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Wednesday 6 October 2010

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Mercredi 6 octobre 2010

**Standing Committee on
Estimates**

Ministry of Northern Development,
Mines and Forestry

**Comité permanent des
budgets des dépenses**

Ministère du Développement
du Nord, des Mines et des Forêts

Chair: Garfield Dunlop
Clerk: Douglas Arnott

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

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*The committee met at 1603 in room 151.*MINISTRY OF NORTHERN
DEVELOPMENT, MINES AND FORESTRY

The Vice-Chair (Mr. Robert Bailey): Order. We are now resuming consideration of the estimates of the Ministry of Northern Development, Mines and Forestry, vote 2201. There is a total of two hours and six minutes remaining. When the committee was adjourned, the official opposition had completed a round of questioning. I now recognize the third party. You have up to 20 minutes, Mr. Bisson.

M. Gilles Bisson: C'est un plaisir d'être ici avec vous encore, monsieur le Ministre—une autre journée. C'est la journée au paradis.

Écoutez, juste pour finir avec la question de la communauté d'Opatatika, comme on en avait parlé la journée précédente, notre préfet, M. Nolet, et son conseil avaient appliqué, à travers une compagnie qui était intéressée à faire un projet de biomasse à Opatatika, pour le bois. Ils l'avaient fait à travers ce qu'on appelait dans le temps une « business-to-business relationship », qui est une négociation avec les compagnies qui ont déjà le bois.

Comme vous le savez, ils ont eu l'occasion d'avoir une entente avec Hearst FMA, qui a dit : « Oui, on est préparé à vous donner un certain montant de bois. » Mais ce qui est arrivé, c'est qu'avec le nouveau processus que vous avez eu pour les requêtes pour propositions—ou « requests for proposals »—le bois dans cette particulière entente a été repris.

La question que j'ai demandée à Bill, avant de partir l'autre jour, était : « Pourquoi est-ce qu'on n'a pas exclu le bois qui était déjà dans l'entente avec Hearst FMA du nouveau bois dont on parle pour être capable de donner des allocations? » Cela n'aurait pas été plus facile de dire : « On va accepter les négociations qui sont là, qui ont donné le bois, pendant une période de 12, 14 ou 16 mois pour l'applicant d'aller de l'avant avec le projet, sinon le bois est repris »? Je ne pense pas qu'on a eu une réponse à la question—pour faire sûr qu'on a une réponse à cette question-là.

Bill? Unless the minister wants to answer.

Hon. Michael Gravelle: Thank you very much. I appreciate the question, and it is, in essence, a follow-up from our discussion yesterday. Certainly, we are very pleased about moving forward on the wood supply

competition. We think this is going to be one of the key ways we have, certainly in the short term, to putting our wood back to work in the province of Ontario. As you know, we did identify somewhere pretty close, ultimately, to about 10 million cubic metres of wood that was available.

You're asking specifics, I realize, about Opatatika. I do have with me today at the table Bill Thornton, who's our assistant deputy minister on the forestry side, who's obviously very involved.

One of the challenges for me in terms of discussions related to the wood supply competition is that I am, I think, for all the understood appropriate reasons, not able to talk about specific applications that are in place. It's very important that this process be done in an absolutely fair manner. In fact, this is being conducted under the watchful eye of the Fairness Commissioner.

Mr. Gilles Bisson: I'm going to come to those questions about what's happening now and what's going on with stage two later, but my specific question is—and I'm going to repeat it just to make sure we're clear—those who went out, such as the case with Opatatika, and negotiated a business-to-business agreement with another SFL holder, such as Hearst FMA, why didn't we just say under this new process that you've established that that wood that used to be in Hearst FMAs—they've agreed to give to the proponents of Opatatika an opportunity to put their project together and say, "Okay, we're not going to take that wood and put it in the RFP process for a period of 12, 14 or 16 months" as a deadline to show that, in fact, they're able to go forward with their project. Why didn't we have some way of being able to protect the wood that was negotiated? That's my question.

Hon. Michael Gravelle: I will ask Mr. Thornton to respond, if I may.

Mr. Bill Thornton: Thank you, Mr. Bisson. I did follow up to find out a bit more of this after we spoke yesterday. You are correct. There were some discussions that took place between a particular business interest to try to make use of, as I understand it, some biomass material that could be put to a particular business need. You're also correct in stating that we have encouraged the proponents, in those instances, to speak to the parties that hold the timber licences to try to do what we have described as a business-to-business deal.

In that particular instance, it hadn't reached a sufficient point of certainty for us to determine that there was

a deal there. I think there were still some conditions to have been met: No licence, for example, had been issued. So we did have to make a judgment call there, Mr. Bisson, because as you know, the purpose of this competition was to put wood to work and to make available to other parties wood that currently wasn't being consumed.

1610

We do have to stress here, though, that parties involved in those business-to-business relationships which had not reached conclusion were invited and had the ability to participate in that competitive process. I can't speak to the specifics of an application, but I want to leave you with the message that the opportunity wasn't denied them.

Mr. Gilles Bisson: Just for the record, I fully support, and I have been pushing for years, that if wood is not being used by an FSL holder, it should be made available through the crown. I've always maintained that, and I think that's what we need to do.

It's a bit of a chicken-and-egg situation. You understand the process far more than I do. If I get into a business-to-business relationship, as these people did with Hearst FMA, and they get an agreement and a letter saying, "Yes, in fact, we're going to give you access to this wood for X number of years etc.," there's a whole bunch of steps they have to go through after that—mill operating licences etc.—before they're in a position to finally put shovel to the ground with the new mill. That takes, as you well know, 12, 14, 16 months to happen. They end up being caught in the process. My question is, why didn't we have allowances for that? I understand the idea, from a policy perspective, that if the wood is not being used, then put it into an RFP. But clearly, in this case, there was somebody who was interested. They had made an agreement with Hearst FMA and in fact were working toward getting all of the licences and permits necessary to put shovel to the ground.

So why didn't we, in some way, have the policy of, "Okay, if anybody has an agreement with somebody, if we figure it takes 12, 14, 16 months to go through the process, here's how much time you've got to go through it, and if you haven't, it goes into the RFP"? Why didn't we do that?

Mr. Bill Thornton: It comes back to the substance of the agreement and how mature you believe that business arrangement is. Having reviewed the situation—because I know my staff interacted with you on this particular issue—the determination was made that it just hadn't reached a sufficient level of certainty.

I don't want to trivialize your concern, because it's a legitimate one. I want you also, though, to realize that the opportunity has not been lost to the proponent. They have the opportunity to participate in the wood competition.

Mr. Gilles Bisson: The only problem, as you well know, is the position they're now in: They're competing with everybody else yet again.

Mr. Bill Thornton: A fair point.

Mr. Gilles Bisson: They've spent a lot of money to get to this point. How would you feel, as the investor, if

you'd spent hundreds of thousands of dollars to get you to the point of actually getting an agreement with Hearst FMA and then had to be put back into the queue right at the beginning with everybody else? It's a bit unfair.

I'll just leave it at this: Again, I understand and I agree that we need to make unutilized wood available. That's not my argument. My argument is that if somebody had signed a commercial agreement with an SFL holder, we should in the future, if we ever end up in this situation again, recognize that a fair amount of money and time was spent on the part of those parties to get to an agreement, and say, "Okay, there is a bit of grandfathering"—I'm not sure if it's a grandfathering clause or some sort of clause that says, "We know it's going to take you 12 to 16 months from the time of the commercial agreement to being refused or accepted, to putting shovel in the ground"—that that be part of what is allowed, and at the end of that, if they haven't been able to raise the financing, or they couldn't get their licence because the project wasn't strong enough, or environmentally it didn't make any sense, then the wood is put back into the process.

I've just got to say, from the perspective of the community of Opasatika—their economic development people and the company—it was a pretty disappointing process, to say the least. I'd just put that on the record.

Let's move to Smooth Rock Falls. Minister, you knew I was going to ask you about Smooth Rock Falls. As a matter of fact, you tried to pre-empt the question yesterday.

Hon. Michael Gravelle: I know what you're referring to.

Mr. Gilles Bisson: Exactly. Just for members of the committee, by way of background: Smooth Rock Falls essentially had one employer, which was Tembec, the old Abitibi pulp mill. Tembec, the new owner that operated it for some years, decided—and it was a business decision; whether you like it or not is beside the point—to shut the place down. As a result of that, everybody's been out of a job ever since.

The government of the day, being McGuinty's, when the mill was shut down, said, "All right, bring us your proposals. If you've got somebody else who's a successor employer or somebody who wants to start a new business, come and talk to us."

The problem we have is the same problem we have in Opasatika but a bit different; that is, who controls the wood? It is my position, I have always believed, and I know this to be the case, that the current sustainable forestry development act gives us the authority, if a company is not using wood, to take it back.

I guess the first question I have is: As these companies were shutting down operations, as we saw with Tembec with the operations in Opasatika, Smooth Rock Falls, Timmins and others, if they were permanently closing down those mills, why did the crown not take back the wood under the terms of the sustainable forestry development act?

Mr. Bill Thornton: Again, thank you for the question. Let me begin by saying that, like you, I share in the

concern for the community of Smooth Rock Falls. I know what the loss of a pulp mill has meant to a small town like that. It has been tragic by any measure.

This issue really comes down to the nature of our timber licensing system. In the cases that you've described, both with the closure of the former sawmill in Opatatika and the pulp mill in Smooth Rock Falls, the timber was licensed, for the most part, to Tembec. When we looked at that situation, as was explained to us by the company, which we agreed with, their issue was really making use of that wood in different facilities that they owned. If I go back to the example of an Opatatika sawmill—you appreciate that Opatatika is a small community between Hearst and Kap. On either side of Opatatika, for example, was another Tembec sawmill—one in Hearst and one in Kapuskasing. There was a request by the company to shift some of that wood supply to make better those operations in two other communities. It was a negative for Opatatika, no question about it, but a positive for two other communities. Likewise, the same rationalization of reallocation of fibre took place when wood was no longer flowing to the Smooth Rock Falls pulp mill.

Mr. Gilles Bisson: But in fairness to that argument, Tembec in that area operates a sawmill in Hearst, a sawmill in Opatatika, a stud mill and a paper mill in Kapuskasing, a pulp mill in Smooth Rock Falls, a sawmill in Cochrane, a sawmill in Timmins and a sawmill in Kirkland Lake. They've shut down over half their operations. They haven't increased their production in any of the other facilities. The overall capacity to produce what's left standing—all that's left standing are Hearst, Kap and Cochrane. Those are the only ones that are running out of the entire operation that was there before.

If it was a case where they're actually using the wood—in other words, the full allocation of timber, the allowable cut is being cut and we're producing it into something—I wouldn't like that because of quite a different set of issues, but I would understand that your argument holds water. But in this case, they haven't. Let's do the math. The Hearst mill was—what?—800,000 cubic metres a year, maybe? How much would Hearst be?

Mr. Bill Thornton: Let's go back and take a big-picture view here, because—

Mr. Gilles Bisson: But you follow what I'm saying?

Mr. Bill Thornton: I understand your point, and let me address it. There are two big pictures here. One is, across all of the management units in question in this example, timber that's licensed to the Tembec organization—you have to appreciate that over time we're seeing a decline in the allowable harvest level. That's a function of the age of the forest and its inability to provide the same amount of fibre going forward as it has in the past—

Mr. Gilles Bisson: But we're nowhere near cutting the allowable cut.

Mr. Bill Thornton: That takes me to my second point. My second point is, you can't judge that at this point in

time, when we are at absolutely record lows in terms of demand for sawmill products and the market that's in such complete disarray.

Mr. Gilles Bisson: But with all respect—I have great respect for what you do—my point is, that's a whole different argument in regard to what's happening with the allowable cut. My point is, if a company like Tembec had this much wood—I'm just using a number; in a power of 100 they had this much wood—and all of a sudden they only need this much wood, and we give them a licence and allow them to keep all of the wood they had before, there's a whole bunch of allowable cut that's not being cut. Why would we keep it with them?

Mr. Bill Thornton: Because the situation is that there is less timber, in an absolute sense, to be harvested there and so the company is reallocating that among its existing manufacturing capacity. It has the capacity to process all that wood.

1620

I take your point that at this time, that capacity isn't at full utilization. That's very obvious. We're seeing sawmills close throughout the province. That's a function of a market in decline, the US housing market at record lows, and a very uncertain pulp and paper market.

I think that when normal times resume—if we can use that term—when we see a resumption in demand, you will see that the company does use the allowable harvest in the facilities that it has.

Mr. Gilles Bisson: But the problem is that you leave them in charge of all of the wood. My point is, in a competitive environment, you're better off to have more players, in my view, competing for uses of the wood. For example, in the case of Smooth Rock Falls, they have a quite different vision about the utilization of the wood in Smooth Rock Falls than would Tembec in Cochrane.

Mr. Bill Thornton: Fair point.

Mr. Gilles Bisson: That's not a bad thing. Who knows? Maybe somebody has another use. Maybe somebody says, "I have a need for a lesser amount of timber; I want to use it to make window sashes" or hardwood flooring or whatever it might be. But you'll never get there unless you take away the wood that is not being used and say, "Here is an RFP," as you've started to do with some of the unutilized wood that we already had control of, because effectively you have not gone and got a whole bunch of wood off the old SFLs. Anyway, that's a whole other argument. But my point is, we're not allowing entrepreneurs to go forward and say, "I've got an idea. If you give me 50,000 cubic metres a year, I can put a plant in Cochrane or Kirkland Lake or Timmins that builds hardwood floors."

You can't do that, so why would you keep the wood with Tembec? And no disrespect to Tembec. I work with them, as you do, on a daily basis—well, not a daily basis, but a weekly basis. They're a great company trying to do some good things, but you can't allow one person to control the wood.

The Vice-Chair (Mr. Robert Bailey): You have a little over three minutes, Mr. Bisson.

Mr. Bill Thornton: On that point, I think the minister and I would agree with you. We would love to see reform of our tenure system. I think those are legitimate concerns.

Mr. Gilles Bisson: But my point is, we already have the power under the act to take that wood back. Why have we not?

Mr. Bill Thornton: Well, that power that you suggest is there is not quite as clear as you suggest.

Mr. Gilles Bisson: You're darn right it's clear. I was there when we drafted it.

Mr. Bill Thornton: But there are licences—

Mr. Gilles Bisson: I was part of the committee that drafted the bill. I know what's in it.

Mr. Bill Thornton: You need to consider the language of a timber licence and the company's right to use the wood that's allocated to them.

I understand and agree with your intention; that is to make wood available when it's not being used by one party. But that needs to be considered from a legal perspective within the context of what's permitted by the terms of the timber licence to the company, in this case Tembec.

Hon. Michael Gravelle: Certainly there's no question that this discussion really does explain why we agree that looking at modernization or reform of the tenure system is something that clearly is geared towards a number of things, but obviously we want to, in essence, level the playing field. Particularly, there's an opportunity for new entrants who have a good business idea and have got themselves in a position to do that.

The tenure reform is something that we're continuing to work very seriously on. We have every intention, quite frankly, of testing the principles of tenure reform in a couple of models. We're looking at the northwest and the northeast, and we're moving forward on that, but the whole discussion, to some degree, is one of the reasons why we've moved in that direction. Again, while we may not completely agree on everything related to the wood supply competition, in essence, you agree with finding ways to free up wood that is not being used, and obviously, I do believe that our looking at the reform of the tenure system is the right decision for us to make. There's no doubt.

I'm not so sure that any government would be taking this approach if things were going along swimmingly, but—

Mr. Gilles Bisson: Well, no, because then they'd be using the wood.

Hon. Michael Gravelle: Well, that's correct. They were using the wood. What I think one of our goals is—certainly Bill can speak to this as well—this has always been simply known as a cyclical industry, and we want to take that out of it to some degree. I think tenure reform may give us an opportunity to do that. This is going to be a relatively lengthy process, which is why it's important for us to test those principles in some pilots. But I'm very familiar with both issues you are bringing up.

I guess our time is up.

Mr. Gilles Bisson: I'm out of time, but I just want to table with the clerk a number of questions that we have for the ministry from NDP research, if I can give that to the clerk rather than reading through all these questions.

The Vice-Chair (Mr. Robert Bailey): Okay; so tabled.

The minister's time is up now. We'll move to the government party. Ms. Van Bommel.

Mrs. Maria Van Bommel: Thank you, Minister.

Whenever I have the opportunity to travel in the north, I always find it just breathtaking. You never go often enough, and every time you're there it's just amazing. This summer again we had the opportunity to pull our fifth wheel through the north, from Sault Ste. Marie through to Thunder Bay—as part of the trip, actually; it was a longer trip than that. But as we travelled with friends of ours who are also pulling their fifth wheels, one thing the conversation becomes part of is the whole condition of the roads, because when you've got a fifth wheel you're always worried about what's going to fall out or get bumped out in the back. We were talking about the fact that in the north, the winters are definitely harsher than they are in my area of the province, and the condition of the roads generally. I just wanted to know what your ministry does about the condition of the roads, in terms of maintenance of the highways, so that things are transported the way they should be.

Hon. Michael Gravelle: I appreciate the question. It's always great having you up north, of course, and you're welcome anytime. We all love it up there very, very much, but there's no doubt that one of the—we mentioned this a couple of times, but it's always worth rementioning: Northern Ontario is essentially, I think, 87% of the land mass in the province of Ontario. We're talking about a northern highway system that is very close to 11,000 kilometres across, a very vast landscape, and it truly is an economic and a social lifeline that connects communities across the north. I represent Thunder Bay–Superior North. I'm just one of 11 northern Ontario members, and almost all of us have very large ridings. The road system is incredibly important.

We are certainly very pleased to have the responsibility for the northern highways program and couldn't be more excited about the fact that the McGuinty government has once again increased the funding available to the northern highways program to record levels. The construction that's going on this particular construction season is remarkable, but the great thing is that it creates and supports an enormous number—thousands and thousands—of jobs over the next few years. So that's an important component as well, particularly for an area that has, obviously, some economic challenges.

By making these long-term, sustained investments, our government is certainly helping to spur economic development, but perhaps, I think most importantly, it is improving highway safety and the quality of life for northerners. Because it is true: Frequently it's 100 or more kilometres between communities. People are

travelling back and forth in order to get to work, and it's very important that we actually do that.

In this year's budget, we received an allocation of \$773 million. That was a 20% increase over the record budget of the year before, which I think was \$648 million. There are a number of elements to this that I want to be able to tell you about, certainly in terms of those total dollars that are being spent. About \$327 million is for system expansion, as it's more formally called—I call it four-laning—which is really important in northern Ontario, and some very important safety initiative contracts as well. Certainly, of the remaining dollars that are allocated, about \$446 million has been allocated for rehabilitation, which is always very important. That certainly includes additional funding for bridges, which are really important.

The four-laning initiatives in northern Ontario are incredibly important, certainly to those of us who have advocated for them for years. That includes my predecessor in this ministry, Minister Bartolucci. He did some incredible work in terms of Highway 69 and Highway 11. Minister Smith obviously cares a great deal about the work being done on Highway 11 as well, the four-laning. So that work is continuing and those commitments are in place, and I'm very pleased that work has now begun on the four-laning of Highway 11/17 between Thunder Bay and Nipigon, which is truly a piece of the TransCanada Highway, where there is absolutely no alternate route whatsoever. So this work is something that is incredibly important.

1630

Since the McGuinty government came into office in 2003, we have rehabilitated 2,560 kilometres of highway, 185 bridges—the work just goes on—and we have, in terms of the four-laning, constructed I think about 105 kilometres of new four-lane highway, along with 115 new bridges. I think there is an understanding that bridge work is absolutely vital. A bridge, like anything else, has a lifespan to it, and obviously, in terms of safety, it's incredibly important that it gets fixed up. Certainly new bridges need to be built. They are complicated and difficult projects, but they're very important.

In terms of specific contracts, since 2003, 10 contracts have been initiated on Highway 11 south of North Bay, with a value of about \$540 million. What I can tell you is that the remaining 41 kilometres that are needed to complete the actual four-laning are now under construction. In terms of Highway 69 south of Sudbury there have been 11 contracts, which have totalled over \$580 million since 2003. I know that 20 kilometres of new four-lane highway were open to traffic in the fall of 2009, and construction is under way on 30 more kilometres of that section. Certainly the engineering and the property acquisition are proceeding over the remaining 102 kilometres.

One other piece that we actually accelerated the completion of was the four-laning of Highway 17 east of Sault Ste. Marie. We managed to actually get that done a year earlier, in 2007, rather than the estimated time we expected of 2008.

We are pleased about the other work that has been done. In Thunder Bay, there was the extension of what we call the Shabaqua Expressway or the Shabaqua Highway. That was completed in August 2007. That's the beginning of a much longer stretch that's done.

Safety is always the priority; there's no question. I was first elected in 1995, and I must admit that highway improvements and highway safety were absolute priorities for me. I recall working with the minister at the time, Al Palladini, when we were fighting to get warning lights along the Thunder Bay Expressway and were successful. We were able to get warning lights, which made a real difference in terms of people actually facing actual traffic lights along the Thunder Bay Expressway, which basically works its way around Thunder Bay. That was a tremendous safety initiative, and I'm very pleased to say that since the time that warning light was put in place, there has not been a major accident at that intersection.

The safety initiative could not be more important. In fact, in 2007-08, the provincial budgets were able to get some extra funding from Kenora to White River. For those of you who don't know northern Ontario, that's a really long stretch of highway. Kenora is very much in the western-northwest part of Ontario, probably about 40 kilometres from the Manitoba border. Kenora is about 500 kilometres to Thunder Bay; White River is probably 400 kilometres to Thunder Bay—so that's a 900-kilometre stretch. Getting those extra dollars for that was really important. We also got some significant additional safety initiative dollars along Highway 17 east and west of North Bay and on Highway 11 north of New Liskeard.

In terms of those specific safety initiatives, they were in the area of about \$190 million over five years. That made a big difference. This particular program was reconfirmed once again in the 2010 provincial budget.

There's also a piece of land that certainly one of my colleagues in northwestern Ontario would be happy about, which is the major rehabilitation of the Noden Causeway. This is basically the causeway that connected Fort Frances with the provincial highway system many, many years ago. There was a very real need to rehabilitate this particular causeway. Fort Frances is one of the most beautiful communities in northwestern Ontario. This is an extraordinarily important link to the community, and we were able to get \$79 million in funding over five years for a major rehabilitation. That is going on as we speak.

We've got major investments in terms of the widening to four lanes of Highway 69 to Sudbury, which is incredibly important. Again, it's one where the four lanes will be so much safer in terms of driving—and the volumes are increasing all the time. We are on a very aggressive schedule in terms of completion.

Also, Highway 11 to North Bay: The actual Highway 11 to North Bay four-laning we expect to be completed by 2012. That's a huge project. I am pretty excited about the fact that we are beginning the four-laning between Thunder Bay and Nipigon this construction season. In fact, there were two contracts that were recently let out;

two tenders were announced for a section where Terry Fox lookout is. If you've been to Thunder Bay, one knows that's where Terry Fox, of course, ended his extraordinary historic run, I guess, 30 years ago—somewhere just outside Thunder Bay, the Terry Fox monument.

The section between Hodder Avenue and Highway 527, or Spruce River Road—they're widening that to four lanes. There'll be a special new entrance built into the Terry Fox lookout. That is such an extraordinarily important spot. We want to make it safer as well. That \$41-million contract has been let.

A week or so ago, another contract for about 14 more kilometres of four-laning between Mackenzie Station Road and Birch Beach, again on the road between Thunder Bay and Nipigon—that award was announced. Indeed, work is beginning on that as well. I'm pretty excited about that. That's another piece of good news in terms of the McGuinty government's very, very strong commitment to the northern highways program.

In terms of how the highway system actually works, we are a huge part of the world. If you look at the northwest and the northeast, the northwest contains about 40% of the northern highway system—obviously, 60% is in the northeast. The northwest contains about 31% of the north's population—69% in the northeast—and about 27% of the northern traffic volume. So there are differences. When we look at northern Ontario, you have your five major urban centres: Thunder Bay in the northwest, Sault Ste. Marie, Sudbury, Timmins and North Bay in northeastern Ontario. All of these are crucial centres in terms of being regional centres, but there are, obviously, many other smaller communities that we need to access. Certainly, this is a real commitment of ours.

In terms of future commitments, we are looking at approval to construct some more contracts between Thunder Bay and Nipigon beginning in 2011-12. Those announcements have been made and they include the twinning of the Nipigon River Bridge. The Nipigon River Bridge is amazing because it truly is pretty much in the centre of the country. It's become important for us to recognize that the twinning of that bridge needs to be done. That's a lot of work, but that's going to be happening in 2011-12.

Certainly, we are looking forward to being able to link up the four-laning that will be completed by—there's a section between Spruce River Road or Highway 527 and Mackenzie Station Road which will also be four-laned, which will link up the contracts that I mentioned earlier. So there will be, relatively soon, a continuous four-lane stretch between Thunder Bay and Birch Beach, about 33 kilometres out. At the other end, between Nipigon and Red Rock, there will be 12 kilometres that will be four-laned from Red Rock to just west of Nipigon. Those are real priorities for us, and there's no doubt that this is something that we take very, very seriously.

There is no doubt that our ministry takes the responsibilities of having the northern highways budget as a part of our responsibilities. Mr. Hillier asked a question, I think, in one of our first sessions about how the responsi-

bilities break up. We were able to get responses to him, and I hope they were helpful to him. In terms of the history of how this worked out, it was in December, just after our government was entering office in 2003. There was a direction for the Ministry of Transportation along with our Ministry of Northern Development and Mines at the time, and the Ministry of Public Infrastructure Renewal, to develop a northern highway strategy. It was very crucial that indeed we played a very significant role in developing that strategy.

1640

That document itself was released by the Ministry of Transportation in 2005, which covered the five-year period from 2005-06 to 2009-10, and that basically did contain a very detailed listing and maps of planned rehabilitation and expansion contracts as well as a listing of the contracts scheduled over the period. So this continues to be a rolling five-year plan. These listings have been updated in subsequent years. They are produced on an annual basis and described as northern highways program reports. They are a public record of our ministry commitments and our accomplishments.

There is discussion always, when you're talking about the highway system, about the role that the federal government can play and perhaps should play. We obviously are keen to get whatever support we can from the federal government to improve the highway system.

There was an agreement to implement the Canada-Ontario strategic highway infrastructure program, which was signed by the Ministry of Transportation and Transport Canada. That was signed in 2003 as well. Through that agreement, the two levels of government cost-shared construction over a five-year period on a number of highway contracts that were located on the TransCanada Highway.

The ones that we were able to successfully cost-share on in Ontario included a new four-lane construction of—I think it was about seven kilometres east of Sault Ste. Marie from the Garden River First Nation to Bar River road. There was the new two-lane alignment for Highway 11/17 that I mentioned earlier, which is the Thunder Bay Expressway extension of the Shabaqua Expressway, and there's more work being done to link all that up.

Another place where the cost-sharing agreement in terms of the federal government and the provincial government was able to do some work was on some four-lane construction on Highway 69 in the new alignment south to Sudbury. There was another aspect of Highway 69 where indeed that was done.

At the time of the agreement, the federal and provincial governments were sharing the contract costs on a 50-50 basis. This obviously enabled us to move ahead with some of our projects a little more quickly because of those completions. Certainly what has happened as a result of some of the costs being a little more than we thought is that the federal share is no longer actually at 50%, so those are discussions we want to have in the future.

One of the exciting events was, there has been a long-held desire for very good reason to four-lane the highway

between Kenora and the Manitoba border. I think it is about a 40-kilometre stretch. It was in 2009 that I was able to be in Kenora for an announcement with Premier McGuinty and Prime Minister Harper to announce \$100 million for a 15-kilometre section of the 40 kilometres between Kenora and the Manitoba border. That project is moving forward. Again, this is an important stretch of highway.

Safety is always the number one reason for highway improvements, and that's not to suggest that it is not a priority in the entire province, because indeed it is. Obviously in terms of volumes of traffic, there aren't the same volumes of traffic in northern Ontario, but one can argue that to some degree actually it poses very different safety issues when you're driving along a highway. But where the volume is there—and that's Thunder Bay-Nipigon, Highway 69 and Highway 11 in terms of south of North Bay and the stretch between Kenora and the Manitoba border—we are very keen to move forward.

I'm extremely proud of the record of the McGuinty government and the unprecedented levels of support—\$773 million is tremendous. We are making good use of those dollars in every way, moving forward on projects that mean a great deal to people in northern Ontario.

I'm sorry I didn't get a chance to finish up in this section, but maybe I'll get an opportunity in the future.

The Vice-Chair (Mr. Robert Bailey): Thank you, Minister. You're right on the button. Now we'll start on the next round. I think we've got enough time for 20 minutes each. We'll try—

Mr. Randy Hillier: I didn't know if the minister was ever going to come up for air there, but he did. That must be just about a record.

Minister, I want to just go back to these responses that you gave the other day. First off, did you actually read the responses that your ministry prepared?

Hon. Michael Gravelle: Absolutely.

Mr. Randy Hillier: You did. Okay.

We'll start with my question about the greater productivity levels in forestry in Scandinavian countries as compared to Ontario. We do know that they're up to 10 times more productive in their harvesting of wood than we are here in Ontario. One of the reasons your ministry has provided for why they are more productive than we are, and they harvest more fibre than we do—the fourth bullet says, “Scandinavian countries also recover more fibre from their forests. For example, they often extract tree stumps from the ground following logging operations. We don't do that in Ontario, nor do we have the environmental approvals.” Because they take their stumps out—I hope this question doesn't stump you, Minister—and I guess we haven't got Monte Hummel's approval to take the stumps out in Ontario, we are at a disadvantage compared to Scandinavian countries. When I read this, I thought, “Now I understand why your staff refers to ministry explanations as resistance and baffle-gab.” Because they take their stumps out, they are far more productive than we are, and we don't have environmental approval to do so. Is that true?

Hon. Michael Gravelle: I am going to ask Bill Thornton, who is obviously very expert on this. But let me at least begin a response. There is a variety of reasons. There are also other reasons. One of the other examples is—

Mr. Randy Hillier: This one was important enough to put in this—

Hon. Michael Gravelle: It's absolutely something that we want to talk to you about, but it's also not uncommon for fertilizers to be applied—

Mr. Randy Hillier: But I'm just talking about the stumps. Let's keep to the stumps.

Hon. Michael Gravelle: Okay, I'm going to ask Bill to respond because he can do an excellent job of that. I know you asked a question yesterday about our spending related to general operations, and we will be providing you with a response. We haven't got it ready yet, but we'll try to get it to you—

Mr. Randy Hillier: It won't be one of those baffle-gab responses, I'm confident.

Hon. Michael Gravelle: None of them are. This is a discussion that we want to have. I want to ask Bill to respond because Bill can help us out here.

Mr. Bill Thornton: Yes. I'm pleased to respond, Mr. Hillier. You posed a question as to why it appears to you that—

Mr. Randy Hillier: Well, I guess the real question is: You're suggesting that you need environmental approval to take the stumps out?

Mr. Bill Thornton: Yes. And that is the case. I'll explain—

Mr. Randy Hillier: Who would you get that environmental approval from?

Mr. Bill Thornton: Currently in the province, the forest management activities that are allowed to be undertaken are undertaken in accordance with approvals through the Environmental Assessment Act. You actually have to follow the Environmental Assessment Act.

Mr. Randy Hillier: But who would give the approval?

Mr. Bill Thornton: The Ministry of the Environment would have to do that.

My point is, some of the activities that are permitted in other countries aren't here: fertilization would be another example; drainage, which you sometimes see in Scandinavian countries; removal of stumps and so on. Our only point was to try to say that while there are similar boreal forests in northern Ontario versus Scandinavia, and similar species—not identical tree species—they do grow differently in terms of the tree species. There is a difference in terms of the inputs into forestry like fertilization and others, and there are differences on the extraction side in terms of being able to remove stumps.

Mr. Randy Hillier: And I guess Monte Hummel over at the Ministry of the Environment won't give you the approval to take the stumps out in northern Ontario?

Mr. Bill Thornton: To be fair, when that original environmental assessment took place—there was actually

a very protracted period of time when there were environmental assessment hearings, going back into the late 1980s and early 1990s. It wasn't something that we asked for. At that time, we didn't feel the need to remove stumps to get that small amount of additional volume. We had a large forest resource; it wasn't being fully utilized at the time, so the request was not made. We contemplated requesting authority to use fertilizers, but there are a lot of environmental considerations there in applying fertilizer aerially, as is done in some other jurisdictions.

1650

Mr. Randy Hillier: Thank you very much. But again, I have to just say that it is astounding that the Ministry of Northern Development, Mines and Forestry would put this in here and would not be able to make a decision about something as simple as stumps in crown forests and would have to go to another ministry to get approvals for that.

You mentioned in your discussions with Mr. Bisson that there is a decline in the allowable cut that's going on. We know that there has been a market decline, but we're also declining in how much will be allowed to be cut.

Again, in your response, you said that forestry, of course, is now a shared jurisdiction with MNDMF and MNR on the sustainability side. So is the MNR not doing its job, then? Because sustainability means that we continue to sustain a harvest; right? You're now saying that that allowable cut is diminishing. So it's not sustainable, if that is indeed what you're—

Mr. Bill Thornton: That's indeed not what I was saying. The calculation of an allowable harvest is a mathematical calculation and it's very dependent on the distribution of the age in your forest because, as you can appreciate, we don't harvest young trees; we harvest old trees. If we were to look at the age profile of Ontario's forests, it's somewhat similar to the age profile of our people: We have a lot of old people; we have fewer younger people. The result of that is, as you go forward in time, you have fewer mature trees to harvest.

When we look to the future and we see the age of the forest that will be reaching a point of maturity when it can be harvested, there's less of that. That's a fundamental driver in terms of the reduced amount of timber that we'll be able to harvest. That's not to say that you won't have anything to harvest—

Mr. Randy Hillier: So we're not engaged in sustainable activities, then?

Mr. Bill Thornton: No, no. You need to hear the rest of the story. The rest of the story behind that is that a number of our plantations will start to come on stream as a result of silvicultural efforts a number of decades ago, and you'll see a recovery in that harvest level and it will trend back up. But in the near term, we're going to see continued declines in the amount of timber that we can harvest.

Mr. Randy Hillier: Let me ask you this. I was very supportive that MNDMF took over forestry—

Mr. Gilles Bisson: Well—

Mr. Randy Hillier: No, no—but like many others, very disappointed that MNR retained certain elements in the forestry. I want to ask, Minister: How can your ministry be the economic developer and somebody else be the manager of forestry? There are inherent conflicts in that. What are you doing to minimize those conflicts?

Hon. Michael Gravelle: I think it's proving to be a pretty good marriage, if I can use that term. Certainly—

Mr. Randy Hillier: It's still a honeymoon right at the moment, I guess.

Hon. Michael Gravelle: We're all working very hard to make it work, and I think our focus—certainly, when the Premier asked me to take on those additional responsibilities in terms of the business side of forestry, we spent a significant amount of time making sure that we were clear about what the responsibilities were, and that's why we are focusing very much on the business side of the sector. We are fortunate to have people like Mr. Thornton and others within the forestry division who are obviously very experienced and have worked in the forest management system for some time, and they understand what works the best.

For us, the most clear and obvious answer was that we needed to find some way to work to revitalize the forestry economy, which is why we focused specifically on issues such as the wood supply competition, the recognition that, indeed, there was a significant amount of Ontario's crown wood that was not being utilized. There were many instances, some of which have been discussed today, where either communities or businesses were not able to access the wood for a variety of reasons—

Mr. Randy Hillier: Let's go on to that: utilized.

Hon. Michael Gravelle: The wood supply competition is a good example of something that we recognized would be very clearly one of the responsibilities of our ministry—also, of course, the modernization of the forestry tenure itself.

Mr. Randy Hillier: Okay. Well, let's work on this a little bit here now. You have a declining allowable cut. Your deputy says that that is because we're having a lack of mature timber to harvest. But we also see a great number of areas that are being put off limits to forestry, and everybody in north, everybody in forestry, mentioned the word "caribou," of course, and the Endangered Species Act and Blanding's turtle and everything else. How is the Endangered Species Act affecting that declining allowable cut? Is it just your mature forests or is it actually MNR policy in the implementation of the Endangered Species Act?

Hon. Michael Gravelle: I'll let Bill respond to that on a technical basis, if he can. But the key, as always, is to find an appropriate balance. Our ministry's priority—I think that's clear in the discussions we've had with you and with everybody here at estimates—is to basically work towards finding a way to help the transformation of the forestry sector and revitalize it. That's why we're focusing on—

Mr. Randy Hillier: Well, I think we're transforming it for sure, but I'm not sure if we're—

Hon. Michael Gravelle: I don't think even you would argue that indeed we recognize that there's a need to look at the forestry sector in terms of: How can we see some of the new opportunities that are there and how do we make those work? So that's been our focus.

In terms of the issues you're bringing up, it is being challenged—

Mr. Randy Hillier: I have no doubt that that's your focus, Minister; I don't know if it's the same focus of everybody else in your government.

On the Endangered Species Act and with MNR implementing it, how is that affecting the allowable cut on the—

Hon. Michael Gravelle: Again, it's certainly not our legislation, as you know, but as I say, the key for us is to find a balance—

Mr. Randy Hillier: No, but your ministry is charged with economic development on forestry, and I'm asking how this other ministry is affecting the allowable cut with their policies.

Mr. Bill Thornton: If I go back to a simple mathematical calculation again, any time you reduce the land base that grows timber, then you reduce the allowable cut.

Mr. Randy Hillier: And do you have a number of how much land is off limits under the Endangered Species Act?

Mr. Bill Thornton: I don't have that at my fingertips, no.

Hon. Michael Gravelle: Again, what I think we're very much focusing on is the available wood that's out there. We need to determine—

Mr. Randy Hillier: We know there's lots of wood out there.

Hon. Michael Gravelle: When we began our wood supply competition, at the time there were about 11 million cubic metres of wood, and I think it ended up being, as a result of a variety of circumstances, something less than 10 million cubic metres of wood, some merchantable and some unmerchantable.

This is obviously about opening up opportunities for a number—

Mr. Randy Hillier: But we're closing off opportunities. With the caribou and with the turtles, we're closing off opportunities, are we not?

Hon. Michael Gravelle: But with the wood supply competition, we're opening up opportunities, and that's what we are very, very focused on in terms of the wood supply competition. We had—

Mr. Randy Hillier: Well, we're down to about 50% of the harvest that we had in the past on our fibre. Now, of course, some of that is because of market conditions.

Hon. Michael Gravelle: In terms of—I'm not sure what you're referring to—how much wood we're actually harvesting?

Mr. Randy Hillier: Yes.

Hon. Michael Gravelle: What are we at in terms of this year, Bill?

Mr. Bill Thornton: You're correct. In terms of traditional harvest levels, if we can assume it's been at 20 million to 22 million cubic metres, last year I think we were just between 10 million and 11 million cubic metres.

Mr. Gilles Bisson: I thought you meant still allowable.

Hon. Michael Gravelle: That's correct.

Mr. Randy Hillier: No, no. We're down significantly. Some of it, without a doubt, is due to market conditions and demand for it.

1700

I've talked to many foresters, and the regulatory burden that is being placed on them to do a cut is just making that timber not economically viable to take out of the bush. By the time they get around the caribou, get around the red-shouldered hawk or get around the turtle, the cost is more than what the cost of the wood is. So the wood stays put. That's why mills in my area and mills everywhere are getting their fibre, getting their lumber from other jurisdictions. We've priced our crown forests out of the marketplace.

Hon. Michael Gravelle: Well, I would certainly dispute what you're saying. What I will say is that clearly—I probably should be a little bit careful here in terms of what I'm going to say. When the Premier asked us to take on the responsibility, I think it was important—this is a role of being advocates for the forestry sector which, indeed, we have been. There's no question that there's a very specific role which has focused on economic renewal and revitalization of the forestry sector. I appreciate the opportunity that our ministry has to take on—

Mr. Randy Hillier: But you're on a shrinking land base, a contracting land base. That Endangered Species Act and the list of endangered species is a growth area of government. More and more species are being identified. They're expanding; your resource land base is contracting. That's clear.

Hon. Michael Gravelle: But the challenge, as always, is to find the appropriate balance. The priority very clearly for our ministry is the revitalization of the forestry sector, to take measures that will allow more of the wood to be harvested. Here we are opening up—

Mr. Randy Hillier: But you have no control because that's on the MNR side of the ledger. They are the ones who are shrinking your land base.

Hon. Michael Gravelle: Certainly, the Ministry of Natural Resources has its responsibilities, and we're working closely with them. One of the advantages, may I say, of our ministry—

Mr. Randy Hillier: I just want this to be clear and honest so everybody understands what's happening to forestry, okay? Our crown forests are shrinking in size, not because the earth is shrinking or because Canada is shrinking; our crown forests are shrinking because of legislation from your government. That's what's happening. The cost to get at our wood is going up and up. It's increasing with all this new legislation.

We can talk about tenure reform, and I think, without a doubt, tenure reform is necessary. But if we don't deal with that fundamental problem of pricing our crown forests out of the marketplace, there will not be any forestry up there.

As we led off last week on this, when I went through New Brunswick, Maine and New Hampshire, all down that St. John River valley, all the mills were still up. We've lost 60 mills here. And it wasn't just because we're unlucky; we lost those mills and we lost those jobs because of policy. Your tenure reform isn't really touching what is at the root of the problem.

The Vice-Chair (Mr. Robert Bailey): A minute and a half, Mr. Hillier.

Hon. Michael Gravelle: But I think you need to look at other jurisdictions as well in terms of the reality. There's no question—we could go through the story, and again, our ADM Mr. Thornton is probably one of the best to tell the story of what's happened, I guess, since 2003—

Mr. Randy Hillier: No, the biggest danger to forestry is the MNR in this province.

Hon. Michael Gravelle: There's no question it's been very tough and very devastating to the forestry sector in Ontario in terms of forest products mills that have shut down temporarily, permanently or indefinitely—52, in fact, since 2003. But in British Columbia, we've seen 75 mill closures. In Quebec, we've seen 83 mill closures. I don't want to be simplistic about it, but there are obviously challenges all across the spectrum.

Again, our focus as a ministry, particularly with our new responsibilities—I guess they're no longer new, but they're still relatively new to us—is to find ways to help revitalize the forestry sector. That's what we're doing with our wood supply competition and with our tenure reform and the other measures we're taking.

It's great to be at an opening of a pulp mill, as I was a couple of days ago in Terrace Bay—

Mr. Randy Hillier: What's clear is that you guys are picking winners and losers here, and forestry is on the losing side in this government.

Hon. Michael Gravelle: We're excited about the measures that we're putting in place to help revitalize the sector.

The Vice-Chair (Mr. Robert Bailey): Time's up.

Hon. Michael Gravelle: Are we done?

The Vice-Chair (Mr. Robert Bailey): Mr. Bisson, from the third party.

Mr. Gilles Bisson: Just for the record, I want to say that I think MNR—I'm not as big on being negative towards the MNR as what we heard previously. I think MNR has played, and will play, a useful role in northern Ontario.

Am I happy with the Endangered Species Act? No. That's why I voted against it.

I just want, for the record, to note that I'm not convinced that, at the end of the day, moving the forestry section of MNR into northern development and mines in itself fixes the problem. I think the problems are much

more systemic than that. I think the government did it for their own reasons, and I'm not going to second-guess why.

Just for the record, I think that MNR, over the years, has been a ministry that's been important in northern Ontario. We've got some very competent staff. I've dealt for years with the likes of Dianne Corbett, Bill Greenaway and a whole bunch of other people who have served the communities well and work hard. They don't always give the answer my constituents want. They often do, because they're good people, but not always. If we have problems, I think they're much more systemic than moving them from one ministry to the other can fix. For the record, I wanted to say that.

The other thing I wanted to comment on very quickly was the minister's comments in regard to the Ontario industry. Quebec has lost X amount of mills, BC has lost X amount of mills and we've lost X amount of mills—and we're doing better in comparison. I think the point that Mr. Hillier would make, which is a good one, is that British Columbia is a much bigger player.

But even aside from that, even if Ontario was a player equal in production to British Columbia or Quebec, the issue is that we're not Quebec; we're not British Columbia; we're Ontario, and it's a question of the choices that we make in this province that would make our mills more competitive.

Would there still be shutdowns if we had done everything that was possible to save the mills? Yes, we would still have shutdowns, but I think we'd have far fewer. I think there are some things that we could have done that would have made it easier for some of these operations to stay afloat. There's only so much market, and we understand that. Nobody in this business who knows anything about forestry would expect that you can sell wood into a market that's not there. That's the essential problem that we have.

But we also understand that it's a very competitive market. Our job in Ontario, as legislators and as staff of MNR, or now MNDMF—I can never say that in one full sentence—is to make our industry as competitive as possible, playing our role to assist industries and communities to be as productive as possible. I think there are things that we could have done, but that's for a whole other debate.

I just wanted to follow up on something. I'm probably only going to get one more 20-minute spot. I want to deal with Smooth Rock Falls, but I just wanted to deal with this particular point first. I started raising it by way of questions, trying to get somewhere a little while ago, in regard to the questions I was asking the minister, and Bill a little bit earlier, and that is the issue of the allocation of timber.

The point that I was trying to make earlier is that it is my view that it's a provincial government's responsibility to allocate unutilized wood. I think that the sustainable forestry development act gives us the ability, should we choose, if a mill shuts down, to take the wood back.

One of the things that happens, as has happened as of late—I understand why it was done, and I think there are

some good reasons why it was done, but I have a bit of a problem with it on the policy perspective. I just want to clarify, to make sure that I understand this correctly. In the Canadian boreal forest agreement, essentially Tembec stood outside of the rest of the Ontario industry in order to be part of this agreement. That's their choice as a private company, and I can't fault them for that; that's their own choosing. But they offered up, basically, part of the boreal forest that they have as part of this agreement.

Does that mean to say that at the end of the day some of the unutilized timber that we talked about in fact is being set aside through the Canadian boreal forest agreement to not be used? In other words, has Tembec, in this case, taken away from the allowable cut wood that rightfully belonged to the crown?

Mr. Bill Thornton: The short answer is no.

Mr. Gilles Bisson: Explain to me why it's no, because it's quite a different view.

Mr. Bill Thornton: The Canadian boreal forest agreement, as you point out, is an agreement among a number of environmental groups and a number of forest products companies. There are more in Ontario than just Tembec. AbitibiBowater, for example, is another signatory. By and large, those are members of another national organization called the Forest Products Association of Canada.

1710

But to get to your point, which is that they have identified some areas that they would like to see set aside for the protection of caribou habitat: While that's always their prerogative to identify areas such as that and to work collaboratively with leaders in the environmental community, it doesn't bind the crown to endorse or adopt the recommendations that they put forward.

We are very conscious of the fact that on that landscape are a whole lot of players—not just a forest products company; not just an environmental community with certain interests. There are First Nations communities, there are mining interests, there are recreational interests, and we can go on and on.

The fact that one particular group may come forward with a proposal like that is encouraging in some respects, because it has been an issue that has been debated long and hard among those particular interests—the industry and the environmental community—but it doesn't bind the crown to adopt those decisions. The ultimate responsibility for any land use decision that affects crown lands in Ontario rests with the Ontario government.

Mr. Gilles Bisson: The short answer is that they might have, in the short term, protected some of that wood and some of those forests, but in the end it's up to the crown to decide if they're going to agree to whatever terms were agreed upon. It's the view of some that Tembec, by not having given up wood that they don't use and saying that they wanted to be part of this initiative, in effect, is trying to tie up wood that they would have otherwise had to give to the crown if they would have followed my way of doing things, which is that wood not used goes back to the crown. It's a neat way of them keeping competitors out of that forest. That's the view of some, and that's why

I wanted to have that on the record. I'm glad to see that you're saying, in fact, that the crown will do what the crown will do, and we're going to have to do what is right by the people of Ontario, taking into consideration this initiative and others. Okay.

The other thing: I want to get back to Smooth Rock Falls. The case of Smooth Rock Falls, I know the minister knows, as I do, inside out, along with Bill and others that are here in the room. But just for members of the committee to understand and those who might be watching, Smooth Rock Falls lost their only employer. It was a Tembec pulp mill. It's now shut down. In fact, it's not only shut down; they basically demolished it.

Interjection: Dismantled.

Mr. Gilles Bisson: They dismantled the mill, and it's quite a sight when you drive into the community now. But that's a whole other story.

I used to love the smell of money. I used to go driving into those pulp towns—the minister well knows—and used to smell that money. But that's a whole other story.

Anyway, the long and the short of the story is that they shut down. There was a fair amount of wood that was associated with that mill by way of directives, because the actual licence for that mill, as we all know, some years ago was dealt with. The crown took it back, reallocated it to others, and that mill ended up with residual chips from various operators in the area to provide feed to that mill. But the effect was that they had, I believe, about 800,000 cubic metres of wood that was directed to them by way of ministerial directives.

Hence, the mill shuts down. There's 800,000 cubic metres of wood that used to go into that mill by way of chips. The government says, "Go out and find me a way to either revive this mill or find somebody else who's prepared to do something different." They did. Their problem is that they got caught in this whole process that we talked about earlier where there was no mechanism, according to the government, to give them unutilized timber. I argue that there was: Just use the sustainable forestry development act. But you and I will disagree on this, and that's not the subject of this debate.

The community now has, at stage two, an application before the minister. I understand that you're, at this point, actually in the process of signing off on some of these stage twos. Can you give us a clearer understanding of where things are at, stage two, for Smooth Rock Falls and area?

Hon. Michael Gravelle: I certainly can't speak about specific applications, and I know you understand that. In terms of the actual process and where it's at—I hope this is helpful, and again, Bill can either correct me or add on to what I have to say—we're pretty much at stage three. Stage one and two were obviously looking at applications. There was criteria, about six different criteria. Obviously it was important in terms of being fair to make sure—of the 115 proposals, there were some that simple didn't meet the criteria. Letters have gone out to various proponents—again, I've stayed out of this because I think it's important that I do so—saying, "You don't fit the criteria. You may have an opportunity"—

Mr. Gilles Bisson: Can I just clarify? So the only letters that have gone out are to those that have not met the criteria?

Hon. Michael Gravelle: No, more have gone out. Maybe I'll move it up a bit. We are basically at stage three. Therefore, there are groups that have received letters saying that some of them don't qualify. That's tough, but that's what's happened. Everyone who continues to be in the competition has received letters saying, "You're in this still. You're still in the competition. We're now in the process of evaluation." Everyone who has put a proposal forward has received a letter. Some have been informed they are no longer in the competition although they could potentially resubmit. Is that correct, Bill?

Mr. Bill Thornton: Well, yes. Two things are happening here. First there's the evaluation 115 proposals. As the minister has described, there are several stages. The first two stages have been completed. Those who were not successful in making it through those two stages, based on scoring against certain criteria—

Hon. Michael Gravelle: They know now.

Mr. Bill Thornton: They now know that. So some people are no longer in the competition—

Mr. Gilles Bisson: So if you haven't got a letter saying "you're out," you're still in?

Mr. Bill Thornton: That's correct. The minister also indicated that there was another circumstance where some people have been invited to resubmit the proposals because of changes in the amount of wood that's now in the competition. There are two categories at play there.

Mr. Gilles Bisson: Explain that last part back to me. Because you got more wood than you thought?

Mr. Bill Thornton: Less.

Mr. Gilles Bisson: Applicants for the wood needed?

Mr. Bill Thornton: Less. So, for example—

Mr. Gilles Bisson: No, I said that wrong. Are there now less applicants than there is wood available? That's why they can resubmit?

Hon. Michael Gravelle: No. Well—

Mr. Bill Thornton: No.

Mr. Gilles Bisson: Well, then, you've confused me. Explain—

Mr. Bill Thornton: Okay, so allow me to try to explain here. I'll use a specific example. As the minister has pointed out on several occasions, the Terrace Bay pulp mill has restarted. In doing so, there has been some wood committed to that restart, so we have informed people who are participating in the competition, "Look, there's some wood here that's now clearly going to be used. We believe it affects your proposal, and you are invited to resubmit your business plan knowing that some of this wood is now directed towards the Terrace Bay pulp mill."

Mr. Gilles Bisson: Okay, so can I ask at this point where Opatatika and Smooth Rock Falls are in the process?

Mr. Bill Thornton: I can only tell you that if they haven't gotten a letter, then they are still in the process. I

don't know if they have received a letter or not. We're not able to give you any evaluation beyond that.

Hon. Michael Gravelle: Am I right, Bill, to say that everyone will get a letter at some point? They might not have all gone out yet in terms of people who are at stage three.

Mr. Bill Thornton: I believe by now that those who are at stage three should know that.

Hon. Michael Gravelle: Everybody should have a letter saying, "You're at stage three."

Mr. Gilles Bisson: I won't say which, but I know one of the communities got a letter and the other community didn't. But if they didn't get a letter, my read is, they're still alive.

Hon. Michael Gravelle: I think that's an accurate read.

Mr. Gilles Bisson: My point is, if you would have been out of it, you would have got a letter saying you're out.

Hon. Michael Gravelle: Yes, that's correct. It's tricky for me, in particular—I think it's tricky for everyone, Bill, but certainly tricky for me to get involved in specifics about any application. But the answer is: Yes, if they have not received a letter, which means they didn't get a stage one or two letter saying, "For a variety of reasons, you may not have met our criteria"—

Mr. Gilles Bisson: Do you have the list with you?

Mr. Bill Thornton: No, and not only is the minister separated from this; I am as well. There's an evaluation team acting independently to evaluate these. We have a Fairness Commissioner who's participating in the process to make sure that the decisions that we make are fair. That's why we're very hesitant to discuss any of the details in terms of applications.

Mr. Gilles Bisson: All right. So it's fair if I get on the phone—because I was talking to both those communities leading up to estimates yesterday. They're both very—how would you say?—anxious to find out the results of their applications at stage two. I know in the one case they got a letter saying they're still in. The other one didn't get it, but if they didn't get a letter saying they're out, that probably means to say they're still in.

Mr. Bill Thornton: I can't say for sure.

1720

Mr. Gilles Bisson: That's basically what I'm picking up in what you're saying.

Hon. Michael Gravelle: Yes. If you're not in, you've got a letter, right? If you're no longer in—

Mr. Bill Thornton: In some cases, though, they were confirmed that they were going to stage three as well, I think, as part of—

Mr. Gilles Bisson: How much time do I have, Chair?

The Vice-Chair (Mr. Robert Bailey): Five minutes.

Mr. Gilles Bisson: Okay. Let me go back to the Ring of Fire. Don't run away, Bill, because I do like you. Let me go back to the Ring of Fire. I just want to understand something and see if the minister sees it in this way as well.

In the interim, now that we have Bill 191 passed and it's going to be proclaimed and regulations will be drafted, how do you deal—I'm trying to put this in a way that is not too confrontational—with those communities, at the end of the day, who say, "No, I don't want to participate in a land use plan," and there would be a development in that area? What happens?

Hon. Michael Gravelle: It's a little difficult for me to speak to this because, obviously, I'm not the minister responsible for the Far North land use, Bill 191.

I don't know of communities, other than potentially one—and I'm even speculating when I say that—that would not want to be involved in those discussions.

I know that the minister has spoken about the number of communities that they're working with in terms of discussions on land use planning.

I think I can say, relatively safely, that most of the communities that are obviously more directly impacted by the Ring of Fire development are open to discussions, I believe. I think it's fair to say. But I want to be a little careful, because I can't speak for all the First Nations directly, of course.

Mr. Gilles Bisson: I just want to go back and sort of caution you and others that in the case of what's happening with the Ring of Fire, it's no different than what happened with De Beers. It's not just a question of negotiating with the directly affected community, which in our case was Attawapiskat. You need to deal with all those other communities that are down the road. They all have an authority on their own traditional territories, and if you've got to cross them to get there, you have to have an agreement with them.

What I very much fear is that we may end up in a situation where communities, for their own reasons—because they're not happy with Bill 191, the Far North planning act, the way it ended up—may end up in a position where they're not prepared to go into land use plans. My understanding of the legislation, then, is that there will be no development unless cabinet decides otherwise, because there is that provision in the act.

I'm fearful that what we may end up with is a situation where a few communities decide yes, a few communities decide no; there's a split, there's a fight between the communities as to what's going to happen; and then we all end up sort of looking around. The pot of water is getting smaller and our eyeballs are getting closer and closer, and we all start fighting amongst ourselves over this development.

I just want to say, in the last couple of minutes that we have, I agree that the Ring of Fire has huge potential for northern Ontario. But we really need to understand that it is not going to be able to go forward unless the government very clearly says that those developments aren't going to happen without the consent of First Nations; that they will have an ability to negotiate IBAs that make sense for them; and they will have a process under land use planning, currently not available to them under this legislation but possibly under amended legislation, that allows them to get to where they are.

I guess the last point I would just make is this, in regard to the Ring of Fire, and I said it the other day: We need to ensure that the resources we have here in northern Ontario are used to the maximum effect for the province. That means that I very much want this not to be just a mining operation.

I think a lot of people in the north, in your area and mine, are saying that if this is just going to be a mine and we're going to process the ore outside—we're scratching our heads at that point, saying, yeah, there will be some jobs created, because mining is important. It creates very many good value-added jobs, very many highly paid jobs, but we don't get the value-added by just mining; we get the value-added by doing the milling and what's after.

I just want to say, in the last two minutes that I have—

The Vice-Chair (Mr. Robert Bailey): One minute.

Mr. Gilles Bisson: —one minute that I have—I'm watching the time very carefully, Chair—that northern Ontario wants this project to go forward. But as I said earlier, it has to follow three principles:

(1) It has to protect our environment. We need something, at the end of the day, that ensures that whatever happens is not detrimental to the environment.

(2) First Nations must benefit.

(3) The development must go forward in a way that makes sense for all of Ontario and northern Ontario, and we must do the value-added that's necessary in putting value on those resources.

If we can't achieve those three principles, I think we're going to be in trouble in northern Ontario, not only politically but economically.

Hon. Michael Gravelle: I appreciate everything you've said there. It's really constructive and very positive. And, may I say, without being at all glib, that those are words that certainly I could have been saying in a speech to a number of groups and organizations. We feel very, very strongly about all those things. We are determined and committed to seeing, obviously, that the greatest value-added opportunities come from this operation.

I've learned a great deal in this job, and obviously one keeps learning in this job, but certainly dealing with the communities, the First Nations, I recognize that it's important to deal with each of them individually. I deal with the leadership, but I recognize that. We are working, as you would know, with a number of communities on either memorandums of co-operation or memorandums of agreement or other such things.

I can tell you as well that I do believe that the measures that we're working on in terms of the modernization of the Mining Act will be substantially very helpful in terms of us reaching some of our goals. I believe, with our Ring of Fire coordinator in place and this government's commitment to make this work as a very delicately, well-managed process, we can reach those goals. I think it's true.

It's one of these things that in some ways crosses party lines completely. This is about an opportunity we want to see happen, but we want to see it happening to the benefit of everyone and really making a difference in northern

Ontario in a way that we haven't been able to do for some time. So I appreciate everything you said.

The Vice-Chair (Mr. Robert Bailey): Thank you, Minister. Your time is up—a little over. We'll move to the government side. Mrs. Van Bommel.

Mrs. Maria Van Bommel: I just want to go a little further with the same discussion because Mr. Bisson and both of you brought up the whole issue of mining and the importance that mining plays in the economy of northern Ontario. We talk about the Ring of Fire. We talk about the De Beers diamond mines.

You just mentioned the modernizing of the Mining Act. I'd like to explore that a little bit to see, when you talk about the modernization of the act, what you mean by modernization. How will that change how mining is done in northern Ontario?

Hon. Michael Gravelle: I very much appreciate that question. This has been certainly one of the most important things that we've worked on in our ministry over the last couple of years. There's still substantial work to be done, but we're very proud of the fact—a piece of legislation such as the Mining Act is one that's been around for a long time. It was very much determined that, indeed, there needed to be a look at how we could modernize it.

Obviously, as the minister for mines, you're an advocate for the mining industry. We're excited about it. It's a tremendous economic driver in the province of Ontario. It's remarkable in terms of how important it has been. There have been some challenges, obviously in the last couple of years, but it's coming back. It's just huge in terms of jobs. The biggest private sector employer of aboriginals is the mining sector in Canada. It's incredible.

Obviously, that's where the Ring of Fire becomes very exciting for us as well because we see some of these extraordinary opportunities developing, and we want to be ready and positioned for that. It did become clear that, indeed, the time had come for us to look at the Mining Act to find this opportunity to modernize it.

Again, I made reference to balance earlier about other issues related to forestry. Certainly, in the mining sector, that became I think the key in terms of the watchword, in terms of how we move forward with the Mining Act. How do you modernize a piece of legislation while you maintain a positive investment climate in the province of Ontario? Clearly, that was crucial to the mining sector itself. We certainly needed to provide clarity also to the sector. For a variety of reasons, there was a need to make sure there was certainty and clarity in terms of the investment climate and the rules that were put in place. At the same time, it also was clear we needed to modernize this piece of legislation to make it reflect, quite frankly, 21st-century values.

That became our task at hand. We went to work, and I just can't begin to thank the people in the mining division of our ministry, who worked so very hard. The consultations and discussions began long before we brought forth the legislation itself. We recognize that there were some key items that we very much needed to be working

on. Certainly, we wanted to work on issues related to the consultation.

1730

We are very proud that, as part of the discussions, we made a determination that we were going to be including the aboriginal and treaty rights in the preamble of the legislation itself. That became a very important element. We also wanted to be very, very sure that we built in opportunities for consultation all the way along the mining sequence. That became something that we managed to put in place, I think, quite successfully.

What we believe, ultimately, is that this—Bill 173 actually passed, and I've got the exact date here, October 28, that the act received royal assent. I think we actually passed it in the House just three or four weeks before then, towards the end of September.

We believe this legislation is truly going to be crucial to revitalizing Ontario's approach to mineral exploration and mineral development. It does take extremely bold steps that support significant strides, as I mentioned, particularly related to aboriginal consultation throughout the entire mining sequence. That has become a crucial point.

For example, we're requiring awareness training for prospectors before they receive their licence. Also, we're going to bring into the legislation a dispute resolution process so that when we get to a situation where there can be no easy agreement on how we move forward, this dispute resolution process will be put in place.

We really, in essence, are bringing into place a framework for improved social responsibility to, as I said earlier, very much increase certainty and clarity in terms of the process so that when investment decisions are made, there's a real understanding of what's in place. I think it's this certainty of the rules, and the clarity and the timeliness of the process, that the industry clearly needs.

I won't have enough time in our segment to talk about the people that we worked with very closely, but certainly I remain ever grateful to the Ontario Mining Association. There might be some who would say that they would rather not have legislation to modernize pieces of legislation, much like we're working to modernize the forest tenure system. We just felt that it was something to work with. The Ontario Mining Association worked very closely, and I'm grateful to Chris Hodgson and to all those at the Ontario Mining Association for the work with them, because they recognized that this was something that also needed to take place, and they wanted to have a real sense of clarity as well in terms of the road map.

We know that bringing together legislation that modernizes the way mining companies stake and explore their claims to be more respectful of private land-owners—there were many issues related to private land-owners—and aboriginal communities—obviously, as I mentioned earlier, recognizing aboriginal and treaty rights, and also addressing the issue of service and mineral rights, were important.

I've used the term "balanced approach" constantly. I think it continues to be the way that one truly is able to consider a wide range of interests while, again, always remembering that we are working to support an economic climate for the mineral sector. I feel very strongly, and I think all of our ministry officials do, that we have prepared very effective legislation that promotes that balanced development. That will be of benefit to all. Again, I think there will be some real benefits to the fact that we have brought this legislation forward. We continue to work on it as we move forward with projects that are so important to us, such as the Ring of Fire.

Certainly I'm very proud of the fact that Ontario is now the first jurisdiction in Canada to expressly recognize aboriginal treaty rights in its mining legislation. As I said, it enables this dispute resolution process. Again, it's a first in terms of dealing with aboriginal mining issues through regulation.

Also, Ontario is the first jurisdiction to require prospectors to complete a mandatory awareness program. Again, we've had lots of discussions about this—I certainly have—with a number of prospectors. Some of the more veteran prospectors felt they didn't need to have this particular awareness training, or new ones don't need it, but it's interesting how this is a discussion that always carries on in a very positive way. We've worked for it because I think it's important to be aware of aboriginal and treaty rights and, certainly, to be familiar with the best practices in relationship-building and consultation.

Certainly, one of the things that we heard while we were going through our consultation process was that there were many First Nation communities that very much want the economic opportunities that mining can afford. Again, I refer most quickly to the Ring of Fire, but there are many other examples. It's not particularly well known, but I think there are something like—I may have the numbers wrong—40 to 42 agreements in place between First Nation communities and mining companies, exploration companies. That's just another example of how there is very much a positive story to tell, and we're very excited about that.

In terms of the concerns that were addressed by the aboriginal communities, we did determine that we would introduce a new regulatory regime that will, as I pointed out earlier, include aboriginal consultation requirements for a wide range of mining activities, including our move towards map-staking across the province. That will, as we complete that process—this is all going to take some time. We want to do this in a very orderly way, and we want it to work well for everyone. We want it to work for the prospectors and the people who are staking the claims as well. But that will remove the need for the prospectors and people staking claims to go onto the land. It can certainly avoid some of the issues related to going onto land and disturbing the land in order to stake their claims.

We also recognized that it was important for us to set up and to build in provisions for withdrawing significant aboriginal cultural sites from claim-staking. That's another very important part of the process and, I think,

probably the one that is perhaps—it doesn't seem very dramatic, because it's not, but it's important to build in requirements to notify aboriginal communities of plans for significant exploration activities within their traditional lands. I just think that's something that became, clearly, extremely important, and we're glad. Again, we did all this working very closely with a number of the mining companies as well.

It's interesting: Mr. Bisson brings up the example of the Victor diamond mine, Ontario's first diamond mine, and the De Beers company: How they, basically, worked very closely with the First Nations, particularly Attawapiskat, to make sure they had an impact benefit agreement in place before they moved forward with the development of the diamond mine. I must tell you that I certainly looked at that process, and our ministry looked at that process, to some degree, as a model for how we might want to be able to make our adjustments to the Mining Act. The way that they did things was so positive.

I can tell you that Jim Gowans, who was the president of De Beers Canada at the time, was very supportive of the fact that we needed to make sure we went through our process very carefully and have those discussions. He's done a great number of things.

Well, I'm quite frankly very proud of the process that we went through. There's no doubt that we recognized that there was a need to modernize the act. I think we've done—if I may say so and not appear to be too immodest—a pretty good job. Again, my ministry staff get most of the credit, if not all of the credit, for that. We've worked hard.

There is still a significant amount of work to do. We have to work to move forward on the regulations that will allow us to put into effect a number of the measures that have been put in place, and there are various phases to that.

In December 2009, we released the workbook on the development of regulations for the Mining Act. The workbook, in essence, provided the framework for developing key regulations for exploration; plans and permits discussion; aboriginal consultation, that dispute resolution process that we're so proud of; map-staking; the protection of sites of aboriginal cultural significance; and also the details of the awareness program for prospectors and, of course, the provision for the withdrawal of crown-held mineral rights on private land.

1740

Public feedback on the regulations for the Mining Act was obtained through the Environmental Registry until—I think it began in December 2009 and was there until the end of April. It was a 130-day posting period. We received a number of submissions during that time, and we are now in the process of holding discussions on the work with the mineral sector itself, with aboriginal groups and with environmental groups throughout the spring. We did it this past spring, this summer and we're certainly continuing it this fall.

We will certainly be seeking further input from a number of groups, including aboriginal groups in the

industry itself on selected regulations in the near future, including very important feedback that we received from the minister's Mining Act advisory committee.

In essence, this is a pretty big job. The actual final regulations will be phased in over a period of three to five years. When one is taking on a task such as this, it's important that it be brought forward in a public way. We are pretty pleased—even the debate in the Legislature was terrific, too. I honestly can't recall whether or not we received support from the opposition. Maybe not, but I think Mr. Bisson will acknowledge that it was a pretty good debate, in terms of what we did in modernizing the Mining Act. It was a good debate in the Legislature.

Interjection.

Hon. Michael Gravelle: He's not exactly sure—

Mr. Gilles Bisson: I'm sure; I'm just not commenting.

Hon. Michael Gravelle: But it was an important one. I think we all recognized that it was an important one. Bill 173, as we've pointed out, received royal assent on October 28, and the report back to the Legislature was completed by the Standing Committee on General Government. We did hold public hearings on this as well. Certainly, we are conscious that indeed there's still some real work to do.

I can give you a bit of an update as well on the status of the regulatory development. As I pointed out, different sections of the amended act will be proclaimed as relevant details are developed. Again, as I pointed out, it is phased in over the next three to five years, very much depending on the implementation or the transitional requirements.

If one looks at phase one, we are hoping and anticipating that we can do this within a one-year time period. We will be moving to paper-staking—

Interjection.

Hon. Michael Gravelle: —two minutes; thank you—in southern Ontario. There will be criteria to withdraw crown mineral rights under the privately held service rights in northern Ontario. That's an important aspect of the bill. I made reference to the criteria for protection of sites of aboriginal cultural significance, and obviously we're going to have the ground proofing for map-staking as well.

There are phase two and three: Phase two will include the dispute resolution process. I keep mentioning that because we think it's a particularly important part of the legislation, something that is incredibly important, and the prospector awareness as well. The online map-staking in terms of the province will take some time to make it work well.

Again, our goal is to work with all people who've got an interest in the mining sector. I am hopeful and I strongly believe that the work that we've done on modernizing the Mining Act will be of real benefit to us as we move forward with the development of the Ring of Fire. We are very conscious of how this must be managed in a careful and well-discussed way, and we're going to make sure that happens.

I can tell you that—as always, I seem to run out of time; I don't know how it happens. There's lots to talk about. I thank you for the opportunity.

The Vice-Chair (Mr. Robert Bailey): Thank you, and you're right on the money there.

I'd like to finish at 10 minutes to. That will give us time to leave the committee room and go up and vote. We've got to finish off here today. I'm going to ask if we can limit ourselves, if that's okay, if I have the will of the committee, to three minutes for each party, starting with—

Mr. Gilles Bisson: Just closing comments, I guess.

The Vice-Chair (Mr. Robert Bailey): And if we want to make closing comments, however we want to do it. I'm going to be really strict with the time.

Hon. Michael Gravelle: So we vote afterwards, Chair? We'll come back after the vote?

The Vice-Chair (Mr. Robert Bailey): No, you'll be all done.

Hon. Michael Gravelle: Okay.

Mr. Bob Delaney: Will we have time to say—

The Vice-Chair (Mr. Robert Bailey): Yes, I think so, if we get started right away. Mr. Hillier.

Mr. Randy Hillier: Minister, I just want to refer you back again to one of your responses. It was with regard to economic development in the north on crown lands. On page 3 of that, you mentioned here \$500,000 for a study in the first bullet point, another \$50,000 for another study in Northeast Superior Forest Community and another \$1.3 million for another study in Timmins—clearly studying the opportunities for crown land development. On the very first page, you indicate that the northwestern Ontario economic facilitator initiative by Dr. Rosehart included the recommendation regarding crown land development, which called for the MNR to lead an interministerial working group to facilitate a process for lot development on crown land etc. But then on page 2, the last bullet point, you say that there are no plans to change these established processes for crown land disposition.

Here we have a report on the first page looking for an interministerial working group to improve the process, you're spending lots of money on studying crown land development, and then there are no plans to change the process on page 2.

What is clear with me is—and it must be difficult for you, because you want to do economic development, and you're surrounded by contradictions—contradictions on crown land development; contradictions on your energy policy within government, the high energy costs driving our businesses out of northern Ontario; and contradictions from environmental groups and MNR on the Endangered Species Act harming our forestry. You're full of contradictions, this government. You talk a lot about economic development but are surrounded with contradictions that prevent you from actually accomplishing economic development. That's what we've seen in the north: a steady, steady decline.

You can spend all this money on studies, but the problem with economic development in the north is not one of money; the problem is one of contradictions—contradictions of your government. How can we harvest more timber when we continually shrink the land base? How can we process minerals from the Ring of Fire if the energy costs are so great that we can't be competitive doing it?

The Vice-Chair (Mr. Robert Bailey): The time is up, Mr. Hillier.

Mr. Randy Hillier: Minister, it's not consultations. Even though you've scrubbed the consultations, you need to get these contradictions out of the system.

The Vice-Chair (Mr. Robert Bailey): We're going to move to the third party. Mr. Bisson, please, three minutes.

Mr. Gilles Bisson: Well, it's closing comments, and I guess in the three minutes that I have, I just want to say a couple of things. One, I believe that the work that Northern Development, Mines and Forestry does in northern Ontario is important work, along with the work of MNR and a few other ministries. I think more and more, we're seeing people in northern Ontario who are becoming less and less enchanted by the decision-making process. The minister will maybe not agree to that and be a cheerleader on it, but I think he knows what I speak of. Far too often, decisions are made very far away from northern Ontario. That may not sit well with northerners. The examples of that we saw under the Far North planning act, under Bill 191. We've certainly seen that under the Mining Act etc.

Ministers of the crown are put in the unenviable position of trying to bridge the gap between the wants and wishes of northerners and the wants and wishes of the Premier. That is true of most governments. I think one of the things that we're going to have to come to terms with in northern Ontario in the not-too-distant future is trying to figure out a way that northerners are able to be brought into the process of how we come to decisions in ministries such as Northern Development and Mines or MNR or whatever that affect us in northern Ontario so that, as much as humanly possible, we have solutions that are designed by northerners for northerners when it comes to the issues that face us in the north.

It's not that southern Ontario is evil. I don't buy that for a second. People in southern Ontario are just as good as us. They're just as well intentioned, they're just as honourable as we are, just as hard-working etc. But we live different experiences, and if you ask people in Attawapiskat to go sit on city council and decide where the bicycle lanes are going to be in downtown Toronto, I think you're going to have a pretty different outcome than if people in Toronto were to do it. We're just saying

that in northern Ontario, we want to be able to make decisions about what happens to us.

I understand that governments of different colours try to do as they did under the Mining Act; under your ministry, Minister; and under Madame Jeffrey's ministry with the Far North planning act. What starts out to be a well-intended idea—but we never really end up with what we want in northern Ontario because we're caught in this dichotomy of what the Premier's office wants, what the NGOs in Toronto want and the Premier's needs for votes in southern Ontario. We get caught up in that whole situation.

So I just say that we in the north are a resilient bunch, as the minister well knows; you're one of us. We may not be on the same side on a whole bunch of issues and we might fight each other on a number of cases, but at the end of the day, our interests are all the same, and that is that we all in northern Ontario are able to move forward in a way that recognizes that we need to sustain what happens and that we're able to move forward in a way that's to the benefit of all.

The Vice-Chair (Mr. Robert Bailey): Time's up, Mr. Bisson. Government: three minutes.

Mr. Bob Delaney: I think we'll pass and go to the vote.

The Vice-Chair (Mr. Robert Bailey): All right. Ladies and gentlemen, that concludes the standing committee's review of the estimates of the Ministry of Northern Development, Mines and Forestry. We will now deal with the vote.

Shall vote 2201 carry? Carried.

Shall vote 2202 carry? Carried.

Shall vote 2203 carry? Carried.

Shall vote 2204 carry? Carried.

Shall the estimates for 2010-11 of the Ministry of Northern Development, Mines and Forestry carry? Carried.

Shall I report the 2010-11 estimates of the Ministry of Northern Development, Mines and Forestry to the House? Agreed.

Hon. Michael Gravelle: I appreciate your strong support.

The Vice-Chair (Mr. Robert Bailey): Thank you, Minister, and your staff, for attending. On behalf of the full-time Chairman—I know it's been an interesting three days. I enjoy this committee. As I said, it's always interesting.

Before we adjourn, we are going to adjourn to Tuesday, October 19, at 9 a.m., when we will begin consideration of the estimates of the Ministry of Training, Colleges and Universities.

I'll see you in the House.

The committee adjourned at 1752.

CONTENTS

Wednesday 6 October 2010

Ministry of Northern Development, Mines and Forestry	E-267
Hon. Michael Gravelle	
Mr. Bill Thornton	

STANDING COMMITTEE ON ESTIMATES

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