engaging a company in doing R&D in Ontario that perhaps they haven't done before. Ontario, in fact, boasts the highest and best tax credit in R&D that exists anywhere in North America.

That's a great story for us to tell. We need to tell those stories to our Ontario companies and make them aware that we have AMIS, the advanced manufacturing program, that we have the Next Generation of Jobs Fund, that we have the rural economic development program out of the Ontario Ministry of Agriculture, Food and Rural Affairs for parts of Ontario that are in rural Ontario. These are great opportunities where businesses can directly benefit, to come here and expand and bring jobs to Ontario.

We are on a very aggressive path, as many have read. We are doing a full-court press around the globe to look at every opportunity in many, many sectors to bring people to Ontario. We have a great story to tell. We have great criteria that businesses look for all the time, and I think it compels every one of us as members of this House to talk about Ontario in these glowing terms, because we in fact have a great story to tell.

**The Vice-Chair (Mr. Garfield Dunlop):** You've got about a minute and a half, two minutes, Lou, at the end. Okay?

**Mr. Lou Rinaldi:** Thanks very much. Just quickly, Minister, because we are running out of time: Once again, along the whole job loss and what we're facing in North America, we hear about jobs that are leaving Ontario and Canada and maybe going to some Asian country like China and the Indias of this world. I guess when we lose those jobs—and we know that we cannot compete in the labour force with those folks. I mean, definitely we don't expect Ontarians to work for \$2 an hour or \$3 an hour. What are we doing to sort of replace those jobs, in more detail? Some of those jobs are leaving. That's a reality.

**Hon. Sandra Pupatello:** I know that last time we had an opportunity to talk about this world phenomenon, because every jurisdiction, if they considered themselves at one time to be a low-cost jurisdiction, always has another lower-cost jurisdiction around the corner. Some of the phenomena that we've seen while walking through India when we would be in New Delhi or Bangalore—and recognizing that there's a Chinese delegation around the corner who are looking to outsource what they always manufactured in China, but they're looking for a lower-cost jurisdiction in India. Having just come back from Mexico City and from Monterrey, a very industrialized area of Mexico that is doing a tremendous business, and recognizing that they considered themselves to be a low-

cost jurisdiction, but not any more because just around the corner is another lower-cost jurisdiction and what they are seeing is jobs moving offshore from Mexico off somewhere else, they are where we were. In fact, we've said for some time that this has been compounded in Ontario because we do have a dollar value that no economist in Canada predicted would be this high or stay this high this long, and that—

**The Vice-Chair (Mr. Garfield Dunlop):** You're just about done your time there: about two more seconds. Wind it up.

**Hon. Sandra Pupatello:** Thanks. So because of all these issues, the price of a barrel of oil—we're all facing these issues and it's a matter of how government responds to these challenges that I think will prove to the people of Ontario that we continue to look for very good jobs for the people of Ontario.

**Mr. Lou Rinaldi:** Thank you.

**The Vice-Chair (Mr. Garfield Dunlop):** Thank you very much. To the official opposition and Mr. Hudak.

**Mr. Tim Hudak:** Thank you, Minister, Deputy and assistant deputies, Mr. Séguin. I just want to say at the beginning too that I'm pleased to see the most handsome and capable Chair that we've had at this committee now taking the fore. I'd hope the minister doesn't disagree.

**The Vice-Chair (Mr. Garfield Dunlop):** You need glasses.

**Mr. Tim Hudak:** Minister, I want to ask you some questions, obviously, about the CanGro closure in Niagara. I've had a chance to ask a couple of questions in the Legislature and I wanted to follow up on that.

Page 11 of your estimates outlines a number of job funds, and then the actual vote is on page 49 that indicates the funds that are available. Did CanGro qualify for any of your job creation funds?

**Hon. Sandra Pupatello:** CanGro wouldn't have applied for any of them.

**Mr. Tim Hudak:** Did they qualify?

**Hon. Sandra Pupatello:** We wouldn't know whether they qualified; they hadn't applied. I will say that, historically, when in fact you were a minister representing the Niagara area, in 2002, through the Ministry of Agriculture when your government was the government, they did receive \$4 million through the RED program, the rural economic development program. We have asked if there were any qualifying criteria at that time. We haven't gotten that information yet, but perhaps you would be able to share with us what conditions you put on the \$4 million you did give to CanGro.

**Mr. Tim Hudak:** You asked who for that information?

**Hon. Sandra Pupatello:** You.

**Mr. Tim Hudak:** Me, personally?

**Hon. Sandra Pupatello:** Yes.

1720

**Mr. Tim Hudak:** I'm sorry, I didn't get that request.

**Hon. Sandra Pupatello:** You can get back to me on that one.

**Mr. Tim Hudak:** You could get it from the Ministry of Agriculture, Food and Rural Affairs—right?—with the OSTAR RED program.

You did indicate in the Legislature, and you've said in the press, that the province of Ontario gave CanGro \$4 million—

**Hon. Sandra Pupatello:** Your government, just to be clear.

**Mr. Tim Hudak:** If you don't have information, how do you know that to be a fact?

**Hon. Sandra Pupatello:** Just to be clear, your government actually did it. Since we became the government in 2003, we've not had engagement in finance in CanGro. It was in 2002, under the previous government.

**Mr. Tim Hudak:** So if you don't have any information on this so-called \$4-million grant, how can you state it as a fact that the province gave them \$4 million?

**Hon. Sandra Pupatello:** This is information from CanGro.

**Mr. Tim Hudak:** CanGro told you that they received a grant of \$4 million from the province?

**Hon. Sandra Pupatello:** Yes. This is well known. That's why we were asking exactly what conditions might have been on that, because it was a \$4-million grant, as I understand it. It wasn't a loan.

**Mr. Tim Hudak:** It did come from the Ministry of Agriculture, I think—actually, it was Municipal Affairs and Housing, the OSTAR RED program that now is at the Ministry of Agriculture.

Did you work with Minister Dombrowsky when it came to saving CanGro or trying to save CanGro?

**Hon. Sandra Pupatello:** In fact, from the very beginning, the Ministry of Agriculture, Food and Rural Affairs has been engaged with us in all of the discussions.

I have to tell you that there were a number of signs. Because we have officials who are out there across the province in a number of sectors, we try to reach out to companies before they make an ultimate decision. With CanGro, there's probably been less discussion, frankly, because we wouldn't have success in hearing back from officials of the company. I'm not sure if you, as a minister at that time, had that same experience with CanGro out of their head offices, but it's been very difficult to bring them to the table.

**Mr. Tim Hudak:** The program that gave the grant back in 2003—2003 actually was the announcement—was the OSTAR RED program that you now call RED. So it's now housed with the Ministry of Agriculture, Food and Rural Affairs. Did you ask the minister about the facts around that grant?

**Hon. Sandra Pupatello:** Well, she wasn't the minister at the time. In fact, I don't believe you were the minister at the time either. Well, because you were the minister from Niagara and you probably were an advocate at the time, I would presume that you'd likely know some of that detail. I'd really like to hear some of that detail.

**Mr. Tim Hudak:** You know, it's important that when the Minister of Economic Development and Trade or any

minister of this government makes assertions, they have the facts correct. Otherwise, they would give the wrong impression to the public.

**Hon. Sandra Pupatello:** Perhaps you could clarify. I would love to hear detail of that grant that you gave to CanGro.

**Mr. Tim Hudak:** Absolutely. I do want to say, Chair, it's disappointing that if the minister is using this in her speaking points to the media and to the tender fruit growers and taxpayers of Niagara and the province, she didn't bother checking the facts, because it's a program that currently exists at the Ministry of Agriculture. It would have been a simple phone call to your friend Minister Dombrowsky to get the facts.

I'll read from a news release sent August 28, 2003: "Eves government invests \$794,000 to bolster"—

**Hon. Sandra Pupatello:** I'm sorry, what was the number?

**Mr. Tim Hudak:** It was \$794,250. So about \$795,000 was the level of funding from the province to CanGro. Why did you say it was \$4 million when the actual grant was less than \$800,000?

**Hon. Sandra Pupatello:** Would you mind telling me what the money was for, the almost-million dollars, then, that you would have approved, probably as a cabinet minister at that time?

**Mr. Tim Hudak:** "The Ernie Eves government is investing close to \$800,000 for new technology to support local fruit packaging in the Niagara region," Bart Maves, MPP for Niagara Falls, announced today on behalf of Ernie Hardeman, associate Minister of Municipal Affairs and Housing, responsible for the program."

So why would you say, Minister, it was \$4 million when the grant was only \$800,000?

**Hon. Sandra Pupatello:** There were probably others as well that perhaps tallied in. Maybe that's the one press release that you found. But I really am curious to know that with the almost-million dollars that you probably would have approved as a cabinet minister, if there were any qualifiers to giving any level of taxpayer dollars? Were there any conditions on the money you gave? For example, if they don't stay in business in Ontario, would you get the money back? Would you then at least have access to the machinery that you helped to buy? Perhaps you could identify if that's where you were going, or at least that's what you thought, as a minister at the time, that there would be that kind of qualifier.

**Mr. Tim Hudak:** It's interesting, Chair, that the minister is asking me, as a member of the committee, for facts that she should have at hand.

**Hon. Sandra Pupatello:** Well, it's a different government and I know there was a different view at the time.

**Mr. Tim Hudak:** I do want to say, too, for the record, that if the minister is making these assertions publicly—making excuses, in my view, for inaction on the CanGro file—she should at least check the facts. Saying it was a \$4-million grant with no strings attached is far from the realities at the time.

You asked me, interestingly, if there were other grants given to CanGro at the time. You would think, too, you would know that as part of your background research before you made these public assertions.

The answer is no. In fact, we contacted Len Troup, whom I'm sure you would know and could have easily contacted with a phone call, to ask about the background of this. Mr. Troup actually speaks highly favourably about this grant, which helped to create a new line of products at CanGro, then known as Kraft Foods. In fact, there was a great deal of—

**Hon. Sandra Pupatello:** If you wouldn't mind, could you just tell me if we have access, then—in the deal that you would've struck with CanGro, can we now go get that machinery back? Does the government of Ontario own it now? Were there any stipulations as to how long they would be compelled to keep jobs in Ontario? Perhaps you could tell us what the footprint of that kind of investment was. Just to know what your thinking was at the time would actually be very helpful to us today.

**Mr. Tim Hudak:** It's interesting, Chair. I guess a good defence is a good offence.

Absolutely, if you speak with Mr. Troup, if you took the time to speak to your own ministry staff and your colleague's ministry, you would find out that it was quite a detailed proposal, and that funds would not flow until milestones were hit. It did help to create a new product line of plastic fruit cups that were launched in the marketplace. Kraft Foods, now CanGro, made good on every commitment they needed to receive. In fact they invested, in partnership with the tender fruit operators, between \$4 and \$5 million towards this project.

I ask the minister again, why would you make this assertion in the Legislature, and repeatedly in the press, if it wasn't true?

**Hon. Sandra Pupatello:** Well, maybe you can confirm for me, then, if the government of Ontario has any recourse, as you might recall as a local minister—

**Mr. Tim Hudak:** Chair, I'd just ask the minister to answer my question. It's a very direct question.

**Hon. Sandra Pupatello:** I think you have to give me an opportunity to respond here, because I—

**Mr. Tim Hudak:** I'm asking for an answer to my question, Minister.

**Hon. Sandra Pupatello:** —have to tell you that I'm a little surprised that, as a minister of the crown at the time in Niagara, recognizing how important the canning industry is to the Niagara region, I would have anticipated that there would have been some conversation at the time that said that if we're going to hand over almost \$1 million, there may be some recourse if a company then walks from the province of Ontario. It's very difficult. This member, in particular, has written to the Chair—

**Mr. Tim Hudak:** Chair, it is my time.

**The Chair (Mr. Garfield Dunlop):** Okay. I think the committee would like to know how much money was transferred. Was it \$3 million or \$800,000?

**Mr. Tim Hudak:** No, the minister was mistaken—

**Hon. Sandra Pupatello:** I appreciate the Chair taking up my cause, because I too would like to know that information.

**Mr. Tim Hudak:** As I read from the press release and the actual description of the grant, it was, as I indicated, \$794,250.

I'll just ask the minister one last time—and obviously she doesn't want to answer this question because I know it's embarrassing for her: Why would you say that the province gave a grant of \$4 million when it wasn't in fact true?

**Hon. Sandra Pupatello:** What I'm really excited about is that this ex-minister is so worried about his record on this file that he recognizes today that to talk about—they talk about Ontario taxpayers' money being given to the private sector with some kinds of strings attached.

**Mr. Tim Hudak:** Again, Chair, I'm not going to have an answer from the minister, obviously, so I'll move on to some other questions, if I could.

**The Chair (Mr. Garfield Dunlop):** We'll start another question, then, Minister, if you're not willing to answer that one.

**Mr. Tim Hudak:** I think if the minister had bothered speaking to her colleague Ms. Dombrowsky, or if she had bothered talking to the tender fruit growers, she would've found that the tender fruit growers were strong advocates of this grant, which helped to start a new plastic cup. I suspect some of your assistant deputy ministers are well aware of that grant, Minister. Unfortunately you chose, for political reasons, to say things in the House and to the press that did not meet with the facts.

**Hon. Sandra Pupatello:** I object, Chair, to that statement, because I am still waiting to hear the strings attached to that money.

**The Chair (Mr. Garfield Dunlop):** Can you start the next question now?

**Mr. Tim Hudak:** During question period on April 22, when you said, "When we were at the table"—this in reference to the CanGro situation—"making the offers that we have made," specifically, what offers did you make?

**Hon. Sandra Pupatello:** That is not information that I will share here at committee. When the government of Ontario, through the Ministry of Economic Development and Trade, is at the table with the private sector, we would not speak publicly about items that the partners themselves will not make public. If the partners who are there are speaking publicly, then we're in a position to reiterate what others may have said. But it's never been our practice or policy, nor would it be or should it be, that we would then speak about what might be available.

I can tell this member that these individuals would become well aware of the rural economic development program—as he knows, there's such a history with this particular program and that company—that there would be funding available through that mechanism. So with certainty, CanGro would have been well aware of the rural economic development program.

**Mr. Tim Hudak:** But again, the minister is not answering my question directly, so I'll ask it in a different way. Can you confirm that the ministry did make offers of a financial nature to CanGro or any of the proponents?

**Hon. Sandra Pupatello:** There isn't a conversation that I would repeat at the estimates table related to a conversation that we would have with the private sector.

**Mr. Tim Hudak:** But it's curious, Minister, because on April 22, you said quite the opposite. Today you're saying that you can't confirm or deny if you made offers or not, but in the House, on April 22, you said, "When we were at the table, making the offers that we have made..." So you've already, in the Legislature, said that you've made offers. Today you're telling me you can't tell me if that's true or not.

1730

**Hon. Sandra Pupatello:** I will confirm for this committee that it is the business of economic development and trade to reach out to companies that we hear, through whatever source, may be considering layoffs or closure. We would reach out even in advance of that kind of information to offer to work with these companies so that they would maintain their footprint in Ontario. There are members of this committee who know that they have had experiences with other companies where we've reached out. We have always offered to work with these companies to maintain their footprint in Ontario. Often what format that takes depends on the sector—

**Mr. Tim Hudak:** The minister, Chair, is weaving a rather tangled web of rhetoric. In some circumstances she says they made offers and in other circumstances she says she can't confirm or deny if any offers whatsoever were made.

I did contact two proponents, as a matter of fact, who were interested in purchasing and operating CanGro, and they said that the Ministry of Economic Development and Trade did not make any offers of any kind of a financial nature.

**Hon. Sandra Pupatello:** Well, that isn't true. What is really required here is a seller. What Mr. Hudak doesn't want to admit is that in this instance it was very difficult to have a seller and a buyer having a conversation, with a third party, the provincial government, acting as some kind of facilitator. The government of Ontario is not in the business of canning. The former government also wasn't in the business of canning. So the role the government has in this instance is to say, "How can we come in as a helpmate with people who might be interested in buying a process and those who are interested in selling a process?" There were two criteria that were really critical to this conversation, and I think it's important because I'll bet that this individual and this member from Niagara, when he was the minister, had to face these same challenges: Would we have growers—

**Mr. Tim Hudak:** Let me pursue what the minister's response was. The minister has given me two answers whether there were offers made. In one circumstance she says yes and in the other circumstance she says no. She says you need a willing seller at the same time, and the

minister is actually consistent. She said in the Ontario Legislature on April 29, in response to one of my questions, "We actually need CanGro to participate in that kind of a deal." So the minister is basically saying that CanGro is not a willing seller.

Lord Mayor Gary Burroughs has a different approach. In fact on CKTB radio the story read:

"Burroughs is baffled by statements this week by Ontario's minister of development and trade that CanGro officials pushed away from the bargaining table.

"Burroughs says claims by Sandra Pupatello that CanGro didn't want to be saved just aren't true."

So this is the Lord Mayor of Niagara-on-the-Lake, who worked very hard to save this community. He says what you're saying does not meet with the facts. Why does Mayor Burroughs believe one thing and you say the opposite?

**Hon. Sandra Pupatello:** Let me say very clearly that Lord Mayor Burroughs is wrong. Lord Mayor Burroughs and I have had had several conversations related to CanGro, and we will continue to have more conversations in the future. I also believe that Lord Mayor Burroughs is well aware of all of the circumstances that would be required for any buyer to come forward in this region and make a go of a potential purchase through CanGro.

Lord Mayor Burroughs I found to be exceptionally well briefed on the sector, understood all of the dynamics there—understood, for example, the irony of programs that are available for farmers to pull the very trees that produce the peaches that need to be canned at the same time as trying to sort out whether whoever would buy CanGro would find peaches to actually can. That is one of the criteria that I tried to finish in my last answer that is a very important part of this conversation, and to this day—

**Mr. Tim Hudak:** Let me summarize, if I can. I appreciate and thank the minister for the answer.

To summarize, the minister says there was a \$4-million grant that had no strings attached. That has proven not to be meeting with the facts. The minister said that CanGro was not a willing seller; Lord Mayor Gary Burroughs differs. In fact when we contacted both proponents, they said that CanGro was very much a willing seller. So we have Mayor Burroughs and we have the proponents who have an entirely different viewpoint. The minister said at one point in time that they had made offers, but now she refuses to say if any offers were made, and what I understand from the proponents is that no financial offers were made by the ministry.

So we have what seem to be three big ones, so to speak, by the minister that upon inspection don't meet with the facts, which is troublesome. I know that now a lot of water has run under the bridge, sadly, when it comes to CanGro. It is now closing in June. We've seen the very unfortunate sight of trees being uprooted, and pear farmers and peach farmers now without a market.

I guess what I'd ask the minister is, given that she failed to act to save CanGro and has used a bit of a cover story to make up for it, is she now willing at least to

make amends? Will the minister make investments to help our tender fruit growers transition to new markets, through her ministry?

**Hon. Sandra Pupatello:** Let's be clear—and I appreciate this question—that the member offering these statements is wrong also. What I have failed to hear yet is a single statement from CanGro, which is quite interesting, because actually what you'd need to make a deal is the seller. Again, whether it's through Lord Mayor Burroughs, whether it's through the growers, whether it's through the potential purchasers, we have yet to hear from CanGro. That's the unfortunate part of this entire picture, that in fact we want to have a vibrant community in Niagara and much of that is, what can we do with tender fruit growers? It's important for us to say that not only have we been at the table, we are at the table. You need to have—

**Mr. Tim Hudak:** Chair, I've asked a very simple question.

**Hon. Sandra Pupatello:** —all of the partners at the table.

**Mr. Tim Hudak:** I've asked a very simple question. In light of the water under the bridge—

**Hon. Sandra Pupatello:** I would appreciate the opportunity to finish.

**Mr. Tim Hudak:** I think the minister may have forgotten what my question was.

**Hon. Sandra Pupatello:** The member has actually put a series of pieces of information on the table—

**Mr. Tim Hudak:** My question was, is the ministry now willing to assist the tender fruit growers?

**Hon. Sandra Pupatello:** —that simply aren't true.

**The Vice-Chair (Mr. Garfield Dunlop):** Okay—

**Hon. Sandra Pupatello:** Chair, I'm prepared to finish talking over the member, but I have to finish the question.

**The Vice-Chair (Mr. Garfield Dunlop):** Let her finish this one—

**Mr. Tim Hudak:** If she will answer my question, Chair.

**The Vice-Chair (Mr. Garfield Dunlop):** Okay.

**Hon. Sandra Pupatello:** Chair, I do have opportunity to respond to the question?

**The Vice-Chair (Mr. Garfield Dunlop):** Okay, can there be one quick response then? Okay. Go ahead. You've got three minutes left.

**Hon. Sandra Pupatello:** In fact, if you're going to have a deal that's going to happen, you need to have a seller at the table. CanGro has yet to make statements. If this particular member, because he was so fortunate to have given the same company money a few years back—

**Mr. Tim Hudak:** Again, Chair, I think she's getting away from my question, which was about the tender fruit growers.

**Hon. Sandra Pupatello:** —with no strings attached— if he has an opportunity to get CanGro on the record on this, I think that's great. He should be working hard for his local community, and I expect him to do so.

**The Vice-Chair (Mr. Garfield Dunlop):** Do you have an answer on assistance for the tender fruit growers?

**Hon. Sandra Pupatello:** I will tell you that whether it's working with Lord Mayor Burroughs with the kinds of assistance that they need, I think that Mr. Hudak will also recall that just last week we were in the Niagara region specifically making a \$1.1-million announcement. Some of that funding is specifically to assist the local community through the economic development commission of Niagara to source how they will bring their own local fruit market and products to their own communities for sale.

I would hope that that is a very, very good example of how willing we are to work with local communities that are in transition and using funds like the communities in transition fund to help the very people in Niagara that this member should be supporting.

**The Vice-Chair (Mr. Garfield Dunlop):** Can we have a quick question and a quick—

**Mr. Tim Hudak:** Sure. The minister didn't really answer my question about assistance for transition for the fruit farmers themselves. Let me point out, on page 49 of the estimates, the industry and cluster operating funds designates \$125 million to the Next Generation of Jobs Fund, its regional and local economy transformation strategy is at \$2 million in this fiscal year and strategic manufacturing investment is \$40.8 million. That's a significant amount of money that could've been dedicated to saving CanGro. It wasn't used. Will the minister, at the very least, look to those funds, or if she names another fund, to help the tender fruit farmers, who now are without a market, to transition into better markets?

**The Vice-Chair (Mr. Garfield Dunlop):** A quick answer and then over to the NDP.

**Hon. Sandra Pupatello:** By that very question, I would hope that the local MPP that benefits so greatly from the communities in transition funding that has been announced just last week in Niagara—and if I may say, four or five mayors from the community were actually present for the announcement and were very glowing in terms of what they see as tremendous support from the Ontario government for the Niagara region, not just through the Ministry of Economic Development and Trade, but across several ministries. In fact, the Ministry of Agriculture is working very closely with tender fruit growers to talk about what they can do to transition and, in some instances, what they can do to stay in the business.

I think it's important to acknowledge that we continue to work with the Niagara region. We will continue to do so. I hope that when it comes time for budget votes, for example, this very member will in fact vote for the budget that is tabled in the House.

**The Vice-Chair (Mr. Garfield Dunlop):** Over to the third party.

**Mr. Paul Miller:** I really enjoyed that dialogue between the two speakers. One point that really stuck out in my mind is when the minister mentioned qualifiers and

figures around the investments in CanGro. I can't get anything about the Big Three deal because it's privy information, not for the public. I find that amazing.

I have one quick question on GreenLink. My understanding is that GreenLink would create quite a few more construction jobs than your parkway proposal. Is that true?

Minister, are you with me or are you sidelined?

**Hon. Sandra Pupatello:** Chair, will you take the same position in terms of questions that are outside of the Ministry of Economic Development and Trade?

1740

**Mr. Paul Miller:** It's not outside. It's about job creation.

**The Chair (Mr. Tim Hudak):** Yes, and I'd expect the minister to address it from the standpoint of the Ministry of Economic Development and Trade. If she doesn't know the details because it's another ministry, I can appreciate that.

**Mr. Paul Miller:** With all due respect, Mr. Chairman, the minister spoke about trades and jobs and more jobs for this project. I'm simply asking the minister if the GreenLink proposal would create quite a few more construction jobs than the parkway proposal? That's a pretty direct question: yes or no?

**Hon. Sandra Pupatello:** I think the best answer for this is in fact that the Heavy Construction Association of Windsor has come out fully behind the project as it has been tabled by the DRIC committee. That was pretty dramatic, because in fact they've not been active in that way in such a public fashion. There were a number of—

**Mr. Paul Miller:** Is that a yes or a no?

**Hon. Sandra Pupatello:** The fact is that what has been tabled by the DRIC committee will create literally thousands of jobs.

**Mr. Paul Miller:** Thousands more, Minister, you're saying?

**Hon. Sandra Pupatello:** The DRIC proposal that was tabled will be creating thousands of jobs for the Windsor area, not just in construction, but obviously in professional services that are related to that, as well as all of the spin-off jobs—

**Mr. Paul Miller:** So I can take that as a "yes." Thanks.

The next question I'd like to ask is about two programs that I don't really have much information about, which isn't a surprise. Number one is the large-scale strategic investment fund and, two, the strategic manufacturing investment fund. I haven't got much detail on that. Maybe you could help me out.

**Hon. Sandra Pupatello:** The government of Ontario, through EDT, has a number of programs available to it, all of them meant to be able to tailor, depending on the sector we're dealing with. So if you look through the budget items of EDT, you will see in a number of areas different programs like those we've mentioned already—the communities in transition program, the Next Generation of Jobs Fund—and each one of those programs has

various criteria affiliated with us being able to partner with industry.

A couple of really good examples in terms of partnership related to the Hamilton area might be the pulverizer project with Dofasco, where, through the AMIS program, the company is still compelled to meet the criteria available, with the project in mind, to be creative, innovative, energy saving etc. That's exactly what Dofasco had to meet when they made their application. They were then—

**Mr. Paul Miller:** Mr. Chair, I'm not getting the answer to the question I asked. I asked about two specific funds, and the minister's giving me all kinds of other things. I'll repeat: large-scale strategic investment fund and the strategic manufacturing investment fund.

**The Chair (Mr. Tim Hudak):** You'd like some details on what the targets of those funds would be?

**Mr. Paul Miller:** Yes, Mr. Chair. I'm not privy to any information, unless I have to go to StatsCan for that too.

**Hon. Sandra Pupatello:** I can give you the criteria for all the programs across EDT because it helps us get information out to the public for the kind of support that is—

**Mr. Paul Miller:** So you'd be willing to share that information with me?

**Hon. Sandra Pupatello:** Absolutely.

**Mr. Paul Miller:** Thank you, Minister.

**Hon. Sandra Pupatello:** The strategic skills program that he asks about is directly related to training. It's a program that is winding down because it's been picked up by new programming coming into the ministry. But historically, it's always been tied to training support for companies. For example, ones that would benefit in his own area, again in the automotive sector, where companies have been supported through the government in training initiatives, would have support through that fund.

**Mr. Paul Miller:** Thanks, Minister, but I don't have any automotive in my area. It's steel.

**Hon. Sandra Pupatello:** Actually, your steel companies, though—

**Mr. Paul Miller:** I have a small parts plant on Arvin Avenue in Stoney Creek.

**Hon. Sandra Pupatello:** But you need to understand, as a local member—

**Mr. Paul Miller:** We're talking steel. I understand my area. There's not a lot of auto in my area. You might want to go to Oakville for that.

**Hon. Sandra Pupatello:** You need to understand that your steel companies—

**Mr. Paul Miller:** Moving on, Mr. Chairman, my next question—

**Hon. Sandra Pupatello:** Chair, just for the record—

**Mr. Paul Miller:** The strategic manufacturing—

**Hon. Sandra Pupatello:** I'll get it in my next answer, then.

**Mr. Paul Miller:** The strategic manufacturing investment fund spent \$54 million last year and has about \$41 million budgeted for this year. Is this fund promoted publicly? If not, why not?

**Hon. Sandra Pupatello:** Thank you, and just to answer the last question, I have to say that the steel companies in Hamilton are direct beneficiaries of the benefits that are seen in the automotive sector. For example, both Stelco, now under new ownership, as well as Dofasco, now under new ownership, are directly tied to the support and benefits and success of the automotive sector because they deliver steel to the automotive sector, and that's why this particular member from Hamilton needs to be very clear how important the auto sector is to his Hamilton—

**Mr. Paul Miller:** Mr. Chairman, I'm surprised that the minister would say that. With my 30-odd years of service in the steel sector—

**Hon. Sandra Pupatello:** You should know.

**Mr. Paul Miller:** —I'm well aware of who owns the companies and what's made there.

**Hon. Sandra Pupatello:** And where they go.

**Mr. Paul Miller:** I don't think the minister knows the percentages, but anyway—

**The Chair (Mr. Tim Hudak):** Let's come back to order. Order.

**Mr. Paul Miller:** Moving on to my next question, now that she's answered the last question—

**Hon. Sandra Pupatello:** And where does steel go?

**Mr. Paul Miller:** —that she wasn't supposed to: The strategic manufacturing investment fund spent \$54 million last year and has about \$41 million budgeted for this year. Is this fund promoted publicly? If not, why not?

**Hon. Sandra Pupatello:** Again, I have to say that because this member actually worked in the steel sector, I would assume that he knows where the steel goes—

**Mr. Paul Miller:** Mr. Chairman, what's my work career got to do—

**Hon. Sandra Pupatello:** I have an opportunity to put items on the record as well—

**Mr. Paul Miller:** Can we stick to the—

**Hon. Sandra Pupatello:** —and to correct the record in many cases.

**The Chair (Mr. Tim Hudak):** Let's call you both to order. Let's try to maintain some decorum in the committee. I don't think we need to be personal—

**Hon. Sandra Pupatello:** Not at all, I have to tell you—

**The Chair (Mr. Tim Hudak):** —and I would ask—

**Hon. Sandra Pupatello:** Great Hamilton steel companies build great steel for great cars.

**The Chair (Mr. Tim Hudak):** I would ask the minister, because there are a lot of programs in your ministry, the member is asking some very specific questions about specific programs—

**Hon. Sandra Pupatello:** Thank you, and you know what? Because I know he wants to get more questions on the record, I'd be happy to supply him with that information.

**Mr. Paul Miller:** Thanks. We don't build the cars, Minister, we provide the steel—

**Hon. Sandra Pupatello:** You send steel for the cars.

**Mr. Paul Miller:** You said we make great cars.

**Hon. Sandra Pupatello:** Great steel for great cars—

**Mr. Paul Miller:** National Steel Car makes railway cars.

**Hon. Sandra Pupatello:** Chair, it's important to know—

**The Chair (Mr. Tim Hudak):** Let's move on.

**Mr. Paul Miller:** She's confused. I'll be glad to give the minister a tour of Hamilton if she'd like.

Moving on, I still haven't got my answer on the second question. Would you like me to ask it for the third time?

**Hon. Sandra Pupatello:** I did say, though, that I will send information on the program, sir.

**Mr. Paul Miller:** Third time. Would you answer this time, Minister?

**Hon. Sandra Pupatello:** I'll send all the information to you.

**Mr. Paul Miller:** I'll repeat it again for you. The strategic manufacturing investment fund spent \$54 million last year and has about \$41 million budgeted for it this year. Is this fund promoted publicly? If not, why not?

**Hon. Sandra Pupatello:** Once again, I have to tell this member that great steel companies in Hamilton make great steel for cars in Ontario.

**Mr. Paul Miller:** She's not answering.

**Hon. Sandra Pupatello:** As to the specific program—

**Mr. Paul Miller:** She's not answering.

**Hon. Sandra Pupatello:** You have to give me an opportunity to answer the question now, right?

**Mr. Paul Miller:** Well, I know that we make great steel. I don't need that.

**Hon. Sandra Pupatello:** Dofasco sends steel to Toyota. It's really obvious—

**The Chair (Mr. Tim Hudak):** Minister, he's asked a specific question about this particular funding envelope.

**Hon. Sandra Pupatello:** Chair, I'm happy to provide him information about all the programs. In this particular case, the kinds of program that we have available to provide support to our industry sectors are really important, and that's one of them. We have others as well, and you can see on that page the number of programs we have to give direct assistance based on various criteria, depending on what sector we're speaking to. In particular, that line is about infrastructure related to the automotive sector—

**Mr. Paul Miller:** Oh, that's a secret. I forgot.

**Hon. Sandra Pupatello:** It's important, and I hope that this member understands that that is important.

**Mr. Paul Miller:** That's top secret.

Mr. Chair, is the fund promoted publicly? If not, why not, for the fourth and final time?

**Hon. Sandra Pupatello:** Well, I have to tell you that most of the things we do are in fact very public, and because these tables are—we actually sit at estimates committee. All of this information based on our ministry's budget is very public.

**Mr. Michael A. Brown:** On a point of order, Mr. Chair: This is a technical one that's come up because of

the sitting times change. The House has risen. Are we able to be sitting now?

*Interjection.*

**The Chair (Mr. Tim Hudak):** Yes, we have looked into this, and I appreciate the clerk—We actually do sit to 6. The new rules take some getting used to, but the committee does sit until 6 p.m.

Mr. Miller is a member of the committee. The minister does have a deputy minister and two assistant deputy ministers here. This is a pretty basic question—

**Hon. Sandra Pupatello:** Sorry, what was the answer to the question?

**The Chair (Mr. Tim Hudak):** Six o'clock.

Perhaps through you, Deputy, some basics for the member on this particular fund, or to one of your ADMs—can you respond to Mr. Miller?

**Hon. Sandra Pupatello:** We'll be happy to send you information.

**Mr. Fared Amin:** Yes, we'll get that information to the member.

**Mr. Paul Miller:** Thank you, Mr. Chair. Next question. I didn't get really whether it was promoted publicly or not. I still didn't get an answer.

How does a company apply for this fund?

**Hon. Sandra Pupatello:** Actually, through more than just this ministry, through the OMAFRA ministry with offices across Ontario, I believe that the Ministry of Small Business has some 40 offices across the province in various parts, in every region of Ontario. The Ministry of Economic Development and Trade also has staff on the ground who work with our colleague ministries. We work with economic development commissions, for example, and virtually every regional government or local municipality and their officers, sometimes their whole commission; sometimes it's just officers. We have economic development commissions who are all frequented with everything that's available through the Ontario government, and we have our own offices of our sister ministries with officers on the ground, who are always in contact with the local business.

In this particular time, where we know there are some sectors that have greater challenges than others, we are doing very special outreach to those sectors. Manufacturing is a good example of that, where we're reaching out and offering, for example, items that are available through the Ministry of Energy. We'll say to them, "Look, are you aware—here are all the offerings where we can be of assistance to help you conserve energy and save money," especially in this trying time when their sector is so challenged. So in innumerable ways we have outreach that fans across virtually all of the sectors in Ontario.

We want to be very proactive with our companies. We want them to be aware of what we do. We encourage people to come on to the economic development and trade website. If you come to ontariocanada.com, you can walk through all the programs that we have as well.

**Mr. Paul Miller:** Can I move on? It's my 20 minutes. She's used up quite a bit.

**The Chair (Mr. Tim Hudak):** The member's satisfied with the answer?

**Mr. Paul Miller:** Yes, about 10 minutes ago.

Could you name the companies, or get a list of the companies, that were funded under the program in FY 2007-08 and how much they received? Or am I not privy—

**Hon. Sandra Pupatello:** Sorry, what program?

**Mr. Paul Miller:** FY 2007-08.

**The Chair (Mr. Tim Hudak):** Mr. Miller, which program again?

**Mr. Paul Miller:** FY. That's all I've got in front of me, I'm sorry: FY.

**The Chair (Mr. Tim Hudak):** So for the fiscal year 2007-08. Is this about the advanced manufacturing investment strategy?

**Mr. Paul Miller:** Yes.

**Hon. Sandra Pupatello:** The AMIS program?

**Mr. Paul Miller:** Yes, that's right: 2007-08. Could I get a list of the companies that received funding?

**Hon. Sandra Pupatello:** Sure.

**Mr. Paul Miller:** Okay. Is there any secrecy around this fund or is it totally public?

**Hon. Sandra Pupatello:** Actually, we'll collect if for you, but if you were to go to the website at ontariocanada.com and go through and follow along, you'll get to the advanced manufacturing investment strategy. You'll be able to pull up all of the press releases from the ministry that identify everything that's been announced. That would identify for you all of the projects that have come out of the AMIS program.

**Mr. Paul Miller:** Would that include pending funding?

**Hon. Sandra Pupatello:** No.

**Mr. Paul Miller:** It wouldn't.

**The Chair (Mr. Tim Hudak):** I will say, though, that I would expect that the ministry would get that information to Mr. Miller. It's a very simple question.

**Hon. Sandra Pupatello:** We can do that, sure.

**Mr. Paul Miller:** Thank you. That's it for me.

**The Chair (Mr. Tim Hudak):** That's it for the time, Mr. Miller?

**Mr. Paul Miller:** Yes.

**The Chair (Mr. Tim Hudak):** Okay. We still have a 20-minute rotation for the government, but what I'd like to do, Mr. Rinaldi, if you're okay with this, is to book that in 20-minute blocks. So as opposed to having you guys do seven or eight minutes, we'll defer the full 20 minutes to the next day.

**Mr. Lou Rinaldi:** Absolutely.

**The Chair (Mr. Tim Hudak):** Thank you very much.

To Mr. Brown's point: We have the new rules, and we do meet until 6 o'clock. We will be reconvening on Tuesday morning at 9 a.m., and we will conduct estimates until 10:45.

**Hon. Sandra Pupatello:** With me?

**The Chair (Mr. Tim Hudak):** Yes.

**Hon. Sandra Pupatello:** Is that on my schedule?

**The Chair (Mr. Tim Hudak):** Yes, it is on your schedule—from 9 until 10:45.

Then we go back to the House for question period and such, and then we reconvene when the daily proceedings begin. Today we did that at 4:30. As folks know, the daily proceedings float a little bit. It seems like in the first week of the new rules they tend to start at 4 p.m. So you will receive notice that this committee will begin at 4 p.m. on Tuesday afternoon and go until 6 p.m.

**Mr. Lou Rinaldi:** Same with Wednesday, then?

**The Chair (Mr. Tim Hudak):** Yes, Mr. Rinaldi. You're exactly right: same as Wednesday, 4 till 6. We don't meet Wednesday mornings, of course, from 4 till 6.

We should be able to conclude the estimates for economic development and trade on Tuesday afternoon at 6 p.m. if all goes as planned, and then we'll move on to aboriginal affairs on Wednesday.

To the minister, deputy and staff, thank you very much. Members, thank you very much. We'll see everybody Tuesday. We are now adjourned.

*The committee adjourned at 1752.*



## CONTENTS

Wednesday 7 May 2008

<b>Ministry of Economic Development and Trade</b> .....	E-27
Hon. Sandra Pupatello, minister	
Mr. Fareed Amin, deputy minister	

### STANDING COMMITTEE ON ESTIMATES

#### Chair / Président

Mr. Tim Hudak (Niagara West–Glanbrook / Niagara-Ouest–Glanbrook PC)

#### Vice-Chair / Vice-Président

Mr. Garfield Dunlop (Simcoe North / Simcoe-Nord PC)

Mr. Gilles Bisson (Timmins–James Bay / Timmins–Baie James ND)

Mr. Kim Craitor (Niagara Falls L)

Mr. Bob Delaney (Mississauga–Streetsville L)

Mr. Garfield Dunlop (Simcoe North / Simcoe-Nord PC)

Mr. Tim Hudak (Niagara West–Glanbrook / Niagara-Ouest–Glanbrook PC)

Mrs. Amrit Mangat (Mississauga–Brampton South / Mississauga–Brampton-Sud L)

Mr. Phil McNeely (Ottawa–Orléans L)

Mr. John O’Toole (Durham PC)

Mr. Lou Rinaldi (Northumberland–Quinte West L)

#### Substitutions / Membres remplaçants

Mr. Michael A. Brown (Algoma–Manitoulin L)

Mr. Paul Miller (Hamilton East–Stoney Creek / Hamilton-Est–Stoney Creek ND)

#### Clerk / Greffière

Ms. Sylwia Przewdziecki

#### Staff / Personnel

Mr. Ray McLellan, research officer,  
Research and Information Services