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Monday 7 March 2011

Lundi 7 mars 2011

Speaker
Honourable Steve Peters

Président
L'honorable Steve Peters

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LEGISLATIVE ASSEMBLY OF ONTARIO

Monday 7 March 2011

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

Lundi 7 mars 2011

The House met at 1030.

The Speaker (Hon. Steve Peters): Good morning. Please remain standing for the Lord's Prayer, followed by a moment of silence, inner thought and personal reflection.

Prayers.

INTRODUCTION OF VISITORS

Mr. Steve Clark: My page Tyler Millson is the page captain today. I'm very pleased to introduce his mom and dad, Bart and Maureen Millson, and as well, two of his brothers: Quinn and seven-month-old Kane Millson. Welcome to Queen's Park.

Hon. John Gerretsen: I'm very pleased to introduce two Kingstonians here today. One is Bill Dobson, who's the board president of a local, non-profit, Kingston-based housing organization. He's here with his wife, Nancy Churchman. Please give them a good welcome here at Queen's Park.

Mr. Ted Arnott: I'd like to introduce Lucas Macieszka and his father, Rick Macieszka, who are here at Queen's Park today for the PNH press conference. Welcome.

Mrs. Christine Elliott: I'd like to introduce Mr. Barry Katsof and Hilary Handley, who are also here for the PNH press conference. Welcome to Queen's Park.

The Speaker (Hon. Steve Peters): I'd like all members to join me in welcoming my brother Joe Peters to the Legislature today. Welcome. I think maybe you just need to grow a goatee and we can switch jobs for a day.

DECORUM IN CHAMBER

The Speaker (Hon. Steve Peters): Just before we begin question period today, I'd like to take a few minutes to talk once again about the imprint we make on this institution in the way we behave.

I certainly appreciate that we are only months away from an election in this province, but the fact is, the writ has yet to be dropped and when it is, the pursuit will occur where it should: in the communities and the constituencies that we serve. Bringing the seamier elements of an election campaign into this chamber badly erodes its dignity, and I am at a loss to understand what purpose the members think it serves when they engage in personal and often spiteful attacks on one another across the floor.

Recent question periods have been overshadowed by insulting, provocative and bullying language that has

reached vitriolic at times; that is, when members can be heard over the cacophony of heckles.

Let me suggest that members consider certain principles as we go forward:

Time is scarce; use it intelligently. As your Speaker, I do not like having to interrupt the flow of question period as often as I've been doing. The time wasted when I have to do that could allow for more questions to be asked and answered.

Secondly, the public are watching, in some significant numbers—

Interjections.

The Speaker (Hon. Steve Peters): The members should be listening. While question period is not ever going to be a wholly tranquil affair, it nevertheless behooves us to remember that our constituents do see us, and to behave in a manner that respects them.

Thirdly: Finally, while I have tried to allow the greatest freedom possible in asking questions, it would be helpful if members could remember that the purpose of question period is to hold the government to account for its policies. This is done by asking questions and seeking information about those government policies. That purpose is not well served when question period becomes simply a forum for thinly veiled personal or partisan attacks. This last point, in particular, needs to be understood by both sides of the House.

Question period is, and will continue to be, a rather spontaneous and very animated proceeding, and I am the first to admit to enjoying its cut and thrust. But I do believe that it is possible to maintain an acceptable level of civil discourse and that doing so need not impede any ability to aggressively press for information or ardently defend policies. Surely we can maintain a level of respect for one another and for this extraordinary institution without resorting to the kind of behaviour that we have witnessed of late.

ORAL QUESTIONS

ENERGY POLICIES

Mr. Tim Hudak: A question to the Premier: On February 22, the Ontario Energy Board ruled that hydro utilities could pass on \$18 million in legal costs to Ontario families. Premier, these are legal costs to the hydro utilities who were caught charging criminal rates of interest to people who had not paid their bills.

The next day we asked Minister Duguid what he was going to do to oppose this and save Ontario families from being hit with this bill, particularly families who actually paid their bills on time. The minister stood in the House and said that he directed Hydro One to not pass on these costs to ratepayers.

Premier, could you inform the House how much of the \$18 million will be saved from going on the backs of hard-pressed ratepayers?

Hon. Dalton McGuinty: To the Minister of Energy.

Hon. Brad Duguid: I'm pleased to revisit this issue again a couple of weeks later. Nothing has really changed other than the fact that I've written a letter to all local distribution companies letting them know that we're of the view that they should follow our lead with Hydro One. Hydro One will not be passing on these costs to their energy consumers. We recommend to local distribution companies that they take a look at the leadership we're showing on this and do the best they can to emulate the approach that we're taking.

But I think it's important for everybody listening to the debate today to know that these practices really began under the Davis government. They were done long before we took office, and we are, I think, dealing with this in a very responsible and reasonable way with regard to Hydro One.

The Speaker (Hon. Steve Peters): Supplementary?

Mr. Tim Hudak: Minister, with all due respect, something important has changed. Today, the Ontario PC caucus has released a letter from the Electricity Distributors Association, the EDA. The letter says the following: "Contrary to what is suggested in the minister's letter ... the reason that Hydro One is not collecting these amounts is not because of the minister's intervention, but because it was not a defendant in the lawsuit and was therefore not part of the settlement."

Minister, again today you've made a big show, saying that you've told Hydro One not to pass on this fee to the ratepayers, but the Electricity Distributors Association says that that's not in keeping with the facts. In fact Hydro One was not a defendant, and in short, Minister, families are still stuck with the full \$18-million bill.

Minister, why did you just tell the House that you gave people some relief when in reality you did no such thing?

Hon. Brad Duguid: As I said, this is a lawsuit that started in 1998 in the Ontario courts. It's applying to a practice that began in 1981 under the Davis government. Indeed, the Ontario Superior Court of Justice made a ruling that local distribution companies should go to the Ontario Energy Board, an independent regulator, for direction on the recovery of these settlement costs. I've given direction to Hydro One. We've had discussions. It wasn't an official direction; it was a discussion with Hydro One that, as they're to implement this, they're to consider the implication of this on their consumers, and they are. Their response back to me is, indeed, that they will not be passing on any such costs to their consumers.

1040

The Speaker (Hon. Steve Peters): Final supplementary.

Mr. Tim Hudak: Minister, here is the problem, and I mean it with all due respect: It increasingly looks like you're in over your head. This is a very serious matter. This is not the first consequential mistake that you've made, and it means, at the end of the day, that Ontario families are getting stuck with the bill for your incompetence.

Your statements are very clear. In fact, in your letter to the hydro utilities, you said, "I would strongly urge you to make the same good faith gesture to your customers"—referring to your bravado, that you ordered Hydro One not to pass these costs along. But, Minister, you've been caught out. Hydro One was not part of the lawsuit; therefore, there are no costs assigned to Hydro One.

You said something that was not in keeping with the facts to this Legislature. You said something that was not in keeping with the facts to the people of Ontario. Minister, is this sheer incompetence, or did you deliberately tell them something that was not in keeping with the facts?

Hon. Brad Duguid: Once again, I repeat: In my discussions with Hydro One, I advised them not to pass on these costs to their consumers. They've agreed not to pass on these costs to their consumers. Indeed, I've written to local distribution companies across this province, suggesting that they follow that lead and not pass on these costs to consumers.

I guess my question to the Leader of the Opposition is, have you contacted local distribution companies in your area to suggest that they follow our lead on this? What is your position? Should local distribution companies pass these costs—costs incurred under your previous government—on to consumers or should they not?

We've made it clear where we stand. We've suggested to those local distribution companies that they should not pass those costs on. Where do you stand?

ENERGY POLICIES

Mr. Tim Hudak: I think, under the circumstances, a question back to the Premier of the province: Premier, your Minister of Energy has been caught out in saying a number of things that were not in keeping with the facts. The minister stated in the House last week on this issue, "I stated very unequivocally that we've given Hydro One direction not to pass on these increases to their consumers." Today, he says it wasn't direction; it was a conversation. We've heard from the Electricity Distributors Association that Hydro One was not part of the suit. This is false bravado from the minister, Mr. Premier, and something not in keeping with the facts.

This is not the first time that your minister has made a significant error in the facts. This is an important portfolio, and bills are going through the roof.

Premier, do you still have faith in your Minister of Energy, given this latest screw-up?

Hon. Dalton McGuinty: I have tremendous faith in my Minister of Energy, I have tremendous confidence in the work that he is doing and I'm proud of the results that he is achieving for the people of Ontario.

On this particular matter, the Minister of Energy is driving hard in a positive, forward direction. We are building more generation than ever before. We are shutting down our coal-fired plants. We are creating thousands of new jobs, which are desperately needed by Ontario families. We are going to secure our supply of electricity for the next 20, 40 and 60 years. This is hard work. He's doing it very well.

I again put to my honourable colleague opposite that he has no plan for electricity. He says that if he were to do all this work, it would not raise our bills a single penny. I don't think anybody believes that.

We're doing the hard work. We're getting it done. We're cleaning up our air. We're creating new jobs. We're ensuring we have a reliable supply of electricity.

The Speaker (Hon. Steve Peters): Supplementary?

Mr. Tim Hudak: Premier, I've expressed my concern that you have fallen increasingly out of touch with what's happening in Ontario homes today. I'll remind you that hydro bills for average families and seniors are going through the roof. I have seniors coming up to me with their hydro bill with their hand shaking, saying, "I can't pay this."

People who have paid their bills their entire life and played by the rules are in jeopardy of not making their hydro bills because of your expensive policies. They would expect, at the very least, that the Minister of Energy would be on top of his file and that, when he makes public statements, they would be in keeping with the facts.

The minister made a big show saying that he had ordered Hydro One not to pass on these costs. We find out today that that is a false promise and false bravado, because it's not in keeping with the facts.

Premier, why are Ontario families stuck with the bills of your minister's obvious incompetence?

Hon. Dalton McGuinty: My honourable colleague says he's championing the interests of seniors, so why wouldn't he support our clean energy benefit, which is reducing their bills by 10%? Why did he stand opposed to our efforts to reduce the cost of generic drugs by 50%, which would benefit seniors? Why does he oppose our Ontario energy and property tax credit of \$1,025 for seniors? Why does he oppose our Ontario property tax credit of \$625 for seniors? Why does he stand against our aging at home strategy, a \$1-billion investment to ensure seniors get more care at home where they live? In each and every instance where we've put forward specific initiatives and benefits for seniors, why has he stood in the way of those?

I'll tell you why: because he doesn't support more investment in health care, education or supporting seniors. Ultimately, he's going to put forward reckless tax cuts, and what will flow from that, as surely as night follows day, will be dramatic cuts to public services, including those that benefit Ontario seniors.

The Speaker (Hon. Steve Peters): Final supplementary.

Mr. Tim Hudak: It's no surprise that the Premier talks about everything except what I asked him here today.

Premier, you know that this is very basic. Your Minister of Energy doesn't know what he's doing, and Ontario families are being stuck with the bill. Last week, we had the embarrassing scenario where he said one thing about the hydro wires going through Caledonia—that they weren't needed, when his own ministry's website said that in fact they were needed—and now a very serious error in judgment, Premier, or else an attempt not to get all the facts out on the story.

The Electricity Distributors Association takes issue. They say the reason that Hydro One is not collecting these amounts is not because of the minister's intervention, but because it was not a defendant in the lawsuit and was, therefore, not part of the settlement.

Premier, isn't your minister in over his head?

Hon. Dalton McGuinty: My honourable colleague raised the issue of seniors, so I'm going to stick with the issue of seniors for a moment.

One of the things I've learned from talking to seniors, many of whom are grandparents, is that if you ask them what is most important to them, they'll say it's the equality of opportunities made available to their grandchildren. One of the things they're concerned about is that my honourable colleague and his party plan to shut down full-day kindergarten in the province of Ontario. We plan to implement that fully by 2014. It's going to benefit 247,000 four- and five-year-olds. It's going to secure a bright future for them and for our economy.

My honourable colleague needs to know: When he's out there talking to seniors, he might want to remind them that he is not prepared to stand up for their grandchildren by standing up for full-day kindergarten in Ontario.

SMART METERS

Ms. Andrea Horwath: My question is to the Minister of Energy. Does the Minister of Energy have any studies on the impact the government's so-called smart meters are having on consumers?

Hon. Brad Duguid: Smart meters have just been installed in most households across the province—about 4.5 million smart meters installed on budget and on time, which was confirmed last week; something we're very pleased with.

Yes, as the implementation of time-of-use is coming into place, local distribution companies are monitoring how that's going. In fact, we're working very closely with local distribution companies like Toronto Hydro, who were pretty much first out of the gate, and they are doing studies as we go. We don't have a full year of experience yet, but we have some preliminary data that Hydro One has shared with us that does show, indeed, on average there's a modest savings to consumers.

The Speaker (Hon. Steve Peters): Supplementary?

Ms. Andrea Horwath: Well, I don't know what study this minister's talking about. On Friday he was quoted saying that families, on average, are saving, but the Toronto Hydro data that he cites shows, in fact, that 80% of families are actually paying more. So I'd like to see the numbers he's talking about.

Would he be surprised to learn, actually, that other utilities are reporting similar kinds of results?

Hon. Brad Duguid: I think it's time for the NDP to catch up with the rest of the modernized world when it comes to electricity. President Obama said this about smart meters: "It's a debate between looking backward and looking forward, between those who are ready to seize the future and those who are afraid of the future."

1050

I can tell you: We're not afraid of the future; we welcome the future. We are making the investments needed in our electricity system to ensure that future generations have an energy system that is modern, that is up to date, that is reliable and that is clean. I can't understand why the NDP would be so against that. There was a time when they used to support those initiatives. Those times must be gone. We need to modernize our energy system with or without the support of the NDP. We need to move forward, not backwards.

The Speaker (Hon. Steve Peters): Final supplementary.

Ms. Andrea Horwath: I can't understand why this minister claims that on average people are saving with smart meters when studies say the exact opposite. Hydro One conducted a study of 3,100 customers last year. Over a six-month period they found that 57% of their customers were paying more with smart meters than they would have before. Why wasn't the minister aware of this study? If he was, why isn't he telling anybody about it?

Hon. Brad Duguid: Actually, I'm fully aware of that study; indeed, that's the study I was using that indicates that, on average, energy consumers are saving. Now, the saving is modest, to be sure—the NDP have trouble adding; we know that—but we're determined to modernize our energy system. I guess the NDP would have had us replace those outdated old meters with outdated old meters.

No, we're modernizing our energy system. We're replacing the old meters with modern smart meters. We're moving toward time-of-use so that we can help Ontario consumers manage their energy costs and understand that there are different costs to energy—to the system—depending on when you use energy. It's very important, as we move forward to a modern society and a modern energy system, that consumers are fully aware of the costs of energy, on-peak and off-peak.

SMART METERS

Ms. Andrea Horwath: My next question is to the Minister of Energy. By now, the government has spent

over a billion dollars on the so-called smart meters. Households will be paying that debt for decades to come. When we take into account the cost, 76% of households in the study indicate that they're paying more. The government says smart meters were going to actually save families some money. What happened?

Hon. Brad Duguid: I certainly responded to that question in the beginning. Indeed, overall, on average, consumers are saving. The program is new. We're watching it very, very carefully as it's being implemented. We want to make sure that it works for all different sectors of consumers as best as possible. But we're determined to modernize our energy system. We're not going to go backward to the old system. We're not going to go backward to the old meters. We need to move forward. We need to modernize our energy system.

We need smart meters, indeed, to build a smart grid. You would think the leader of the opposition would know how important smart meters are as the first step toward building that smart grid, modernizing our energy system. If we're ever going to bring electric cars into this province—and most would say they're going to start coming online over the next 10 or 20 years—Ontario has to be ready. Our energy system has to be ready, and the leader should know that smart meters are an important part of modernizing our system, so we have—

The Speaker (Hon. Steve Peters): Thank you. Supplementary?

Ms. Andrea Horwath: Families are struggling every day to deal with bills that just keep climbing higher and higher. They want a government to make their lives more affordable. Study after study shows very clearly that the \$1 billion spent on smart meters is driving bills up. Can the minister produce any evidence—any clear evidence—before us in this House that this is not the case?

Hon. Brad Duguid: When we initially set out with this program, an analysis was done. What the analysis showed is that there is indeed a \$1-billion investment. Over 15 years, that \$1 billion will accrue \$1.6 billion in savings. You have to invest in modernizing our energy system if you're going to get access to those savings. There was a time when the NDP used to believe in conservation. There was a time when the NDP used to understand the need to help people shift from peak use to non-peak use. Smart meters are an important part of that.

One thing I would do is thank the leader of the opposition, because she was quoting a report that came out last week that indicated that the implementation of smart meters has indeed come on in this province on time and on budget. We're on track to save \$1.6 billion over the next 15 years. It's not always easy like the NDP makes it out to be, but—

The Speaker (Hon. Steve Peters): Thank you. Final supplementary.

Ms. Andrea Horwath: For families getting hit with higher costs every time they drive their car, buy their groceries or heat their homes, spending \$1 billion on a scheme to make life even more expensive is cruel and unusual punishment. It's not saving energy; it's not

saving money. The government can try to obfuscate these facts, but the people know what they see on their bills every single month.

Why can't this minister produce any evidence whatsoever to back his claim that people are saving money?

Hon. Brad Duguid: The leader of the third party wants to make Ontarians believe that somehow or another we can clean up our energy system, we can build the power supply that we need to provide a reliable source of energy for families and businesses across this province, we can have an efficient system across Ontario, and we can do it for free. I think Ontario families are going to see right through that leader. They're going to recognize that you can't build a clean, modern, reliable energy system without making investments. You can't do it for free.

We're making the investments that we need to make to build a clean, reliable, modern energy system to get us out of coal, to build a cleaner environment, to build a healthier future for our kids and grandkids. There was a time the NDP used to believe in that. They don't any longer.

CLIMATE CHANGE

Mr. Jim Wilson: My question is for the Minister of Research and Innovation. Today the Toronto Sun revealed your "dirty ways." Over a three-year period you rang up big bills and an even bigger carbon footprint as an "environmental pooh-bah."

So I ask you, as Minister of Research and Innovation, are you researching and advising the Premier at the cabinet table on ways to stick Ontario families with a carbon tax and the bill for your—

The Speaker (Hon. Steve Peters): I'd just ask the honourable member to tie his question into the minister's portfolio, please.

Mr. Jim Wilson: It's research and innovation and it's the minister's behaviour—

The Speaker (Hon. Steve Peters): Minister?

Hon. Glen R. Murray: I believe that the Minister of the Environment can answer this question because both of us have the same position on this.

Hon. John Wilkinson: I can tell the House that it is very important for all of us to recognize that we keep on loading our atmosphere with all of this carbon dioxide and the planet now has a fever and we have to do something about it. On this side of the House, we are convinced that we can use cap and trade as a mechanism to get down carbon dioxide emissions. We say no to a carbon tax and we've been very clear about that.

Just like the former Progressive Conservative government under Brian Mulroney used cap and trade to get sulphur dioxide emissions down to protect our lakes and to get rid of acid rain, we believe that is the methodology that we can use and other progressive governments around the world can use to get carbon dioxide capped and lowered. We need to do that for our children. The planet has a fever and we need to do something about it.

Though there may be others who disagree with us, we believe that the marketplace using cap and trade is the right way to get that down. We say no to a carbon tax and we say no to a methodology that was used to successfully protect—

The Speaker (Hon. Steve Peters): Thank you. Supplementary?

Mr. Jim Wilson: Back to the Minister of Research and Innovation, who spends a great deal of time talking about a carbon tax. It's interesting that the government didn't talk about the HST but we got that tax. They didn't talk about the health tax; we got that tax. They're spending a great deal of time talking about a carbon tax and Ontario families simply can't trust that after the next election you won't bring in a carbon tax as your next favourite tax.

Minister, over three years you spent \$110,000 jetting around the globe. You stayed at swanky hotels like the St. Paul luxury hotel in Montreal and the Château Frontenac in Quebec City. Your 126 flights—

The Speaker (Hon. Steve Peters): Your question was about the carbon tax. You are not dealing with the carbon tax. I'd ask you to get to your point, please.

Mr. Jim Wilson: Mr. Speaker, he's spewing carbon at 36,000 kilograms over a three-year period, which is an awful lot of carbon to clean up with a carbon tax, so I ask the minister—

The Speaker (Hon. Steve Peters): Next question, the leader of the third party.

NORTHERN ONTARIO

Ms. Andrea Horwath: My question is to the Premier. Families in northern Ontario were expecting that after four years the McGuinty Liberals' growth plan would take action on the real challenges facing northerners, like the loss of value-added jobs, the soaring cost of electricity rates and the higher cost of living. But instead of action, northern Ontario gets yet another promise of even more discussion. Why did the McGuinty Liberals let the north down yet again?

1100

Hon. Dalton McGuinty: To the Minister of Northern Development and Mines.

Hon. Michael Gravelle: It's very unfortunate that the leader of the third party is not supporting northern Ontario's own vision for growth and the future of the next 25 years. The fact is that northerners are extraordinarily enthusiastic about this plan. It exhibited—

Interjections.

Hon. Michael Gravelle: I can give you some quotes that will impress you.

"The growth plan for northern Ontario is a major step forward for this region and for the province as a whole. It recognizes the north's many unique qualities and lays out a long-term road map for success on a global scale," said Keith Hobbs, the mayor of the city of Thunder Bay.

I can read you more quotes, and maybe I will in the second part of this.

But what's disappointing—northerners themselves have put together a plan over a three-year period in which we had a remarkable and unprecedented consultation period. They've laid out a vision for the future, a vision that, indeed, we look forward to implementing.

The Speaker (Hon. Steve Peters): Supplementary?

Ms. Andrea Horwath: It's unprecedented in its length and remarkable in its lack of any action. Not only has this government stood on the sidelines while families in northern Ontario lost good jobs; they've made things worse by driving up the cost of living and letting electricity prices soar.

Instead of confronting those challenges, we get a government talking about more talk. As one northern newspaper put it, it's "a plan to create a plan." After eight long years, is this the best the Premier can come up with?

Hon. Michael Gravelle: This is a vision that was developed by northerners for northerners. They are very keen to move forward on this. Quite frankly, I'm not going to let the cynicism and the lack of support from the third party stop us from moving forward on implementing this plan.

We have a number of marquee initiatives in place. We're looking at putting together a northern policy institute and a multi-modal transportation strategy.

The important thing here is that northerners do indeed support this. If I have more time for some quotes, let me give some here.

"The Métis Nation of Ontario is encouraged to see that the growth plan ... clearly recognizes that Métis communities need to be key partners in implementation. We look forward to working together in order to build a strong, vibrant and prosperous future for the Métis Nation...."

We have a positive quote here from Tom Laughren, the mayor of the city of Timmins. "This plan marks a major step forward for northern Ontario to take its place in the global economy."

The fact is, this plan speaks to northerners' aspirations. It speaks to our plan to develop a vision over the short term, over the—

The Speaker (Hon. Steve Peters): Thank you. New question.

SERVICES FOR THE DISABLED

Mr. Yasir Naqvi: My question is for the Minister of Community and Social Services. I'm concerned about intervener services funding for those who are either deaf, deafened, hard-of-hearing or deaf-blind.

As you know, intervener funding to community-based agencies is used to enhance communication between individuals who are deaf-blind and their community. For many, it is the only way they can communicate. Some have said that funding for intervener services will be cut by 45%. To the minister, is this true?

Hon. Madeleine Meilleur: I want to thank the MPP for Ottawa Centre for his great advocacy on this matter.

I want to be clear: We are not cutting funding to deaf-blind services. In fact, since we came to office, funding

for deaf-blind services has more than doubled. We are investing more than \$20 million this year.

I rejected—I repeat, I rejected—the proposed funding model for intervener services in the fall of 2010. This decision was also communicated last fall to the stakeholders.

While this proposed funding model will not be implemented, we do need some type of funding model in order to allocate resources in a fair, transparent and sustainable manner. The system that our government has inherited was unfair: Funding was allocated by chance rather than by need.

The Speaker (Hon. Steve Peters): Supplementary?

Mr. Yasir Naqvi: I know that people who receive these services will be relieved to hear that no cuts are being made and that, in fact, the funding has increased.

Quite frankly, those who are intentionally misleading people into thinking that there are cuts must stop. When someone's ability to communicate is dependent on these services, the last thing they should be is fearful of losing that service for someone else's political gain.

Moving forward, it is important that our government work with the deaf-blind community for any future consultations. To the minister: How are you working with people who are deaf-blind and the organizations that provide these valuable services?

Hon. Madeleine Meilleur: Several years ago, my ministry established the intervenor stakeholder advisory group. Some of these organizations include DeafBlind Ontario Services, the CNIB, the Canadian Hearing Society and the Canadian National Society of the Deaf-Blind.

This advisory group has contributed to the development of our developmental services transformation plans, the assessment tool and, of course, the funding model. I have regular meetings with these agencies, individuals and families in the deaf-blind community. In fact, I will be visiting one of these agencies later this week.

As we move forward and work towards finalizing the funding model, we remain committed to continuing our consultations with individuals, families and agencies that support people who are deaf-blind. I hope that this miscommunication will cease right now. I feel for the parents who are so upset about this false communication—

The Speaker (Hon. Steve Peters): Thank you. New question.

CURRICULUM

Mr. Jim Wilson: My question is to the Minister of Education. Minister, last week, you said you were still consulting on sex ed curriculum, but the Minister of Research and Innovation says it is done and Premier McGuinty is moving ahead with controversial sex ed for kids as young as six after all.

Minister Murray is quoted as saying the reason the classes were pulled in the first place is that "some rural MPPs from less progressive ridings had difficulty selling the original curriculum to their conservative constituents."

Minister, are you going to show respect for Ontario families and come clean with your plans for sex ed or are you going to wait until after the next election?

Hon. Leona Dombrowsky: I have indicated in this assembly that we have a process where we review all curriculum, following the process, and we followed that process with the physical and health education curriculum. However, parents and members of our communities made it very clear that they wanted a different type of consultation. So what our government decided to do is we have delivered the physical and health education part of the curriculum. We have kept the new sex education curriculum back. There is a sex education curriculum in our schools. There has been for many years. We are now working at my ministry to understand how we can improve upon the process that has been in place, the process that is used for every other curriculum document that we have in our schools. We are considering ways to improve that—

The Speaker (Hon. Steve Peters): Thank you. Supplementary?

Mr. Jim Wilson: The Minister of Research also showed that he learned nothing from his inflammatory posts on Twitter and has no respect for Ontario families. Despite the Premier saying publicly that the reason for his backtrack on sex ed was that he hadn't consulted properly with parents, the Minister of Research says the real reason is: "Right-wing reactionary homophobes just love these issues."

Last time, the Minister of Research called the Prime Minister, our leader and Mayor Ford bigots. Days later he was finally forced to apologize. This time he's calling Ontario families who are worried about sex ed being taught to their six-year-olds homophobes.

Does the Minister of Education agree with her cabinet colleague that these worried Ontario families are homophobes?

Hon. Leona Dombrowsky: Parents and families across Ontario know that we do have sex education curriculum in our schools. In fact, it was the curriculum that was brought in by the previous government. That is in place.

I would also offer that parents are very involved and engaged to understand what is being taught to their children in schools, and they're also very supportive of full-day kindergarten.

I share their concern when they hear the party opposite's position that they're going to cut education, that they're going to cut funding for full-day kindergarten. They are going to create have and have-not schools. That is what I am hearing from parents right across Ontario. They're very, very concerned that, like the crisis that was created when they were in government before, they are planning to create another crisis in education.

Our students are improving. We have more graduates. They want to create a crisis. We want to continue to invest in students—

The Speaker (Hon. Steve Peters): Thank you. New question.

1110

LONG-TERM CARE

M^{me} France Gélinas: Ma question est pour le premier ministre. In the 2008 budget the McGuinty government promised to address staff shortages at long-term-care homes. They promised 2,500 new personal support workers and 2,000 new nurses. Yet in 2011, the Ontario Association of Non-Profit Homes and Services for Seniors reports that only 56% of the PSW positions and 31% of the nursing positions have been allocated. Adequate staffing levels are the backbone of a healthy long-term-care system, so why has the Premier failed to deliver on this important promise?

Hon. Dalton McGuinty: To the Minister of Health.

Hon. Deborah Matthews: Thank you to the member opposite for the question. What I can tell you is that this government is completely committed to improving long-term care in this province. Some of us will remember that when we took office, the quality of care in long-term-care homes was simply unacceptable to family members and to the people in care. We have significantly enhanced funding; in fact, we've increased funding in long-term care by 68%. We're spending \$1 billion more now on long-term care than when we took office. Part of that expenditure is on new staff, and we are absolutely committed to continue improving the quality of care. That includes adding staff in our long-term-care homes.

The Speaker (Hon. Steve Peters): Supplementary?

M^{me} France Gélinas: We all know that adequate staffing levels translate into good care. Inadequate staffing levels translate into less care for Ontario's most vulnerable, the seniors who live in our long-term-care homes. On July 1 last year, new regulations were put into place meant to improve nutritional management and food services, and this is a good thing. But the province has only allocated 43% of the funding necessary for the long-term-care homes to meet those new requirements. Like PSW and nurses, dietician, nutrition and foodservices personnel are desperately needed. Why are long-term-care homes across Ontario being forced to cope with broken promises while our seniors go without?

Hon. Deborah Matthews: I completely reject the premise that our seniors are going without. In fact, the quality improvements in our long-term care are nothing short of astonishing. We are learning every day about improvements in our long-term-care sector. Fewer people are falling; fewer people are suffering with pressure ulcers; fewer people are suffering from depression as a result of the changes we are making in our long-term-care homes.

The contrast with the NDP is rather stunning. The last time they were in office they actually hiked the fees for almost 50,000 seniors by \$330 per month. In their final budget they actually decreased funding to long-term care. I think the contrast between what they did when they had the chance and what we are doing is stark and I'm proud of it.

MINING INDUSTRY

Mr. David Ramsay: I have a question for the Minister of Northern Development, Mines and Forestry. I'd like to say to the minister that one of the biggest challenges I'm having, and my municipalities in the north and my riding, is how do we manage all the growth that is coming as a result of all the mining exploration in the industry? In Matachewan, Kirkland Lake and Cochrane we are having to build subdivisions and handle the accommodation needs of all these mines. We're fortunate this is a result of all the exploration work that has happened over the years. I'd like to ask the minister how we're going to be able to continue that exploration activity in northern Ontario.

Hon. Michael Gravelle: That is just a great question, and I thank the member for the question. He is so right. The opportunities for exploration are enormous. We are very proud of Ontario's mining sector and we're committed to ensuring it continues to grow to benefit all Ontarians, but particularly those in northern Ontario. That's why I'm so excited to officially open the Ontario Pavilion at the prospectors and developers association convention today, where I'll be meeting with stakeholders all across the globe to promote investment in Ontario's mining sector and officially announce some new regulations under the act.

The member is quite right: Spending on exploration in Ontario continues to grow every year. In 2010 it was over \$800 million. This year, it's forecasted to grow to over \$950 million; again, I think real evidence of what an attractive destination Ontario is for investment in the mining sector.

This is a very exciting time. Our challenges are sometimes based on the need to take advantage of those opportunities, and certainly in the mining sector in northern Ontario—

The Speaker (Hon. Steve Peters): Thank you. Supplementary?

Mr. David Ramsay: As a northern member, I understand the importance of the PDAC conference as being the world's foremost mining conference. We're glad that it's always hosted here in Toronto. I would look forward, during the week, to hearing results from that, and I would also like to ask the minister what else we're doing to ensure that Ontario has the best investment climate for the mining industry.

Hon. Michael Gravelle: Again, thank you to the member for the question. PDAC is an extraordinary event. There are over 100 countries that are represented and well over 20,000 delegates from the mining sector present at PDAC. Certainly, we want to try to strengthen our own relationships and build some new relationships with industry and with the global mining partners, showing them that Ontario's mineral industry remains one of the most competitive in the world.

Last night, the Minister of Economic Development and Trade and I held a reception to welcome Chile, an extraordinary event. I had some meetings with China as

well. I met with the governor of Armenia this morning. The fact is that Ontario's mining sector is of great interest all across the globe, and we want to continue to take advantage of that.

The fact is that we are producing well over \$8 billion in terms of mineral production in the province of Ontario. We're going to continue to work very hard to secure our position of prominence in the world of sustainable mineral development.

SMART METERS

Mr. John Yakabuski: I'll direct my question to the Minister of Energy and we'll get his advice on something. He seems to not understand the distinction, I suppose.

In the last decade, thousands of new subdivisions have been built across Ontario in communities like Mississauga, Vaughan, Ottawa and Kitchener-Waterloo. These houses received brand new hydro meters with a lifespan of over 25 years. Minister, what happened to those brand new hydro meters when you had them ripped off those houses in order to install your smart meter tax machines? What happened to those meters, Minister?

Hon. Brad Duguid: I want to go back somewhere else for advice. He's asking me for advice; I want to go somewhere else for advice, because it wasn't long ago that the member opposite had this to say: "Ontario needs an energy plan and the leadership to see it through. Not having a ... plan is just wasting precious time."

That was said by the member opposite, and I have to agree with that. I think he and his leader are wasting the precious time of Ontario energy consumers, of Ontario families, because, for some reason, they're afraid to share their plan with Ontario families. Maybe it's because they don't support our clean energy benefit that's taking 10% off their bills. Maybe it's because they don't support our plan to get off of dirty coal, clean up our air and provide a healthier future for their kids. Maybe it's the thousands of jobs we're creating. But for some reason, that member and his leader are afraid to share their plan—

The Speaker (Hon. Steve Peters): Thank you. Supplementary?

Mr. John Yakabuski: Maybe he doesn't want to answer the question.

The Minister of Energy keeps talking about his plan, yet he continues to tear pages out on a daily basis as he backtracks on significant portions of that plan. They don't have a plan beyond the next election.

Last week, the Ontario PC caucus revealed that the bill to install your smart meter tax machines had reached \$1 billion as of September 10, 2010. When asked, you tried to justify this billion-dollar expense by claiming that it was time to replace many meters anyway—except that's not actually the case. In brand new subdivisions across Ontario, you are ripping brand new hydro meters off of new homes and replacing them with your smart meter tax machines, only to then send the billion-dollar bill to Ontario families.

Why did you say that it was time to replace those meters when, clearly, it wasn't? Minister, why don't you just try answering a question for a change?

Hon. Brad Duguid: Again, if the member doesn't want to take our advice or doesn't agree with our plan to modernize our energy system, maybe he should take the advice of the Environmental Commissioner, because this is what he said about smart meters: "They are necessary, absolutely necessary"—

Interjection.

The Speaker (Hon. Steve Peters): The member from Oxford will withdraw the comment that he just made.

Mr. Ernie Hardeman: Withdraw.

The Speaker (Hon. Steve Peters): Minister?

Hon. Brad Duguid: This is what the Environmental Commissioner of Ontario said about smart meters: "They are necessary, absolutely necessary for the proper functioning and future functioning of the distribution system for electricity."

1120

This is what he said about the little piece of their plan that they put out on smart meters: "It has been proposed to let people choose whether to pay a flat rate for their electricity, or have time-of-use pricing. I believe this would be short-sighted." He's talking about your idea. Going back to the same old same old that did not work before is not the answer.

I agree with the Environmental Commissioner. I think the people of Ontario are going to take his word over yours any day of the week.

Interjections.

The Speaker (Hon. Steve Peters): Stop the clock. Members on both sides, please come to order. I want to be able to hear the questions.

New question.

LONG-TERM CARE

Ms. Andrea Horwath: My question is to the Premier. Before the last election, the McGuinty Liberals promised to redevelop the former Grace hospital site into a long-term-care home, but it still sits vacant, abandoned and rotting, and that broken promise is frustrating families and health care professionals. It has led to a crisis at local emergency rooms and cancelled surgeries. When will Windsor families see shovels in the ground at the former Grace site?

Hon. Dalton McGuinty: To the Minister of Health.

Hon. Deborah Matthews: Thank you to the member for the question. This is an issue that we are very much focused on. We are very anxious to get this building built and people into this long-term-care home as quickly as possible.

Windsor does now have additional long-term capacity. The 192-bed Village of Aspen Lake opened on January 3. Residents are moving in, as we speak, into that home. Sixty interim beds will be opened at Leamington Court retirement residence in the coming weeks, which is very, very good news for the people of the Windsor area. And

22 new complex continuing care beds are to open at the Malden Park continuing care site.

So we are working hard to expand capacity in the Windsor area, and I think we should all agree that we've made some great progress.

The Speaker (Hon. Steve Peters): Supplementary?

Ms. Andrea Horwath: Almost a month ago, the Minister of Health promised that she would review the final plans for the Grace redevelopment within 20 days. After years of delays, she promised to "accelerate" the process. But work is still not under way.

After years of broken promises, how much longer will Windsor families have to wait to see work started on the Grace hospital site?

Hon. Deborah Matthews: In fact, I'm very pleased to report that the developer has submitted the working drawings. We have reviewed them. I did undertake that we would do it as quickly as we could, and that work is now done. So we are moving as quickly as possible, as quickly as is responsible, to get this home completed for the people in the Windsor area.

I think it's very important to note that health care is a whole lot better in Windsor now than it was when we took office. We have, as I said in the initial question, significantly more long-term-care capacity. We've got significant reduction in wait times.

Hon. Sandra Papatello: Don't forget angioplasty.

Hon. Deborah Matthews: My seatmate here has reminded me of improvements in angioplasty.

We've been able to bring down wait times substantially, we've got far more access to primary health care in Windsor and we look forward to this project continuing.

RENEWABLE ENERGY

Mr. Reza Moridi: My question is for the Minister of the Environment. Minister, I thought one thing we all agreed on in this House was making sure that our kids had clean air to breathe. The opposition's call for a moratorium on renewable energy shows that's not the case. We know they didn't believe in it eight years ago, when they increased coal emissions 124%.

My constituents in Richmond Hill know that developing renewable energy is the right thing to do for cleaner air and more local jobs. But they want to know if it is true that once a company announces a new project, the municipality and the public have no say.

Hon. John Wilkinson: I say to my friend, the Green Energy Act says that the Ministry of the Environment has the final say, but my ministry will say no unless the municipality and the public have their say. It is enshrined in the act: mandatory consultation with municipalities and the public.

Our new approvals process allows for a more transparent, open and predictable process for companies, for municipalities and all Ontarians. We view municipal and public consultation as essential to the entire process. That's why we built it into the process. There are no limits to the amount of concerns that can be raised by muni-

cipalities or the public, and the proponent, the company that wants to put up the wind turbines, has to address the issues that are raised. If municipalities do not participate in this process, my ministry will follow up with them and ask why.

We're serious about developing green energy in a way that protects human health and the natural environment, and has—

The Speaker (Hon. Steve Peters): Thank you. Supplementary?

Mr. Reza Moridi: Minister, I know that my constituents will be pleased to hear you correct the misconception. I'm glad to hear you confirm that there are clear setbacks and a clear process for municipal consultation, and that the municipal consultation is embedded right in the approval process of any renewable project.

Some residents are also concerned, however, that our stringent 40-decibel limit for windmills might be exceeded and that there's nothing they can do about it. Minister, why are you unwilling or unable to follow up on these calls from local residents?

Hon. John Wilkinson: Nothing could be farther from the truth. I can tell you that recently, my ministry did a sweep of the 15 largest wind turbine parks in the province of Ontario in regard to compliance. We are very serious, because we say to people, "We all have a right to clean air to breathe, but we all deserve a good night's sleep." That's why we have determined a noise limit of some 40 decibels, as recommended by the World Health Organization: because that is the upper limit of noise that is acceptable so that people can get a good night's sleep.

I tell the good people of Ontario: If you have a concern, my ministry is open 24/7, 365 days a year. They can call 1-800-268-6060 at any time. And I can tell the people who do call that we review every one of their complaints and that there are a number of actions we can take. My inspectors go out into the field. We meet with the wind turbine companies. We expect them to abide by the laws of Ontario, and if they do not we will place orders about them because they cannot be too noisy. People have—

The Speaker (Hon. Steve Peters): Thank you. New question.

FULL-DAY KINDERGARTEN

Mrs. Elizabeth Witmer: My question is for the Minister of Infrastructure. On Friday of last week you sent a press release to the Cambridge media declaring that Witmer and Martiniuk will scrap the all-day kindergarten program. As you know, this is factually incorrect. You know full well that—

The Speaker (Hon. Steve Peters): I just would remind the honourable member that she needs to ask a question that speaks directly to the minister's portfolio.

Mrs. Elizabeth Witmer: You know full well that the PC caucus has promised many times to maintain full-day kindergarten for families and fix the implementation issues we have heard—

Interjections.

The Speaker (Hon. Steve Peters): Stop the clock. The members will please come to order.

Please continue.

Mrs. Elizabeth Witmer: I seem to have hit a raw nerve. I ask you: Why did you deliberately mislead the people of Cambridge?

The Speaker (Hon. Steve Peters): I ask the member to withdraw the comment she just made, please.

Mrs. Elizabeth Witmer: I will, but the Minister of Culture said the same thing.

The Speaker (Hon. Steve Peters): Unequivocal withdrawal, please.

Mrs. Elizabeth Witmer: I withdraw.

Hon. Bob Chiarelli: To the Minister of Education.

Hon. Leona Dombrowsky: I think the people of Ontario are very, very interested to understand what the party opposite does intend to do. In fact, the Leader of the Opposition was in Peterborough last week, and he made it very clear that if, after the next election, he would be in a position to make a decision, there would be no moving forward. So I think it's time that the opposition comes clean.

We are committed to making sure we have full-day kindergarten in every school by 2014, and I would challenge the Leader of the Opposition to stand in his place and make the same kind of commitment to the children of Ontario.

The Speaker (Hon. Steve Peters): Supplementary?

Mrs. Elizabeth Witmer: I would go again to the Minister of Infrastructure. You know full well that we have promised to maintain the program, but we're also going to fix the implementation issues. So the reality is, your comments—

Interjections.

The Speaker (Hon. Steve Peters): Stop the clock, please. Come to order.

1130

Mrs. Elizabeth Witmer: Thank you, Mr. Speaker.

These comments, which are factually not correct, are an indication of desperation on the part of this government. Minister, will you apologize to the House and to the people of Cambridge for deliberately not telling them the truth?

The Speaker (Hon. Steve Peters): I'd ask the honourable member to withdraw that last comment, please.

Mrs. Elizabeth Witmer: I will withdraw.

The Speaker (Hon. Steve Peters): Minister of Education.

Hon. Leona Dombrowsky: I would remind the honourable member of what she said on Focus Ontario, February 20. The honourable member—

Interjections.

The Speaker (Hon. Steve Peters): Members will please come to order. The minister is to my right and I'm having difficulty hearing her.

Minister?

Hon. Leona Dombrowsky: The honourable member said on Focus Ontario, February 20, with respect to full-

day kindergarten, "... there are many, many competing programs and we can't do everything."

The Leader of the Opposition said in Peterborough Friday that they were going to have to look at the books before they would make any commitment with respect to full-day kindergarten beyond what's going to be in schools this fall.

Our government is committed to full-day kindergarten by 2014. The people on the other side have a history. Their idea of supporting education is to create a crisis. Families in Ontario have had enough of that. Our government invests in students. We invest in student achievement—

Interjections.

The Speaker (Hon. Steve Peters): The member from Oxford will please come to order.

Mrs. Elizabeth Witmer: Tell the truth.

The Speaker (Hon. Steve Peters): The member from Kitchener–Waterloo will please withdraw the comment she just made.

Mrs. Elizabeth Witmer: Withdraw.

Hon. Dwight Duncan: Just quoting from you.

The Speaker (Hon. Steve Peters): Minister of Finance, it's not helpful. Minister?

Hon. Leona Dombrowsky: Their plan is to create have and have-not schools and we are not doing that on this side. We are committed to full-day kindergarten for all children by 2014. That's what parents have told us they wanted. That's what we're committed to. Can the Leader of the Opposition stand in his place and tell us that he's prepared to do the same thing?

SOCIAL ASSISTANCE

Mr. Michael Prue: My question is to the Minister of Community and Social Services. The government is revising the special diet allowance so that eligible conditions will be based on medical need, but it seems to have a lot more to do with the cost and cutting costs. Last week, I raised the diabetes association's concerns that pre-diabetes is being cut from the special diet allowance.

This week, the Ontario Lung Association wrote, concerned about another group of Ontarians being excluded: sufferers of chronic obstructive pulmonary disease, or COPD. If the new schedule is based on medical need, why is the government ignoring the advice of key health organizations about who should be receiving the allowance?

Hon. Madeleine Meilleur: The members of the opposition always raise the question, and when I verify who will continue to receive the special diet allowance with the continuation of the program, they either were not receiving it before or they will continue to receive it.

We do not want to disadvantage people who truly need a special diet to manage their medical condition. That's why we are changing the program so that it's accountable and fair to taxpayers and to those who need a special diet. We will be taking a different approach than

what we announced in the last budget. This government is proceeding with the first major social assistance review in 20 years and this is part of the social assistance review.

The Speaker (Hon. Steve Peters): Supplementary?

Mr. Michael Prue: This minister just doesn't get it. About 750,000 Ontarians suffer from chronic obstructive pulmonary disease, or COPD. They struggle with every-day activities like walking up stairs. Canadian guidelines say that sufferers of COPD who lose weight need a special diet. Otherwise, their condition will likely get worse and they will need more intensive and expensive medical care.

Why won't the minister listen to the Ontario Lung Association and include COPD in the special diet allowance?

Hon. Madeleine Meilleur: Again, who is included and what medical conditions are included in the special diet is the decision of experts.

It's not a decision that we take lightly. We do recognize that, for certain conditions, the experts are telling us that a special diet is appropriate for that condition and we are listening to them. The review of social assistance, the two experts—it's part of their mandate to advise us on what we should do.

We cannot ignore the recommendations from the Auditor General. When the Auditor General is saying that there is abuse in the system, we have to look into it. We know that this program went from—

The Speaker (Hon. Steve Peters): Thank you. New question.

PUBLIC TRANSIT

Mr. Wayne Arthurs: My question is to the Minister of Transportation. Minister, better public transit means a better quality of life for Ontario families. Part of that goal is to make transit available to as many Ontarians as possible. My constituents understand that an increase in the use of public transit has the added benefit of improving our air quality by cutting down on harmful emissions and relieving the \$6 billion in congestion problems we are faced with in the greater Toronto and Hamilton area.

This past Friday, I had the opportunity to do the official opening of a new and improved GO station in Pickering. It makes it easier and more convenient for my constituents in Pickering to access public transit. This is the first of the new LEED-certified stations including geothermal heating and air conditioning. The improvements include an expanded kiss-and-ride section, and a new covered walkway is being prepared now to cross over to the Pickering Town Centre.

Speaker, through you, would the minister inform the House what the McGuinty government has done to improve public transit throughout Ontario?

Hon. Kathleen O. Wynne: I thank the member for his question and for his advocacy on public transit.

Since we came to office, we have made enormous investments in public transit because we really believe that it is the answer to dealing with congestion on our

roads—and we are playing catch-up on this file, because the previous government made very little to no investments in public transit in the eight years that they were in office.

GO Transit now typically, on a workday, takes 90,000 cars off the road. It eases congestion. Since 2003, we have invested more than \$10.8 billion in public transit, including \$4.7 billion in GO. We've opened seven new GO train stations. We've increased access to public transit in places like Barrie, Georgetown and Stouffville; we've opened three new bus terminals in Mississauga, Guelph and Hamilton; and by the end of 2011, we will have delivered GO train service to Kitchener–Waterloo.

These investments are making a huge difference to the people of Ontario.

The Speaker (Hon. Steve Peters): The time for question period has ended.

USE OF QUESTION PERIOD

Mr. John Yakabuski: On a point of order, Mr. Speaker: I rise on a point of order with respect to questions directed by the Leader of the Opposition today to first the Premier and then the Minister of Energy, but all questions were answered by the Minister of Energy—or, at least, addressed.

The minister used today the term “advised” Hydro One. I have the Hansard from February 23, and on no less than six occasions, the minister—and I will quote: “We have directed,” or “We’ve directed,” or “Hydro One has been directed.”

I would offer the Minister of Energy the opportunity to correct his record in saying today that he “advised” Hydro One when, in fact, in the Hansard from that day—and I will send you a copy of the Hansard, Mr. Speaker—on no less than six occasions, he used the term “We’ve directed Hydro One” not to pass on these costs with respect to the court case. I would ask the minister to correct his—

The Speaker (Hon. Steve Peters): Thank you.

The honourable member is aware that any question that is directed to the Premier, the Premier, in his capacity, can direct to the appropriate minister, which the Premier did. It is not for the Speaker to judge the use of words of a minister that he or she would choose to use in the House. I'll leave that that there's a difference of opinion between the honourable member and the minister.

DEFERRED VOTES

GOOD GOVERNMENT ACT, 2011

LOI DE 2011 SUR LA SAINE GESTION PUBLIQUE

Deferred vote on the motion for third reading of Bill 110, An Act to promote good government by amending

or repealing certain Acts / *Projet de loi 110, Loi visant à promouvoir une saine gestion publique en modifiant ou en abrogeant certaines lois.*

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

The division bells rang from 1140 to 1145.

The Speaker (Hon. Steve Peters): Members please take their seats.

In December 2010, Ms. Smith moved third reading of Bill 110.

All those in favour will please rise one at a time and be recorded by the Clerk.

Ayes

Aggelonitis, Sophia	Fonseca, Peter	Mitchell, Carol
Arthurs, Wayne	Gerretsen, John	Moridi, Reza
Balkissoon, Bas	Gélinas, France	Murray, Glen R.
Bartolucci, Rick	Hampton, Howard	Naqvi, Yasir
Bentley, Christopher	Hoskins, Eric	Phillips, Gerry
Berardinetti, Lorenzo	Jaczek, Helena	Prue, Michael
Best, Margaret	Jeffrey, Linda	Pupatello, Sandra
Bisson, Gilles	Kormos, Peter	Ramal, Khalil
Bradley, James J.	Kwinter, Monte	Ramsay, David
Chiarelli, Bob	Leal, Jeff	Sandals, Liz
Colle, Mike	Levac, Dave	Smith, Monique
Crozier, Bruce	Marchese, Rosario	Sousa, Charles
Dhillon, Vic	Matthews, Deborah	Takhar, Harinder S.
Dombrowsky, Leona	McGuinty, Dalton	Van Bommel, Maria
Duguid, Brad	McMeekin, Ted	Wilkinson, John
Duncan, Dwight	Meilleur, Madeleine	Wynne, Kathleen O.
Flynn, Kevin Daniel	Miller, Paul	

The Speaker (Hon. Steve Peters): Those opposed?

Nays

Arnott, Ted	Hardeman, Ernie	O'Toole, John
Bailey, Robert	Hillier, Randy	Ouellette, Jerry J.
Barrett, Toby	Hudak, Tim	Savoline, Joyce
Chudleigh, Ted	Jones, Sylvia	Wilson, Jim
Clark, Steve	Miller, Norm	Witmer, Elizabeth
Elliott, Christine	Munro, Julia	Yakabuski, John

The Clerk of the Assembly (Ms. Deborah Deller): The ayes are 50; the nays are 18.

The Speaker (Hon. Steve Peters): I declare the motion carried.

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

Third reading agreed to.

The Speaker (Hon. Steve Peters): There being no further deferred votes, this House stands recessed until 1 p.m. this afternoon.

The House recessed from 1148 to 1300.

INTRODUCTION OF VISITORS

Mr. Vic Dhillon: I want to introduce a very special lady, Aneesha Joshi. She's here with her father, Mr. Rakesh Joshi, and her uncle Mr. Amanpreet Singh.

The Speaker (Hon. Steve Peters): Welcome.

MEMBERS' STATEMENTS

HYDRO RATES

Mr. Ernie Hardeman: I'm pleased to rise today to deliver a message to this government from the people of Tillsonburg regarding hydro increases: Enough is enough.

Recently, the council of the town of Tillsonburg passed a resolution calling for hydro relief, which says: "The impact of harmonized sales tax on residential utility bills is placing an untenable burden with Ontario households." Mayor John Lessif said: "We're not happy with the decision to tax energy usage." Deputy Mayor Mark Renaud said: "Enough is enough."

According to the Tillsonburg News, Renaud also cited increasing costs on utility bills, including those of green energy initiatives and debt retirement, and suggested that money from the debt retirement is "being sourced for other uses."

I want to commend the Tillsonburg council for standing up for their constituents and acknowledging the challenges that these hydro increases are causing for Oxford families. I've heard concerns about spiralling hydro bills at events and in coffee shops across my riding and from the people in neighbouring communities like St. Thomas and Stratford.

This government doesn't seem to understand the effect that their misguided policies like green energy, HST and smart meters are having on Ontario's families. Clearly they are out of touch with the reality Ontario's families are facing. I've heard from constituents who are already doing everything that this government has recommended in order to keep their energy bills low but still their hydro bills keep increasing.

On behalf of the people of Oxford, I want to deliver the message that the hydro increases need to stop. Enough is enough.

OTTAWA BEAR HUG

Mr. Phil McNeely: Last spring, some 10,557 students from across Ottawa locked their arms around each other's waists to form a human chain around the Rideau Canal. The event was organized by staff and students at St. Matthew high school in Orléans to try to win back the title of world's largest bear hug, which they had originally set in 2004.

The logistics needed to pull off such a task were awe-inspiring. More than 270 buses were needed to transport more than 10,000 students to the Rideau Canal. Once everyone was in place, a horn sounded and students had to hold their position without breaking the chain for a minimum of 10 seconds. A helicopter circled overhead with the Guinness adjudicator inside, along with a small team of volunteers who took several photos and video which could be used to authenticate the attempt.

Tomorrow night, a representative from Guinness World Records will present a certificate to the Ottawa

Catholic School Board recognizing Ottawa Bear Hug III as a new official world record.

I'm sure you'll join me in congratulating the organizers and participants of the event which, besides setting a new world record, raised over \$500,000 for a number of charities, including Roger's House, the Children's Hospital of Eastern Ontario, the Ottawa Regional Cancer Foundation and the Ottawa Hospital.

The very first bear hug was organized at St. Matthew high school in 2004. The event was inspired by grade 8 student Erin Gannon, who passed away shortly afterwards, following a year-long battle with cancer.

It is these types of selfless philanthropic efforts that go a long way to develop well-rounded future members of our society and this great province.

HIGHWAY CONSTRUCTION

Mr. Ted Arnott: For years now, working with successive councils of the township of Puslinch, I have repeatedly called upon the Minister of Transportation to place the Highway 6 Morriston bypass on the ministry's five-year plan. The question is this: Will this government ever recognize the need to build this vital new road to relieve the worst traffic congestion in our part of Ontario?

We've talked about this project for some 30 years. We've made our case time and time again. The environmental assessment has been completed. The consultations have concluded. The route is planned. Property acquisition should commence, but we need to know when construction will begin.

In February and April of last year, I invited the Minister of Transportation to Puslinch township to meet with council to hear their views on this matter. When she finally did get around to visiting Wellington-Halton Hills on December 3 to try to raise money for the local provincial Liberal riding association, she initiated meetings with at least two of our local municipal councils. But even though she was taking the better part of the day to come to my riding, she didn't even give Puslinch township the time of day. If they had wanted to meet her, they would have had to write a cheque to pay for the privilege.

But there is still time this year for this government to finally do the right thing when it comes to the Morriston bypass. In the next budget, the McGuinty Liberals will have their last chance to finally acknowledge the people of the township of Puslinch and the community of Morriston. They have waited long enough for this new highway that they deserve. Clearly, that time has come.

COMMUNITY AWARDS

Mr. Yasir Naqvi: On March 3, the Ottawa Community Immigrant Services Organization, also known as OCISO, hosted its annual awards gala. This was OCISO's third annual Community Awards of Excellence, which recognize and honour the outstanding contributions of individuals and organizations that have positively

impacted the lives of refugees and immigrants in our community.

Ayda Khan, a high school student and talented singer who performs in six languages, and donates some of her honorarium to her school's breakfast club, was given the award for youth leadership.

Charanjit Wadehra, a retired teacher and busy volunteer who has contributed countless hours to a variety of causes, including the Kanata Seniors' Centre, where he is on the board of directors, was awarded the "Heroes Among Us" award.

L'École secondaire publique Omer-Deslauriers was presented with the organizational leadership award for its assistance to newcomer families.

Juniper Networks was honoured for its sponsorship support and employee participation in mentoring skilled immigrants.

The event was a great success. I want to give a big thank you and congratulations to Nishith Göel, who is the president and CEO of Cistel Technology Inc. and who was the chair of the gala; Tyler Meredith, the president of OCISO's board; and Hamdi Mohamed, the executive director, for all their good work in our community and making the lives of immigrants and refugees in Ottawa a more positive experience. Thank you very much.

LAKEHEAD UNIVERSITY

Mr. Garfield Dunlop: Today, I'm very proud to be helping to sponsor Lakehead University's first annual lobby day here at Queen's Park. With us today, seated in the members' gallery, are Dr. Brian Stevenson, president and vice-chancellor of Lakehead; Lee Gould, vice-president of external relations; Richard Longtin, the manager of government relations; Mary Silk, my executive assistant from my office in Orillia; and, of course, Gaggan Gill, who everyone knows down here.

The intent today is to promote the fact that Lakehead University, with over 8,000 students in Ontario, now has a southern Ontario presence, and it's located in Orillia. We like to call it central Ontario's university because it's been an exciting institution to welcome to our part of the province. We have excellent professors there, the community has received it with open arms, and there's just an excitement and vibrancy around this beautiful new facility that we have in the beautiful riding of Simcoe North.

Today, I'd like to say to everyone—I know I have a number of appointments today and tomorrow, but I'd like to welcome everybody here to the reception in the legislative dining room tonight between 5 and 7, yourself included, Mr. Speaker; we'd love to see you there—to welcome these people to Queen's Park and to see just how wonderful Lakehead University is in Ontario.

VICTIM SERVICES TORONTO

Mr. Peter Tabuns: I rise today to draw attention to the plight of Victim Services Toronto, which provides

support to victims throughout this city. Established in 1990, it has been available 24 hours, seven days a week, for two decades. It's the first-response agency and the only agency in Toronto providing immediate assistance to victims of crime and sudden tragedies.

This service, which has provided critical and irreplaceable support to the people of the city, has not had a core funding increase in the last two decades, except for 2007. They face profound problems in delivering the services that have to be delivered. I rise today to call on the government to examine the funding of this agency, this critical service, and to act to ensure that they are viable, properly funded and able to help those in this city who are victims of crime.

1310

BUSINESS AWARDS

Mr. Kevin Daniel Flynn: It's a pleasure to rise in the House today and tell you that the 16th annual Oakville business awards took place last Wednesday evening. These awards, called the Oakville Awards for Business Excellence, are hosted by the Rotary Club of Oakville West, along with the Oakville Chamber of Commerce. The companies are judged not only on business performance but on the contribution they make to the community.

It's a pleasure to rise in the Legislature today to congratulate the six winners. They are: Blazing Design for entrepreneur of the year; Geoff Shore at the Cross Avenue Tim Hortons, who took home the environmental leadership business of the year award; Shred-it, for large business of the year; Philthy McNasty's, which won the restaurant of the year award; the small business of the year award went to Speers Road Broadloom and Florence Meat Supplies; and Kicks for Kids won for professional service provider of the year.

I'd like to recognize the generous contributions from the sponsors who continue to support the Rotary Club of Oakville West. To date, the awards gala has raised more than \$500,000, and that supports Oakville's youth through a variety of programs.

Once again, I rise in the House to congratulate all those who were nominated and those who won last Wednesday evening, and the sponsors for their contribution to our great community.

FULL-DAY KINDERGARTEN

Mr. David Ramsay: On Friday of last week, it was a great pleasure to go to the New Liskeard Public School to launch the second-year expansion of full-day kindergarten for four-year-olds and five-year-olds. It was a real pleasure for me. I wore my get-down-on-my-knees pants that day to get down with the kids. They allowed me to share in their activities. It was a very fun experience, and it was just gratifying to see the children of my constituents having this opportunity.

The obvious investment here is for the children, and it's one of the best things we can do to invest this early in

their learning years, but it's also a wonderful economic advantage to many of my constituents who would find it challenging to find daycare for four-year-olds and be able to pay for that. They're getting good early learning from this, which we're very pleased about.

It was a great experience. This, now, would mean that about 720 students would be taking advantage of this by September this year, with about a 50% rollout of that. I, and the rest of my parents, look forward to the rest of that rollout so that their children will have a great opportunity to learn in the future.

MUNICIPAL GOVERNMENT

Mr. Dave Levac: Earlier this week, all of us in this place welcomed the Rural Ontario Municipal Association, or ROMA, and the Ontario Good Roads Association to Toronto for their annual conference. It was indeed a great success this year. It got me thinking about how much the position of Ontario's municipalities has improved under the McGuinty government.

Before 2003, our communities suffered from eight years of cuts, neglect and downloading. The previous Conservative government downloaded public services, cut all funding for transit and let developers pave over huge areas of green space while cancelling 17,000 units of public housing. They got out of the game. They dumped maintenance costs for roads and bridges on our cities, along with public health, social assistance, social housing and ambulance services. These decisions increased the pressure on municipal budgets and the property tax burden of Ontario families.

The McGuinty government, on the other hand, has worked closely with municipalities to fairly share the cost of governing. We've uploaded the cost of public health to 75%, the cost of land ambulance to 50% and added \$1.5 billion in social assistance benefits. We've invested \$2.5 billion in affordable housing, \$30 billion in rebuilding public infrastructure in our cities, and \$28 billion, along with the federal government, to improve infrastructure and create jobs.

We helped families and municipalities impacted by the recent recession. Unlike the previous government, which let city governments fend for themselves—

The Speaker (Hon. Steve Peters): Thank you.

PETITIONS

OAK RIDGES MORaine

Mr. John O'Toole: It's a pleasure to present a petition on behalf of my constituents of the riding of Durham. It reads as follows:

"To the Legislative Assembly of Ontario:

"Whereas citizens are concerned that contaminants in materials used as fill for pits and quarries may endanger water quality and the natural environment of the Oak Ridges moraine; and

"Whereas the Ministry of the Environment has a responsibility and a duty to protect the Oak Ridges moraine; and

"Whereas the government of Ontario has the lead responsibility to provide the tools to lower-tier government to plan, protect and enforce clear, effective policies governing the application and permit process for the placement of fill in abandoned pits and quarries; and

"Whereas this process requires clarification regarding rules respecting what materials may be used to rehabilitate or fill abandoned pits and quarries;

"Therefore we, the undersigned, ask that the Minister of the Environment initiate a moratorium on the clean fill application and permit process on the Oak Ridges moraine until there are clear rules; and we further ask that the provincial government take all necessary actions to prevent contamination of the Oak Ridges moraine" from affecting our water aquifer.

I'm pleased to present this to Brittany, one of the pages.

TAXATION

Mr. Michael Prue: I have a petition, a very short one, that reads as follows.

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

"Be it resolved that Dalton McGuinty immediately exempt electricity from the harmonized sales tax."

Signed by hundreds of people in the Windsor area.

PARAMEDICS

Mrs. Maria Van Bommel: "To the Legislative Assembly of Ontario:

"Whereas paramedics play a vital role in protecting the health and safety of Ontarians; and

"Whereas paramedics often put their own health and safety at risk, going above and beyond their duty in servicing Ontarians; and

"Whereas the government of Ontario annually recognizes police officers and firefighters with awards for bravery; and

"Whereas currently no award for paramedic bravery is awarded by the government of Ontario; and

"Whereas Ontario paramedics deserve recognition for acts of exceptional bravery while protecting Ontarians;

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

"Enact Bill 115, a private member's bill introduced by MPP Maria Van Bommel on October 6, 2010, An Act to provide for the Ontario Award for Paramedic Bravery."

Of course, I'm signing this one.

HIGHWAY CONSTRUCTION

Mrs. Christine Elliott: A petition to the Ontario Legislature:

"The province's plan to terminate phase-one construction of Highway 407 at Simcoe Street, Oshawa, is a mistake. It is a plan that does not make economic sense, will create end-of-line gridlock, will be detrimental to our rural community and have a significant negative effect on commuters, businesses, tourism, public transit, the historic hamlet of Columbus and all citizens of Durham region.

"We, the undersigned, petition the Legislative Assembly of Ontario to extend the Highway 407 extension eastward and not terminate it at Simcoe Street."

I'm pleased to sign this and send it to the table with page Benjamin.

TAXATION

Mr. Gilles Bisson: I have a petition here keenly signed by people, both on the front and the back, which I've not seen in a long time. It reads as follows:

"To the Legislative Assembly of Ontario:

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

"Be it resolved that Dalton McGuinty take the unfair HST off hydro and home heating bills."

It's signed by many people, and I will send it down with Braden.

PARAMEDICS

Mr. Lorenzo Berardinetti: I have a petition addressed to the Legislative Assembly of Ontario. It reads as follows.

"Whereas paramedics play a vital role in protecting the health and safety of Ontarians; and

"Whereas paramedics often put their own health and safety at risk, going above and beyond their duty in serving Ontarians; and

"Whereas the government of Ontario annually recognizes police officers and firefighters with awards for bravery; and

"Whereas currently no award for paramedic bravery is awarded by the government of Ontario; and

"Whereas Ontario paramedics deserve recognition for acts of exceptional bravery while protecting Ontarians;

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

"Enact Bill 115, a private member's bill introduced by MPP Maria Van Bommel on October 6, 2010, An Act to provide for the Ontario Award for Paramedic Bravery."

I agree with this petition, affix my signature to it and give it to page Hailey.

HIGHWAY CONSTRUCTION

Mr. John O'Toole: I am pleased to present a petition on behalf of my constituents in the riding of Durham. It reads as follows.

"To the Legislative Assembly of Ontario:

"Whereas the provincial government's announcement regarding the eastward extension of Highway 407 indicates construction will end at Oshawa;

"Whereas ending the highway at Oshawa will mean undue traffic on smaller roads leading to Highway 407, while delaying the benefits of a completed Highway 407 for commuters, businesses, tourism, public transit and all stakeholders;

1320

"Whereas the environmental assessment has not considered impacts of a partial completion of the highway; and

"Whereas the completion of the eastern extension of Highway 407 to Highway 35/115 is supported by citizens, businesses, communities and elected representatives.

"Therefore we, the undersigned, ask the Legislative Assembly of Ontario to support the eastward extension of Highway 407 to Highway 35/115 in a single stage, as promised by the Dalton McGuinty government in previous infrastructure announcements. We request that Premier McGuinty respond with a commitment for the completion of Highway 407 by a specific date," before the election in 2011.

I'm pleased to present this to page Ira.

REPLACEMENT WORKERS

M^{me} France Gélinas: I have this petition from IBEW local 115, from Kingston. It reads as follows:

"To the Legislative Assembly of Ontario:

"Whereas strikes and lockouts are rare: 97% of collective agreements are settled without a strike or lockout; and

"Whereas anti-temporary replacement workers laws have existed in Quebec since 1978; in British Columbia since 1993; and successive governments in those two provinces have never repealed those laws; and

"Whereas anti-temporary replacement workers legislation has reduced the length and divisiveness of labour disputes; and

"Whereas the use of temporary replacement workers during a strike or lockout is damaging to the social fabric of a community in the short and the long term as well as the well-being of its residents;

"Therefore we, the undersigned, petition the Legislative Assembly of Ontario to enact legislation banning the use of temporary replacement workers during a strike or lockout."

I fully support this petition, will affix my name to it and ask Oliver to bring it to the Clerk.

HIGHWAY CONSTRUCTION

Mr. John O'Toole: I'm pleased to present another petition to the Legislative Assembly of Ontario. It reads as follows:

"The province's plan to terminate phase-one construction of Highway 407 at Simcoe Street, Oshawa, is a

mistake. It is a plan that does not make economic sense, will create end-of-line gridlock, will be detrimental to our rural community and have a significant negative effect on commuters, businesses, tourism, public transit, the historic hamlet of Columbus and all citizens of Durham region.

“We, the undersigned, petition the Legislative Assembly of Ontario to extend the Highway 407 extension eastward and not terminate it at Simcoe Street.”

I'm pleased to sign and support this on behalf of the constituents in the riding of Durham.

MUNICIPAL GOVERNMENT

Mr. Michael Prue: I have a much longer petition this time, which reads as follows:

“To the Legislative Assembly of Ontario:

“Whereas, in May 2009, a petition was presented to the Legislature and read by MPP O'Toole, where approximately 1,000 residents of Vaughan begged the Minister of Municipal Affairs to appoint an auditor to audit the finances of Vaughan. The Minister of Municipal Affairs responded, ‘Vaughan is a well-run city,’ and refused to intervene;

“Whereas the 2009 petition brought several matters to the attention of the minister, including taxpayers charged approximately \$750,000 in legal costs where 200 charges were filed against three then sitting members of council and where these charges are now thrown out of court because the charges were filed too late; a regional councillor gave a \$30,000 contract to family with no competitive bids and subsequently millions found to be awarded without tender to her son; council continues to spend millions to pay legal fees for lawsuits;

“Whereas, since the 2010 election, the situation has grown significantly worse with continuing tax increases and continuing abuse of tax dollars and where this abuse now proves the early intervention by the minister would have prevented the continuing abuse of taxpayer money, and saved at least \$15 million of wasted money;

“Whereas, in a recent meeting of council, it was now admitted by the senior staff that Vaughan city hall is more than \$15 million over budget, and where the same staff reported immediately before the election that city hall was on budget;

“Whereas another lawsuit has revealed documents that show previous council approved \$50,000 in expenses for one of the election audits in the absence of a court order and in a closed meeting of council, when on the face of the invoices the outstanding amount was less than half the amount and whereas on the face of the invoices, the money was used by the same external lawyer to attempt to get Mayor Jackson removed from office using a conflict of interest application;

“Whereas the old council voted to use \$80 million of taxpayer money to purchase land for a hospital and placed the control in the hands of a private not-for-profit corporation, the Vaughan Health Campus of Care, and subsequently the VHCC has sued several residents for

public deputations of concern and where the province has appointed York Central Hospital as the entity to build the hospital and the VHCC agreement needs to be nullified and all donations given to the YCH;

“We, the taxpayers and ratepayers of the city of Vaughan, exercise our right and again petition the minister to appoint an auditor to complete a forensic municipal audit of the city of Vaughan's financial affairs from 2003 to present and publicly report to the residents of Vaughan.”

I am in agreement and would sign my name thereto.

POST-SECONDARY EDUCATION

Mr. John O'Toole: I seem to be the custodian of all petitions here today. This one is from the riding of Durham.

“This petition is addressed to the Legislative Assembly of Ontario.

“Whereas Ontario families are struggling to help put their kids through university;

“Whereas students in Ontario graduate with an average \$26,000 in debt and have the highest tuition and largest class sizes in the country; and

“Whereas Ontario tax dollars should be kept in Ontario to help Ontario students, not sent overseas;

“We, the undersigned, therefore petition the Legislative Assembly to call on the McGuinty government to cancel its plan to give foreign students scholarships of \$40,000 a year and reinvest these funds in scholarships for Ontario students.”

I'm pleased to sign and present this to Benjamin, one of the pages here.

SERVICES EN FRANÇAIS

M^{me} France Gélinas: J'ai une pétition qui me vient de l'unité 61 du Moyen-Nord de l'Association des enseignantes et des enseignants franco-ontariens et de son président, M. Conrad Mazerolle :

« Attendu que la mission du commissaire aux services en français est de veiller à ce que la population reçoive en français des services de qualité du gouvernement de l'Ontario et de surveiller l'application de la Loi sur les services en français;

« Attendu que le commissaire a le mandat de mener des enquêtes indépendantes selon la Loi sur les services en français;

« Attendu que contrairement au vérificateur général, à l'ombudsman, au commissaire à l'environnement et au commissaire à l'intégrité qui, eux, relèvent de l'Assemblée législative, le commissaire aux services en français relève de la ministre déléguée aux services en français;

« Nous, soussignés, demandons à l'Assemblée législative de l'Ontario de changer les pouvoirs du commissaire aux services en français afin qu'il relève directement de l'Assemblée législative. »

J'appuie cette pétition. Je vais signer mon nom et demander à Nicolas de l'amener au greffier.

HOSPITAL FUNDING

1330

Mr. John O'Toole: Again, it's a real privilege to be reading here today. This is a petition to the Legislative Assembly of Ontario:

"Whereas the government-appointed local health integration network (LHIN) has approved a budget proposal by the Northumberland Hills Hospital (NHH) that includes plans to close 26 hospital beds, outpatient rehabilitation and the diabetes education clinic; and

"Whereas these cuts will leave no outpatient rehabilitation (including physio- and occupational therapy) available for patients in Northumberland county; and

"Whereas this cut leaves all patients with insulin-dependent diabetes without education and support that is vital to prevent serious health decline; and

"Whereas these cuts will result in for-profit privatization of hospital beds and services and new user fees for patients; and

"Whereas private, for-profit, unaccredited retirement homes are not safe or appropriate to house patients who need professional nursing and health care; and

"Whereas the NHH is considered a very efficient hospital in comparison with peer hospitals and the people of west Northumberland have already made a huge sacrifice regarding hospital services;

"Therefore be it resolved:

"That the McGuinty government act immediately to protect patients in Northumberland Hills, fund the hospital to maintain the current services, and stop the hospital bed and service cuts."

I am pleased to sign and support this, and I hope Lou Rinaldi will sign it as well.

REPLACEMENT WORKERS

M^{me} France Gélinas: I have this petition from Mr. Barry Fajcz, president of CUPW Local 598. It reads as follows:

"Whereas strikes and lockouts are rare: 97% of collective agreements are settled without a strike or lockout; and

"Whereas anti-temporary replacement workers laws have existed in Quebec since 1978; in British Columbia since 1993; and successive governments in those two provinces have never repealed those laws; and

"Whereas anti-temporary replacement workers legislation has reduced the length and divisiveness of labour disputes; and

"Whereas the use of temporary replacement workers during a strike or lockout is damaging to the social fabric of a community in the short and the long term as well as the well-being of its residents;"

They "petition the Legislative Assembly of Ontario to enact legislation banning the use of temporary replacement workers during a strike or lockout."

I support this petition, will affix my name to it and ask page Alexandra to bring it to the Clerk.

ORDERS OF THE DAY

TORONTO TRANSIT COMMISSION
LABOUR DISPUTES RESOLUTION ACT,
2011

LOI DE 2011 SUR LE RÈGLEMENT
DES CONFLITS DE TRAVAIL
À LA COMMISSION DE TRANSPORT
DE TORONTO

Resuming the debate adjourned on March 1, 2011, on the motion for second reading of Bill 150, An Act to provide for the resolution of labour disputes involving the Toronto Transit Commission / Projet de loi 150, Loi prévoyant le règlement des conflits de travail à la Commission de transport de Toronto.

The Speaker (Hon. Steve Peters): Pursuant to the order of the House dated Thursday, March 3, 2011, I am now required to put the question.

On February 24, 2011, Mr. Sousa moved second reading of Bill 150, An Act to provide for the resolution of labour disputes involving the Toronto Transit Commission. Is it the pleasure of the House that the motion carry?

All those in favour will say "aye."

All those opposed will say "nay."

In my opinion, the ayes have it.

Call in the members. This will be a five-minute bell.

Pursuant to standing order 28(h), I have received a request that the vote on Bill 150, the Toronto Transit Commission Labour Disputes Resolution Act, 2011, be deferred. This vote will be deferred until Tuesday, March 8, following question period.

Second reading vote deferred.

ONTARIO FOREST TENURE
MODERNIZATION ACT, 2011

LOI DE 2011 SUR LA MODERNISATION
DU RÉGIME DE TENURE FORESTIÈRE
EN ONTARIO

Mr. Gravelle moved second reading of the following bill:

Bill 151, An Act to enact the Ontario Forest Tenure Modernization Act, 2011 and to amend the Crown Forest Sustainability Act, 1994 / Projet de loi 151, Loi édictant la Loi de 2011 sur la modernisation du régime de tenure forestière en Ontario et modifiant la Loi de 1994 sur la durabilité des forêts de la Couronne.

The Speaker (Hon. Steve Peters): Further debate?

Hon. Michael Gravelle: I am honoured to lead off debate on Bill 151, the Ontario Forest Tenure Modernization Act, legislation that would enable us to change the forest tenure system, allowing for greater use of

competitive markets in the allocation and the pricing of crown timber.

No one here questions the value of the contribution that our province's forest industry makes to the lives of all Ontarians, whether directly through employment or indirectly through the vast array of Ontario wood products that contribute to our province's high standard of living.

The fact is that Ontario has approximately 85 billion trees, and our forests represent 2% of the world's total. Eighty per cent of the 71 million hectares of forested land in Ontario is publicly owned. The government of Ontario oversees the management of these crown forests, including commercial logging on more than 26 million hectares.

Ontario's forest sector is a key and important component of the province's economy. In total it supports almost 200,000 direct and indirect jobs in more than 260 Ontario communities. Of these communities, 40 are categorized as highly dependent on employment in the forest sector to survive, and an additional 63 are identified as being moderately dependent.

In 2008, the value of Ontario's forestry sector products was \$14 billion, the majority of which was pulp and paper products—that's about \$8 billion; saw-mill engineered wood and other wood product manufacturing was valued at \$3.9 billion; and furniture and kitchen cabinet manufacturing represented about \$2.1 billion. The importance of our forests to the province's economic future is absolutely clear.

Having said that, the difficulties that the sector has endured in recent years are also well-known. Despite the serious setbacks for the industry in recent years, the underlying advantages of Ontario's forest sector remain intact. We have a large sustainable supply of quality fibre and we have excellent infrastructure. We have a solid primary sector with reasonable proximity to markets. May I say, the forest industry is working very hard to use these advantages to create and develop new business opportunities.

Our government is equally committed to working with all interested parties to restore the forest sector's competitiveness. We want to create the best environment possible for Ontario's forest product businesses to succeed, while balancing this with sustainable practices. One of the ways that we are proposing to do this is by modernizing the forest tenure and the timber pricing system. We believe that modernizing the system by which forest resources are made available to industry is one of the keys to transforming the sector. In the challenges that the industry has faced in recent years, businesses have certainly looked to government for support to help them continue to operate, and we have indeed responded.

Since 2005, we have made available more than \$1.1 billion to support the forestry sector through programs like the forest sector prosperity fund and the loan guarantee program, the northern pulp and paper electricity transition program and its successor, of course, the

northern industrial energy rate program. We must also not forget about the very helpful provincial roads funding program. However, if we expect the forest sector to adapt to change and thrive in the face of the challenges that they have, the current tenure system, which describes essentially how companies get and pay for wood in this province, we believe also needs to change.

Let me explain briefly for all the members—some are certainly more familiar than others—how the current forest tenure and timber pricing system operates. The area of crown forest where harvesting is allowed is generally managed under sustainable forest licences issued in accordance with the Crown Forest Sustainability Act. These licences, or SFLs, as they are commonly called, are issued to companies which are generally mills to manage a defined forest management unit. Licence holders are required to complete a government-approved forest management plan. They're required to build roads and renew the forest after they've harvested it. Licensees are authorized to harvest and use timber from their defined management unit.

The current forest tenure system was designed many years ago. It was designed to give mills the responsibility to manage Ontario's forests in exchange for a long-term wood supply. As a consequence, access to the crown forest resource is essentially largely controlled by industry. I would say that this certainly may have worked in good times, when mills were profitable. However, in tougher times, when many of the mills were idle or were closed, it meant that frequently the wood was not being used, it was not being harvested, with limited opportunities for new entrants, those who were seeking access to that wood.

I want to be respectful here, but frankly, the current tenure system, as it is in place, in essence made it easy for some of these mills to hoard the wood that they cannot use. In essence, and very much at the base of the principle for this legislation, is that our government wants to put Ontario's wood and its people back to work. A major step we are taking towards this goal is to modernize the forest tenure and pricing system.

There's no question that this is a complex task. I'm going to hear from our critics on this and they are going to confirm that. It's a complex task. It requires significant changes affecting the allocating, the licensing and the pricing of crown forest resources. We fully appreciate our responsibility to continue to act with prudence and respect for the business entities that drive this key industry, especially those, may I say, who are using all the wood that is licensed to them.

We have taken a considerable time up front to consult with those who are most knowledgeable about and would be most affected by these proposed changes. When we embarked on this major review, we developed a discussion paper for public consultation. We asked for comments, over the fall of 2009, in a number of community and individual meetings and in consultation sessions with the public and a large number of aboriginal communities. We certainly heard that the current system had its

strengths, such as the forest renewal and forestry futures trust, that absolutely should be continued. But we also, I think it's only fair to say, heard a strong consensus that some change was needed. There certainly was an interest expressed in embracing market forces to better allocate and price our wood. People said they wanted a system that was more flexible and dynamic, a system that could respond and adapt to our rapidly changing times. Certainly, they wanted fairness and transparency to be a foundation of any new system, and they wanted our valuable forest resource to continue to be managed sustainably.

1340

Based on the first round of public consultations, we prepared a proposed framework. We set up further consultations in seven locations across the province, and it was a very interesting second round of consultations. During that second round, we provided opportunities to meet with aboriginal people and communities to inform them and to refine the proposal that we're bringing forward today. There's no question that these meetings generated a tremendous amount of discussion. During the spring of last year, I think we had something like 660 people individually taking part in those meetings, 260-plus sent written submissions and there were well over 100 who also responded online to our website.

We did continue to hear that change was needed. But to be absolutely fair and honest, we also heard that some of our proposed changes might create too much uncertainty in a struggling sector. I want you to know, Madam Speaker, that we listened extremely carefully to the feedback, we did revise our proposal to address that uncertainty and today we are presenting a modified approach to tenure reform. May I say that in those discussions that took place with major players in industry plus smaller players in industry—those who wanted to be new entrants—they were very helpful in helping us understand what was the best way to move forward, and that's what we are presenting to the Legislature today for debate and discussion.

Bill 151 would move us toward a forest tenure and pricing system that includes a greater use of competitive market mechanisms in the pricing and allocation of crown timber. It will include sustainable and self-financing forest management business entities with clear roles, responsibilities and accountability. Very importantly, it will have greater aboriginal and local regional involvement in the sector. Again—and something we think is very important, which was a challenge in the past—it will include opportunities for new entrants who had difficulty accessing fibre in the past.

First of all, Bill 151 would create a new act that, if passed, would enable the creation of local forest management corporations, or LFMCs. LFMCs would be established through subsequent regulation as crown agencies accountable to the Minister of Northern Development, Mines and Forestry. These local forest management corporations would retain the revenue from selling crown timber and use it to achieve their legislated corporate

objectives. These include investing revenue back into the forests.

LFMCs would certainly have to sell some of their timber through open market sales. The Ministry of Northern Development, Mines and Forestry would use the data collected from that process, along with other data, to support the move to a more market-based pricing system, as opposed to the administrative pricing system we have today.

The local forest management corporations would also undertake forest management activities. They would market, sell and enable access to a competitive and predictable supply of crown forest resources. The LFMCs would be issued one or more sustainable forest licences and would be subject to all the terms and conditions of the licence. They would be mandated to operate in a businesslike fashion and sell forest resources to customers that would include both existing forest industry members and new entrants.

The goal here, again, is that their decisions would take into consideration local economic development—we heard a lot about that—and would provide real economic opportunities for aboriginal peoples and communities. In that regard, the local forest management corporation's board of directors would include representatives of aboriginal peoples and local communities.

It's important to point out that initially what we are looking at is the establishment of two local forest management corporations. Our goal, in essence, is to test the principles of our model through the local forest management corporations and learn from these initial LFMCs before we consider implementing the model more broadly. We're grateful to have support for these two models, these two LFMCs, to be put in place by industry themselves.

The second governance model is an important one as well, and it's a very interesting one. What we're looking to do is develop and implement a governance model that we're calling the enhanced shareholder sustainable forest licence. With our colleagues at the Ministry of Natural Resources, we would be working very closely with the forest industry, other stakeholders and aboriginal peoples on the transition from the current SFL model to these enhanced shareholder SFLs, sustainable forest licences. Working together, we would establish criteria that would be used, certainly, to evaluate the performance of the local forest management corporations we hope to put in place and the enhanced shareholder SFLs over a period of time.

We would want to evaluate how each model of governance performs, both models of governance, in relation to our objectives for modernizing the forest tenure and timber pricing system. Collectively, we would use the evaluations to help us make improvements to the models along the way. That really is why we feel this is a responsible piece of legislation that does indeed put us in a position to change the way we look at our tenure and pricing system, but also does it in a measured and prudent way. In essence, we have listened to many of the concerns.

Again, I want to emphasize that we do have some goals in mind. Both governance models include the need for increased local and aboriginal community involvement in the forest industry. That was certainly a message that we heard consistently from our consultations.

Also, let me just remind everybody in the House and everybody who's listening that the SFL holders, including the local forest management corporations, the two models we hope to put in place, would still be required to comply with all forest management requirements under the Crown Forest Sustainability Act—for example, by paying into the forestry futures and forest renewal trust funds.

Under this governance model, the enhanced shareholder model, a professional forest management company would still be retained by the businesses that have a wood supply commitment on the licence area—that's the LFMCS. The forest management corporation would work on their collective behalf and not on behalf of any one mill owner. In other words, with the enhanced model, we are going to be looking at the collective as being something that would actually make a real difference.

Certainly, I think it's fair to say that we want to see more separation between mill owners and those who manage our public forests. We believe that this will allow mills to focus on their core business of manufacturing forest products. It would also allow for greater opportunities for new businesses to purchase unused wood. Again, our goal, in the most precise way, is to put Ontario's wood to work.

Bill 151 also includes some amendments to the Crown Forest Sustainability Act to help modernize the forest tenure and pricing system. The proposed amendments would give us the tools that we believe we need to achieve our goals. These very much include discouraging hoarding of wood and also getting new entrants easier and better access into the sector. The proposed amendments include new authorities, like the authority to cancel licences and commitments in circumstances where a company is not making optimal use of the wood.

It's very important for me to say that these are not actions that would be taken in anything other than a serious manner. They would only be made upon the recommendation of the minister and certainly would need to be approved by the Lieutenant Governor in Council. But again, it's important to state that this is about our very strong goal of wanting to see our Ontario crown resources being used, being harvested and not being hoarded. We want to be able to see the wood actually being put to work.

May I say, too, that the current tenure system under the Crown Forest Sustainability Act as it stands now already provides the crown with certain powers related to the oversight of the management of the public forests.

I want to make it very, very clear that our consultation process has been extensive. We've had two levels of consultation. Obviously, we had prior consultation before we released our proposed model; then we looked at the proposed model and made some adjustments to that in

order to be sure that we were listening to our primary forest producers, as well as some of the smaller entrants. But this initiative is certainly going to need some time. It would be implemented over a period of time.

1350

We would expect, if we are successful in passage of this legislation, to see a shift from the current SFL model to the enhanced shareholder sustainable forest licence. Perhaps after five to seven years, we would expect most of the crown forest to be managed by either local forest management corporations and/or enhanced shareholder SFLs, with, I think it's fair to say, the majority of the forest area managed under the enhanced shareholder SFL model, and a smaller portion under the LFMCS.

But I will say that one of our goals here—and I'll be interested to hear a response from other members of the Legislature—is to potentially phase out the single-entity SFL whenever possible. Certainly if we are able to see successful passage of this legislation and we are able to move forward with our two new governance models and put in place the local forest management corporations—the two that we would like to see put forward to test the principles of our model, to see the enhanced shareholder SFLs move forward—we would see less wood hoarding, more wood sold on the open market and more opportunities for new businesses. Those are indeed our goals.

The legislation that we're beginning debate on today takes a truly measured and balanced approach. I was pleased to hear that from some of the leaders in the industry. The Ontario Forest Industry Association was able to be at an event where we spoke about this. They viewed it as a measured, balanced approach. We worked closely with them, as we did with much of industry.

The event in January was a really positive—

Mr. Gilles Bisson: No, they don't. They're mad at you. Jamie Lim—

The Acting Speaker (Ms. Cheri DiNovo): Order.

Hon. Michael Gravelle: We were very pleased that they worked with us so closely, and we listened to their concerns.

Passage of this legislation would allow to us proceed with the modernization, and I think every member in the House knows we need to move in that direction. That's exactly what I would expect to see, that indeed the members on all sides of this House will recognize.

It has been incredibly carefully crafted after extensive public consultation, and may I say, we would continue to consult on the details and the implementation as we move forward. We know how important this is. We would certainly be evaluating elements of the framework, and we would make necessary modifications in specific areas. We'll have the opportunity to do that if we're able to move forward.

Let me again just emphasize, as I wrap up, the overarching principle as we proceed with forest tenure and pricing modernization is the government's commitment to the broader public interest. The tenure modernization framework that we are proposing is consistent with the government's ownership of and responsibility to manage

our valuable crown forest resource in a way that helps the local economies of forest-based communities across the province and on behalf of all Ontarians.

By getting forest tenure and pricing modernization right, we can ensure that forestry remains a vital component of the province's economy. With our proposed legislation, we have the opportunity to strengthen Ontario's position as a leading global forest jurisdiction. Let's put our wood to work.

The Acting Speaker (Ms. Cheri DiNovo): Questions and comments.

Mr. Jerry J. Ouellette: I appreciate the opportunity to comment on the minister's remarks regarding Bill 151. There are a number of things, and hopefully I'll get a chance to get into the debate later on on this very topic. There are a lot of concerns.

You talk about the forest management corporations. We've seen the FMAs, SFLs and all the other aspects, and it's never really been able to pan out. Some of the key concerns are: How does this differ from Westwind and what's taking place in that particular area now? Is that not a working example of the forest corporations you're talking about that could be utilized as a model throughout the province of Ontario? It's an example of something that's already working and seems to work fairly well.

Some of the other concerns are the players and how this will play. The perspective is that it will benefit a lot of the big, key players, much like the mining industry. You've got the Ontario Mining Association, which is basically run by a small number of players in the province of Ontario. The juniors in the province don't get an opportunity to participate in the same fashion that this may assist the major forestry corporations and eat up all the small players that are around there.

The minister mentioned the fact they would have the ability to remove the licence. I'm not sure why that wasn't so much allowed before, where if there was a problem for underutilized fibre—and what about non-target fibre species that are in the province of Ontario? There's so many other fibres that are out there on an SFL where individuals want to use such things as larch or tamarack or cedars, and those areas—it could be utilized for other areas that aren't being included.

Not only that, what happens when individuals don't utilize the fibre? That is an ongoing thing on their cut plans, where all of a sudden there's a downturn in the economy, and they have an allocation of so many cubic units of fibre out there that they're expected to harvest. What's going to happen with that fibre when it's not harvested? Is it going to be made available or is it going to be retained in that licence until the economy turns around, in the eyes of the ministry? That's one of the key things. You have to watch the bureaucracy on this; that in the advice that comes forward, individuals within the bureaucracy will dictate how business will or will not be successful, and that should be done by the private sector.

The Acting Speaker (Ms. Cheri DiNovo): Questions and comments?

Mr. Gilles Bisson: I'm going to get a chance to speak to this more fully a little bit later, but my God, let's give our heads a shake. The minister is trying now to say that the reason this act has to be done is because he doesn't have the authority to use underutilized wood. Nothing could be so far away from reality. The current act, as drafted by Howard Hampton when he was the minister and has been the law even when Jerry Ouellette was the minister—and I can talk later about a story he and I dealt with—has the authority for the minister to take wood that's not being used.

The difference is, you don't—under the current law that was created, you can't just cancel a licence at a whim. You're giving yourself the authority inside this bill—and I'm going to read it in a second—the minister could go up to a company and say, "Even though you're meeting the conditions of your licence, I can take your wood away and I can cancel your licence." How is any forest company going to finance itself when it comes to getting money to do renovation in their mill or an expansion to their mill if they can't show they have secure access to fibre?

Let me read what the act says, Minister. You say, under section 41, "On the recommendation of the minister, the Lieutenant Governor in Council may by order cancel any of the following..." I won't read them all, because I've only got 48 seconds, but number 2 is, "A forest resource licence."

Then it sets out the conditions, and there's some nice conditions that supposedly would protect forest operators, except (c) says, "The order is necessary or desirable for such other reasons, whether or not the reasons are related to the reasons set out in clause (a) or (b), as are prescribed by the regulations." That essentially gives the minister the ability to go up to Tembec or whoever it might be and say, "I don't like you. You've been oppositional to this government. I don't like you because now I've got a new friend," and actually cancel their licence. Why in God's name would we ever do that in the legislation? This is going to throw the financing for expansion and for the building of new mills in northern Ontario to the degree that we've never seen before.

I will speak to this fully when I get a chance later, but this is really dangerous stuff.

The Acting Speaker (Ms. Cheri DiNovo): Questions and comments?

Mr. David Ramsay: I'm very pleased to be able to comment on this, and thank the minister for having the courage, quite frankly, to address the challenges that the forest industry has and the economy of northern Ontario has. What the minister is doing is basically bringing forward into the modern day a system that's quite archaic, a system that was designed to service what the lumber, or the forest, industry was, which was basically paper and lumber.

Over the last 40 years, new products have evolved that have demanded other wood species, and many of those companies have had difficulty in getting the hardwoods that they want and other subspecies. Now we're on the

cup of a revolution in forestry, in that it's going to move from a materials-based industry to a chemical-based industry that will produce energy and medicines and other composite materials. So the minister and the government of the day need to have the flexibility in order to address those challenges.

The prime responsibility of this, though, is that as a government we want to make sure that our natural resources, which are owned by the people of Ontario, are put to the best use for the people of Ontario. As a northerner, that's very important for ridings such as mine, where forestry plays a large part in our economy. We have to make sure that all our people have the best advantage they can from the resources that we're blessed with, to be able to utilize those and keep employed and have the ability to raise their families.

This legislation is going to do that, in working with our companies today and the companies of the future. It's very important that we have this policy in place so that we can have a future industry in Ontario.

1400

The Acting Speaker (Ms. Cheri DiNovo): Questions and comments?

Mr. John O'Toole: I'm very pleased that our party has recognized how important this is. The member from Lanark–Frontenac–Lennox and Addington will be leading off, with the member from Haldimand–Norfolk. But the member from Oshawa, as a former minister—and I think Mr. Bisson made reference to that. We have a lot of concerns about the dismantling of what's going on, and, as persons who live in the south, we realize how important this is to the north. That we get it right is important. So I'm going to look at some articles I've looked up. A joint statement by the Timmins Economic Development Corp., the Corporation of the City of Timmins and the Timmins Chamber of Commerce—and here's what they said. Their response was:

“We commend the ministry for attempting to address these issues and improve Ontario's forest sector. Unfortunately, while well intended, the government-led tenure review has not been able to keep pace with the business world. In recent years, a handful of industry-driven models have been developed by multiple players in the forest sector, some of which represent unprecedented collaboration between forestry companies. This, in conjunction with the province's competitive wood supply process, are two key components of the solution industry supports. Our three entities recommend”—and they go on. This afternoon, I'm sure they'll be covered.

This one-size solution may be the wrong solution. The minister needs controls; we understand that. But more importantly, the industry needs control as well. I'm anxious to listen to the discussion because I've heard for the last two years here how you have devastated the forest industry with the price of energy. I know that that's not part of this bill, but this needs to have a sensitive response, not just a political response. That's what worries me most: that you'll end up with fewer but larger entities in the industry.

The Acting Speaker (Ms. Cheri DiNovo): The Minister of Northern Development, Mines and Forestry has up to two minutes to respond.

Hon. Michael Gravelle: I appreciate the comments from everyone. Let me begin with my colleague from Timiskaming–Cochrane. I'm very grateful for his comments. Obviously, as a prior Minister of Natural Resources, he understands this issue very, very well. In fact, the northern members of my caucus were extremely supportive about us needing to move on this particular measure in order for us to find ways to ensure that Ontario's wood is indeed being put to work. That is the goal.

It's interesting, if I may comment on the member from Oshawa, a former minister: I'm not sure you listened, or perhaps my remarks didn't make it clear. Certainly we understand how important the primary forest industry is; that's why we work so closely with them. But one of our key goals of this is to see that smaller entrants have access to fibre; to see that indeed the wood that is not being used is basically put to work. You said to me that you were concerned about some of the smaller companies not getting access. I do want to assure you that the goal of this is to take a measured approach but to make sure that indeed our wood is put to work and that some of the smaller operators that had difficulty getting access will be able to get access.

To my colleague from Timmins–James Bay: The part of the legislation which relates to the ability of the minister to potentially, under certain circumstances, cancel a licence is based very much on our determination to see that our wood is harvested, that there is no hoarding of wood. We saw a great deal of that in the past. It's not a question of having a dispute with a company; it's a question of making sure our wood is actually being used. I wanted to make that clear.

The member for Durham: What you were really describing was our model of enhanced shareholder SFLs. The co-operation you spoke about with the companies was indeed the kind of discussions we had with the primary industry. The enhanced shareholder model, a larger group of companies working together, is indeed one of our goals in the legislation.

I look forward to further debate.

The Acting Speaker (Ms. Cheri DiNovo): Further debate?

Mr. Randy Hillier: I'll be sharing my leadoff with the member for Haldimand–Norfolk, Mr. Barrett.

I'm going to start off this debate on Bill 151. I'm not going to attack it because it's in a partisan fashion. I'm not going to attack it because it has been advanced by a Liberal and I'm a Conservative. But I am going to challenge the minister and challenge all members of the government side to actually read this bill and to understand the devastation that it will cause.

I have a lot of respect for the minister. I think he has a lot of good intentions. But this bill certainly can't be—it must be conflicting to the minister to present a bill that is so empty of substance, so empty of tangible effects other

than a complete assumption of authority and power by the minister without any criteria, without defining any safeguards on ministerial authority. I really do wish for all Liberal members to look at it and think and reflect: If this bill was advanced by another party, if this bill was advanced by the Conservatives, would you support it? In your hearts, would you support this piece of legislation if it was advanced by my party or by the third party? Be honest with yourselves: Would you grant that level of authority, without checks and balances, to any government? I think that when you actually reflect on what's in this bill, you will be surprised that you're advancing it and that you're being asked to support this.

This bill does give overwhelming powers to the minister, with absolutely no control. It is terrible legislation in that it gives the minister the power to do anything he wants in the forestry sector by regulation, without any oversight by this Legislature or even by the courts. Even the courts can't look at the minister's actions. The Liberals have not thought this one through, or you are just being indifferent to the challenges in the forestry sector.

I want to just follow up on what the member from Timmins—James Bay said. “On the recommendation of the minister”—this is subsection 41.1(1)—“the Lieutenant Governor in Council may by order cancel any of the following:

- “(1) An agreement to supply forest resources....
- “(2) A forest resource licence.
- “(3) Any agreement” about forestry.

If you look at legislation, we always put some constraints on the minister when he has the authority to harm somebody's business interests; when he has the authority to harm somebody's personal interests. We always define the safeguards that constrain that authority so it will not be used in an arbitrary fashion. Not in this case. There are no preconditions attached to the minister's authority, and I would like the minister to explain that to the House, if he gets an opportunity. Why is it that in this case, you have removed all the safeguards? You have only put in that you have the authority, but not how you will apply it.

Minister, in your leadoff speech you said that you would never exercise that authority. I question: If you would never exercise that authority, then why are you granting it to yourself?

Hon. Michael Gravelle: I didn't say that.

Mr. Randy Hillier: That is the message that you—

Hon. Kathleen O. Wynne: He didn't say it, Randy.

Mr. Randy Hillier: We understand that there is a problem with our wood supply, but you cannot take that absolute power and expect people to be accepting of it. Minister, I can say this: You would not grant me that authority. You would not grant anybody else that authority and nobody on your backbench would grant anybody that authority, but you're saying it's okay for Minister Gravelle to have that authority. I'm going to say it to you all, and you all know this: Minister Gravelle may not be there on October 7. Maybe Minister Gravelle might not be there next week; I'm not sure. Things do change in the

Liberal cabinet. Why are you granting this level of authority?

1410

I think maybe I'll just read from the royal commission that was done in this province by the Hon. James McRuer; the inquiry into civil rights. “Although it is recognized that it is necessary for effective modern government to confer the power to legislate in proper cases, there should be constant vigilance to retain adequate control by the representative Legislature and practical and effective safeguards against abuse of the subordinate power. Where the Legislature unnecessarily gives up control and fails to provide proper safeguards for the rights of the individual there is the possibility of an ‘unjustified encroachment’ on those rights.”

That comes out of the Royal Commission Inquiry into Civil Rights in this province by the Chief Justice at the time, James McRuer. It's one that has been a hallmark of legislative process. It has been a keystone that our legislation regards and respects the safeguards of the Legislature against authority.

This minister and this government say, “We don't have to respect the royal commissions; we don't have to respect thoughtful, honourable jurists; we don't have to respect due process and the rule of law. We're just going to go ahead.” That is a disturbing set of circumstances and steps by this government.

As the minister said, he's going to test out the principles with this piece of legislation. We know what happens when you give absolute authority. It's been a long-tested principle. We all know the potential, the probables and the outcomes.

But I think it's important for us all to recognize that when a piece of legislation gets advanced in this House, it should be thought about already, it should be thought through already. We should be having something of substance in this bill. Other than granting authority to the minister, what else does it do? We're not quite sure, other than the fact that it gives the minister authority to create LFMCs, local forestry management companies. It gives him the authority to add to that bundle of ABCs—the over 600 agencies, boards and commissions—that we have in this province already. He can create some more, and everything is going to be determined by regulation. Everything about those LFMCs is going to be determined afterward. None of us here is going to have the opportunity to provide thoughtful and reflective commentary on how they get constructed.

The only thing we know is that these LFMCs, created at the behest of the minister, will have an appointed board of directors—we know that—and we know that they'll go through the same political patronage process that is used for all the other agencies, boards and commissions. That's what we know. We have another layer of political patronage being created and another layer of bureaucracy being created, but that's all we know. We know that the minister's intent is good. He wants these unelected, unaccountable agencies, boards and commissions, these LFMCs, to respond to the market, to

respond to the needs of forestry. But I ask you—we have hundreds of these agencies already—how effective have they been? Why are you creating more of them, and why are you creating them without any other defined interests and criteria in the legislation?

To me, it is unacceptable that we would have this emptiness of legislation other than authority and patronage. That's what we have. The north deserves far more than that. The north and our forestry deserve much more than that. They have been stifled. The forest industry in this province has undertaken difficult times, and when you speak to them, many of the people in the forestry industry are gripped with fear: the fear of uncertainty, the fear of doubt, the fear of many things.

But one thing is now adding to that fear: Now the minister can revoke their licence—whoever's licence for whatever reason—and he's unaccountable. The forestry company wouldn't even be able to apply for a judicial review of the minister's decision—completely out of the equation. Can you imagine what it does to the forestry companies to have their lifeline to the forest, their lifeline to their needed commodity, their lifeline to their wood being in the hands of someone whose decisions are unaccountable to anyone?

The creation of LFMCS has to give people cause to think: Is this not very much the same as what the Liberal government has done with the LHINs? Are the LFMCS the new LHINs for the forestry industry, a place where decisions can be made and the minister cannot be held responsible for the actions of his ministry or his portfolio? Is that what's happening with the creation of these LFMCS, and this experiment is just that, an experiment? It's as if the north and our forestry industry are nothing more than a legislative guinea pig for this Liberal government: We're going to test things out at your expense; we're going to leave you in fear of what may happen to your resources.

Minister, I know this is not what you had in mind a couple of years ago when you started out on these tenure reform discussions. I was at a number of them, like you. We heard many people, and we heard that in forestry they need certainty. We heard time and time again that forestry needs certainty so that they can get back to work. Minister, you say you want to get the wood to work. Well, I know that the wood can't work if people aren't there to do the work. People need certainty.

This bill does everything but create certainty. It creates doubt and fear, and creates this thickening layer of decision-making and a thickening obstacle between the forestry industry and the minister of the crown who is responsible for our crown forests. We've got another layer of administrative bureaucracy creeping into the forestry industry, creeping into this Legislative Assembly, that restricts, prevents, obstructs our forestry industry from talking to the decision-makers. That's what it's really doing. It's eliminating that path between our forestry industry and the minister who is responsible for that portfolio.

We all recognize that in an effective legislative democracy, we need to take down those barriers. We need to

reduce that thick layer that prevents people from an industry from talking to our ministers. We need to make it transparent; we need to make it accountable. Creating forestry LHINs is not the way to achieve that. It is actually completely opposed to it.

1420

William Gladstone, the Prime Minister of the UK back in the 19th century, said, "It is the duty of government to make it difficult for people to do wrong, easy to do right." This government has tabled Bill 151, which makes it difficult to do right and easy to do wrong. It's the opposite of that Gladstone principle. It's the opposite of what Gladstone called a dutiful government. This government has skipped out on its duty when it comes to the tenure renewal process.

The minister said that he would modernize this industry's relationship with government. The industry waited and waited while the minister tied up the wood allocation under his review, and now we have this uncertainty. Also, these consultations that we went into—it was so evident that creating these forestry LHINs was opposed by everyone.

I said at the time that I thought these consultations were false and predetermined. Sure enough, they were predetermined and they were false, because the minister has proceeded with this experiment of creating the forestry industry into a Liberal guinea pig, and just what it is that they think they're going to achieve, I'm not sure.

In addition to those discussions, it was also heard that for the forestry to work, for the forestry to get back engaged—and not only just get back to where they were, but to actually be prosperous and to thrive—they needed some changes. The costs of doing business and the regulations of doing business were far too great. They were at a complete disadvantage. Many other jurisdictions are far, far more competitive than we are.

I'll just give you an example. Just one forest management licence to cut wood, for one firm, has 14 binders of paperwork detailing what he is allowed to do and what he's not allowed to do—14 binders to cut a tree in this province. Everybody will recognize that that is just not acceptable. Fourteen binders of regulation and legislation; up to a million dollars in costs. What does this forest modernization do for that? Absolutely nothing.

Certainty of resources was talked about—not included. Regulatory burden was talked about—not included, other than the fact that now we'll have these LFMCS that can add to the regulatory burden and the minister will not be responsible for it. He'll be able to brush it off and say, "Well, it wasn't my decision. It was the LFMCS." "The LFMCS had to add a new caribou conservation plan" maybe. Or, "The LFMCS had to do something because of the Blanding's turtle." But it won't be the minister's fault; it will be the LFMCS's.

What are we doing to help out on the regulatory burden, Minister, with this bill? I would like you to respond some time. What does this bill do to lessen the onerous and excessive regulatory burden that our forestry companies have to deal with? I say it does nothing. It is

mute, it is silent, on regulations, silent on how to improve the competitiveness of our forest industry.

Let's put this in perspective for the people here who may not be aware. We know that we have, according to the minister, 26 million cubic metres of fibre that can be harvested in a sustainable fashion out of Ontario's north every year. Last year, we harvested somewhere between 10 million and 11 million cubic metres. That's not very productive. But it also demonstrates, because of our uncompetitive nature, why we are performing at such a low level.

I also want to add this: When we compare our productivity rates from our crown forests to other jurisdictions, it is incredible. Here in Ontario, we harvest about half a cubic metre of fibre per year per acre of land. That's what we do: about half a cubic metre. In the Scandinavian countries, their harvests are typically six cubic metres per acre per year, a tenfold-higher productivity level. Do we have a problem? Yes, Minister, we have a problem—yes, Speaker, we have a problem—when we can get only half a cubic metre out of the bush in an acre of land but the Scandinavian countries are taking six cubic metres out of an acre per year.

Who's going to be profitable? Who's going to attract investment? Where are the jobs? You can get a job here if you know how to write one of the regulations for those 14 binders for the minister. But other than that—

Mr. Robert Bailey: You can be a facilitator or something.

Mr. Randy Hillier: We have regulations. We have security of tenure and security of resource. Then, of course, what else has been the keystone for economic development and investment and attractiveness in forestry and specifically in northern Ontario? Of course, the cost of energy.

Those three things are required for a competitive forestry industry, an industry that will not just get back on its feet but will be able to run someday. But those three keystones are completely absent in this legislation. There's not a word about them, other than the fact that the minister is going to have more power and will not be constrained or restrained in any fashion at all.

I think it's also important that we have in here—maybe I should give a copy of this royal commission report to the minister so he can have a chance to read sometime about the separation of power. Here he is, creating this LFMC that will have all the authority, other than the minister's authority to revoke and cancel licences. There's a need to have some separation of powers that is defined and understood, and to have ways and means to provide remedies. There are no remedies attached to this bill, no remedies whatsoever.

How these LFMCs are going to operate is anybody's guess. Nobody here has any idea how they're going to operate, and that's the honest-to-goodness truth. Right, Minister? Nobody knows.

It really comes back to this: How can the members of this Liberal government, in all honesty, approve and endorse and vote for something that is completely absent, completely void of any detail other than authority?

1430

I guarantee that everybody on that side would be hollering with righteous indignation if the Conservative Party brought in a bill such as this, right? Each and every one of you would be outraged and furious, but it's okay if you do it.

I would be outraged if anybody introduced this bill, Minister, because it is completely disrespectful of this Legislature. I know that's not what you intended to do, but that's what it does. Everything is going to be created by regulation. None of us here are going to have any influence or input on those regulations.

We know what the standard is on the introduction of regulations. There are a certain number of legal requirements that the regulations have to meet. They have to be stated in clear and unambiguous language. They ought not to impose fines and penalties. They're listed in the standing orders, what those regulations are. But it's a very minimal—it's just a legal threshold. But that's all we're going to do. We know that the clerks and the people on that committee will say, "Yeah, these regulations meet those legal thresholds"—don't have a clue what they're going to actually mean in practice, but they're going to be adopted anyway.

Minister, I know you could do better. I know the forestry industry wants you to do better. I know the forestry industry expects you to do better. We all expect you to do better, and we know that you can. I don't believe bringing this bill in—and we saw what happened with the last bill that was introduced in this House last week; it went right to time allocation. This bill needs—I don't believe that we can seriously offer up any amendments to it, because how do you amend something that is empty? I could offer up an amendment that the minister ought not to have that much authority. He should go back to a process as defined by that royal commission, but he already has that. He has that in the existing legislation.

What is the intent here, Minister? I know you couldn't have really wanted to create that much fear and doubt in forestry, but that's what is going to happen when you put yourself in that position.

We continue to lose out on our forestry business, and what are we gaining for it in its place? Well, we are going to gain some new patronage positions; that's without a doubt. We're going to have—and we're not sure because, at the end of this act, it says the minister has the authority to create "one or more" LFMCs—one or more forestry LHINs. We could have one big forestry LHIN, or we could have—

Mr. Robert Bailey: Fourteen.

Mr. Randy Hillier:—fourteen. I'm not sure.

I thought we already had an administrator for forestry in this province, and that administrator is called the Ministry of Northern Development, Mines and Forestry. That's who has the obligations, who has the authority. Why are we creating another layer of bureaucracy? Are 14 binders not enough? Do we need to have 20 binders of regulations to get a stick of wood out of the bush? How many binders are you going to want? How many are you

going to demand? Are you going to keep demanding until there is no forestry industry left in this province? That's what it appears to be going to.

You've done nothing for hydro costs, nothing for security of tenure, nothing about regulations. What principles are you testing, or is this just an experiment of creating bureaucratic empires that you know work so well? They work so well with your LHINs; they work so well with so many other examples.

Minister, let's get back to work. Forget putting the wood to work right now. Let's get you back to work. Let's get your ministry back to work. Let's get back to work in this Legislature. Do not take away the authority from the Legislature, and respect the demands, the requests and the expectations of northern Ontario. Throw this piece of junk in the garbage can where it belongs, and let's do things right. I know I'll continue to respect you if you do that tomorrow.

The Acting Speaker (Ms. Cheri DiNovo): Further debate?

Mr. Toby Barrett: I appreciate the opportunity to add a little bit to the comments of our critic.

As we know, in 2009 the Ministry of Northern Development, Mines and Forestry initiated a forest tenure review. The goal: to modernize industry's relationship with government, or vice versa. As we know, at that time the initial response from industry was positive. There was a belief that the Ontarian government would work with them in good faith to develop a framework, something with less red tape. However, there was a decrease in wood allocation during this consultation period. Complaints started to surface very shortly after that. The industry had a suspicion that the consultations were predetermined. I saw a memo that seemed to suggest that things were kind of laid out in a plan and were going to move forward regardless of what kind of feedback or input arrived from the companies involved. There was a concern, they claim, that the ministry was attempting to create an arm's-length crown forest management agency or agencies that would separate the minister, the elected representative, from the burden of dealing with the various companies, large and small.

As we know, Bill 151 permits the incorporation by regulation of one or more of these local forest management corporations, the LFMCs. Our critic has identified them as the forestry LHINs, tree LHINs—that comes to my mind; refer to them as tree LHINs. I don't know whether Sarnia-Lambton is going to get a tree LHIN. I know you have a health LHIN.

I want to add that our critic, Randy Hillier, the member for Lanark-Frontenac-Lennox and Addington, has been doing a very good job, in my view, travelling the north—I've run into him up there—and speaking up for the north. He seems to show up at every dogfight up there, or every wolverine fight, or any other fights that are going on—you can find Randy Hillier present. That has been our experience in the past, in the south and in the east.

As we know, in January of this year the ministry halted consultations. They unilaterally announced that

they were ending this tenure review. As a result, today we commenced debate on Bill 151, the Ontario Forest Tenure Modernization Act, a piece of legislation that also amends the Crown Forest Sustainability Act.

1440

I had an opportunity this winter, as with every winter for at least the last seven years, to travel with the finance committee. We always fight to get up north, and it's worth it. It's worth it even for the sole reason of the kind of presentations that we get from the forest industry, an industry that's been in a tremendous amount of trouble for the last several years.

One of the presenters—I think it was in Timmins—was Brian Nicks of the Eacom Timber Corp., the director of forestry for Ontario. Mr. Nicks is also the chair of the Ontario Forest Industries Association, OFIA. He attended in Timmins, along with Jamie Lim, the CEO of the OFIA. In fact, the two of them were also in Toronto just last week. Mr. Bailey and I attended that meeting just a block or two from here.

These people do a very good job in representing their industry, an industry that, in my view—especially given the last several years—needs all the help that it needs. It wasn't that long ago that Eacom Timber Corp., the company that Mr. Nicks represents, acquired the forest products division of Domtar. They have six Ontario wood mills. Five of them are in full operation; that's a good thing. They were originally based in British Columbia. They decided to invest in Ontario for a number of reasons. They have a very optimistic view of the potential for a strong and sustained recovery of Ontario's softwood lumber industry relative to western Canada.

Why is that? The BC interior has seen a rapid decline in the volume and the quality of pine that's available because of the mountain pine beetle epidemic. This company, Eacom, sees the emergence of wood—I should say the re-emergence; all of my buildings on our farms are made of wood—as an environmentally friendly and structurally sound building material in North America, Europe and the Middle East.

I might mention that it is very important in Ontario to take a serious look at the six-story building model for wood construction. Concrete, steel—it's very energy-intensive to use products like that.

Also, there's a rapidly growing demand from China. The lumber they want is BC lumber. That diverts increasing amounts of western lumber away from the traditional Ontario markets in the United States.

In his deputation, Mr. Nicks noted another positive development, and this occurred just a few days before he spoke—this is last January—at the London Court of International Arbitration. The decision was with respect to the infamous softwood lumber deal, the US-alleged subsidization of Ontario's softwood lumber by the Ontario government. Rather than the 20% additional export tax originally sought by the US, the LCIA panel will require only a 0.1% additional export tax on Ontario softwood lumber shipped to the US. It's not there yet, but that's something we can optimistically look forward to.

It's going to take time. Ontario's lumber industry recovery is going to take time. As I mentioned, it's an industry that was decimated by the collapse of the housing market in the United States, the 2008 recession, the 15% export tax under the softwood lumber agreement, the high dollar and the high debt of the companies themselves. Exports to the US are currently running at only 20% of the levels of 2006. US housing starts are at less than 30% of where they were in 2006: back then, there were 2.4 million housing starts a year in the United States. The price of a two-by-four today is about half of what it was in 1994. That's fine for consumers like us, building a house, a shed, a barn or a shop; that's fine for us to be able to now pick up two-by-fours at half the price.

The other thing—and we heard this over and over again during finance committee hearings—is the high price of electricity, the industrial price in the north; the price of energy, other forms of energy, fuel costs and insurance costs.

What can the Ontario government do to help out, beyond get this tenure proposal in order, as recommended by our critic? Other things:

- the construction and the maintenance of access roads in the province of Ontario, which help ameliorate the average cost of a log. In this industry, the price of the wood itself is obviously the major expense;

- extend industrial electricity rates and programs that are now enjoyed by the larger companies to the smaller mills that are operating. Again, we were assured by the minister, if I myself heard correctly today, that this new tenure model will benefit smaller firms. That's a concern that I have. Again, we'll see how that one works out;

- third, and we've been hearing this for a number of years, provide long-term, permanent access to a predictable and affordable supply of timber on crown land.

As far as supply, Mr. Nicks had two suggestions as far as access to fibre: first, the timely completion of the wood supply competitive process, aimed at reallocating up to seven million cubic metres a year of merchantable fibre—fibre that is, by and large, not being used; secondly, asking the minister to keep that 2007 commitment to recognize the Crown Forest Sustainability Act and provide for the needs of species at risk with respect, again, to crown land and the forests contained thereon. As was indicated during the hearings, an exemption from the Endangered Species Act is both legally possible and justifiable in a practical sense. Lastly—and here is the issue we're debating today—follow through on the modified forest tenure reforms that were announced on January 13 this year; on January 13, that announcement was made.

During finance committee, we also heard from Tammy Mazzetti of Georgia-Pacific, Englehart. Mazzetti stated that the tenure reform model, as initially proposed by the government, where the mills were disconnected from the supply, creates uncertainty and creates risk. As we know, uncertainty is the most dangerous threat to any business, really, obviously including the forest business.

The system where crown corporations—the local forest management corporations, the forest LHINs, the tree LHINs, whatever handle they're going to end up wearing—essentially manage the land base will most likely reduce the security of supply and increase the cost of delivered wood. This experiment, this pilot project, it was felt, would create a great risk—certainly a spectre of a risk—during what continue to be very fragile economic times.

We've heard about the Coalition for Putting Ontario's Wood Back to Work. We were hearing that expression a lot today, "Wood back to work." Two hundred forest companies had some proposals with respect to tenure reform, some alternative ideas. They suggested finishing the wood supply competition, finishing up that process and transforming the existing SFLs, the sustainable forest licences, to co-operative licences, which by their very nature would be more inclusive, would lay things out for companies both large and small and include all stakeholders.

1450

This dual initiative would allow innovative entrepreneurs access to unused fibre and give them the opportunity to expand and diversify into other markets, alternative markets. It, again, would address the issues at hand while not negatively impacting the existing mills that have worked very, very hard—the ones that have survived over the last number of years, the very tough years in the north—to maintain their operations.

Now, this January announcement regarding an approach to tenure and pricing reform, as I understand, according to Tammy Mazzetti was felt to be positive for the forest industry. Again, what's key? A competitively priced, secure, reliable fibre supply. This is the cornerstone of this particular business.

I'm not in the business in northern Ontario, but we own a number of woodlots. Hardwood—we're more into red oak. When the markets are right, yes, there is a very significant income there. Some of our woodlots—the last time we logged off one of our big ones, it hadn't been logged since the 1930s. That's how we do business in the south: You plant trees. I cut trees—I own a chainsaw—but you give the trees an opportunity to grow and restore themselves.

Our critic, Randy Hillier, attended these hearings in northern Ontario just last January, and he indicated—I think this was during questions to one of the presenters. The local forestry management corporations "and the forest tenure program ... was a year-and-a-half process where we didn't get any new fibre into the system. It sounds very much like the minister has stepped down from that proposed model, and Georgia-Pacific is happy with the stepping down." But as Mr. Hillier said, we need some certainty in the system as to what is going to be made available and how it's going to be made available.

Jamie Lim, as she does every year, testified at the witness table. Jamie is the CEO of the OFIA. As she stated, the "January 13th announcement on tenure reform was a positive development. OFIA requests the govern-

ment to complete its provincial wood supply competition”—that was the recommendation—“and accelerate the movement towards” this enhanced co-op proposal.

“OFIA requests that the government permanently protect a minimum of 26 million cubic meters,” and as I recall, in her brief, the bottom of every page talked about 26 million cubic meters of sustainable industrial fibre.

As she said, “The continued erosion of Ontario’s fibre basket threatens our northern and rural future. Also”—there was another request; again, to me this was a no-brainer—“conduct socio-economic impact assessments on all legislation, regulations and policies that could reduce the provincial fibre supply.” In order to maintain existing investments and to stimulate growth, the provincial government needs to ensure that wood supply is there.

I’ll quote the minister, actually, in his announcement back on November 26, 2009. Michael Gravelle, Minister of Northern Development, Mines and Forestry, stated, “Ontario’s crown forest can sustainably produce 26 million cubic meters of wood annually.” That’s from the minister. He’s saying exactly the same thing as the CEO of the Ontario Forest Industries Association.

Government does need to recognize that business runs on certainty and, as such, the individual facilities—the processors, the mills—need secure, affordable, long-term wood, permanently protected. They need that kind of certainty. They need commitments on supply. The removal of existing wood supply commitments, as proposed under another document titled A Proposed Framework to Modernize Ontario’s Forest Tenure and Pricing System, would jeopardize the mills that have survived, the ones that did make it through the last tough years. To use an expression, we’re not out of the woods yet on that one as far as the economy. The proposed government experiment, this pilot project on tenure, will create a disincentive for future investment and a disincentive for new people to come into the business.

Here’s a quote from Tom Laughren, mayor of Timmins: “From a city perspective, we know we need jobs, and we know the importance of the forest industry. We’ve got all of these initiatives in place right now that are starting to work, so why would we want to scrap those now and replace them with a completely new tenure system?” That was a statement last summer.

The government’s proposal, its large-scale, untested experiment, will significantly jeopardize the economic viability of the sector. There was opposition from a range of stakeholders to the original plans, and that’s why it’s so important that this be adjusted.

In July of last summer, about 200 forest companies, service providers, signed an open letter. This is, as I was referring to earlier, the Coalition for Putting Ontario’s Wood Back to Work. They registered their concerns and wanted to send forward a message that the proposal at the time was unnecessary, that it really went too far. In July, a media release went out from the Ontario Forest Industries Association. The title of the news release was, “Government Experimenting with 60,000 Forestry Jobs.”

There was a joint statement from Timmins, from the city, the economic development department, the chamber of commerce, requesting that the government defer any further action on the modernization of Ontario’s forest tenure and pricing for at least three years.

I think I heard the minister state that he will take his time on regulation. I can be corrected if I was wrong on that one. It’s so important to get this right.

Wanting to go forward with the existing process as far as wood supply and the movement to co-operative SFLs, sustainable forest licences: “Get that done first.” That was the advice.

Littlejohn Enterprises, their quote in this news release: “We’re finally doing something right and all of a sudden they turn around and kick us in the teeth. Costs will go through the roof.”

Bancroft Minden Forest Company: “The current tenure arrangements for these licences are not broken and do not need to be fixed.” That was the opinion last summer. This media release goes on to say, “One of the key concerns with the MNDMF proposed model is that it will arbitrarily remove any existing fibre supply commitments or agreements held by forest companies—commitments that have given companies the security and certainty”—again, the certainty—“needed to invest in their mills. Instead, the government is proposing to hand over decision-making authority to crown corporations or agencies run by well-intended individuals who are appointed by government, but have no experience or understanding of the forest sector and no vested interest.”

1500

Here’s a quote from Harold Wilson. I think many know Harold. I always run into him at airports in the north—

Hon. Michael Gravelle: I know Harold well.

Mr. Toby Barrett: Yes, we all know Harold. He’s got a new job now.

“The bottom line is that if you cannot get a guaranteed fibre supply, long term, from the government, how can you get financing?” Harold is now president of the Thunder Bay Chamber of Commerce.

I will say that, having been on this committee for seven years, I really look forward to the briefings from the Ontario Forest Industries Association. They put together a very good package, they make it relevant for southern Ontario, they always explain to people like myself from the rural south, remind us—something I don’t need reminding of—how important the forest industry is; primary industry, whether it’s forestry, mining, steel, agriculture—how important these industries are, something we don’t see a lot of in the city of Toronto, for example. We’re going to see a little bit of the financial side of things with the prospectors’ convention that’s being held in the city today and over the next several days. It’s so important for us to be reminded of how important the forest industry is.

I’ll just wrap up with the latest figures from Jamie Lim. This relates just to the companies that are still left standing, the survivors. These are going to be the winners

once primarily the US housing market and the US economy take off again. Ontario's forest sector still supports 200,000 direct and indirect jobs in 260 Ontario communities, including southern Ontario. We make a lot of the equipment in the south. Wages and salaries are sitting at, at the present time, \$2.7 billion a year. It's an industry that accounts for \$14 billion in sales, billions more in ancillary economic activity, \$4 billion in exports and—something the government members are always interested in—\$2.3 billion in taxes, not only provincial taxes, but federal and municipal taxes.

But there are problems. I've highlighted some of the continued threats today. The concern, again, is the need for certainty and the need for the development and the implementation of appropriate policy. What they are seeing, and this is what the industry told us during the hearings, is damaging provincial policy, policy that increased costs—for example, the wood turtle habitat regulation; policy, or lack of policy, or lack of investment in roads on crown land, which indirectly increases the cost of a log; policy that reduces the forest land base; restrictions on Algonquin park—it's referred to as lightening the footprint in Algonquin park. The Endangered Species Act obviously reduces forest land that would be available.

Their big concern—again, I'm repeating myself—is the government policy that creates uncertainty, and in that box they include tenure reform.

The Acting Speaker (Ms. Cheri DiNovo): Questions and comments?

Mr. Howard Hampton: I listened carefully to the two spokespersons for the Conservative caucus on this issue. While I might disagree with them on a number of points with respect to forest policy generally and with respect to issues like tenure specifically, I do have to admit that they have highlighted one of the areas that is of major concern.

As we know, Ontario used to have a formidable forest industry, a formidable pulp and paper industry and a formidable sawmill industry. Regrettably, that is not so today. Mills are struggling to survive. They're struggling to get even a modest amount of new investment.

The issue of security of tenure is very, very important. If you are an operating mill and you're trying to get \$25 million or \$50 million, perhaps to add new technology, perhaps to modernize your operation, perhaps just to keep up to pace with environmental requirements, you have to go to the bank to get that money. But the bank will not provide you with that money unless they know you have security of tenure on your wood supply.

What does this bill do? It gives the minister the unfettered authority to simply walk in and cancel a company's wood supply. There are no restrictions; there are no criteria. Basically, the section says that the minister, for whatever reason—he may be having a bad day; he may be in a bad mood—can simply walk in and cancel a company's rights to timber.

Nothing could be more damaging to the industry and its attempts to recover in Ontario, and I think the minister had better explain why that section is in the bill.

The Acting Speaker (Ms. Cheri DiNovo): Questions and comments?

Hon. Michael Gravelle: I'm grateful for the comments from the members from Lanark–Frontenac–Lennox and Addington and Haldimand–Norfolk.

There's a lot that I could say. Certainly, it's interesting to hear the concerns expressed by the critic, who is, on the one hand, concerned about the measures that we'll put in place to allow the minister to potentially make a decision to cancel a licence at some point.

It's important to make it very clear that, indeed, the goal of this legislation is to see that our wood is actually harvested. We don't want to see hoarding. That is the reason why there is a measure in place to give the minister that authority: to make sure that those who have the wood tenure are not sitting on their wood.

Having said that, there's no question I did say it's something that I would not do casually, or the minister would not do casually. It's very important to note that it's based on wanting to be sure that a tenure is used.

On the other hand, the critic said we've got no authority over the local forest management corporations. It was like you were back and forth, in terms of the two angles, on the one hand saying there would be too much authority for the minister, and on the other hand saying there would be no authority whatsoever for the other agencies. That's really what you said.

I want to speak to the member for Haldimand–Norfolk as well. You spoke about some of the concerns expressed by industry, as did the member for Kenora–Rainy River. That's why we consulted so extensively. That's why we've been at this for about a year and a half. That's why, after our final draft proposal was put in place, we've had discussions with industry. In many ways, they are the architects of the enhanced shareholder SFL model, based on the work they've done in terms of co-op models.

It's really important to understand that while we're trying to make this work for primary industry, to give them that security, we also want to make sure that we broaden the spectrum to allow smaller entrants in. That's where the enhanced shareholder SFL will be a model that we think will work, and so do they.

The Acting Speaker (Ms. Cheri DiNovo): Questions and comments?

Mr. John O'Toole: I'm certainly impressed with my colleagues on this side of the House standing up for northern Ontario. In fact, I would say that the member from Lanark–Frontenac–Lennox and Addington as well as the member from Haldimand–Norfolk spoke eloquently. I'm waiting for the member from Oshawa to speak, as I said earlier.

On this side, clearly, we have the best interests of northern Ontario at heart. That's really what I hear. That's what I heard in caucus from our leader, Tim Hudak. We believe that we have to recapture northern Ontario as a producer of wealth for our province. It's ultimately the resources, of which timber is part.

My role here today, basically, is to listen and learn. I would say, when I looked at the briefing notes that I

developed myself, that there's a long history here, starting with the Crown Timber Act in 1849, and the sustainability portion of it has gone through a number of iterations.

Now we've got a new group of bureaucrats, if you will. These are what they call the local forest management corporations. These were referred to by the member from Haldimand–Norfolk as “the new LHINs.” These are the government agencies—bureaucrats, often—manipulating at arm's length, so to speak, the outcomes for northern Ontario.

1510

Our fear remains. You need to have competition in a market, but it has to be fair. There are examples across northern Ontario where individual firms have worked together to have plans that worked for them. We're coming up now with a replacement of that, which is simply replacing these good stewardship practices. The companies themselves realize that this is a finite resource and needs to be managed. What you don't need is some appointed—often politically appointed—LFMC operator who is not looking at the best interests of northern Ontario.

We're going to hold the minister to account on this and see how the market changes, because you've pretty well ruined it up to this date with high electricity prices.

The Acting Speaker (Ms. Cheri DiNovo): Questions and comments?

Mr. Gilles Bisson: I'll have a chance in a few minutes to give the lead from our party's perspective in regard to this particular legislation, but I just want to say that this whole argument that we need to make the change because we don't have the authority in the current act to allocate unutilized timber is not the case. The minister has always had the authority under the sustainable forest redevelopment act, if a mill is not using fibre that could be used by somebody else, to redirect that wood. To argue otherwise is just not right; it's not what's in the law. I know the law, because Howard Hampton was the guy who drafted it and I was the guy who was on the committee that carried it. So I know very well what was in that bill, and I've been working with it for some time.

The difficulty has been that this current government, starting with the previous Minister of Natural Resources, Mr. Ramsay, and others who came after, decided they wouldn't exercise their authority under the act. They took a chance that if they allowed the companies to hold on to the wood, eventually there would be a downward cycle in the marketplace and the larger companies would be able to keep the wood in order to start supermills. In the end, they've not been able to do that because the cycle has been longer. That's what has happened here. To say this bill is needed because we have to give the Minister of Natural Resources or the Minister of Northern Development, Mines and Forestry the authority to reallocate timber is just not the case.

The other thing—and I'll speak to this after—is that we're completely turning on its head the system by which we charge stumpage in this bill and moving to basically a

market-driven system, which I think is foreign to Ontario, because these are public forests, not private land. For us to follow the Americans, I think, is wrong-headed because it doesn't suit the reality of Ontario.

The Acting Speaker (Ms. Cheri DiNovo): The member from Lanark–Frontenac–Lennox and Addington has up to two minutes to respond.

Mr. Randy Hillier: I want to thank the members from Haldimand–Norfolk, Durham, Timmins–James Bay and Kenora–Rainy River, and the minister as well.

In response, I will say this: This government is in chaos. This Liberal government is in chaos. Just last week they announced the Northern Policy Institute as their growth plan for the north, but is that not just hypocrisy in its best example? Here they have brought out all the policies in the form of legislation. They've brought out this act, they've brought out the Far North Act, the caribou conservation plan, the Mining Act and high energy costs—they've brought in all the policies that have devastated and killed northern Ontario—and now they're going to have a policy institute and a think tank after all the policies have been done.

The north deserves more than just more Liberal patronage, and that's all we're going to get in this, other than the new forestry czar in the form of the minister. I know there are some jurisdictions that like to have czars; I don't think we should have a czar in a democracy, but that's what the minister has. He has complete, unfettered authority to do whatever he likes and to destroy anybody's commitments and licences. That's what he gets.

Economic stimulus in the north is not more Liberal patronage, and that's the only thing we get in this bill: more Liberal patronage with that thickening layer of red tape and obstruction with the forestry LHINs.

I look forward to the minister doing as asked earlier: Throw this piece of junk in the garbage where it belongs, start over again and do a better job.

The Acting Speaker (Ms. Cheri DiNovo): Further debate?

Mr. Gilles Bisson: I look forward to participating in this debate for a number of reasons. I know that many people are paying attention to this in northern Ontario because, quite frankly, it is going to have a fairly direct effect on many communities across the north.

I want to start off by saying I disagree with the premise that this bill is needed in order to find a way to deal with unallocated timber. Could the un-allocation process be made better? Obviously. Everything can be made better. My mother's apple pie could be made better, although that is hard to believe. My point is, to make an argument that you need this bill to be able to allocate unutilized timber—nothing could be further from the truth.

Currently under the act, the process is this: If I am a forest company, and I have a mill in northern Ontario—and I'll just pick one as an example, Tembec in Kapuskasing—they will have what's called a sustainable forestry licence that they signed with the ministry, with the crown. What that licence does is a couple of things. It

says you will get access to a particular geographic part of land in order to ensure that you have the supply of wood needed to run your mill. In exchange, you must manage that forest from the perspective of figuring out how much wood is going to be cut, where it's going to be cut, how it's going to be cut, how that's going to impact the environment, how we manage the fauna, how we manage the ecosystem and then replant that once the wood is taken out. The only way that you can cancel a licence under the current system is if a forest company was not to live up to that agreement. If the forest company was doing things that were outside of what's agreed to in the licence, and the agreement to the licence is the only way that you can cancel the licence itself—and I'll talk about that later. But if there is unutilized timber on that licence, the minister has the ability to reallocate the timber. I know that.

My good friend Jerry Ouellette—I'll tell a little story. Mr. Ouellette was the Minister of Natural Resources —

The Acting Speaker (Ms. Cheri DiNovo): Could you refer to the member's riding rather than name?

Mr. Gilles Bisson: If I knew what it was, Madam Speaker, I'd use it.

Interjection.

Mr. Gilles Bisson: The member from Oshawa.

I want to just stop at this point and say I want the record to show that if I ever run for Speaker, you guys are in trouble because I can't remember riding names. I just remember people's names. Use that against me if anybody wants to run against me as Speaker. I'm sure this will come back to bite me one day.

Anyway, I just want to say to the member from Oshawa—he was the Minister of Natural Resources back in the day, under the Harris government, and at that time we had a mill in Kirkland Lake that wanted to close down, and they were going to hang on to the wood. They were going to send it off to Cochrane and Timmins in order to be reprocessed. I think it was, the large wood would go to Timmins and the small wood would go to Cochrane. Tembec came to me at the time and said, “Look, this is a great thing for Timmins, this is great for Cochrane. You should be happy. You should sign on to this.” I said, “Absolutely not, because if I allow you to do that, the minister each and every time after is going to allow you to keep the wood and do what you want with it.” I went to the Minister of Natural Resources, Jerry Ouellette, the member from Oshawa, who basically intervened. We had a meeting in my office in the middle of the night, when we used to be on night sessions. We had Rob Galloway, who I believe was the director of MNR for that particular branch at the time. The MNR wanted to give Tembec the ability to bring that wood and to keep it and do what they wanted with it, but Mr. Ouellette, the member from Oshawa, intervened and said, “No, under the act, I control the wood. I can reallocate, I can do all of those things, and if Tembec is going to close its doors, I'm taking the wood back.” So there is precedent in the law to be able to do that. That's been my argument with this government from the very beginning,

from the time that Mr. Ramsay took over, the member from Timiskaming—Cochrane, John Vanthof—no, that's the next one, sorry. The member from Timiskaming—Cochrane was the Minister of Natural Resources. I argued that you should use your authority under the act when a company closes down, as they did at Opasatika at the beginning of the term of the Liberal government.

The position that the crown should have taken is, “Tembec, first of all, what can we do to help you keep that mill open?” That should have been our first response. If, at the end of the day, Tembec was going to close that mill, the Minister of Natural Resources of the day should have said, “All right, if you close the mill, I'm taking the wood back.” He had the authority to do that, and I know that because I was in on drafting the act, and Mr. Ouellette knows that because he was the minister who had to enact the act. So for this government to say, “No, we don't have the authority,” pales in the reality of both precedent and what was in the bill.

So I don't buy for two seconds that the changes in this act are needed in order to reallocate unutilized timber, because the act clearly says now, “If you don't use the wood, if you close down your mill, we, as a crown, can take the wood back.”

1520

It also says, “If you've got X amount of wood and you only need a smaller portion of what X can provide, then the crown can reallocate that wood any way that they want, but it has to be through an RFP process.” I shouldn't say any way they want; it has to be done by an RFP process.

The crown in this case, the government of Ontario, Mr. McGuinty's government, hasn't done that because they felt that they didn't want to get into the management of allocating timber. Why is that? Because the Ministry of Natural Resources has been decimated. The staff that used to exist at MNR who were there to be able to do this kind of work are no longer employed by the government, because it has been downsized to a former shell of itself when it comes to management on the wood.

I want to say for the record that I've got a lot of fights with MNR. Am I happy about some of the stuff they're doing about closing down roads, and others? No. I know a lot of people where I come from are mad at MNR. In fact, a good friend of ours calls it the “ministry of no response.” He's a good friend of ours that we both know in Timmins, and you know who I'm talking about.

Interjection.

Mr. Gilles Bisson: Roger; exactly.

But the point is, what MNR did really well was, when dealing with the forestry side of their ministry, they were world leaders. We need to understand that the Ministry of Natural Resources had one of the best, most comprehensive, most green, most ecological management systems of the forest in the world, and we had the best staff to be able to manage and to make sure that the decisions that were made were done in keeping with good environmental and good sustainability practices in the province. But instead, the government in this case, the McGuinty

government, said, “No, we’re not going to do that. We’re going to allow the companies to hold on to the wood.” So I just want to say, for the record, up front: We don’t need to change the act to reallocate timber.

The second thing I want to talk about is reallocation. This is one that scares the heck out of me, or as they say, the bejesus. We are now proposing in this bill—and I read it into the record a little while ago, but somehow or other the bill that I had on my desk has disappeared; don’t ask me where it went to.

We are inserting a section in Bill 151 that says once you sign a licence with the crown—for example, let’s say you’re Tembec, and you signed a licence a number of years ago on the Gordon Cosens Forest—it is virtually impossible for the security of tenure to be lost unless you muck up. You cannot, as an SFL holder, a sustainable forest licence holder, lose your wood under the current system if you live up to the conditions of your licence. The conditions of your licence are well spelled out in the legislation and the regulation, but more importantly in the forest management plan itself.

That is a good thing because what it does is it allows the forest company then to say, “Okay, I want to modernize myself. I’ve got a \$10-million or a \$20-million upgrade to do to my plant,” or “I want to upgrade in order to make myself more efficient” or to increase production because they’ve got more wood, or whatever it might be. You can go to the bank and you can say, “I want to finance this,” or you can go to the market and have it financed. How? Because you’ve got security of the wood. The wood is worth money. The first thing they look at is: Do you have the wood? And if you have the wood, they say, “Okay, fine. This is a project that will make money over a period of time; we’re prepared to lend you the money.” If you start playing with the tenure system and you start weakening the security of tenure for the forest companies, it is really a dangerous, dangerous thing.

We laughed at banana republics that do this. There are banana republics out in the world that will do things like all of a sudden come in and scoop up an oil company or do whatever it might be to a company that has done some investments. We call those places banana republics. Well, we’re about to become our own banana republic. If you get a minister of the crown, a Premier or a political party who for some reason doesn’t like that particular company, under the section in the bill that I am going to read in a second, you could actually scoop up the licence without cause.

There would be an argument to go to court, and I’m sure the company would go to court, but what the government has written into the law is truly scary. It’s under section 38 or 41; I can’t quite remember. You’ll have to bear with me because I had the bill on my desk and somebody took it away. Oh, there it is. One second. Can I just go and grab that?

The Acting Speaker (Mr. John O’Toole): Sure.

Mr. Gilles Bisson: I found the culprit; it was the former Minister of Natural Resources who stole it.

It basically says—this is really interesting; this has got to be read into the record—under section 41.1(1): “On the recommendation of the minister, the Lieutenant Governor in Council”—that’s the cabinet—“may by order cancel any of the following:

“1. An agreement to supply forest resources entered into under section 25.” Section 25 is these new licences.

“2. A forest resource licence.” That’s an SFL, for those who don’t understand, a sustainable forestry licence.

“3. Any agreement with or commitment of the crown in right of Ontario for the supply or the directing of forest resources from a crown forest.” That means a directive.

For example, Tembec, which used to operate the mill in Smooth Rock Falls: All of the chips that went to that mill were by way of a directive of the crown, by the minister.

The minister, at a whim, can cancel it, under what I see over here. That’s pretty scary stuff. Then it says, “Grounds for cancellation.” You read on and you say, “Oh, it can’t be all that bad, because there are grounds by which you can cancel.” It says:

“(2) The Lieutenant Governor in Council may make an order under subsection (1) if the Lieutenant Governor in Council is of the opinion that,

“(a) the order is necessary or desirable to facilitate or permit the issuance of a forest resource licence to an Ontario local forest management corporation that has been, or is proposed to be, established.”

We understand what that means. It means that if two or three companies decide to come together to make a co-operative SFL, the crown has the authority to essentially change the licence. That’s why they’ve put that in there. I understand that. That’s okay.

“(b) the party holding the agreement, licence or commitment is not optimally using the forest resources as permitted in the agreement, licence or commitment...” If you read that, that is basically saying that, “If you’re not using the wood to the degree that you’re supposed to, we can take it back from you.” I think some forest companies may even have a problem with that one, because that could be read into a whole bunch of things. But essentially it would give the crown the ability to do what we have now in the act, which is that if you have unutilized timber, you can reallocate.

But here’s the kicker. This is where we become the banana republic:

“(c) the order is necessary or desirable for such other reasons, whether or not the reasons are related to the reasons set out in clauses (a) or (b)” —which I just read— “as are prescribed by the regulations.”

Wow; talk about a banana republic. That means to say that if a government decides it’s in a fight with someone—they don’t like a particular operator—they technically could cancel the licence. You can’t play with this stuff. If I own a forest company—I’m a New Democrat. You’d think that I’d be the last guy making this argument, but I understand, as a New Democrat, how important these licences are to the jobs of the members who

work in these mills and the communities that survive out of the wages from those mills. If you start playing with the tenure of the licence, that means the forest company is in a position where they won't be able to do the kinds of investments they want to modernize their mills and make it more efficient because the bank will look at that and say, "You really don't have security of tenure."

Right now, let's say you have an NDP government, in the next election, that likes you, and the next time you've got party X that doesn't like you. Effectively, you could take the wood back. I just think that that is really, really dangerous stuff. I know I'm going to get all kinds of explanations when we go to committee on this, but I want to put that first one on the record. It is really a dangerous precedent. On that point, enough said. I've laid it out. I look forward to committee, to being able to deal with that issue. But I think that is a really dangerous precedent: for us, all of a sudden, to start playing with the security of tenure of forest companies, because if we do that, I think we're really going down a slippery slope.

The second part: The government is going to change the current licensing system. Currently, the licence system we have is one that says that if you're a forest company and you want to open up a mill or you have a mill that's running, you need a sustainable forestry licence. That licence gives you access to wood, so that you have security of supply. But, more importantly, it makes you responsible for the planning of how that wood will be cut and then making sure that you manage that forest, once you've cut the trees, from the perspective of reforestation.

If one takes the time, as I've done before with people, and looks from the air—you get in a plane and you start looking around where we've been cutting in northern Ontario—there are some really good stories to be told. What people need to understand is that forestry is like agriculture. It happens to be that our crop takes 80 years to grow. In the field of a farmer, it normally takes less than a year to grow. So we manage our crop. Our crop is trees. We have an 80-year cycle to be able to cut those trees.

Essentially, what we do is, we give a licence to a company and we say, "Here's enough wood in this geographic area for you, over an 80-year or 90-year cycle, depending on where you live, to be able to start cutting block 1 so, by the time you end up at block 80, 80 years later, block 1 is regrowth. You can then go back into block 1 and start all over again."

1530

What is even better is that when we do the management of how we're going to cut those various blocks, you have to take into account what this means to the marten, to the moose, to the cottager, to the angler and the fisherman, to the hunter or the First Nation. The forest management plan about how that block is going to be cut—you have to look at how it's going to affect everyone else, and I think that's something we should be very proud of.

Is it without a difficulty? Is it without controversy, at times? Absolutely not, because you're competing.

You've got, on the one side, the company that wants to cut the trees and the workers who want the jobs and the community that wants the wealth, and on the other side, you may have a cottager who says, "No, I don't want those trees in my backyard cut," or the environmentalist who says, "No, I don't want trees cut at all in that area." So I understand there is some conflict about how you make that happen, but we have a very good system of being able to manage the forest.

I'd just say to my friends here in the assembly who don't live in the north and don't have a good appreciation of what we do when it comes to forestry that the forest industry is one of the more successful examples in Ontario where we can talk about how we do things sustainably as an industry. It is a farming business, except that our crop takes 80 years to grow. We happen to cut things like poplar and black spruce and jack pine and other trees that are used in the commodity sales of lumber, and also in value-added products, when it comes to furniture and everything else. That's the system we currently have.

The government wants to move from these SFLs—sustainable forestry licences—to something else. So let's examine what the government wants to look at. They're looking now at having two different types of licences.

We'll start with the first licence, which is the licence that will be the one that, eventually, the forest companies go to. Those will be enhanced shareholder SFLs. So let's say that you're Tembec in Kapuskasing; Tembec in Hearst; Columbia Forest Products; you're Lecours; maybe Haavaldsrud—probably not Abitibi; maybe Grant or something like that. What they're going to do is say, "Why don't you go out there and figure out how you can all get together and form one big co-op that will manage the forest?" The idea is that it will somehow reduce the costs of doing business for the forest company. There is an argument there, and I get it. If you talk to people that operate forest companies, to a degree they get it as well.

There are some dangers in going down this road, and I just want to talk about those for a second. One of the things that's going to happen when we do that is that we're essentially going to strip out of those companies all of those people who currently work in the forestry section of the company. Let's say you're Tembec in Kapuskasing—I'll use them as an example again. They have a forestry section within the company that does all of the management of the wood, the cutting of the wood, the getting of the wood and bringing it to the mill and the replanting after. You're going to take all of those people out of those particular companies, eventually—I hope that's what's going to happen—and they will end up going to work for this new entity called the enhanced SFL company, whatever they're going to call it, because they essentially now will manage the wood.

What should happen is that each company will say, "I want X amount of wood in order to operate my mill and make sure the wood is in the yard at a certain time," and everything should be hunky-dory. The problem with that particular approach over the longer term, from my sense,

is that it could eventually put an upward pressure on the price of wood, because on the other side we're going to be forming what are called the local forest management corporations, the LFMCs. They're going to be on a complete bid system when it comes to the wood. So you're going to have a situation where—you know as well as I do that a place like Kapuskasing doesn't get all of its wood from the Gordon Cosens Forest. They get, quite frankly, a lot of their wood from other SFL holders who need to sell their chips. What you're going to end up with is that some of the wood that ends up in that chip pile from the forest companies is going to come out of these LFMCs, and the LFMCs will be on a complete bid system when it comes to the wood. Currently, when you buy wood you pay a stumpage fee to the crown for having cut the tree and then you manage, as I said, through your sustainable forestry licence—all of the costs of cutting then go into whatever it costs you to bring it into the mill. But there's no profit that's added to that. In other words, the company that cuts the wood is the company that uses the wood, so you're not adding a profit to the activity of cutting the wood, other than paying your contractors to do so. If you now start buying wood from the LFMC, you're going to end up with two cost factors, two pressures to push your price up.

The first one will be a bid system. Rather than having a set price for wood as per the cost of cutting the wood plus the stumpage, you're going to have companies bidding on the wood. If you're in a situation where there's a shortage of wood or, let's say, a competing jurisdiction like Quebec, Manitoba or the United States wants that wood, they can put a bid on the wood. Nothing would stop them from doing that. Then you would end up in a situation where an Ontario company would be bidding on wood for an Ontario mill competing against somebody in Quebec who has a shortage of wood—in my area—or Manitoba if you're in the northwest or the United States where they have a shortage of wood pushing up the price of the wood. The effect of that is it would eventually add costs to the mill that ends up using the wood. That could be Kimberly-Clark Kapuskasing, which is not even in the LFMC because they're going to get some of their wood chips derivative from those particular LFMCs. You're going to have an upward pressure as far as price on the bid as the price of wood goes up.

Here's the other part: This organization has got to make a profit because they've got to pay for their entire cost of running their company and make a few bucks on the side for a rainy day. That will push the price of the wood up again. Somebody will say, "Oh well, it's not going to be significant. Don't worry about it." Listen, if you're Kimberly-Clark Kapuskasing in the dark days that we've had over the last five or six years, every extra penny a tonne that you've got to pay affects your bottom line.

I'll tell you, we've come close to losing the largest employer in Kapuskasing as a result of the cost of doing business in Ontario already: cost of electricity, cost of wood, cost of everything. That mill, quite frankly, has

struggled to keep its doors open. I'm really proud of the work the local management has done there, the work that the municipality has done and the work that the unions have done to come together to figure out ways to reduce costs to that operation so that they can keep their doors open. We may be putting that in jeopardy as a result of increasing the price of the wood when it comes to the wood that comes off the LFMC.

Plus, the ones that have the enhanced shareholder licences could have an increased cost to their wood because there may be a competition within themselves. For example, in the case I gave you a little while ago, let's say you had Haavaldsrud, you had Lecours Lumber, you had Columbia Forest Products, you had Grant and Tembec all bidding on the wood. Grant all of a sudden—Grant would be out of the picture because they need poplar. Let's stick with the conifer. Let's say one of the conifer producers is deciding that they want to increase their production. They're just going to say they're prepared to pay more for the wood. Wouldn't you? That will push the price of wood up. So the companies will lose control over the price of wood, further adding costs of doing business. Ontario is already one of the most expensive, costliest jurisdictions for the forest companies to do business in. Why in heaven's name are we going to take a chance to make things even more expensive for these companies?

Listen, I've got to say again, I'm a New Democrat. People are going to say, "Why is a New Democrat worried about a big corporation like Tembec?" I'll tell you why: because the people I represent work in those companies. If they don't have a job because the price of wood or whatever goes up, and they close down the mill, it's like Opatatika. It's like Smooth Rock Falls. It's like Wawa. It's like Dubreuilville. It's like Kirkland Lake and 30 other communities across northern Ontario that have lost their only employer in town. They end up without a job, and they've got to move.

I am really concerned about this because I don't think we should be mucking about with the security of wood flow into these mills and the cost of the wood. From my perspective, what you need to have is a system that is one that has a predictable cost of the wood and that does a good job of managing the ecosystem and making sure we do the right thing when it comes to managing the forest, but most important, that we allow to have the security of supply and we have a cost that's affordable.

I see this in the end—it's not going to happen tomorrow, it's not going to happen two years from now, but five and 10 years from now, mark my word, wood will be more expensive as a result of this compared to what we have now if we left it alone.

I just say to the government, why are you doing this? Who are you trying to please? My friend Rosario Marchese has a test. Who's glad, who's sad and who's mad? Well, who's glad? I didn't hear anybody, so I guess there is no one. Maybe the Liberal government is glad. Well, we're all mad at it, so who cares? Who's sad? A whole bunch of people in northern Ontario who make

their living out of the forestry sector. And who's mad? Pretty well everybody: municipalities, forest companies, the Ontario Forest Industries Association—OFIA—the owners of the mills, the workers in the mills, the unions. Nobody's happy with these guys for what they're doing. You've got to ask yourself, if it doesn't pass the who's glad, who's mad and who's sad test, What are these guys up to? Why are they doing this?

1540

It just amazes me—and I digress for a second. The Liberals, in the last year or year and a half, have really been quite amazing. If they could pick a fight and poke a finger in somebody's eye, they've been doing it. HST—poke. Are you mad? The Far North Act to the First Nations—poke. Are you mad? The Grow North plan—my God, we're actually laughing at that one; I don't think we're so mad at that one. We think that one's a bit of a joke. It's just like they're poking everybody in the eye.

I don't know why Liberals are so intent on making everybody mad, other than I think they're really trying to make sure the NDP wins the next election. I want to thank them for that, because I think the result will be exactly that in northern Ontario. I would not want to be a Liberal on the next ballot in northern Ontario. I'm going to say now that I think a whole bunch of are you in more trouble electorally than you realize. But that's a whole other discussion.

The LFMCS the government wishes to create are going to set up a situation where we'll have to go to a more American system for bidding our wood. Here's one of the other dangers—I'm an American forest company. I love to say that Ontario is subsidizing its wood, and I love going before the World Trade Organization and before whatever NAFTA panel and saying, "There goes Canada again." How many times have they done it now, my friend from Oshawa? Seven? Eight? Something like that? Seven or eight times—I can't remember—they've come by.

Here's one of the dangers under the LFMCS. You go to a complete bidding process on wood. Can they still get a subsidy to do the roads? Think about it. We've argued for years, rightfully so, and it's been agreed with by the tribunals, that we don't subsidize our industry because we have a completely different system. We're not a bid system; it's not a competitive wood bidding system. We have crown land that is managed by the crown. It is done not-for-profit when it comes to cutting the wood to supply our mills. There is no subsidy that goes into doing this. If you go to a straight bidding process on an LFMC and I'm an American owner of a mill and I say, "Oh, look at this. Ontario has got a program to subsidize the cost of roads to extract trees out of the forest and they're on a bid system," they're going to say, "Well then, add it to your cost, add it to the tree. Don't take the money from the government."

I see the member from Algoma—

Mr. Michael A. Brown: Manitoulin.

Mr. Gilles Bisson:—Manitoulin; thank you. I don't do that on purpose. Other than Timmins—James Bay—

that's just the way I am. The member from Algoma—Manitoulin is smiling, but I don't know if you're smiling because you agree or you're just very happy. I don't know which it is.

Mr. Michael A. Brown: I'm amazed.

Mr. Gilles Bisson: Oh, he's amazed. I'm amazed, too, I must say.

I say that you will potentially be in a situation where the Americans will argue that we are subsidizing in what is a competitive bidding system. That's a pretty dangerous thing to do, my friends. So you'll be in a system where, again, you're going to have to add more cost to the wood.

Here's the other one, and I really want an answer to this. Okay, times are good. The LFMC is selling wood at a profit and everything is fine and wonderful. It's a great market right now, let's pretend. All of a sudden we end up as we did back about seven years ago, and the market starts to go south, as we say, the market starts to drop and the bid price on the wood is not sufficient to cover the entire cost of the LFMC. Who's going to pay for the reforestation? Who's going to pay for the forest management that has to be done? Who's going to ensure that we plant trees where we have cut? Who's going to make sure we do the things we need to do to cut the trees in a sustainable way?

You will be in a situation where, yes, there will be a law forcing them to do it, because the law is on the books, but the company is going to be in the position of saying, "We don't have the money." So the crown, I would think, is then going to have to pony up the money. What happens when the crown ponies up the money to offset the loss of revenue they've got on the sale of the wood because of a down market and they're not making money, and we need to ensure that the reforestation is done?

We're back into the same argument with the Americans. This doesn't protect us from countervail, I would argue; this puts us in a worse position on countervail. We have a good system. We have a system that for seven, eight or nine times, whatever it is that we've gone before the tribunals, they've agreed with us and said, "No, Ontario does not subsidize its forestry industry." Each and every time we've won. The Americans keep on coming back. That's a whole other argument, you know, what we should do about that. But we've never lost before the tribunals.

I am telling you, these LFMCS, by putting them into a bid system, put us into a position where the price of wood goes down, and all of a sudden, we don't have the money to do the proper forest management or replanting. Somebody is going to have to pay for it, because all of my friends in the south who are part of the environmental movement are going to be putting a magnifying glass on what is happening up in that forest. They're going to say, "Government, whoever you are, what's going on? Why are you allowing those guys to cut trees and not replant and do all these nasty things?" They're going to be up there with their cameras and their protests—rightfully so,

in that case. Somebody is going to have—the political pressure will be to do something. We either shut them down, which I don't think anybody is going to want to do, or we're going to have to pony up from the province to give them money to do what they should be doing in the first place.

Who's thinking this stuff up? I really don't know sometimes. I just wonder why we would put ourselves in that position. I just say, on the LFMC, on that point in regard to the allocation of wood and the price, it's really dangerous stuff when it comes to what it sets us up for when it comes to countervail.

On the side of the enhanced licences, the enhanced shareholder licence on the SFLs, we end up in a situation where the price of wood there could be affected as well, because some of the wood for those companies comes from what will be the local forest management corporations, LFMCs, and there will be a competition within those newly formed corporations at one point, because companies are not a static thing. The company doesn't always just cut and produce 600,000 cubic metres of wood. At one point, because of cost, they may want to increase their production to lower the cost per unit. That means they are going to need more wood and there will be a competition for that wood within these new shareholder licences. It will eventually, especially when the market is good, throw the price of wood up. Then, we're in a problem when the market goes down.

I just say to my friends across the way in the Liberal Party: Boy, I don't know where you think this stuff up, because it's pretty dangerous when you stop to think what the ramifications are.

Now, the other thing: Who controls the forest? There is a debate out in Ontario. In northern Ontario, we know it well. We have, on the one end, forest companies that want to be able to manage their forest and do the things that they are doing now and are looking for the least amount of problems as possible when it comes to people giving them a hard time about what it is that is their business. On the other side, you've got the environmental groups who say, "We'd be happy if there was no wood cut." Somewhere in between—right?—are the rest of us. I just say to my friends here in the House who are listening to today: The system that we are going in, I think, does not do a heck of a lot in order to address that particular debate either. Because in the end, I think that we've struck a fairly good balance under the sustainable forestry development act about how we manage our forest now and how we price our wood. I think changing it and creating this transition time, moving to the LFMCs and moving over to the enhanced shareholder licences, will create a flux, a dynamic in the change which will, quite frankly, insert people into this debate on both sides that may not be as helpful as we want. That's to be seen. At the end of the day, we'll see where that goes.

But the big debate is: Who controls the wood? On the one hand, you've got the companies who say, "I want to control the wood." You've got, in a community like Hearst or Opatatika, "I want to control the wood." Why

those communities want to be able to control the wood is because they've seen what has happened to them.

You're Opatatika, a small community, 600 people. The only employer in town was a sawmill, and the company, Tembec in this case, decided to close it down some years ago. Rather than the wood being left and allocated to that community or set in abeyance for that community to come up with a restructuring plan or a new operator or owner of a new mill, the wood was kept by the company.

1550

I argue that wood could have been reallocated to the community that quite easily through an RFP process. That already exists in law. But there are two sides to the argument. There are those who want to see more community control of the wood and there are those on the other side who don't want to see community control of the wood. I think we need to strike a balance. We need to make sure that the forest company, on the one hand, has security of supply and is able to do the job they have to do without adding costs to the process, but on the other hand, we need to make sure that communities have a say.

I'll give you the story of two communities in my riding. Opatatika is the first one. Opatatika lost their mill. It used to be the Tembec mill in Opatatika. They were devastated when that mill shut down. Tembec took the wood; they kept it; some of that wood was redirected to other mills; some of it is not being used to this today. The government of the day said, "Listen, the new future is biomass. That's the new future. Go and find somebody who's willing to build a biomass plant and we'll do business."

So the community of Opatatika hired some folk, along with some others, and the mayor at the time, Monsieur Nolet, and they did a whole bunch of work over a period of time and spent a lot of money in order to pull together some investors and put together a plan about how they could start a biomass plant in that community. They went to the crown and they said, "Listen, we need wood to be able to operate our mill. What can you do for us?" They said, "Well, you know what? It's the companies that control the wood," which was not the case, I argue; the crown could have easily allocated that timber. They were told, "Go do a business-to-business deal with somebody who has a licence."

They went to Hearst Forest Management, and Hearst Forest Management negotiated a deal with them and they gave them 100,000 cubic metres of wood. It's not a lot in the big scheme of things but it was enough for them to interest people in investing in their community.

They had a signed agreement—a signed agreement, on paper—with the first FMA in order to allocate that they can buy up to 100,000 cubic metres of wood from that particular forest licence. They went out and then said, "Okay, so what happens now? We have 100,000 cubic metres that's secured. Can we find some more wood?" They figured they could go to the market and buy wood from companies that have excess wood in different areas that want to cut it. Sometimes you go into a block,

you've got to cut certain trees that you may not need to be able to get to what you want, or there are mixed species in the cut. They were going to make deals, business-to-business, to get the rest of the wood.

They felt fairly confident with the 100,000 cubic metres that they had signed with Hearst FMA and what they could secure in the market; they could probably get about 300,000 cubic metres of wood. They were in the game.

Mr. Gravelle, the minister of mines and forestry, whatever it's called, announced there would be an RFP process for the wood, something I applauded at the time. When I first heard the news that the government was going to announce a process for communities to get access to unutilized timber, I thought: Great. Opatatika, which needs another 200,000 cubic metres of wood, is going to have a process by which they can identify wood that's not being used somewhere and they're going to be able to bid on it, and if they've got a good project that's solid and sound, they're going to get a facility management licence and they're going to be able to go ahead and start their mill in Opatatika in two or three years' time.

I was feeling rather good and I actually commented to the positiveness of what the government was announcing. The problem is, do you know what they announced? They took the 100,000 cubic metres of wood away that they had negotiated with Hearst FMA. The RFP process took the contract that Hearst FMA had with Opatatika and said, "No, we're taking that wood. It's ours. It's all to be reallocated."

You can imagine how that hit the community. It was like a ton of bricks. The government says, "Your mill is closed. Go into the biomass business." They go out to try to do the biomass business, they secure a third of the wood they need by way of a contract with another SFL holder, and the government takes the contract away and says, "Too bad. Start all over again." What do you think the investors did? The investors left, and to this day the community has no ability to start a plant because the government has actually made things worse, not better, in getting into that RFP process.

Mayor Nolet lost his election last fall, and I would argue that probably one of the reasons he lost was because of that. It was like the Rob Ford thing, to a small degree. People in the community felt there was nothing going on—there was all this promise of a biomass mill coming to their community—so people supported the other candidate. She's a wonderful mayor; I've got nothing against her. She's just the person who happened to be on the ballot. People felt, "Obviously, this didn't work; let's try something else." Unfortunately, Monsieur Nolet took the bullet for the Liberal government in this election, I would say. I think that's rather unfortunate, because Mayor Nolet was doing a good job with his council, and with the investors and others, to make something happen, and he had the rug pulled out from underneath him. I feel for them, because that community is a strong, dynamic community that wants to survive, and they've been thrown another curve.

Smooth Rock Falls lost their only employer, the Tembec mill. It was a pulp mill. There were, I believe, about 800,000 cubic metres of wood associated with that mill. So the community went out and found not one but two proposals to start up. One was a cedar plant and the other one was a biomass plant. They had the investors at the table. They had the money to be able to do what had to be done—a similar story to Opatatika's.

They went to the crown and they said, "All right, you're telling us to go into the biomass business." First of all, they did the cedar one. They said, "We're going to go into the cedar business. There's cedar in our area. This is a good idea. We have an opportunity." They did everything they were supposed to do. They were led to believe they were going to get access to cedar. The government went through a proposal and then allocated the timber to another community. It's good for that community, because there's only so much cedar around, but this particular community lost out. That was partly the reason. It's not all the fault of the provincial government; I think they were about half to blame. The other part was the amount of cedar that was available.

I think the process by which you allocated should have been reflective of the situation of Smooth Rock Falls. Here was a community that had lost its only employer. In the consideration, there should have been some additional weight given to the community that had lost their only employer, over the community that was trying to build a new plant.

Interjection.

Mr. Gilles Bisson: But you know as well as I do that it's a competition, Mr. Brown. We're all competing for the same wood. I understand the sensitivities of that. Chapleau deserves what they got. That's not my argument.

My argument is that there is little wood available, and the process is a difficult one for communities at best. I'm saying there should have been some weight given to the situation Smooth Rock Falls was in. We can argue that Chapleau lost mills as well; I understand that. I'm just saying that there wasn't enough wood to go around; that was part of the problem. The point I'm making is that I think the allocation process was one that left a lot to be desired.

Here was a community that had 800,000 cubic metres of wood that it couldn't touch. They said, "Okay, we lost out on the cedar process fair and square. We lost out. We don't like it, but let's move on." So they go out and they say, "Okay, let's do a biomass project." They worked with, I think it was, Commerce Management Group and others in order to put together a package on the biomass project.

They did the deal on the biomass project, and what did they get at the end of the day? Pretty well the same. They dealt with the private corporations in order to get access to wood. And they said, "Whoa, hang on a second. We had 800,000 cubic metres of wood here. How come we can't get residual waste or chips, that aren't being used, to do a biomass project?" You know, get the tops and

limbs of the trees and all that kind of stuff—best end-use. The crown said, “No, no, no. Go negotiate with the companies.” “No, but you don’t understand, Crown. We had 800,000 cubic metres of wood.” In the end, they got nothing; they got no wood. Since the closure of the mill, a lot of the people in that community have moved away.

They see the trucks, with round logs on them, rolling up and down the highway and going to different places but not to their community. I fault the McGuinty government for that. They had wood; they had 800,000 cubic metres of wood. It should have been recognized that they could do something with that. They would never have used the full 800,000 cubic metres in that particular plant. There was enough wood to go around. But the government chose not to use its authority under the act to reallocate the timber they could have reallocated. There was wood available. I just say that it’s sad.

Then there’s the story of Wawa, which has been quite tragic for the community. The mill there has been closed down—how long? About two years now?

Mr. Michael A. Brown: Longer.

Mr. Gilles Bisson: It’s been longer; it’s been a while.

The problem they have is that after two years, if you don’t use the wood, it goes back to the crown. I understand; that’s not the argument.

The town is trying to make sure that the mill is sold to somebody, but if you don’t have the trees tied to it, that mill is worth nothing, so who’s going to buy it? The crown—in this case, the government—has done nothing to make sure that we at least give the community of Wawa a chance to find a buyer and has not said, “As long as you’re actively trying to seek a buyer and you’re moving forward in the progress of finding one, we’re going to make sure that that wood is secured.” To date, that has not been done, unless something has changed in the last couple of days. The last time I talked to people in Wawa, that was still the case.

1600

Then you’ve got Dubreuilville. They’ve been down for over two years, as well. I can’t remember exactly when they shut down. To make this story really short, the latest reallocation process has taken 200,000 cubic metres of wood away from that particular mill. So here’s Dubreuilville in a process of restructuring themselves to find another way to operate that mill, and they’ve now lost about 30% of the wood they need for that mill by losing that 200,000 cubic metres.

So if I’m skeptical of this government’s ability to deal with the allocation of wood, I’ve got good reason. The last seven years of their track record have been, quite frankly, pretty abysmal.

I think communities across northern Ontario are saying, “What we want is not for our government to give us big boxes of money; we want our government to be there, to roll up its sleeves and to work with us in finding solutions to the very hard situations that we find ourselves in in our communities.”

In the case of the Smooth Rock Falls, the Wawas, the Dubreuilvilles, the Opasatikas and the 30 other commu-

unities in northern Ontario that have seen their mills shut down, they want a government—they understand it’s tough times. They understand there’s going to be some unemployment for a medium period of time, but they want the hope that when the economy turns—and it will turn; it is starting to turn—they can reposition themselves to come out of this and do something else with the wood that used to be there. This act does nothing to address that. There’s nothing in this act that gives the ability for the crown to say to a community, “You have some hope when it comes to the allocation of timber.” What this does is, it entrenches what we currently have—the allocation system—to a degree, but changes it in ways that I think will drive the price up and do other things, and that I think in the end doesn’t serve us well.

If you’re trying to make people happy who are on both sides of the argument about who controls the wood, my point is that I don’t think anybody is happy. The forest companies aren’t happy because they’ve lost security of tenure, and I can tell you that Opasatika is not happy because they don’t get the wood that they were looking for. This bill does nothing to address those issues. So who’s mad, who’s sad and who’s glad? It fails on all three points. The community of Opasatika is sad. They’ve lost their only employer in town. Are they glad? Absolutely not. But they’re pretty mad about what’s happening to them and the inability of this government to respond to the crisis in that community and the poor response in this bill that will not fix the main problem, which is the allocation of timber.

I want to end on this last point, and that is the issue of the amount of wood that’s available in the wood basket in northern Ontario. We are currently using about 14 million cubic metres—I don’t know exactly what it is. But the amount of wood that’s available over the longer run—once we come out of this particular dip that we’re in, we need to make sure that the wood is there. One of the things that you could do in this bill that I think would give northern communities a little bit of hope and certainly make those in the industry happy is to say, “We’re going to insert a clause in here that’s going to protect a certain amount of wood in perpetuity for the forest industry, for those farms in northern Ontario that cut trees,” and put a clause in this bill that says, “We will protect 26 million cubic metres. We will ensure a supply of 26 million cubic metres of wood through this bill.” That’s an amendment that I want to put forward. It will be interesting to see if the government wants to support it. There is this feeling out there that there is a move in Ontario by some to try to weaken the forest industry and to take away areas where wood is available and thus make it more expensive to access wood, because the wood that will be left is further and further away from the mill, and that less and less wood will be available, like under the Far North planning act, where you take 50% of the territory and you say there’s absolutely no activity that’s going to take place there forever and ever. There really is a sense that we’re losing access to fibre. So I think one of the things that this government could do that

would be a positive step would be to say, “Okay, we will insert a clause inside this bill that ensures there’s going to be 26 million cubic metres of wood available for the industry.”

A last point, and that will pretty well wrap up my time, and that is the process that we’re into now. I would venture to guess that this House is not going to sit for very long in this spring session. I think this government wants to get out, and I understand. I get it. They’re very unpopular in the polls—

Mr. Michael A. Brown: You guys weren’t even here for a year—

Mr. Gilles Bisson: No, I understand. I get how it works. We’ve all been members of government, some of us in this House, and we understand what happens. A government close to its mandate doesn’t want to be in the House. They want to go out there and flip burgers on barbecues and kiss babies. That’s what the government wants to do right now.

My point is this: The government is going to try to pass this bill on third reading this spring, and I see the parliamentary assistant nodding. It’s not just because he’s happy; it’s because that’s what they want to do. I’m saying that this is wrong. The government introducing this at second reading—okay, fine; I don’t have a problem with that. Let’s have a discussion. I don’t have a problem with that at second reading.

Let’s send it out to committee and have people come and talk to us, but don’t pass this bill this spring. At the end of the day, what you have to have is a proper review of this particular bill by being able to travel into northern Ontario, to the communities that are affected—get into the Wawas of this world, get into the Thunder Bays, get into the communities that have been affected. To do that, you’re going to have to have it done in the intersession, because the committees don’t travel, normally, when the House is in session.

I’m just saying to the government, I warn you now: Do not pass this bill at third reading because this will become one of your Achilles heels in the next election.

The Acting Speaker (Ms. Cheri DiNovo): Questions and comments.

Mr. Michael A. Brown: I’m delighted my friend from Timmins–James Bay always makes an interesting act of condemnation of the Crown Forest Sustainability Act, which was passed in this place in 1994. What he’s talking about and what he has rambled on and on and here and there about has been very entertaining but not necessarily very relevant. What he’s claiming is that the Crown Forest Sustainability Act has worked well, that the Crown Forest Sustainability Act has kept people employed in northern Ontario’s forests for the last five to 10 years under some of the worst economic times ever known in the northern Ontario forest. He’s claiming that’s good. We should not change that. We should not allocate wood that is not doing anything out there in the forest these days. That’s what he’s claiming. And he’s claiming that the allocations that are presently coming out have something really to do with the tenure, which is actually a different issue, and he knows it.

What we are allocating under the Crown Forest Sustainability Act, which has existed since Howard Hampton passed it—it worked for a while and has worked relatively well—

The Acting Speaker (Ms. Cheri DiNovo): I would ask that the member refer to the riding.

Mr. Michael A. Brown: Kenora; I’m sorry. Since the member for Kenora–Rainy River—that’s when it happened.

What we are saying as a government is: It is unacceptable to leave millions of cubic metres out there in the forest. There are better ways to do it. He may have some better ideas. I’ve been waiting to hear them. We didn’t hear any. He’s not suggesting any alternatives. He’s suggesting we go back and do what we’ve done, which has caused, in some part, the recession/depression in many of the towns I represent and in towns across the north, but in the context of 190,000 American forest workers unemployed because there is not a market for their product; 72 major pulp and paper mills in the US down—

Mr. Jeff Leal: Quebec.

Mr. Michael A. Brown: Quebec, in worse shape than we are. They are now in the process of revising their acts. Let’s get with the—

The Acting Speaker (Ms. Cheri DiNovo): Thank you. Questions and comments.

Mr. John O’Toole: The member from Timmins–James Bay speaks with a very large amount of insight into this issue. I think it’s important that this afternoon, for myself, I can speak for educating ourselves on the importance of the forest industry in the north.

I am quite aware, in the research I’ve done, that in 1994 the Crown Forest Sustainability Act was passed and replaced the Crown Timber Act, which was in the 1800s.

The provincial government also returned to a licensing model replacing the forest management with sustainable forest licences—the SFL, they all call it. These acronyms and other appropriate important things about this industry are all things that I’m learning.

I find it important that the sustainable forest licence holders do not pay a fee to obtain a licence, but they are required to meet a wide range of regulations and guidelines related to consultation with the public, stakeholders, and aboriginal communities, forest planning and the conduct of harvesting renewal.

1610

There’s a lot of regulation in this industry. I don’t think a lot of people appreciate, as has been described—he said that if you’ve got 80 years’ supply, they give you a plot that can be replaced in 80 years. Once you cut, you have to replant. So in that respect, he compared it to a farm operation, which I think is really part of educating the public of how important the forest industry is.

But when you look at the other side, I would say that the pro-environmental groups perhaps give the wrong message that these cuts—they often refer to them negatively as clear cuts etc. They leave the wrong impression.

In my riding, I know how important the Oak Ridges moraine and the greenbelt are for a collective com-

munity. Everyone in Ontario benefits from those assets that we share in common. This is an important part for us to learn about this important industry in Ontario and that's why I'm listening here this afternoon.

The Acting Speaker (Ms. Cheri DiNovo): Questions and comments?

Mr. Kevin Daniel Flynn: It's a pleasure to rise today. As a member from the south, I certainly appreciate the importance of forestry and the lumber industry to northern Ontario, but also to the south as well. I think if you look at Ontario as a whole, one of the things you think of, one of the things that first comes to mind, is forestry and lumber.

It's been some time, as I understand it, since the tenure system was reviewed. It was designed quite some time ago. I think that, with an industry that provides as much importance to the economy as timber and lumber do, it's important we take a strategic review of it.

It seems to me that the work and the consultations that have been done to date within the industry and outside of the industry in the north and throughout the province have sent a loud and clear message to Queen's Park that Ontarians want change, that the industry wants to see change, that the industry wants to see organizational change within the industry.

The ideas that have been brought forward—the review that's taken place to date, the proposed framework—I think are key to building a strong forest economy. It's really needed to create the opportunities that are going to generate the right level, an increased level of investment, and it's going to ensure that the crown lands are renewed on a constant basis and enhanced so they can grow, while creating additional opportunities for jobs and economic prosperity, which is something you really want to see, whether you're from the north or the south of this province: a successful lumber industry.

We've heard that that change should be introduced and implemented in a way that's measured, in a way that's cautious. I think the proposed legislation we have before us indicates that we have listened to the feedback, and it's worthy of the support of all members of this House.

The Acting Speaker (Ms. Cheri DiNovo): Questions and comments?

Mr. Jerry J. Ouellette: I very much appreciate the opportunity to comment on the member from Timmins–James Bay regarding his remarks on Bill 151.

The lifeblood of the north in Ontario used to be the forest and mining sector, and it's changed substantially. The comment still is that I don't necessarily hear the same thing from individuals in those companies that are up there. What's taking place and the concern that's coming forward is the impacts on the smaller players. The minister had mentioned that this would increase the number of smaller players, yet I expect that during today's debate—I'm going to get the opportunity to elaborate a lot more—I'd be interested to find out how that can play out, how the non-utilized or underutilized fibre can be used.

One of the previous members from the current government stated that they'll ensure that the forest is replanted in a sustainable fashion. Quite frankly, it's been taking place for generations now. You only have to look at what's happened in the Hearst area, for example, whereby the Hearst community and the industry itself have each planted over 100 million new trees in those areas to ensure a vibrant and a growing community, because they see it as generation to keep income and keep activities going in their community.

The one last thing I'd like to say is that all members need to realize one aspect about the forest: So long as the forest has value, it will continue to be a forest. When it loses its value, those individuals in those other areas surrounding those will find other uses, whether that's agriculture or in some other fashion. We need to keep our forests strong and do everything we can to make that happen.

The Acting Speaker (Ms. Cheri DiNovo): The member from Timmins–James Bay has up to two minutes to respond.

Mr. Gilles Bisson: I heard everything. The parliamentary assistant is now saying that, because of the sustainable forestry development act of 1994, all of these companies are now suffering, and that has been the reason for the downturn. Give me a break. I said, and I believe, and I explained how. I have a former Minister of Natural Resources to my right and behind me; I have the previous Minister of Natural Resources in front of me. They are both very knowledgeable about what was in the act. I know what's in the current act. I was one of the guys who was there on committee when we dealt with it.

I have to tell you, Mr. Brown, member from Manitoulin—whatever—Algoma–Manitoulin—the minister currently has the right to reallocate unutilized timber. To make an argument that we need to change the act because the sustainable forestry development act doesn't give the crown the ability to reallocate timber is just ludicrous. You are able to do it, but the issue is, you chose not to do it. Now you're, as a fix, bringing in a process that, at the end of the day, is going to Americanize our wood system, drive the price of wood up and lower the tenure of security on the wood to our forest companies. At the end of the day, the parliamentary assistant is saying, "Yes, we're going to pass this this spring."

You will rue the day—and that day will be October 6, believe me—not just because of this bill; because of the many slashes and gashes that you have given to people of northern Ontario: in forestry, in mining, in hydro prices, on HST and everything else that you've done in order to awaken the rage of northern Ontario.

People in the north are mad, and there's a good reason. This government had the chance to do the right thing for seven years. They've chosen not to. Instead, what they do: They know best. They impose yet another solution from Toronto on northern Ontario. We want no part of it, and we'll talk to you, come October 6.

The Acting Speaker (Ms. Cheri DiNovo): Further debate?

Mr. Michael A. Brown: I'm delighted to have an opportunity to speak to the Legislature about this important bill.

If passed, Bill 151 would help re-energize Ontario's forest sector, create new jobs and attract new investment while ensuring that this public resource continues to be managed sustainably. We seek to do this by modernizing Ontario's tenure and timber pricing system. Modernizing this system would make Ontario's timber supply and prices more responsive to market demand, create new business opportunities for entrepreneurs, and make it easier for aboriginal peoples and communities to effectively participate in and benefit from Ontario's forest sector.

If passed, the Ontario Forest Tenure Modernization Act, 2011, would help revitalize Ontario's forest industry. Our commitment to forest tenure and timber pricing reform is a sign of the government's confidence in the future of forestry. We have a strong primary sector with reasonable proximity to markets. We also have one of the world's largest forest areas that is independently certified as sustainably managed, which can give us a competitive advantage in today's growing green marketplace. If passed, the legislation would allow Ontario's forest sector to maximize these advantages.

The act would stimulate a bold rethink of how our forest sector will do business in the coming decade so that forestry activities continue to benefit not only the families, communities and businesses that rely directly on this sector, but all of Ontario.

In the end, the future of the industry is determined by the private sector. However, there is a critical public interest at play since the land belongs to all Ontarians. Unlocking the economic potential of Ontario's vast forest resource depends largely on the province's tenure and pricing policies. These policies determine who gets access to the resource and at what cost. They shape how the forest sector grows and evolves.

The Ontario Forest Tenure Modernization Act proposes to maintain the government's existing authority to manage this critical public resource and hold all participants accountable as they use crown land, while bringing more competition and opportunity to the forest sector. We are proposing changes to the tenure system that would make timber more readily accessible to businesses and would call for market forces to play a stronger role in allocating and pricing crown timber.

The proposed legislation would amend the Crown Forest Sustainability Act, 1994, to better enable the government to move forward with forest tenure and pricing modernization. These amendments would support the establishment of local forest management companies and encourage the forest industry to move to enhanced shareholder sustainable forest licences.

1620

We would continue to work with the forest industry, other key stakeholders and aboriginal people to further develop the operational details of the models and implementation plans. We would also work with these groups

to test and evaluate both the initial LFMCS and the enhanced shareholder SFLs. The results of this analysis would put valuable insight into ongoing improvements and the way forward.

Our government held public consultations and round table discussions across the province. I was a participant at some and listened to much of the feedback. During the consultations, we heard from many Ontarians who expressed concerns about the change, and we heard from many who said the change was needed and could not come fast enough. We've listened carefully and have responded substantively to the concerns raised.

This, I believe, is evident from the positive response we've received to our proposed modified approach from, for example, the Ontario Forest Industries Association. The OFIA said our proposed path forward is "a positive development and provides much-needed certainty for operating mills, while creating opportunities for new investment in the sector."

From the Timmins Chamber of Commerce we're told that the use of enhanced shareholder SFLs is in line with their request for working with an existing industry development model that is benefiting their members. We've also had interest expressed from First Nations communities for the establishment of a local forest management company in their area.

Our government is committed to implementing a forest tenure and timber pricing system that works for Ontario, and we want to implement change in a responsible and measured manner. I believe the new tenure system proposed by the Ontario Forest Tenure Modernization Act will achieve these goals and point us toward better access and use of our highly prized forest resources.

As the member from Algoma-Manitoulin, which has much of the crown forest in it and has many mills, I also have many friends who unfortunately aren't working at some of them these days because the timber hasn't been accessed because of market forces, in some cases for some years now, I would suggest. It is not responsible to leave these people unemployed when there are opportunities for our forests to provide the responsible jobs that all of Ontario needs. We need to continue our hard work to make sure this happens, and that we are moving forward in a measured manner that makes sense to all Ontarians who don't believe life is directed by looking in the rear-view mirror.

The Acting Speaker (Ms. Cheri DiNovo): Questions and comments?

Mr. John O'Toole: I'm very pleased to see the former Speaker participating. I know Algoma-Manitoulin is an area he represents very strongly and quite passionately as well. I'm sure he knows just how important this particular sector is to his community and to the people he represents. So I commend him for that.

I think the thing is that we're all trying to get it right. Actually, at the end of the day I'm a bit concerned, because some of the stuff I read says that instead of providing certainty and assurance for the forest sector, this

bill provides nothing more than indecision and uncertainty. So I don't know. As I said, I'm learning through this discussion, this debate.

I went to a reception last Wednesday night over at the Sutton Place—I'm not sure how many people here went—and I met a few people in the industry and a couple of people from law firms. I met a couple of people from the Ministry of Northern Development and Mines. Certainly, as I said, I know just how important this whole resource sector, including the forestry industry, is to Ontario, and we don't want to upset it. I have every confidence that our member from Oshawa, Jerry Ouellette—his experience as minister as well as his practical, first-hand experience of having worked in that industry—will shed light on it.

I really feel that the purpose of this debate, outside of the politics, is to get it right. This is an industry in trouble. Some of it is policy, some of it is the economy, some of it is the dollar, some of it is electricity—there are other factors here—and this shrinking of the competition model into the larger footprint size is what I gather is happening. Some of the smaller ones might get dealt out of this thing, from what I hear, but I have done a review of the critical assessments of the current tenured system. I've got a fairly good report on that, which I'm reading; it talks about sustainability and the importance of the industry being modernized. I know there were consultations, and I know that our member who is the critic on this file, Mr. Hillier, has attended some of the hearings in Lanark—

The Acting Speaker (Ms. Cheri DiNovo): Thank you. Questions and comments?

Mr. Howard Hampton: I listened with interest to the parliamentary assistant, and what's striking is that he wants people to somehow believe that the downturn in the forest sector is all about tenure, that somehow tenure is the issue that needs to be cracked. Well, I don't know where he's been, but just about every paper mill that's closed and every paper machine that's closed across northern Ontario said that the issue is the high cost of electricity, that their company is consolidating production in Quebec or the United States because the electricity costs are lower. Then that has a tumble-down effect upon sawmills, because sawmills can't operate unless they can (1) sell their lumber and (2) sell their residuals to paper mills. But if the paper mills are out of business, then the sawmill can't sell its residuals and they shut down. I haven't had anyone come into my office and talk about tenure.

The recent announcements made by the Minister of Northern Development, Mines and Forestry about new allocations of wood fibre to different enterprises has come under the Crown Forest Sustainability Act. He didn't need new tenure legislation. He didn't need new regulations to say to companies, "Your mill is not operating. We're taking this wood fibre and we're allocating it to someone else." So I'm left to wonder, what is the need for this legislation? What does this legislation do that the Crown Forest Sustainability Act doesn't already

allow the government to do? The only thing I can think of is that this government is desperate to try to spin something as an answer to the incredible loss of jobs and economic activity in northern Ontario, and they think they can sell this idea of tenure. Let me tell you, this dog ain't gonna hunt.

The Acting Speaker (Ms. Cheri DiNovo): Questions and comments?

Mr. Jeff Leal: I did listen to my colleague the member from Algoma-Manitoulin. It's interesting; when you read the business pages of the *Globe and Mail*, the *National Post* and the *Toronto Star*, when they interview people involved in the forest industry, they'll tell you the two big keys that led to the downturn were: (a) We lost 40% with the exchange rate—the forestry industry was doing extremely well when the dollar was 63 cents American, because for every product they sold, they were getting it at a 40% discount going into other markets; and (b) in the paper mill side of things, unfortunately people now, instead of reading newspapers, are going to electronic means to get most of their news information on a daily basis, which led to a decline in the demand for newsprint. That's been widely articulated in every business paper in North America. The forestry industry decline in northern Ontario—we've witnessed it in Quebec and Manitoba and throughout the United States.

It's interesting that this bill that's being put forward—the Ontario Forest Industries Association, which is the umbrella group for the forestry sector in northern Ontario, says, "The proposed path forward is a positive development and provides much-needed certainty for operating mills, while creating opportunities for new investment in the sector."

One of them that's been articulated just recently is going to be the demand for rayon. Rayon is a by-product of making paper in northern Ontario. The fact is that cotton now, as a commodity, has gone through the roof. They're looking at substituting rayon for cotton, which is going to be an opportunity for our forestry industry in northern Ontario to provide that fibre, which will be used in making clothing. There are going to be future opportunities, and the member from Algoma-Manitoulin, who's very knowledgeable in the industry, is going to be there championing these opportunities for his constituents in Algoma-Manitoulin.

The Acting Speaker (Ms. Cheri DiNovo): Questions and comments?

1630

Mrs. Christine Elliott: I do appreciate the opportunity to add a few comments with respect to Bill 151. By no means do I consider myself an expert; in fact, I will readily acknowledge that there are many more members in this Legislature far more knowledgeable than I am on this particular subject, but I do understand the importance of the forest industry in Ontario and I did listen to the minister's lead-off speech, where he indicated that the bill was intended to restore the forest sector's competitiveness by modernizing forest management.

I would say that where we take particular issue with it, though, is with the creation of the LMFCs, the local

forest management corporations. My colleague the member from Lanark has referred to them as forest LHINs, in the sense that all they do is create another level of bureaucracy that can buffer the government from taking some difficult decisions.

I would note that when I took a look at Bill 151—there are some 17 pages in this bill, including the explanatory notes. I would say that there's only about a half-page, which is section 5, which talks about the actual purpose of these corporations. The rest of the information in this bill deals with their establishment, with the appointments they can make, their tenure and their ability to delegate their powers and duties to subsidiary corporations.

So it seemed to me that we would like to see far more content in this with respect to how these corporations are actually going to be modernizing and streamlining and making the forest industry more competitive, because what we see at this point is just another level of bureaucracy. I would suggest that surely there are other ways in order to bring about this competitiveness without leading to another level of bureaucracy, which is much more expensive and certainly much less straightforward than dealing with it directly.

I appreciate the opportunity to add these comments, and I will be listening intently to further discussion on this issue.

The Acting Speaker (Ms. Cheri DiNovo): The member from Algoma-Manitoulin has up to two minutes to respond.

Mr. Michael A. Brown: I appreciate the comments from the member from Durham and the members from Kenora-Rainy River, Peterborough and Whitby-Oshawa.

In my constituency, forestry is one of the biggest—if not the biggest—producers of jobs and wealth. It is time to change the tenure system. It's not something to be afraid of. It isn't another level of bureaucracy. What it is is a different way to manage the forest and to get the appropriate return on investment that the people of Ontario and the people of the north deserve from the natural resource that is owned by all the people of Ontario but is particularly important to northern Ontario.

I represent places like Chapleau. Chapleau is a forest community and a Canadian Pacific community, but essentially the largest number of jobs comes from the forest industry. When I was first elected in 1999 for that part of my constituency, I believe Chapleau had three mills. We now have one.

Interjection.

Mr. Michael A. Brown: My friend from Oshawa says that there were four. He's probably right. I miscounted. But the point is that Tembec in Chapleau is producing more lumber today than the other mills put together, and they're doing it with less than half the workforce that those other mills had. The business has changed significantly. Competitive pressures are playing upon them. We need allocations to provide for good mills, like the Tembec one in Chapleau, so they can survive and do well. We need our forests managed sustainably. We need

jobs in the Dubreuilville, White River, Hornepayne and Wawa areas. Many of them are in the forests themselves, not actually at the mill.

I am convinced that we need to move forward with this bill quickly.

The Acting Speaker (Ms. Cheri DiNovo): Further debate?

Mr. Jerry J. Ouellette: I very much appreciate the opportunity. I'm going to start off my debate—I probably shouldn't hold it up, I guess. I had a book given to me. It goes back to a time—and I'm going to read part of a section here. "As it expanded, the British policy for exploiting the North American timber lands proved less and less capable of controlling a burgeoning and difficult-to-regulate industry."

That goes back to 1806—1806, if you can imagine—and the impacts on society and things that are happening. I'm also going to add another section here that talks about the fact that Canada, "in account with 200 million feet yearly of choice pine logs exported free of duty to the manufacturer who lumbers in"—I can't read the name of the mill—spruce logs to American pulp mills. Then the response is "a free market in the United States for a limited quantity of Canadian price" and on and on and on. That goes back to 1890. Can you imagine that? The logging industry going back that far in the fights between various jurisdictions in protecting such an important commodity or industry in the province.

Not only that, but if you look at so many other aspects—if you look at some of the things that the members were talking about, and the former minister, who commented on the current minister's statements regarding the changing use of forestry, whether it's medical or chemical uses, and the rayon aspect that was brought forward is rather interesting—because if you go back and you read into those 1800s, in 1808, I think it was, where there was a huge concern in the province of Ontario because all the hemlock trees were close to being or were completely eradicated from all the Ontario forests because of the fact that hemlock bark was used in a tanning process. If you look at that time in history, there was a huge industry that dealt with buffalo hides and how they had to tan them and where they got all the materials and chemicals for it.

Yes, the industry is changing and it's going to change on an ongoing basis. Quite frankly, in the province of Ontario, the life blood, as I mentioned earlier on, in the north used to be, from my perspective, the forestry industry as well as the mining industry. Although the changes that have taken place—and it's not just the legislation that has taken place as well.

As other members have mentioned, whether it's the electricity costs—I met with the mayor of Kapuskasing, Mr. Alan Spacek. He was adamant that they had to have district electricity pricing so that they can compete with the other jurisdictions; that they didn't want the things that took place in Timmins, with Xstrata relocating to Quebec because of electricity prices, or what had taken place in the other western parts of Ontario, where companies left Ontario to go to get cheaper electricity.

These are some of the other aspects. It's not just the changing in the way it's brought forward. I'm going deal with that, because there are a lot of aspects of this bill that cause some great concern as well.

The member from Algoma-Manitoulin mentioned a couple of mills in Chapleau, but he probably hadn't taken into consideration Devon Mills, for example, that's located in Chapleau. Many people probably don't know this but it's a unique log-home-building process whereby it's kind of a processed log. All the logs are the same length and they use various materials, where they're actually using aspen, commonly referred to as poplar, which is the new-demand log home industry fibre, or forest or trees that are requested simply because poplar does not give off any fumes as does cedar or pine, which, supposedly, somebody has found something new—that it causes damage to individuals.

So Devon had a process whereby they had eight-, 10- and 12-inch logs all milled to the same size. Then they were dove-tailed in where the connecting link—where the logs overlap. It was all machine-done, and they sent it out on a process. Guess what? They're looking to sell, if they haven't sold already. I haven't spoken to them in about a couple of years, but they had a process there that just wasn't happening.

Not only that, but there was also probably another one. There are probably five that were in the Chapleau area. There were two cedar mills. When I commented on the minister's comments on this, it was about the fact that the underutilized or non-utilized fibre—and for those who don't know, fibre is actually trees, because that's what's utilized to make paper—it's the fibre; it's pulped down. Those trees are classified in the industry as fibre. It was the cedar mills in Chapleau that had shut down as well because of an allocation problem as well as other potential problems in the area, that they couldn't get their loads in and processed. They had a market for it but they just couldn't get the fibre to keep them going. That's how we move forward.

I want to go back to where the minister commented. He started off by saying that 81% of the province was publicly owned. Something doesn't seem to be clicking here because I recall, not so long ago, that 87% of the province was owned by the public. There's 6% not spoken for. Maybe I just misheard and maybe it's only 81% of the province that is actually forested. He spoke about, when I commented—he being the Minister of Northern Development, Mines and Forestry—the wood allocation. He said that this should increase the individuals participating in the activity. Well, most people don't realize that at one point in my life I ran a cutter-skidder operation, which is a method of cutting—cutter, cut the trees; skidder, take them out and take them to the mills. I was the number one supplier for a cedar mill, Bob Shafer's mill in Tyrone, as well as supplying Woodley in the local district. I handled that for a number of years before becoming elected.

1640

I have a little bit of experience, and, yes, how the industry has changed. We used to have the big skidders

with the giant tires on them that would go in, and quite frankly, they tore up the landscape in those forests quite heavily to the point now when a forestry machine, a forwarder, goes in, it'll take its claw now—it's about half a million dollars—well, it was; the cost of the machine is probably close to \$700,000. The clamps will come down and grab that tree and the computer will give you an exact readout of the number of board feet in that tree and the age of that tree.

Now a clear-cut in the industry is, effectively, a tree will go in and a company will say, "I need so many cube units"—and that's the way they measure trees, in the truckloads—"of 80-year-old poplar," or large-toothed aspen. They'll go in, grab those trees and they can take them right out, and within a year the track or the imprint or the footprint on the land is so minimal that the next year you can't even tell. Within a year, or probably two years, you look at that forest, and depending on the growth and the soil that's there, it has regenerated itself. Guess what? Only the 80-year-old poplars have been removed from that forest. They're doing such a great job and most people don't realize it.

As I mentioned earlier on, the community of Hearst has planted well over 100 million trees. Not only that, but the industry in that area has also planted over 100 million trees. Also, the public at large or the individuals may not realize that the trees are like kids growing up. Everybody thought it was a big joke but I was quite serious: When I had the privilege and honour to be the minister, one of the questions I had was that I wanted to know what the best carbon-converting years of a tree's life are. Actually, I was quite surprised to find out that it was a hybrid poplar tree that was the best producing, and the first 15 years of a tree's life are the most carbon-converting because they're growing like kids and they're all fighting and posturing against each other. There are a lot of great things that can be learned about that.

The concern I had regarding the minister in his statement was about what allocations would take place for the smaller player, that they'll be able to allocate the fibre in the area, whether it's the larches or the tamaracks or the cedars or any of the other non-utilized fibre out there. What would that mean? Would there be two companies operating in the same forest? If that's so, who's covering the costs for the roads or the insurance or the liability for anything that takes place during the actual cut operation?

When it comes down to this, it's going to be the smaller companies that will probably be the lesser players in this, as expected, because you've got the major ones out there that are interested in large volumes of fibre coming out of the forest, and the smaller ones are looking for specialty wood, which could be your cedars or any of the ones that are used, for example, in log home building or a number of other things. Once upon a time, the forest industry, as I mentioned, was established by the British government in Ontario for two components: the pine, which was used for masts in the British navy, as well as the oak, which was used for hoes. That's how it started and there was competition at that time. How are these smaller players going to be able to work in this specific area?

Some of the other areas, when you deal with the legislation, are on the second page, where it specifically talks about the fact that there would be subsidiaries allowed to be established. Before we get into the subsidiaries—I hope the PA will be able to address this, exactly on the reporting. In a number of ministries there is a reporting component—for example, in MNR—with the protection and enhancement fund, for example. It's just one of the numerous ones that require annual reporting. It seems I had to bring to the Legislature's attention that the report hadn't been turned in for three years, so there was no report. What's the penalty going to be if they do not comply with the 120-day requirement to have the report in on behalf of those new corporations that are being established?

Not only that, but one of the other areas that they specifically talk about is the subsidiaries being allowed to be formed. They ask two things: One is, there is no reporting requirement by the subsidiaries at all, which means this parent body can establish smaller units, and I'm not sure how it plays out according to the way everything has unfolded here. The minister stated they're looking at moving forward with two, although they did not give the parameters by which these two new corporations would be established and their boundaries. Is it going to be a northwest and a northeast? Then they're going to establish these smaller subsidiaries that are going to work in—well, in the northwest you'd have Nipigon or Longlac or Geraldton or Fort Frances or Dryden or any of the other areas. Are the smaller ones going to be taking place and where's the reporting requirement for them? There isn't any. That's a major concern.

The other part of the legislation as it deals with the major corporations, where the minister stated there would be two, would be the fact that the government can, as specifically stated—and I'll quote the section just so that they know exactly that to which I speak—provide funding grants to these corporations that can be or don't necessarily have to be used at that particular time.

As the member from Timmins–James Bay mentioned, there are always ongoing battles regarding the softwood lumber deal and so many other aspects. What's going to happen when these grant allocations are allocated to these corporations who are now managing and looking after all of the forest industry? Quite frankly, the first thing that I would expect to happen—although, right now, they're going to want to keep things quiet, “they” being the United States or the companies in the States, because with the Canadian dollar as high as it is, we're finding, according to Working Forest and the individuals who are writing into that—Working Forest is a magazine that deals with the forest industry in Ontario—Ontario is now the recipient of forest products because of the low US dollar.

The concern there is, if and when the Canadian dollar attains a level that is cost-advantageous for export from the province of Ontario into the United States, are they going to look at these grants that are allocated to the

corporations as a form of subsidy, which will effectively shut down softwood trade or the forest industry and exports in the province of Ontario? I'm hoping that the PA or the minister will be able to specifically give some background on how that'll come to be.

Another aspect is that I have some strong concerns because it mentions a 12-person board, but it doesn't really give a breakdown of how the board is going to be represented or chosen. There are a number of individuals. The members of the third party have expressed a concern about these individuals and how Toronto will be making decisions about what happens in northern Ontario, yet I'm sure that this is far more than northern Ontario. We've got individuals: There's C.W. Edwards in Pembroke; you've got Eddie Heideman in Eganville. There's a large number of operations throughout all of Ontario, not just the north.

How are these board members going to be chosen? You've got 12 members. Is there going to be specific representation from organizations? Has the forest industry been allocated a seat? Are the local communities on the various boards that they're applicable to and are the districts that they apply to going to have representation on there? It's all subject to provincial approval. However, there's not a breakdown of where it's coming forward—or, in the eyes of the forest industry and the scaremongers who may be out there, it's the protectionist organizations who will control a majority of seats on those boards.

Those are some of the concerns that have to be addressed to make sure that the people have this information when they're making decisions on behalf of the local community, because there's an impact there. I've already stated, quite frankly, that when you look at places like Hearst, where they've planted over 200 million trees, there are certainly great individuals who are contributing back to that which is so important to them.

Also, on the second page of it, it talks about the objects of the corporation, where it talks about “marketing, selling and enabling access to predictable and competitively priced supply of crown forest resources.” The minister needs to take a minute and walk across the floor—and I'm not trying to be a smart aleck in the ministry that he deals with, because in mining—many members here know that I have a prospector's licence that I've held since the 1980s. The difficulty with the prospector's licence—and I've met these individuals in the bush. I've been in places where it's been eight hours of nothing but trees, where you're going down wide open by a boat, and the first couple of hours you're like, “Hey, this is great,” but after the fourth hour it's, “When are we getting there?” Lo and behold, helicopters come in and bring in stakers—they were at the time.

What happens is, the line stakers would go in—they'd have a number of individuals and they would go to stake claims. What these individuals do is, they sell those claims back to the major mining organizations in the province of Ontario, and guess what? They tie up huge tracts of land that can't be developed by anybody else. Effectively, they eliminate their competition. The way a

prospector's licence works is, specifically, you have a year in which you can register your claim, and not only that, but you own the rights—the mining aspect—to that particular area for a year afterwards.

You might ask, why is this applicable to forestry? The same thing could potentially happen here that causes concern, as mentioned by the member from Timmins–James Bay. If companies wanted to eliminate competition, they could allocate or tender on a process, which could eliminate the competitor. A lot of these corporations are very effectively looking at cost-effectiveness, and big is good for them. If they can get orders for large quantities that would eliminate a competitor there, they may be tendering on areas that could eliminate a lot of those other individuals in the industry as well.

1650

So that's a large concern within the industry as well, making sure that those that are in there are going to be there for everyone, and that we have a competitive process that is not going to shut down the industry through the free trade process, which could be caused because of the fact that we're now subsidizing it or we're controlling it, as takes place in the mining sector.

Some of the other things: I only need to look at, again, the Working Forest, and some comments on the industry on this very specific aspect. I believe it's Rick Groves from Thunder Bay who specifically states that the number of licensed forests can be reduced to between 25 and 30 from 43. Or another quote on the specific one: They're looking at potentially going to five to 15 from 43.

Effectively, here the industry and the players are saying the exact same thing, that the end result of this is that we may only have five or 15 instead of 43 players participating in what's happening right there in the forest industry.

There are a number of other aspects. We've spoken about the industry, the impact of energy on the industry, but there's a number of other areas that have caused huge impacts in the forest sector, such as species at risk. Part of the difficulty there is the interpretation of the legislation found between the various districts within the province of Ontario. The eastern part is reading it in this fashion and the western part is reading it in that fashion. The companies have to establish separate standards for wherever they're harvesting in the province, and there is no consistency.

That has caused some huge concerns. When you talk to, as mentioned, Jamie Lim from the forest industry, big concerns are the species at risk. The number one aspect, from their perspective, is that it's going to shut down a lot of the forestry and what's happening in the forest industry in the province; but not only that, the recent caribou guidelines that have been established by individuals.

I'm receiving a flurry of emails from all across the province commenting on the EBR posting—that's the environmental bill registry, where it's closing on March 10—because of the impact on caribou.

For those who don't know how caribou is changing the forestry sector, quite frankly, caribou management

has a tendency for large tracts of huge clear-cutting areas. I'll be as quick and succinct as possible in the time I have remaining. Caribou management goes in. It can cut huge tracts because the food that caribou feed on requires extended periods of undisturbed land. So what'll happen, then, is they'll go in and do large cuts, and then leave the land for 60 to 80 years, because the lichens and mosses that they feed on take that long to grow—as opposed to moose management; the way it was done in the past was patchwork.

Caribou management does not support good, stable moose populations, where moose management is patchwork. You might say, in a 100-acre plot, to make it very easy, it would be that you might have 10 plots that would be cut and then 10 not cut, then patchwork through, and it promotes new growth and feed areas for many of the other animals in that area.

That's having a huge impact on the way that forestry is looking at how it's happening, and there are some concerns.

As I said, the key to the whole thing is that people need to realize that so long as the forest has value, it will continue to be a forest. When it loses its value, they'll find other resources to use it for.

The Acting Speaker (Ms. Cheri DiNovo): Questions and comments.

Mr. Howard Hampton: Once again I had an opportunity to listen to my Conservative colleague, this time from Oshawa, and I want to thank him for some of the examples that he provided. I also want to thank him for pointing out that, unlike a government that thinks that it's all about tenure, there are many other issues, a great number of issues, that are bothering people across the north that this government has either fumbled the ball on or has failed to address, or has addressed them in ways which actually make matters worse. If this government thinks that this rather short bill on tenure is really going to address the problems that it has created in the forest sector across northern Ontario, well, I think this government is in for a very big surprise in about six months' time.

As my colleague from Timmins–James Bay pointed out earlier, people across the north are very angry. People who have worked hard all their lives, paid their taxes and contributed to the community are now out of work. Many of them have not only lost their jobs; they've lost their homes, they've lost their livelihoods and they've lost their families.

We saw on the weekend the northern growth plan released, which was basically a plan to continue talking. After eight years, people across northern Ontario reasonably expect more than this. They know that simply talking about tenure is not going to address the massive loss of jobs, the multi-million-dollar loss to communities; yet this is the best that this government has to offer. This is not going to work.

The Acting Speaker (Ms. Cheri DiNovo): Questions and comments?

Mr. Michael A. Brown: I appreciate the comments from my colleague across the floor, the member from

Oshawa. He raises quite a number of constructive issues, I believe. He talked about how we might go about structuring the local boards, and I think that he raises some substantial and interesting issues. The government hasn't landed on a particular solution to that and would welcome input from Ontarians on how those boards should be chosen. I would say to him, though, that we do value industry input on these boards, we value community input on these boards and we value concerned citizens who are interested to be on these boards.

I think, as we go forward with the two models we are intending to go forward with, it will be somewhat of a learning experience as we determine how these boards are to be structured. But I can assure the member that his input would be welcome. The input of communities, industry, First Nations and others will be welcomed so that we can structure these boards in a way that reflects the local situation, local employment, the local environment in the broad sense and other such issues that might arise as they manage the forest for the betterment of all Ontario.

I appreciate those constructive comments. In general, your side has a lot to contribute as we talk about these things, and I look forward to those being fleshed out as we go forward with this bill.

I think all of us would understand that this isn't going to fix the forest industry, but it is one part of it. We have to recognize that we need to move forward. Solutions of a generation ago will not be the solutions of tomorrow. We need to figure that out, we're trying very hard and we appreciate the input.

The Acting Speaker (Ms. Cheri DiNovo): Questions and comments?

Mr. Robert Bailey: It's a pleasure to rise today to speak to Bill 151. I'd like to commend the member from Oshawa for taking us through that in 10 minutes. I learned quite a bit about forest management. Coming from southwestern Ontario, it's something we don't have a lot of experience at—in my riding, anyway—but I know we certainly benefit from the jobs, the construction work that's done and, of course, the timber that's generated from the north.

What I heard today from many speakers on all sides of the House was the necessity to consult and to work with the community leaders of all stripes in the north. It seems like, from what I'm hearing, a number of people seem to think and feel that there has been a lack of that consultation, and they want to make sure that the First Nations community and the people of the north who benefit from those jobs are certainly consulted.

I see that there are a number of concerns, from my visit here this afternoon, as I've been listening, with the new board that's going to govern this. Someone called it the LHIN of the north—the LFMC. I think the member from Haldimand–Norfolk called it the northern LHIN, a LHIN by another name.

1700

But I think our member from Oshawa certainly captured a lot of the opportunities that would be necessary to improve this bill. I know that our member from Oshawa

certainly would have something to bring to that discussion and I know he looks forward to working with the minister when it gets to committee, to make all those kinds of recommendations and move amendments that would make this bill better for the people of the north and for all of Ontario.

The Acting Speaker (Ms. Cheri DiNovo): Questions and comments? Member from Pickering–Scarborough Southeast.

Mr. Wayne Arthurs: Close enough, Speaker: Pickering–Scarborough East. But it's okay.

It's always a pleasure to join briefly in the debate. It's really nice to be part of and sit and listen to what I can only call a civil debate this afternoon. It's enlightening for us.

I always appreciate hearing from the member from Oshawa, who always brings some reasoned debate and his expertise to bear when he has the floor. I didn't realize, though, that he was a lumberjack until the early part of the discussion; it was with Tyrone in the eastern part of Durham region, skidding and the rest of the descriptors. He comes to the debate with hands-on experience, one might say.

This is an important part, I think, of the overall strategies our government has used in the context of the forest industry. I recall the debates we've had over the last number of years now around the financing of the forest industry and support for them as the economy turned on them. As the member from Algoma–Manitoulin said, this is one piece. It's not the do-all and be-all. It's one piece of an ongoing process. The ongoing need for consultation with communities that are affected and with First Nation aboriginal communities is an important part of that in Ontario.

I can't claim, nor do I claim, any particular knowledge or expertise in the area, but standing here I can say that the nature of this discussion, the nature of the bill, the commitment to that kind of ongoing consultation and the understanding that rests here on all sides, as people have brought further debate, can only enhance what we're doing. When this goes to committee I think there will be additional opportunities to see that expertise come to bear on the committee debate before this bill will be brought here, presumably, for third reading.

The Acting Speaker (Ms. Cheri DiNovo): The member from Oshawa has up to two minutes to respond.

Mr. Jerry J. Ouellette: I very much appreciate the comments from the members from Kenora–Rainy River, Algoma–Manitoulin, Sarnia–Lambton and Pickering–Scarborough East.

I think the key about this is the unknown factor. I understand that the government is trying to move forward in making some changes and supporting an industry that, quite frankly, is the lifeblood of probably the largest land mass of the province of Ontario and the population that lives on that land mass. And how to move forward?

The reason I brought forward the comments regarding some of those aspects, whether it's board makeup or some of the other things, is that we just need to make

sure we get it right, because it is a lifeblood. Any time that we deal with those issues that, certainly, individuals are passionate about, we want to make sure we get it right. As I mentioned, Devon homes in Chapleau, or the cedar mills that used to be there, or Foley Timber products, or all the other individuals and organizations in the north, they're concerned about it because they care about it. It's something that, when people are looking to pay the bills, take care of the lifestyle that they live and try to enhance it as much as we can for future generations, we want to make sure that all things are right.

There are some concerns here, whether it's the reporting aspect or the penalties that potentially take place if it's not done in 120 days; the subsidiaries that are allowed to be established; the transfer of grants; and the impact on the free trade aspect of the entire legislation, but as I said, time and time again, so long as individuals realize—and I keep repeating this because I think it's important and if it sinks in, it will go a long way: So long as the forest has value, there will continue to be a forest.

The Acting Speaker (Ms. Cheri DiNovo): Further debate?

Mr. Howard Hampton: I'm pleased to have an opportunity to take part in this debate because there are many issues that I want to raise.

First of all, I think most people across Ontario would be shocked to know that most of Ontario's forest is not private land; it is public land or crown land. In fact, the vast majority of northern Ontario is land that is held by the crown. It's held by the public. As the law stands now, someone who locates a mill in Manitoba or in Minnesota or in Michigan or in Quebec cannot simply come into Ontario and access crown timber. If they can arrange some sort of reciprocal relationship with an Ontario operation, they can perhaps organize an exchange of wood fibre such that a mill in Ontario is receiving valuable wood fibre from a US jurisdiction and might trade wood from their sustainable forest licence in return.

One of the dangers of this bill, and I think the government needs to sit down and seriously think about it, is the fact that this bill, for the first time in history, will simply open up Ontario's crown forests to the highest bidder. All you have to do is look at section 5:

"The following are the objects of an Ontario local forest management corporation: ...

"(4) To market, sell and enable access to a predictable and competitively priced supply of crown forest resources."

I know that the minister and some of the officials have been going around saying, "No, no, this would just be selling and marketing and putting up for bid in Ontario." But the fact of the matter is, in Canada, we are subject to the World Trade Organization and NAFTA. If a mill located in Minnesota comes to my part of Ontario and says, "We want to put in a bid on these crown forest resources of Ontario," the government can't disallow that. You can't say, "You're not allowed to bid." If you try to say, "You're not allowed to bid," let me tell you, you will be up before a NAFTA panel or a World Trade panel before you can shake your head "no."

For the last 20 years, mills in the United States have been after—this is the real issue around softwood lumber—complete, full access to crown forests, whether they be in Ontario or elsewhere in Canada. They want to be able to bid. They want that wood fibre. Do they want that wood fibre in order to create jobs in Ontario? No. They want that wood fibre in order to access it here and ship it south of the border.

One of the big issues around Thunder Bay just a few years ago was that Abitibi held some private forest land. After they closed a number of their operations in Thunder Bay, they said, "We don't need this forest land anymore," and they put it up for bid. Lo and behold, who was the highest bidder but an American company, which now harvests the wood and ships it to a mill in Duluth, Minnesota—forest resources harvested in Ontario, not being used to sustain jobs in Ontario but being used to sustain jobs, good jobs, in and near Duluth, Minnesota.

In my part of Ontario, which is right along the Minnesota border, I bump into American wood buyers all the time. They're up talking to farmers and anybody else who has private wood, private land. Are they buying that wood to create a mill and create good jobs in Ontario? No. They want to buy that wood and take it across the border to sustain good jobs in their jurisdictions.

This government says it wants to promote economic development and jobs in Ontario. Well, let me tell you, from Thunder Bay through Fort Frances to Rainy River, what I can see happening is that all kinds of American mills, Minnesota-based mills, are coming up and saying, "We'll bid on this, we'll bid on this and we'll bid on this." Already having, say, 75% or 80% of their wood supply in Minnesota, they're probably quite willing to bid very high for that marginal 15%, the top 15%, because it's the added 10% or 15%. For them, it's not 50% or 70% of their wood supply; it's just that added 10% or 15%. They're probably willing to bid very high.

But what happens out of that process? You'll get a few jobs harvesting the wood, but the good jobs—the pipefitters, the electricians, the welders, the instrument mechanics, the computer technicians; the good jobs that pay good wages, a pension and a benefits package—will all be in Minnesota. So I ask myself: How could anyone say this is going to benefit people in my part of the province?

1710

Let me give you another example. The announcement of this government, the announcement a few weeks ago by Cliffs Natural Resources that they're very interested in mining the chromite in the Ring of Fire area north of Thunder Bay—they're very interested in mining the chromite, but they're not much interested in building a smelter in Ontario because Ontario's hydro prices are too high—again shook things up. I read the release; I asked a few questions. It would cost them, they figure, in the range of \$6 million a year in hydro costs to run a smelter in Ontario; it would cost them about \$3 million in Quebec—sorry, that's \$6 million a month; about \$3 million a month in Quebec and about \$2 million a month in Manitoba. That's the difference in hydro rates.

Somebody with a sharp pencil in my part of the province, right up against the Manitoba border, I could see them saying, “You know what? We’re going to build a new state-of-the-art sawmill right here, just inside the Manitoba border where the hydro rates are a lot lower”—and you know what else is a lot lower? For somebody who has a truck and a trailer and is interested in trucking logs, the insurance rates under a public insurance system in Manitoba are less than half what they are in Ontario. I could see somebody with a sharp pencil saying, “I’m going to set up a very modern sawmill right here,” or “I’m going to set up a very modern plant to maybe use trees, wood fibre for chemical production, but I’m going to set it up in Manitoba because the hydro costs are going to make it a lot less, and I’ll just bid on that Ontario wood and bring it over.” Once again, we get a few harvesting jobs but the really good jobs, the electrician, the welder, the pipefitter, the millwright, the machinist, the instrument mechanic, the computer technician, will be in another jurisdiction.

My colleague Mr. Bisson already sees this happening along the Quebec border; his riding is Timmins–James Bay. Quebec, because of some of the forest policy decisions they made in the past, does not have a lot of sawlogs. Yes, they have a lot of young wood fibre that can be used in pulp mills and paper mills, but the kind of really mature timber that you want for a sawmill to get the best sawlog utilization, they don’t have. They’ve got a lot of sawmills right up against the Ontario border that really have difficulty accessing the wood.

What do the McGuinty Liberals want to do? They want to make it easier for those Quebec sawmills now to come over to Cochrane, Timiskaming, Kapuskasing, Smooth Rock Falls, Iroquois Falls and North Bay, bid on the wood and take it to Quebec. I’m asking, how does that aid, how does that help all of those people who used to work in sawmills and board mills and pulp mills in places like Smooth Rock Falls, Opatatika, Kirkland Lake, Temagami, North Bay and Mattawa? How does that help them? They’ll see natural resources that are in their own backyard now harvested and taken to Quebec to supply good jobs in Quebec.

I’ve had this discussion with some of the forest companies in my own riding, because what they see is mills that used to be operating in my part of Ontario. I’ll give you an example. The paper mill that produced white paper, the kind of paper that you use in your photocopier or your computer—the white paper mill in Dryden was the most modern paper mill complex in Canada. It had had something like \$5.5 billion of new investment in the last 15 years. But today, the two paper machines are shut down, the sawmill is shut down, where 1,100 people used to work there are now 300 people working. But directly across the border from me in International Falls, Minnesota, the paper mill that competed directly with Dryden is still running. It produces the same kind of paper—white paper. The paper machines are running; it sustains over 500 jobs. Now, if I’m the white paper mill in International Falls that’s still running and I want to

access good wood fibre, under this scheme, as presented by the McGuinty Liberals, I know where I’d be going. I’d be going across the border, and I’d be putting in bids.

Similarly, there was a beautiful mill in Thunder Bay, Cascades, that produced coated paper, the kind of shiny, coated paper that if you ever go into a car dealership you’ll see—pictures of the cars and there’s nice, glossy paper. That paper was produced at the Cascades mill. The Cascades mill is now closed; over 500 jobs gone. But the directly competing mill, which is in Grand Rapids, Minnesota, an hour and a half south of where I live, is still operating, still making that coated paper. So if you go into a car dealership and you see those nice, glossy pictures of cars—it’s still operating. They need wood fibre. I know what I’d do. I’d be up in Thunder Bay, I’d be in Fort Frances, I’d be in Atikokan bidding on wood fibre. And if I thought for an instant that I wasn’t getting it because somehow some strings had been pulled, right away I’d be before a WTO panel or a NAFTA panel.

Similarly, there used to be a packaging mill in Red Rock. Two machines produced, basically, the kind of paper that would go into making paper bags or cardboard boxes. The mill is gone; 300 jobs are gone, the two paper machines shut down. A similar mill in Thunder Bay, Smurfit-Stone, used to produce packaging-grade paper. It’s the brown, heavy paper, again, that you’d see in cardboard boxes or paper bags. Both those mills are gone. But if you go just two and a half hours south of Thunder Bay to Duluth, Minnesota, and Cloquet, Minnesota, you’ll find paper machines making packaging material, packaging paper.

If I’m those mills and I read this tenure legislation by the McGuinty Liberals and I need wood fibre, I know what I’d be doing. I’d be saying, “Let’s get on up there to Thunder Bay. We’ve got a whole bunch of mills that are shut down. Let’s bid on what was their wood supply. Again, because we’re only worried here about our marginal top 10% or 15%, we can afford to bid very high,” and I get the wood. But the good jobs aren’t going to happen in Thunder Bay. The good jobs are going to be sustained in Duluth, Minnesota, and Cloquet, Minnesota.

I hear the McGuinty Liberals trying to promote this as somehow being some wonderful thing for the forest industry. On the one hand, I can see all the damage it’s going to do. I can see the downsides but, like my colleague from Timmins–James Bay, I’m looking for an upside.

We just had the Minister of Northern Development, Mines and Forestry announce over the last month or so some new allocations of wood fibre in some places in northern Ontario. I hear the parliamentary assistant say the government needs this legislation to enable reallocation to take place. The minister had no trouble re-allocating timber supplies; he had no trouble allocating wood fibre—none—under the existing legislation.

I’m struggling to find the positive benefit of this legislation when it’s pretty clear there are some pretty negative connotations. Let me tell you, people in Thunder Bay and Sudbury were outraged when they read the

Cliffs Natural Resources press release in the papers in those communities. They were outraged when they heard that, as a result of what this government has done, a valuable mineral resource, possibly the largest chromite deposit in the world, would be mined in Ontario, but it would be shipped outside the province for all processing. They were outraged. Let me tell you, I think when they have a chance to go through this bill and understand that this legislation would result in the same sort of thing happening to our wood fibre, people will be outraged again.

1720

The bigger problem is this: Under the NAFTA agreements and the WTO agreements, once you open a natural resource like this to market bidding—and it doesn't matter if it's wood fibre you're talking about or water—whoever bids the highest gets the resource. You cannot turn it off. You cannot go back and pass legislation, saying, "Whoops, we made a mistake. Whoops, this wasn't such a good idea. Whoops, it looks like we're exporting thousands of good jobs to other jurisdictions." The WTO and NAFTA agreements do not allow you to retract. Once you've opened it up, once you've said this is no longer a publicly administered resource but a resource that is up to the highest bidder, you cannot turn off the tap. Since I haven't heard a convincing case from the government for why some of these things need to be put in legislation, why the legislation needs to be changed, I think the government should go back to the drawing board and consider very carefully what it's doing here.

When I talk to people in the forest sector across the north, they say their number one problem for the last almost 10 years has been the price of electricity—and it's not just them saying that. They came to this government in 2004—I was in the hearings—and said, "Look, we can see there's going to be a lot of consolidation in the pulp and paper industry. The worst thing you can do is substantially increase our hydro rates, because that's one of our major cost factors. If you increase hydro rates, you're going to make us much less competitive. When it comes time to consolidate production, our corporate offices, whether they're in the southern US or Montreal, are going to look at Ontario and say, 'Oh, costs are going up.'" Mills in other jurisdictions went to their governments and said the same thing. In the United States, they actually found ways to reduce energy costs for the pulp and paper industry.

So, what has been the result? Well, between Sault Ste. Marie and the Manitoba border eight years ago, we had 21 operating paper machines in northern Ontario. Today we have four operating paper machines in northern Ontario. The rest are gone. You'll find production consolidated in Quebec. You'll find production consolidated in the southern United States. You'll find production consolidated in Minnesota. You'll find fewer and fewer operating paper machines in Ontario.

We used to have 15 operating sawmills in northern Ontario. Today we've got two, from Sault Ste. Marie to the Manitoba border, that are operating. The rest are shut

down. There's no secret. They'll tell you, "If we don't have a paper mill to sell our residual chips to, we can't operate."

Let me tell you, this government's tenure fix is not going to address any of that. It's not going to help the people from the Ear Falls sawmill who were laid off, the people from the Atikokan sawmill who were laid off, the people from the Sioux Lookout sawmill who were laid off, the people from the Kenora sawmill, the people from the Nakina sawmill. It's not going to help the Dubreuilville sawmill. It's not going to help the White River sawmill. It's not going to help the three sawmills in Thunder Bay that are shut down. This legislation is not going to do a thing about that. But I do think we put at risk having Ontario resources go to other jurisdictions.

The Acting Speaker (Ms. Cheri DiNovo): Questions and comments?

Mr. Michael A. Brown: I'm always interested in the comments of the member from Kenora–Rainy River. He knows full well that the bill does not change the provisions that are in place that say you cannot ship timber out of the province to other places. Chicken Little over there, the one-trick pony, has harped on the same issue for a long time. He needs to broaden his horizons.

First of all, the Crown Forest Sustainability Act is in place and will continue to be in place, which says you cannot export timber unless there is no market for that timber in the province of Ontario. That's the rule today; it will be the rule tomorrow. It is in place. That's—

Mr. Howard Hampton: Answer the question: What are you going to do when a US mill bids on the wood?

The Acting Speaker (Ms. Cheri DiNovo): Order.

Mr. Michael A. Brown: If you are positioning yourself in terms of rhetoric—the member for Kenora–Rainy River loves to do that. The fact of the matter is, the world will not change as far as the exports go. As a matter of fact—he probably doesn't realize this—roughly 5% of the timber used in this province today comes from other jurisdictions. It comes from Manitoba, it comes from Minnesota, it comes from Wisconsin, and it comes from Quebec. There is some trade across our borders, and there always has been.

Mr. Howard Hampton: On an exchange basis.

Mr. Michael A. Brown: Yeah, he says on exchange; that's true. There's nothing that's going to change that. A market price within Ontario, to Ontario users, doesn't change anything. He knows that. He should stop flogging this pony.

The Acting Speaker (Ms. Cheri DiNovo): Questions and comments?

Mr. John O'Toole: It's a pleasure to listen to the member from Kenora–Rainy River, who served as minister and author of the current legislation that's being amended.

I would say that the most informative part of what he said is, how is it today? It has gone from, as he said, 15 operating mills to two. We could blame it all on Premier McGuinty; I only blame part of it on him. The price of

the dollar really isn't all—it's mostly federal and, in fact, global.

I think the price of energy and other regulatory attempts in the industry are good examples that not working with them in—this bill is another part of destabilizing, as our critic has said, and has created uncertainties in the industry.

I look at the informative magazine here, the Working Forest, the most recent issue of it, the 2011 issue. I'll just read the article. It says, "Mixed Reaction to Ontario's Tenure Reform Plans." It goes on to say that this "tenure reform provided little relief to the management of Greenmantle Forest in Thunder Bay....

"We were very concerned about a revolutionary approach being taken as opposed to an evolutionary approach.... They were originally talking about having five to 15 forest management units versus the 43" now.

I think, if you're looking at it—there are other reports that I'll put on the record when I'm privileged to be able to speak on this thing.

There are plans, working today in collaboration with other partners in the industry, that are working. It appears to me that the government has come in with a forced plan, if you will, that may or may not work. All I can tell you is they better do something because this is a very important sector to not just northern Ontario but all of Ontario.

The Acting Speaker (Ms. Cheri DiNovo): Questions and comments?

M^{me} France Gélinas: It sure was a pleasure to listen to the member from Kenora–Rainy River. I enjoy him just about as much as I enjoy speaking with his wife, who used to be the Minister of Northern Development and Mines.

Let's put this into perspective: We've had tens of thousands of layoffs in the forestry sector industry in northern Ontario. We've had close to 60 mills that have closed. I can speak at length about Fryer Forest Products, on the edge of my riding, which is still hanging in there by very little; I would say by the skin of their teeth.

Here we have an industry that is crying out for help, and everybody in the north draws the comparison that when the auto industry came to the government and asked for help, the government acted swiftly and they acted decisively. When the forestry industry goes to the government for help, it is now years down the road, and there is still no concrete help forthcoming.

I still have dozens of forestry workers who come to my office to see me and say, "We need help. We know that there will be better times. How come the government is not listening to us?"

1730

Now we have this tenure reform plan that is coming forward that is not going to bring any certainty to the sector, that is not going to help the mills that have made it through this recession—which doesn't know when to end—that are still working and would like the ear of the government so that they can stay in business. But we're

not doing this. We're bringing more uncertainty into a sector that doesn't need it.

The Acting Speaker (Ms. Cheri DiNovo): Questions and comments?

Hon. Monique M. Smith: I'm delighted to speak to this piece of legislation, the Ontario Forest Tenure Modernization Act, and to respond to the member from Kenora–Rainy River, who was, in fact, the voice of doom and gloom today, as he is normally. You know it's a bad day when the member for Durham is actually seen as optimistic and almost positive.

I'm delighted to be able to stand up and speak a little positively about the future of the north and to speak about the changes that we are making to forest tenure.

We heard loudly and clearly from Ontarians that they wanted to see change. We understand that the forestry sector is in crisis; it has been for a number of years. We've provided millions of dollars of support to the forestry sector over the years. We've assisted them in co-generation. We've assisted them with energy prices. We've assisted them in the transition to a new model, which will provide them with a basis in which to compete globally.

We are also acknowledging that there are new players on the block, which I'm sure the member for Kenora–Rainy River is unaware of. In my neck of the woods, in my part of northern Ontario, we have a number of new players who want to become involved in the forestry management sector, who want to come up with new products, who are looking for some wood in order to participate in different, new, alternative energy sources.

We have Tembec in my area of the province, which is actually located in Témiscaming—which, for the benefit of the member from Kenora–Rainy River, is actually in Quebec, but a lot of the people at Tembec live in North Bay, et on est très content de les avoir chez nous, vivre chez nous, faire leur shopping chez nous. Ils sont vraiment une partie de notre communauté. Tembec is looking at how to modernize and become part of the new forestry industry.

We have some great new initiatives in Mattawa, which is very much a forestry town, looking at how they can reconfigure the Tembec equipment that was left behind, that was closed, and how they can start up a new operation. For that, they need forest tenure reform, and that's what we're talking about today: giving these people a chance.

The Acting Speaker (Ms. Cheri DiNovo): The member from Kenora–Rainy River has up to two minutes to respond.

Mr. Howard Hampton: I want to thank everyone for their contributions, but I will start by asking the question that I asked initially, and that's a question that has been asked by my colleague from Timmins–James Bay as well. The Minister of Northern Development, Mines and Forestry, when he set out earlier last year to reallocate forest licences and forest resources, was asked the question, "Do you need new legislation to do this?" His response was, "No. The Crown Forest Sustainability Act

allows us to do this, and the reallocations will be made under the Crown Forest Sustainability Act.”

We’ve heard from speaker after speaker the concern of the industry that is struggling to survive, their real issues about the uncertainty that this legislation will create, particularly the section which allows the minister, with no rationale or reason whatsoever, simply to strike out somebody’s forest licence.

I’ve tried to get across the point that we are bound by the NAFTA and world trade agreements, and that once you put wood up for bid, you cannot say, “Oh, you in Minnesota can’t bid on this,” or “You in Wisconsin can’t bid on this,” or “You in Michigan can’t bid on this.” Once you put a natural resource up for bid, you cannot then exclude someone simply because their operation is based in another national jurisdiction. If you try to do that, you’ll be before a NAFTA panel or a World Trade panel quicker than you can shake your head. For the government to put their head in the sand and ignore that is going to put even more jobs in northern Ontario at risk—many more jobs.

The Acting Speaker (Ms. Cheri DiNovo): Further debate?

Mr. Bill Mauro: I’m pleased to have an opportunity this afternoon to speak to this piece of forest tenure legislation, Bill 151. I apologize; I came in from Thunder Bay today and I have not heard much, if any, of what has been said up to this point regarding the debate on this piece of legislation. I wish I had been here earlier. It is, of course, a piece of legislation that is key and central to all of northern Ontario. As most people recognize, the impact of the forest industry also has a significant impact on the economies of areas beyond the jurisdictions of just northern Ontario.

I think I can probably assume, even though I have not heard much of the debate earlier, that there are at least some common denominators from, I would suspect, all three parties when it comes to issues related to forestry. That is that what we have seen over the course of the last 10 years, I would say—and this transformation began long before we formed government. But I am sure, whether it’s a Conservative, an NDP or a Liberal speaking, that most people would likely agree that what has occurred in this industry is probably fair to be characterized as having been a very fundamental change.

The forest industry in northern Ontario was not unused to seeing cyclical changes in the industry from decade to decade. That was normal. It’s not like it happened every couple of years, but it wasn’t unusual every 10 years or so to see changes in the fortunes of the forest industry. The people somewhat got used to that. Some mills would prosper and others wouldn’t do so well, but it was almost to be expected. I think that was part of the problem: that we’d always come out of these cycles and that things would be as they were before and that they would continue on in the way they had in the past.

I’ve lived in Thunder Bay almost my entire life, and I can tell you that that has pretty much been the history. I think, to some degree, all of us—and this predates our

government. The NDP were in power from 1990 to 1995 and the Conservatives from 1995 to 2003. We’ve now had the pleasure for the last seven years. You could say that we’ve all had some responsibility for managing or mismanaging the industry. I think we all somehow felt that, no matter what, the industry would always come back, that it would always stay the same. We’d cycle through another evolution of cyclical economic factors, many of them beyond our control, and at the end of it, we’d come out and there would still be this many small sawmills scattered all across northern Ontario and there would always be a certain number of pulp and paper mills scattered across northern Ontario.

We’ve learned this time that that’s not the case. What occurred this time was not cyclical change; it was extremely fundamental in terms of the change that has occurred in the forest industry. While I’m not a historian on the forest industry, I might argue that it’s probably the first time that change of this magnitude has occurred in this industry. What is it that we’re going to do about that?

For seven years, I’ve listened primarily, I will say, to the New Democratic Party blame the Liberal government. For every sawmill closure and every pulp and paper mill closure in northern Ontario, it was the fault of the Liberal government. That’s what the NDP have said for seven years. I’ve said to some of the other northern members that we didn’t do a good enough job of speaking out against the ridiculousness of that argument. We let them repeat the same thing over and over again, and I think there were a significant number of people in northern Ontario who bought in and believed it. They tied it primarily to the cost of power. They would suggest to everybody who had a job in a sawmill or a pulp and paper mill that closed—sometimes permanently—that the reason that happened was because the Liberal government in the province of Ontario wasn’t doing a good enough job when it came to controlling power rates. That’s what the NDP did. In fact, I need to give the Conservatives some credit because they didn’t buy into that line of ridiculousness at the beginning. But I would say—

Mr. John O’Toole: On a point of order, Madam Speaker: I ask the member to repeat that statement.

The Acting Speaker (Ms. Cheri DiNovo): It’s not a point of order.

The member from Thunder Bay—Atikokan.

Mr. Bill Mauro: He might not want me to repeat when I finish the comment. But I would say that lately the Conservatives seem to be, as the election date nears, starting to trot out that old familiar NDP line a little bit more.

I wanted to talk just a bit about the electricity piece of this. You have to divide the forest industry into at least two pieces: the pulp and paper side and the sawmilling side. The suggestion by, again, primarily the NDP that somehow electricity rates had anything to do with the demise of the sawmilling half of the forestry industry is incredible.

1740

Electricity is not a significant input cost when it comes to sawmills in northern Ontario or, without knowing for sure, I could probably say, almost any other jurisdiction in Canada. It just is not. So out of tens of thousands of jobs that the NDP like to talk about being lost in the forest industry, a lot of those jobs were in the sawmilling industry. I can tell you unequivocally that the connection between electricity pricing and sawmill jobs is simply misplaced; it's absurd; it's unfair.

I've said in this Legislature before that when NDP members would stand in their place and tell people back in Thunder Bay, Atikokan and all across northern Ontario that, "If we just fix those energy prices, don't worry, you'll get your job back," people were making life decisions: Do I need to move? Do I need to go back to school? Do I need to get retrained? They were really doing a disservice to all of those people, because what had occurred in this industry was a fundamental shift that could not be fixed by simply lowering the cost of energy by one megawatt or whatever the price may be. It was an absurd argument to make, but they continued to make it, and people bought into it. They might have decided, "I'm going to stay in my home," or "I'm not going to try to get a job in the oil patch," or "I'm not going to go back to school and get retrained in the Second Career program" put forward by our government.

It was a terrible thing to do. You did a disservice to people who were caught up in this economic storm, this perfect storm that affected the forest industry, as it was described. You were doing those people a disservice, because they needed to make life choices. They had a very hard decision to make.

Many of those people are my friends that I went through school with. I know the demographic very well. Many of them had a grade 10, a grade 12 education. They were 25-, 30-year employees of these particular industries and mills. They had a tough choice to make, and the suggestion was made, "Don't worry; all we have to do is lower the cost of electricity." It was a nonsensical argument to make, but some people believed it.

You know what? There's no market for the products that sawmills produce. There are still some sawmills operating, and I think, in my personal opinion, when we come out of it, there are always going to be sawmills; there are always going to be pulp and paper mills. There are still some sawmills operating but they are going to be bigger. From this point forward, they're going to have to be bigger in order to compete. That's my belief.

The fact of the matter is, when it comes to the products that they produce, the market was greatly diminished, almost to the point of being wiped out. The Buchanan sawmills in my neck of the woods that employed thousands of people for a very long time, for decades: 90% to 95% of his product was exported into the American market—90% to 95% of it. Guess what's gone on in the American market for the last seven to 10 years? There's this thing called the greatest recession since the Great Depression. There is this thing called the sub-prime mortgage problem, where this incredible glut

of houses appeared on the American market and you could go down there and buy a \$400,000 house for \$50,000. And so, guess what that meant to the housing market? Nobody's building houses. Ipso facto, Buchanan sawmills, 95% of his product that went into the US, doesn't have a customer anymore.

But the NDP would tell those workers, "Don't go back to school; don't get retrained; don't go get a job in another jurisdiction, because we're just going to fix this with the cost of electricity." What a bunch of nonsense, and we had to listen to it.

It wasn't just the recession or the sub-prime mortgage crisis; there's a thing called the debt crisis going on, right?

AbitibiBowater, in my community, joined—they used to be just Bowater, the pulp and paper mill. They joined with Abitibi. At the time, it probably sounded like a good idea: "We're going to join. We're into the newsprint market. We're in the pulp market. We're going to join. We want to take some commodity out of the market and try to get the price up."

It sounded like a good idea at the time. Well, a year later, the credit crisis hits. What did Abitibi have on their books? They had \$6.2 billion of debt after they joined forces, and now we've got a credit crisis in the US. What happens?

It is amazing. I always appreciate very much—I've said it before. Sometimes I'm envious of the positions of the Conservatives or the positions of the NDP. Sometimes, I must say, I'm envious of the simplicity of your arguments. You just throw out energy pricing. You trot out, as it was described here a little while ago, this one-trick-pony argument and you repeat it and repeat it. You beat it into people's brains until they don't think there's anything else going on. But you know what? This is fundamental change, and it doesn't work that way.

This industry requires a different approach today. If you're truly interested in helping those people who have lost their jobs in this industry, you might want to think a bit broader and you might want to try and change the message because lowering the cost of electricity by one cent a kilowatt hour or whatever it is your goal would be—and I never did hear what it was—is not going to bring one job back in the sawmilling industry because there is no market for what they produce. That market has been severely diminished. There are still sawmills operating. There's some market.

If you want to do something, why don't you go and ask the federal guys to try and do some work on the softwood lumber agreement? Get us a bigger market share. Try and find a way to address that tribunal. Every time we try and export into that market, we get shut down. It's unbelievable, the simplicity of their argument. I must say I'm envious.

The reality of it is, we've helped tremendously when it comes to this industry. There are more mills that may have been gone, that may have disappeared if not for the different types of support that we brought forward, I would say, over the last five years, even more significantly, the last two or three years.

In the last two years, for AbiBow operating in the city of Thunder Bay, employing 450 people and another 300 or 400 in the woodlands, we've announced two programs that, combined, are saving them \$25 million a year, and we think as a result of that we're going to see further investments come from that particular facility.

But when it comes to AbiBow, I should make the point, because again it's primarily the NDP who want to make it sound like we shut down an industry, that there were three paper machines operating at the AbiBow mill in 2003. Today, there is one. One of those machines closed in 2003. Here's a point that I want to stress, and I hope that people following this debate on TV will really remember this point. In 2003, they closed that machine. I think there were about 150 men and women associated with the work on that machine.

But here's the difference. When they closed that machine in 2003, before we formed government, they didn't just close the machine, they transferred the capacity of that machine—that is, what it produced, what it made, what it sold—to another jurisdiction. Okay? So they made a decision before we were in government, "You 150 people, you're out of work." The AbiBow mill in Thunder Bay has nothing to do with energy prices. This is 2003. Nothing to do with it. "We're shifting the capacity of that machine to a different jurisdiction."

I would love to hear an NDPer stand up and tell me why that happened, because you know what the point is? All of those closures that have occurred now that the NDP want to tell you are because of energy pricing—show me, if that's the case, where the capacity of those closures has been transferred to another jurisdiction. If it's only about energy prices, show me where the capacity of those sawmills and those pulp and paper mills got transferred to a lower-cost energy jurisdiction. Prove your argument instead of just standing up and being demagogues on a regular basis. Because you know what? It didn't happen.

Quebec is a lower-cost energy-producing jurisdiction than Ontario, and it always has been. BC is a lower-cost energy jurisdiction than Ontario, and it always has been. So if the case is simply about energy, how come they didn't just close? AbiBow operates mills in Quebec. Why didn't they just close the mill in Thunder Bay and transfer the capacity into Quebec? Because there's no market. Right? Because the commodity price was too low. Because the Canadian dollar used to be 73 cents and it topped out at \$1.10. Because there's a shrinking market for newsprint. Because there's global competition. I wonder if there's a little bit more at play here, when it comes to forestry and the fundamental change that has occurred in this industry. As I say, I continue to be envious of the simplicity of the arguments that the NDP and, unfortunately, lately, my Conservative friends get to put out there.

1750

So, what are we going to do about it? I can tell you that where I come from, people have been clamouring for change, in terms of the management of the forest industry. We've been hearing this for three or four years.

There are quieter voices out there who understand the fundamental change that has occurred in this industry, and they know that we need a different approach to try to create jobs.

About one or two months ago, I had the opportunity to be in Atikokan—my riding is Thunder Bay–Atikokan—for a wonderful announcement. We had a competitive wood supply allocation announcement. We gave a company called Atikokan Renewable Fuels, through a competitive process—we didn't just give it to them; they had to bid. And there was significant aboriginal involvement in their bid. We allocated to them—I'm forgetting the number—about 180,000 cubic metres. They already had 100,000. They're going to go into a different type of market, which is where we need to be if we want to create jobs. They're going to take an old sawmill—again, another example of an old sawmill that was closed in Atikokan when I was first elected—called Proboard. It was closed already. We didn't create this problem. This company has bought that facility. They're going to bring about 95 people back to work—40 or 60 of them in the facility and the balance in the woodlands—producing wood pellets, because we gave them wood. It's a new approach in this situation to getting wood to new players who have new products; who want to create employment with significant First Nations involvement—which is one of the reasons they won the bid. This company is now going to have an opportunity to bid on being the supplier of a biomass fuel source to the Atikokan generating station.

All three parties and all three political leaders—Howard Hampton, when he was the leader of the NDP; Ernie Eves, when he was the leader of the Conservatives; and us—when we were running in 2003, committed to closing coal, but nobody committed to converting them. Well, we've done that. Atikokan generating station is going to be converted to biomass. This particular company that just got this wood through a new process—we're talking about change, to address the fundamental change that has occurred in this industry. This new company now has wood. They're going to produce a biomass product that could potentially, through a competitive process, have them become the supplier of their product to that facility. How many more jobs will that create is the point that I'm getting to. That's Atikokan Renewable Fuels.

I've talked about AbitibiBowater in Thunder Bay on the sawmilling side. On the pulp and paper side, if you have thermo-mechanical pulping, it is an energy-intensive process. Not all pulp and paper mills have the same process. If you have what is called TMP, it can be a significant contributor to their operating costs. We addressed this. Anybody who still stands in this place, looks into the cameras on a regular basis and tells all of those thousands of laid-off forestry workers, "You know what? Your job is gone because this Liberal government just dropped the ball when it came to the policy"—it's staggering to me. I've got to tell you, the nerve is absolutely staggering. My old friend Johnny Holbik, the Kashabowie Kid, used to say, "Billy, they've got more

nerve than a bad tooth.” I don’t know how people do it. They say it on a regular basis. They repeat it. I guess it’s the old advertising axiom, right? Just keep saying it—10 times before it penetrates into the consciousness of your market. I suppose that’s what’s going on here. It’s not something I could do.

This bill, Bill 151, is about change. People in northern Ontario have been asking for this for a very long time and we’re delivering it.

The Acting Speaker (Ms. Cheri DiNovo): Questions and comments?

Mr. John O’Toole: For a moment there, I was quite happy to listen to the member from Thunder Bay–Atikokan and he was quite complimentary.

I was reading an article, oddly enough, in *Working Forest*, which referred directly to the wood supply winner and loser that he talked about. The company that he referred to was Atikokan Renewable Fuels. That announcement was, it says here, made on January 31. It’s going to be creating wood pellets, and those wood pellets are all glued together with glue. It’ll be replacing coal in biomass production, which I think is quite a unique idea, really.

I’d have to say that it would be wrong to assume that innovation, which was probably started by the company—as they call it, more nerve than a bad tooth. I think what he meant there is that these are the innovators that need to be rewarded.

I believe in the north. We should be, as Conservatives, proud to be partners with the members of the north, and I’ll tell you why. Self-reliance is a fundamental part of how we approach problem solving. Premier McGuinty’s approach is to write the cheque. He’s always got his hand in your pocket to solve every problem.

I look at the member from Oakville. It’s energy-related, Madam Speaker. They bailed out the plant, they cancelled the gas-fired plant in Oakville and moved it quickly to, I believe, Cambridge.

Now, what I’m saying here is how this applies. The north is self-reliant and that’s good, and I recognize that the government was at least intelligent enough to go there and recognize it. I’m not sure how much money was put in it. Perhaps in the follow-up—we recognize these partnerships. The commercialization of ideas is the future and the north just needs that kind of support.

This bill really is kind of a construct that is not going to allow that kind of innovation. These forest management plans and these new LHINs aren’t exactly what’s needed up there.

The Acting Speaker (Ms. Cheri DiNovo): Thank you. Member from Nickel Belt.

M^{me} France Gélinas: Where I come from, we say more nerve than a toothache, just so the member knows. We don’t use quite the same term, but I think I got your drift.

Yes, the NDP has been talking about the cost of energy because everywhere we go we hear it. The north produces the cheapest, greenest, easiest-to-get-to energy. We get it from falling water. Yet, we are not able to use it to provide jobs, growth and opportunity in the north and

we will keep talking about the cost of energy in the north because we hear it from every single paper mill, every single smelter, mining, forestry, tourism. People who live in our riding talk to us about the cost of energy. How could it be that we are able to produce energy in the north but we are not allowed to use it? Yes, we will keep making that argument over and over.

The member can say whatever he wants but it is under his watch that 60 forestry mills closed in northern Ontario, throwing tens of thousands of families out of a job. When the same thing happened in southern Ontario and the auto industry came to the McGuinty government, they acted. They listened and they helped out. When the forestry industry collapsed in the north, it didn’t matter how loud we shouted, nobody at Queen’s Park listened, nobody at Queen’s Park heard us. We were in northern Ontario and nobody cared. It didn’t matter that 200 jobs were lost at the paper mill in Espanola; it didn’t matter that 60 jobs were lost at the sawmill in Monetville; it didn’t matter that 200 jobs were lost in Gogama. That was in the north. Nobody cared. Well, I care about people in northern Ontario and I will keep advocating for energy prices that make sense to—

The Acting Speaker (Ms. Cheri DiNovo): Thank you. Questions and comments?

Mr. Michael A. Brown: I want to commend my colleague from Thunder Bay–Atikokan for not only a thoughtful speech, not only a factual speech, but an impassioned speech that spoke to the reality of northern Ontario, not the fabrications that we sometimes hear about the problem and the issues.

The Acting Speaker (Ms. Cheri DiNovo): I would ask the member to withdraw that comment.

Mr. Michael A. Brown: I withdraw “fabrications.”

The reality is, I represent a forest industry riding. I represent Domtar, which has a competitive mill producing more products, not less—it’s making a profit these days—that has always struggled through. I’ve worked with that particular mill since 1987, and it is a success story. It is true there are less employees there. It is true there are less employees in total at Tembec. It is true that there are less employees at Haavaldsrud in Hornepayne. But they are all producing more.

The world has changed. Competition and change are a fact of the 21st century, a fact we may not like but a fact that is true. Northerners know that we need to change. Northerners have always known that we need to innovate. Northerners have always known that our economy relies on us.

The government has provided huge assistance. Talk to the Haavaldsrud family in Hornepayne. Talk to the people at Tembec in Chapleau. Talk to the people at Domtar. Talk to those people who provide the jobs. You will find that they like this government.

The Acting Speaker (Ms. Cheri DiNovo): Questions and comments?

The member from Thunder Bay–Atikokan has up to two minutes to respond.

Mr. Bill Mauro: I want to thank the members from Algoma–Manitoulin, Durham and Nickel Belt.

People say the same thing. They repeat the same message. I would say to my friend from Nickel Belt that other people care; not just you, not just the NDP. This idea that you're the conscience of the province has worn a little thin. You're the only people who care, just the NDP—unbelievable. As I told you in my remarks, these are people I went through school with. I coached their kids in hockey. The ability for people to stand in their place and make comments like that and yet not offer a solution—tell me how you're going to fix the Canadian dollar.

The AbiBow mill in Thunder Bay: A one-cent appreciation in the value of the Canadian dollar equates to \$3 million to \$4 million of expense. When we came to government, it was 73 cents. It topped out at \$1.10. That's \$100 million a year, give or take, on their bottom line on an annual basis, just on the currency appreciation. Fix that for me. Create a market for the sawmills. Fix that. I don't know how you're going to do it.

There are real, fundamental issues. This is so fundamental, the change that has occurred. The responses that we are trying to bring forward—and I referenced the wood allocation process in my opening 20 minutes—are already creating jobs. Besides the one that I mentioned, the 95 through Atikokan Renewable Fuels, Abitibi-Bowater also has a sawmill. There are 50 brand new incremental jobs coming there. My colleague from Thunder Bay–Superior North and I had another event about a week ago where three different smaller players received wood allocations for the first time in their 20- or 30-year existence—long-term supply creating more jobs. It's starting to work already.

Second reading debate deemed adjourned.

The Acting Speaker (Ms. Cheri DiNovo): It being just after six o'clock, I declare that this House stands adjourned until tomorrow morning at 9 a.m.

The House adjourned at 1803.

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CONTENTS / TABLE DES MATIÈRES

Monday 7 March 2011 / Lundi 7 mars 2011

INTRODUCTION OF VISITORS / PRÉSENTATION DES VISITEURS

Mr. Steve Clark	4489
Hon. John Gerretsen.....	4489
Mr. Ted Arnott.....	4489
Mrs. Christine Elliott.....	4489
The Speaker (Hon. Steve Peters).....	4489

Decorum in chamber

The Speaker (Hon. Steve Peters).....	4489
--------------------------------------	------

ORAL QUESTIONS / QUESTIONS ORALES

Energy policies

Mr. Tim Hudak	4489
Hon. Brad Duguid	4490

Energy policies

Mr. Tim Hudak	4490
Hon. Dalton McGuinty.....	4491

Smart meters

Ms. Andrea Horwath.....	4491
Hon. Brad Duguid	4491

Smart meters

Ms. Andrea Horwath.....	4492
Hon. Brad Duguid	4492

Climate change

Mr. Jim Wilson	4493
Hon. John Wilkinson.....	4493

Northern Ontario

Ms. Andrea Horwath.....	4493
Hon. Michael Gravelle	4493

Services for the disabled

Mr. Yasir Naqvi	4494
Hon. Madeleine Meilleur	4494

Curriculum

Mr. Jim Wilson	4494
Hon. Leona Dombrowsky	4495

Long-term care

Mme France Gélinas	4495
Hon. Deborah Matthews	4495

Mining industry

Mr. David Ramsay	4496
Hon. Michael Gravelle.....	4496

Smart meters

Mr. John Yakabuski	4496
Hon. Brad Duguid.....	4496

Long-term care

Ms. Andrea Horwath	4497
Hon. Deborah Matthews	4497

Renewable energy

Mr. Reza Moridi.....	4497
Hon. John Wilkinson.....	4497

Full-day kindergarten

Mrs. Elizabeth Witmer	4498
Hon. Leona Dombrowsky	4498

Social assistance

Mr. Michael Prue	4499
Hon. Madeleine Meilleur	4499

Public transit

Mr. Wayne Arthurs	4499
Hon. Kathleen O. Wynne	4499

Use of question period

Mr. John Yakabuski	4500
The Speaker (Hon. Steve Peters).....	4500

DEFERRED VOTES / VOTES DIFFÉRÉS

Good Government Act, 2011, Bill 110, Mr. Bentley / Loi de 2011 sur la saine gestion publique, projet de loi 110, M. Bentley

Third reading agreed to	4500
-------------------------------	------

INTRODUCTION OF VISITORS / PRÉSENTATION DES VISITEURS

Mr. Vic Dhillon.....	4500
----------------------	------

MEMBERS' STATEMENTS / DÉCLARATIONS DES DÉPUTÉS

Hydro rates

Mr. Ernie Hardeman.....	4501
-------------------------	------

Ottawa Bear Hug

Mr. Phil McNeely.....	4501
-----------------------	------

Highway construction

Mr. Ted Arnott	4501
----------------------	------

Community awards

Mr. Yasir Naqvi	4501
-----------------------	------

Lakehead University

Mr. Garfield Dunlop.....	4502
--------------------------	------

Continued on inside back cover

Continued from back cover

Victim Services Toronto	
Mr. Peter Tabuns	4502
Business awards	
Mr. Kevin Daniel Flynn	4502
Full-day kindergarten	
Mr. David Ramsay	4502
Municipal government	
Mr. Dave Levac	4503

PETITIONS / PÉTITIONS

Oak Ridges moraine	
Mr. John O'Toole	4503
Taxation	
Mr. Michael Prue	4503
Paramedics	
Mrs. Maria Van Bommel	4503
Highway construction	
Mrs. Christine Elliott	4503
Taxation	
Mr. Gilles Bisson	4504
Paramedics	
Mr. Lorenzo Berardinetti	4504
Highway construction	
Mr. John O'Toole	4504
Replacement workers	
Mme France Gélinas	4504
Highway construction	
Mr. John O'Toole	4504
Municipal government	
Mr. Michael Prue	4505
Post-secondary education	
Mr. John O'Toole	4505
Services en français	
Mme France Gélinas	4505
Hospital funding	
Mr. John O'Toole	4506
Replacement workers	
Mme France Gélinas	4506

ORDERS OF THE DAY / ORDRE DU JOUR

Toronto Transit Commission Labour Disputes Resolution Act, 2011, Bill 150, Mr. Sousa / Loi de 2011 sur le règlement des conflits de travail à la Commission de transport de Toronto, projet de loi 150, M. Sousa	
Second reading vote deferred	4506

Ontario Forest Tenure Modernization Act, 2011, Bill 151, Mr. Gravelle / Loi de 2011 sur la modernisation du régime de tenure forestière en Ontario, projet de loi 151, M. Gravelle	
Hon. Michael Gravelle	4506
Mr. Jerry J. Ouellette	4510
Mr. Gilles Bisson	4510
Mr. David Ramsay	4510
Mr. John O'Toole	4511
Hon. Michael Gravelle	4511
Mr. Randy Hillier	4511
Mr. Toby Barrett	4515
Mr. Howard Hampton	4518
Hon. Michael Gravelle	4518
Mr. John O'Toole	4518
Mr. Gilles Bisson	4519
Mr. Randy Hillier	4519
Mr. Gilles Bisson	4519
Mr. Michael A. Brown	4528
Mr. John O'Toole	4528
Mr. Kevin Daniel Flynn	4529
Mr. Jerry J. Ouellette	4529
Mr. Gilles Bisson	4529
Mr. Michael A. Brown	4530
Mr. John O'Toole	4530
Mr. Howard Hampton	4531
Mr. Jeff Leal	4531
Mrs. Christine Elliott	4531
Mr. Michael A. Brown	4532
Mr. Jerry J. Ouellette	4532
Mr. Howard Hampton	4535
Mr. Michael A. Brown	4535
Mr. Robert Bailey	4536
Mr. Wayne Arthurs	4536
Mr. Jerry J. Ouellette	4536
Mr. Howard Hampton	4537
Mr. Michael A. Brown	4539
Mr. John O'Toole	4539
Mme France Gélinas	4540
Hon. Monique M. Smith	4540
Mr. Howard Hampton	4540
Mr. Bill Mauro	4541
Mr. John O'Toole	4544
Mme France Gélinas	4544
Mr. Michael A. Brown	4544
Mr. Bill Mauro	4545
Second reading debate deemed adjourned	4545