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**Official Report  
of Debates  
(Hansard)**

**Journal  
des débats  
(Hansard)**

**Tuesday 28 May 2002**

**Mardi 28 mai 2002**

Speaker  
Honourable Gary Carr

Président  
L'honorable Gary Carr

Clerk  
Claude L. DesRosiers

Greffier  
Claude L. DesRosiers

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## LEGISLATIVE ASSEMBLY OF ONTARIO

Tuesday 28 May 2002

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

Mardi 28 mai 2002

*The House met at 1330.  
Prayers.*

### MEMBERS' STATEMENTS

#### NATIONAL ACCESS AWARENESS WEEK

**Mr Ernie Parsons (Prince Edward-Hastings):** I am pleased to rise today on the occasion of National Access Awareness Week. This is an opportunity for us as a Legislature to recognize the accomplishments that are made by so many people in this province who pay a far higher price than the average person does for their accomplishments. In many senses, they serve as wonderful role models and heroes for us.

However, this week is also a reminder to those of us who do not have a disability that we can do more; we can do much more to provide access. We can work to ensure that the disabled community has the same access to public transportation as everyone else in the province. We can work to ensure there are far more services, including government services, available to those individuals who are deaf and blind. We need to work for families who are living with a family member with mental illness to ensure there are more proper and adequate services and supports available for them. We need to ensure that the special education students in our province start to receive the funding they need, so that they can maximize their development and be full citizens. In short, we need to take down the barriers to ensure that we provide equal services and equal opportunities to those who require access to special services.

This government, which rushed through the Ontarians with Disabilities Act in December last year, could do the right thing and finally proclaim that bill, weak as it is, to show that we pay more than lip service, that we truly care and we recognize the needs of those who require special access.

#### OAK RIDGES MORaine

**Mr Steve Gilchrist (Scarborough East):** I am pleased today to recognize the work of the Minister of Municipal Affairs and Housing in the creation of the long-awaited Oak Ridges Moraine Foundation. I am immensely pleased to be able to stand here today and pay tribute to yet another environmental initiative launched

by our government, a government that in one day in 1999 created more parkland than any other government in the history of the world, a government that has a legacy of creating parks and preserves all across the province. The bottom line is that we have parks such as the Rouge Park, the world's largest park in an urban setting, massive green space guaranteed to provide contact with Ontario's natural heritage for hundreds of years to come.

I also want to pay tribute to the work of the volunteers that led to this great announcement: people on Save the Oak Ridges Moraine, folks on the working group that worked with the minister to develop the Oak Ridges moraine plan.

I also want to recognize the \$15 million in seed money that has already been put into the hands of this new foundation but which we believe will trigger literally hundreds of millions of public and private dollars to guarantee that the moraine is protected from one end to the other as the largest green space, the largest protected area, ever created in the province of Ontario and certainly the largest one anywhere near the greater Toronto area.

#### LONG-TERM CARE

**Mr John C. Cleary (Stormont-Dundas-Charlottenburgh):** Two weeks ago I had the opportunity to meet in my office with 40 administrators, staff and families from the long-term-care facilities in my riding. Later the same day I was fortunate to be able to visit the GlenStorDun Lodge, a long-term-care facility in my riding, and also Winchester District Memorial Hospital, with Ruth Pollock.

Throughout the day I had the opportunity to speak with nurses, administrators and residents about long-term care. Many in my riding are extremely concerned about the critical lack of funding for the programs and services in Ontario's long-term-care facilities as well as the number of patients who are forced to wait in hospitals until a nursing home becomes available.

Often, before seniors enter long-term-care facilities they are forced to wait in hospitals, long after they could be released, for a nursing home bed to become available. Not only does this end up costing the government more money in the long run, but also, who wants to be in hospital when it's not necessary?

In 1998, the government promised 20,000 additional beds. Only 3,700 have become available.

I want to mention that Pamela Nisbet, an administrator at Woodland Villa, currently says that nursing staff have

only four minutes to assist residents to get up, washed, dressed and into the dining room, 10 minutes to assist residents with eating, 15 minutes of programming per day and one bath per week. The government needs to address this issue immediately.

#### GREY COUNTY ANNIVERSARY CELEBRATIONS

**Mr Bill Murdoch (Bruce-Grey-Owen Sound):** I rise in the House today to invite everyone to an upcoming event in my riding of Bruce-Grey-Owen Sound. On the weekend of June 14, Grey county will be celebrating its 150th anniversary. This is truly a historical occasion. I would encourage everyone to come out, join in the celebrations and experience the hospitality of a jam-packed weekend planned full of activities for everyone.

**Mr Ted Chudleigh (Halton):** Can you go fishing?

**Mr Murdoch:** Yes, you can go fishing too.

The weekend will begin on Friday, June 14, at Owen Sound's Victoria Park, with opening ceremonies at 9 pm. There will be various dignitaries present, along with a mass pipe and drum band of approximately 40 to 45 people from the Grey county area. Also planned is an entire weekend of entertainment featuring country and Celtic music as well as modern and old-time square dancing, all produced by the Bognor Jam Production and Promotion Co.

A couple of highlights of the weekend will include the unveiling of a new Grey county flag, the kickoff for the 2004 International Plowing Match and the cutting of one of the largest birthday cakes in the world.

Also, when you're in the area, take time to enjoy the surrounding scenery and activities. Local museums, libraries, music festivals and studio tours showcase the many faces of local culture and the talents of various artists.

**Ms Marilyn Churley (Toronto-Danforth):** What about Walkerton?

**Mr Murdoch:** I am very proud to be part of this occasion and offer Grey county my personal best wishes on this special occasion. Thank you. And to Ms Churley, Walkerton is in Bruce county and not in Grey county.

#### CARDIAC CARE

**Mr John Gerretsen (Kingston and the Islands):** It's high time that the more than 17 cardiac rehab centres which were set up by the Minister of Health a year and a half ago as pilot projects are given sufficient permanent funding so that the patients and their families who benefit from this program can continue to count on this most important cardiac service.

At cardiac rehab centres, teams of health care professionals, including nurses, physiotherapists, dietitians, social workers, exercise physiologists, psychologists and consulting cardiologists, work together to improve the health of a cardiac patient by providing tips on diet and

exercise and monitoring a patient's recovery while they are exercising.

Minister, you have two reports on the pilot projects, as well as economic studies done in the US and Finland, that confirm that cardiac rehab programs benefit the patients and their families. Following treatment, patients require fewer trips to the hospital, less medication and experience fewer subsequent heart attacks and reduced risk of diabetes.

From a purely economic viewpoint, the cost for a cardiac patient is less than two days of treatment for a person in an ICU. As Daniel Soberman, who has written to you on two occasions about the tremendous benefits of the program at Hotel Dieu Hospital in Kingston following his heart attack—letters, I might add, to which you've never responded—states, "They're going to let the money run out. What sense does that make?" At the Kingston centre alone, more than 120 cardiac patients have been treated over the last seven years.

We demand action today. Minister, fund the program and give them sufficient funding to operate on.

1340

#### LONG-TERM CARE

**Mr David Christopherson (Hamilton West):** I rise again in my place with more cards to the government, more outrage from our seniors' community. In particular, these cards are from the long-term-care facility in Shalom Village in Queens Garden Retirement Home in my community. This is the buildup that eventually is going to lead to the point where you recognize your responsibility to seniors in long-term-care facilities.

Yesterday Ethel Meade, a member of the Ontario Health Coalition, said, "It's a scandal to me. The conditions in our nursing homes, that's the real scandal." She pointed out that this government in 1997 cut the hours of nursing care, which were at 2.25 hours per patient—you cut back. You cut back on the services to seniors in our nursing homes, and then you also felt it was OK to eliminate the regulation that said there had to be a registered nurse on-site. This is supposed to be a government that cares about the people of Ontario?

Further to that, you've got CARP, Canada's Association for the Fifty-Plus, 400,000 members, and what do they have to say about your latest policy change in terms of admission? "The draconian nature of the policy is a great worry to us and to the seniors who are affected and to their families." Again, you've got millions of dollars for tax cuts for corporations and not enough money for our seniors, the most vulnerable here in Ontario.

#### GREAT CANADIAN TOWN BAND FESTIVAL

**Mr John O'Toole (Durham):** I rise in the House today to mention an important musical and social event in my riding of Durham next month. I'm referring, of

course, to the Great Canadian Town Band Festival in Orono on June 14, 15 and 16. Write it down.

This festival pays tribute to a 200-year-old Canadian musical tradition. Town bands originated, as you might know, in the 1790s, when British military bands stationed in Upper Canada and Lower Canada played in parades and other special community events.

I'm pleased to report that the Orono community is continuing the tradition with this outstanding festival of band music. The weekend includes a military tattoo Friday night—a must-attend event—a parade and concert Saturday, a big-band showcase on Saturday night, and a salute to local bands on Sunday. There will be performances by the Juno Award-winning Spitfire Band, the Drums of the Fort Henry Guard, True North Brass, and an all-trombone ensemble called Slide Rule. These are just a few of the 24 bands that will be performing. Also appearing is acclaimed trombone virtuoso Alain Trudel. He will perform and also lead a master class later.

Events of this magnitude do not happen without the dedication of corporate sponsors and scores of volunteers. I could possibly name a few of them. I'd like to pay tribute to the 2002 committee. They include Dave Climenhage, chairman, along with Colin Rowe, Marg Zwart, Judy Climenhage, Barrie Hodges, Janet Cringle, Brian Dalloway, Mary-Sue O'Connor, Brigitte Brown, Gail Empey and Jeanne Burnside.

The Ontario Trillium Foundation contributed \$70,000 toward making this a very worthwhile event on June 14, 15 and 16. We'll see you there.

#### SERVICES DE SANTÉ POUR ENFANTS

##### **M. Jean-Marc Lalonde (Glengarry-Prescott-Russell):**

Je veux exprimer ma déception de l'annonce de vendredi dernier. L'est ontarien est en choc aujourd'hui, oui, en choc, à cause du traitement que le gouvernement conservateur réserve à nos enfants. La réduction des services de cardiologie à l'Hôpital pour enfants de l'est de l'Ontario est inacceptable. Pendant plusieurs années nous avons dû lutter durement pour obtenir des services en français à cet hôpital. Le gouvernement conservateur veut tout centraliser à Toronto. Nos enfants seront-ils réconfortés par des médecins en français ? J'en doute.

En espérant que les conservateurs auront bon coeur et qu'ils renverseront leur décision, je vous fais part d'un exemple. Patrick Quesnel, d'Alexandria, a subi sa première opération à peine deux heures après sa naissance. Patrick en a subi 11 autres en cinq ans—oui, 11 opérations en cinq ans. Il a dû visiter la clinique de CHEO trois fois par semaine. Patrick Quesnel est un francophone, et ce gouvernement est prêt à l'envoyer dans un milieu anglophone à 600 kilomètres pour sa prochaine opération. Je dis non. À titre d'Ontarien, à titre de député et à titre de parent, je répète encore : c'est inacceptable. Aussi, prenez garde du fait qu'il y a seulement un hélicoptère de disponible pour desservir tous nos enfants de l'est ontarien.

Pour l'amour de nos enfants de l'est de l'Ontario, j'espère que ce gouvernement aura bon coeur et qu'il gardera ces services essentiels ouverts à CHEO. Autrement, la bataille commence samedi prochain, à 10 heures du matin dans le stationnement de CHEO.

#### DIANE KALENCHUK

**Mrs Margaret Marland (Mississauga South):** It gives me great pleasure to congratulate Diane Kalenchuk as the recipient of the Gordon S. Shipp Memorial Award for 2002, and the Mississauga Citizen of the Year.

A successful realtor and long-time resident of Mississauga, Diane also finds time to provide inspired leadership in minor sports, civic projects and multiculturalism. Diane has been a member of the Mississauga Real Estate Board since 1980 and served as its president in 1991. In 1995 she received the Ron Sanderson Award, which honours outstanding realtors who volunteer in the community while upholding the highest ideals of their profession. She also received the Joan Fitzpatrick Award for volunteer commitments to the MREB.

Diane co-chaired the Mississauga Millennium Committee, which organized a year-long celebration for the turn of the century. In minor sports her more than two decades of service have included key roles in establishing Gymnastics Mississauga and building the new club's facility.

A member of the Mississauga Sports Council since 1992 and its chair since 1997, Diane serves on the sports complex committee and has chaired the sports week and sports dinner committees.

Diane, your hard work, dedication and generosity with your personal time are an inspiration to residents across Mississauga. We're all very proud of you. Thank you for making a difference in the lives of so many people in our great city.

#### VISITORS

**Mr Bill Murdoch (Bruce-Grey-Owen Sound):** On a point of order, Mr Speaker: Sitting in the gallery with my daughter Angie and my nephew Michael Harris is a master of capoeiro, Mestre Antonio Bezzera dos Santos, who lives in Brazil in the heart of the Amazon jungle. He is a master of capoeiro, which is an extremely acrobatic, athletic martial art that requires of its students tremendous physical skill. I am proud to say that my daughter Angie is now a graduated student. I would like to recognize the mestre from Brazil and his friends.

Welcome, bienvido, Mestre Antonio Bezzera dos Santos.

**Mr Steve Peters (Elgin-Middlesex-London):** Also on a point of order, Mr Speaker: I read with interest the Ontario Business Report that's just been presented. It says, "Runciman promotes Ontario's competitiveness to the world and announces automotive sector round table." I applaud him on the creation of the round table, but it

would have been nice to have a car made in Ontario and not a Corvette made in Kentucky.

**The Speaker (Hon Gary Carr):** It's not a point of order.

## MOTIONS

### SELECT COMMITTEE ON ALTERNATIVE FUELS

**Hon Chris Stockwell (Minister of Environment and Energy, Government House Leader):** I would like to ask for unanimous consent to move a motion concerning the select committee on alternative fuels.

**The Speaker (Hon Gary Carr):** Is there unanimous consent? Agreed.

**Hon Mr Stockwell:** I move that, notwithstanding the order of the House dated June 28, 2001, the select committee on alternative fuels shall submit its final report to the assembly by June 6, 2002.

**The Speaker:** Is it the pleasure of the House that the motion carry? Carried.

The minister for a point of order.

1350

### BILL WILKINS

**Hon Robert W. Runciman (Minister of Public Safety and Security):** Mr Speaker, I'd like consent for each party to speak for approximately five minutes on the passing of Barrie firefighter Bill Wilkins.

**The Speaker (Hon Gary Carr):** Is there unanimous consent? Agreed.

**Hon Mr Runciman:** I rise in the House to recognize the tragic passing of Barrie firefighter Bill Wilkins. Firefighter Wilkins died yesterday in the line of duty, as the result of injuries suffered while fighting a house fire in his community.

Bill Wilkins was only 32 years old. He had always wanted to be a firefighter, and began his career as a volunteer with the Oro-Medonte township fire service. In 2000, he joined the Barrie Fire and Emergency Service as a full-time professional firefighter. He was also a paramedic and a volunteer ski patroller. He was a man who clearly cared deeply about his community and helping others. The tragedy of Bill Wilkins's death is compounded by the fact that he and his fiancée planned to be married in just four short weeks. Firefighter Wilkins is also survived by his mother and two brothers.

Last November, former Premier Harris and I visited Ground Zero in New York City. For me, the most moving part of that emotional visit was having the opportunity to see the temporary firefighters' memorial. That memorial contained the pictures of the hundreds of firefighters who lost their lives in the space of a few hours that fateful morning. It dramatically drove home to me that firefighters like these men and like Bill Wilkins

know that every single day they report for duty, they face the uncertainty of whether today is the day they will be called on to risk their lives in the service of others. Understanding this challenge is one thing; accepting it and overcoming it every single shift is something else. It defines heroism for me and I know for all Ontarians.

Firefighters are a part of that small and all too often unappreciated core within each community, a core that includes police officers and emergency medical personnel, dedicated public servants who allow all of us to feel safer and more secure. Bill Wilkins was the seventh firefighter to die in the line of duty in the past 10 years in Ontario.

In closing, let me extend our condolences to the Wilkins family, his fiancée, his fellow firefighters and friends, and the community of Barrie. Hopefully, there will be solace in knowing that their grief is shared by us all.

Mr Speaker, following the comments of other members, I would ask through you that all honourable members rise for a minute of silence in memory of the all-too-short life of Bill Wilkins.

**Mr David Ramsay (Timiskaming-Cochrane):** The first thing I'd like to do is to thank the Minister of Public Safety and Security for allowing the Ontario Legislature to reflect on the life of Bill Wilkins and the price that he paid in saving Ontarians as he did in Barrie a couple of days ago.

I don't know if it's since the events of 9/11, but I think if one could say that there has been a positive change in society since that horrific, terrible attack on New York City, maybe in our day-to-day lives now we are starting to take the time to appreciate the men and women who serve and risk their lives to protect us all in society.

I know the minister has always respected and revered our men and women in uniform, and everybody in this House respects that and knows that to be true. I know I got a greater understanding about five years back when my leader, Dalton McGuinty, asked me to be the critic for the Solicitor General and I really got to know for the very first time the men and women who serve in our firefighting services. It was really the best time of my life to get to know a group that was strong and loyal and very tight-knit, very protective of each other because they risked their lives every day.

As Dalton would say, in our just-in-time lives we're so busy just trying to keep up with our lives, to keep our family going and keep up with work, that we don't take time to pause and appreciate that in some lines of work people risk their lives every day. Most of us don't, but there is a large group of people in this province who do that. They and their families don't know, when the emergency worker goes to work, whether that person will be returning to their home that evening. Most of us don't think that. We take it for granted that we'll be back home, because our jobs don't potentially mean we will pay the ultimate price that these emergency service workers do. I think we forget that and I appreciate the minister's giving us that opportunity.

I would like to say to Bill's fiancée, his mother and his two brothers that we deeply regret what happened, but we appreciate that Bill was out there trying to do his job, protecting and serving the people of Ontario. From the reports that I've read of how Bill looked at his job, we know that he was doing what he loved to do, which I know I could say for all of the emergency service workers I know.

On behalf of the Liberal caucus, we send our condolences to Bill's family and we will never forget.

**Mr Peter Kormos (Niagara Centre):** It's a tragedy when any worker dies in the course of the performance of their job. But front-line emergency response personnel, women and men in fire services, police services and other emergency response services, take on their professions knowing that an integral part of that task that they're going to be called upon to perform involves the risk of personal danger and, yes, the risk of death.

It's an incredibly tragic thing for us here in this Legislature, and I want to say clearly that we speak today with one voice. There is clear unanimity in this chamber, as we speak with respect and regard and indeed with awe for Bill Wilkins. He was 32 years old, two years in the firefighting services, just beginning a career that undoubtedly—well, it already was spectacular, wasn't it? We speak of heroism, but it's a heroism that's born of commitment, of professionalism, of a sense of service to one's community and to the people in that community. It's a professionalism and sense of service and heroism that firefighters display every day.

We learn so much about our own shortcomings when we witness the special strengths and the special qualities of others. Bill Wilkins's role in the community was not restricted to firefighting, but he participated in every other facet of the community and in roles which enhanced and secured the safety of other people in that community, every one of them. He was one of those exceptional people who, by demonstrating his special qualities in such a dramatic and regrettable way, simply causes us to pause and reflect on our own shortcomings.

So you have a mother without a son, brothers without a brother and a young woman without her husband. We can't even begin to imagine their incredible grief. But I say on behalf of this New Democrat Party caucus, and I'm confident this statement is shared by all, that while that grief will persist, we hope it is alleviated even somewhat by knowing that Bill Wilkins's passing is a loss not just for his family, not just for his young fiancée and not just for his fire service—and it is, for his colleagues, for his community—but it's a loss for all of us here in the province of Ontario.

We remind ourselves that, yes, women and men in firefighting services undertake this danger on a daily basis, and they are prepared to partake in that bizarre lottery that their profession requires them to play the game of chance with. But they do it on a daily basis in every community in this province, big fire services and not so big, like Barrie, and they do it with a courage that only special people can muster up. They do it with a

commitment that is unique to people in these front-line emergency services professions, and they sustain each other with their unique sense of fraternity and sorority within those professions. I hope we help them sustain that courage and commitment with this modest gesture of support and condolence here in this chamber today.

**1400**

So New Democrats join with every other member of this assembly in expressing our profound regret at the tragic loss of life of Bill Wilkins. We express our most sincere sympathies to his family, his colleagues, his fiancée and, indeed, to his community.

We hope and pray that every firefighter, while facing the incredible risk of loss of limb or loss of life, has the strength and courage to continue to do their job, which is incredibly important to the safety and security of each and every community and each and every resident of that community here in Ontario.

**The Speaker:** I thank the members. The minister has asked for a moment of silence. Agreed? Agreed.

Would all our friends in the gallery please join us for a moment of silence.

*The House observed a moment's silence.*

**The Speaker:** I thank all the members and our friends in the gallery. I will ensure the fine comments are forwarded to the family.

During the introduction of bills, I inadvertently missed a member who apparently was standing. With the consent of the House, we could go back to the introduction of bills. Agreed? Agreed.

## INTRODUCTION OF BILLS

### FAMILY RESTROOM FACILITIES ACT, 2002

#### LOI DE 2002 SUR LES INSTALLATIONS SANITAIRES FAMILIALES

Mr Parsons moved first reading of the following bill:

Bill 57, An Act to facilitate families by requiring that all buildings open to the public be equipped with family restroom facilities / *Projet de loi 57, Loi visant à assister les familles en exigeant que tous les bâtiments ouverts au public soient équipés d'installations sanitaires familiales.*

**The Speaker (Hon Gary Carr):** Is it the pleasure of the House that the motion carry? Carried.

The member for a short statement?

**Mr Ernie Parsons (Prince Edward-Hastings):** A constituent of mine made me aware of the challenges many seniors face when they're out in public and require some assistance. In far, far too many cases in Ontario, a wife is not able to assist a husband or a husband a wife. This also applies to families with disabilities. The reality of this is that individuals are kept prisoners in their homes, because they cannot go to a shopping centre, a

government building or any number of buildings where they would require some assistance.

This act would require that by January 1, 2005, government buildings, municipal buildings and commercial buildings over 50,000 square feet, such as shopping centres, have a family washroom available for a family member to assist another family member.

I suggest that it would also be most helpful to young families where you have one parent with a young child who is too young to use the washroom on their own but too old to go into the washroom with the parent.

I believe this would facilitate safety for young families and would certainly enable seniors and individuals with disabilities to get out into the community of which they are very much a part.

**The Speaker:** I thank the member and the House for their indulgence.

## STATEMENTS BY THE MINISTRY AND RESPONSES

### COMPETITIVE ELECTRICITY MARKET

**Hon Chris Stockwell (Minister of Environment and Energy, Government House Leader):** For more than six years, this government has been consulting and taking action to ensure that Ontario has an electricity system that is ready for the 21st century.

Beginning with the report of former federal finance minister Donald Macdonald and continuing through forums such as the Electricity Transition Committee and the Market Design Committee, the government has sought advice from experts and from Ontarians with views on reform, from consumer advocates and environmentalists to municipal distributors and large power users.

The government set out and began to implement a clear plan for reform, beginning with a white paper and continuing through comprehensive and detailed regulations. At every stage, we benefited from extensive input from the public and stakeholders.

That plan passed a major milestone when, on May 1 of this year, Ontario's electricity market opened for competition. May 1 heralded an historic turning point, not only for Ontario's electricity market but also for our economy and for the future well-being of all who live here.

The market opening was a critical step in the government's plan for a comprehensive and necessary overhaul of Ontario's electricity sector—necessary because, however well it had functioned for many years, the old electricity monopoly, Ontario Hydro, had by the 1980s begun to suffer from crippling effects of gross mismanagement and appalling waste.

What were those effects? By 1999, they included an astronomical \$38-billion debt and other liabilities, and a generation and transmission infrastructure that was suffering from neglect and sliding into disrepair.

Who was on the line to pay that debt? It was the ratepayer who was left to pay the bill—literally. Up to 35% of each electricity bill in this province has gone to paying down the old Ontario Hydro debt, and most ratepayers didn't even know it. If the debt burden became too great for the ratepayers, why then it would be up to the taxpayers of Ontario, each and every one of us, to guarantee or backstop that debt. Similarly, many people have only recently come to know that our transmission infrastructure needs repair, renewal and, above all, reinvestment.

When the government began consultations and reform in 1995, it soon became clear that it would take more than yet another study of Ontario Hydro or a few team-building exercises, or worse, a massive influx of taxpayers' money, to fix Ontario's electricity sector. We knew that we had to rethink the entire sector from the ground up. We consulted and listened and developed a plan for electricity restructuring in the interest of Ontarians.

Much of that plan is already in place. We split generation and transmission into separate companies to create fairer, more focused competitors. We adopted provisions to mitigate and reduce Ontario Power Generation's market power, to strengthen competition and give consumers more choices. We restructured and refinanced the new companies to improve transparency and accountability.

The next step in the plan is to ensure the continued viability of Hydro One Inc, which operates Ontario's transmission grid, without leaving taxpayers on the hook for the necessary investments.

After a ruling by the Ontario Superior Court, Premier Ernie Eves announced that the government would propose new legislation on the future of Hydro One. The Premier instructed me to hold a series of public consultation hearings throughout the province to gather input about the legislation.

We wanted to know the views of the people of Ontario on the following four key objectives: first, to ensure an efficient supply of energy that is competitive for the people of Ontario and in the international marketplace; second, to ensure that necessary capital is provided to rebuild and modernize the transmission and distribution of power in Ontario; third, to bring market discipline to Hydro One, the province's transmission company, and to eliminate and prevent any possibility of the recurrence of staggering debts such as the current \$38-billion debt and other liabilities; and fourth, to achieve these goals while protecting consumers.

While the consultations were taking place, I received literally hundreds of letters, e-mails, faxes and phone calls from people across this province. People want to know that, above all, the consumer will be protected, because at the end of the day, the purpose of reform is to provide benefits to the consumer. They want to be assured that the new electricity market won't be subject to price manipulations like those alleged to have happened in California recently. They want to know that

they have recourse against those few energy retailers who use unscrupulous methods to secure a contract. They want more transparent contracts that present only honest, factual information.

They told us they want to know that our environment will be well protected, both by tough rules and by access to cleaner, greener forms of electrical energy. They want to know that the electricity transmission corridor lands will remain in public ownership. They want to know that the massive Hydro debt will be dealt with.

**1410**

On the first point, I can tell you that this government has already put in place a rigorous code of conduct that energy retailers must adhere to, and the Ontario Energy Board will continue to regulate rates regardless of who owns the wires. But the toughest standards and regulations possible don't mean a thing without a way to ensure compliance; that is regulations without teeth. That's why the government has already increased the Ontario Energy Board's power to enforce those standards. These powers include the ability to impose fines and even revoke retailers' licences, depending on the severity of the infraction.

Some people suggested that these changes are still not enough, and your government has heard that concern.

With regard to environmental protection, I can tell you that we have listened, we have heard, and we will act.

We also listened to Ontarians when they told us their wishes about the transmission corridor lands, and last week you heard Premier Eves's commitment to keep these lands in government hands.

Ontarians understand that the \$38-billion debt must be reduced to keep the province economically competitive. Many of them told us in the strongest terms to ensure that every last penny from the disposition of Hydro One, whatever form it may take, goes toward paying down this debt and finally removing this stone from around the taxpayers' neck.

I believe the \$38 billion in debt and other liabilities and the deterioration of our electricity infrastructure are, if anything, signs that point to a fundamental problem of governance in the publicly owned utilities in the absence of market discipline.

Finally, people gave us their opinions and ideas on the future of Hydro One. They offered many different possibilities to meet our common goals, and we will continue to consider their thoughtful input. Our plan is clear, and it can only be strengthened by the breadth and depth of advice we have received on how to enact its principles.

The people of Ontario have told us their concerns. They understand the complexity of the challenges we all face and have offered us ideas on how to overcome these challenges. Some of those ideas can be implemented soon; others demand greater consideration. We have welcomed them all. We will take the best aspects from each idea to fashion legislation that will not only help transform the future of Ontario's electricity sector in the best interests of the people of Ontario but also ensure that

the economy of this province continues to move from strength to strength.

**Mr Sean G. Conway (Renfrew-Nipissing-Pembroke):**

It is to state the obvious to observe that there is much less in Minister Stockwell's statement just read than is to be found on this subject in today's press.

What do we find out in the press today? We find out in the press today that Ms Eleanor Clitheroe, president and chief executive officer of Hydro One, has enriched an already obscenely generous exit package since Premier Eves announced the potential of a change in government policy. Just to be clear, Hydro One, a company with one shareholder, the government of Ontario, is now run by Ms Clitheroe, who we are told in the press today has enriched her deal.

What's her deal? It's a current salary in excess of \$2 million, a severance package estimated to be somewhere in the neighbourhood of \$5.5 million to \$6 million, and a pension conservatively evaluated to be worth about \$750,000 a year and indexed for life. That's what we find out in the press today. And you should know that that deal, sweet as it was, has been enriched in the last couple of weeks by the directors of Hydro One, the shareholder of which is the Ontario government.

How do we know this? We don't know this because Premier Eves or Minister Stockwell is telling us. Oh, no. This government that says it believes in opening the doors of public accountability has shut the doors of accountability and transparency to the successor companies of the old Ontario Hydro. You have specifically forbidden our freedom-of-information legislation to range into the business affairs of these two companies. How do we know this? We know it because Hydro One has to fess up to the securities and exchange commission.

Now let me say something else: it's not just Eleanor Clitheroe. Who else is over there? This minister will talk about consumer protection, but make no mistake about it: hydro in Ontario today is a \$10-billion annual business. It is shot through with every special interest and conflict of interest you can imagine.

You know, I was reading the Hydro One prospectus and I am reminded of something else. Did you know, colleagues, that Hydro One has in recent times signed a 10-year, billion-dollar deal with an outfit called Inergy LP, an affiliate of Ernst and Young Canada—a 10-year, billion-dollar deal. According to this prospectus filed by Hydro One a few weeks ago, it is cited as a risk factor because, we're told in the prospectus, this 10-year, billion-dollar deal may in fact not save the electricity consumer any money.

Does anybody remember the Andersen Consulting deal and Comsoc? Not one, by the way; we have two deals worth a billion dollars, involving subsidiaries of Ernst and Young. Do we know anybody who has a close connection with the Ontario Conservative government and formerly with Ernst and Young? I do. His name is Bill Farlinger. I would like to know, since today's paper makes it plain that people like Eleanor Clitheroe and, I have to assume, Deb Hutton, my old friend, also at the

executive suite—these people, some of whom are very closely connected to the Ontario Conservative Party and government, apparently are looking after themselves to a very considerable degree.

What's up with Bill Farlinger, I ask with all due respect? Two-billion-dollar outsourcing deals involving successor companies to Ontario Hydro and Ernst and Young Canada. I'm sure my friends in the press are going to want to investigate that very carefully, because the Clitheroe deal is what we know to date and, boy, are people in important places looking after themselves. My question is, who's looking after the ratepayer? Quite frankly, I hold little faith in our regulator, because in the early going the Ontario Energy Board looks more like a referee from the World Wrestling Federation than a real, tough customer-friendly regulator.

**Mr Howard Hampton (Kenora-Rainy River):** Allow me to say I was very impressed by the Liberals' statement. This is the same Liberal Party that only six months ago was saying they supported all this and in fact was trying to raise money from the very private corporations that want to make money off it.

But I want to refer to the minister, because it's the minister who perhaps has said the most outlandish things. I want to say to the people at home, because this really concerns them, that the minister says that this government has been consulting on their design for electricity. Do you know whom they consulted with the most? Do you know who was on every one of the technical, finance and design committees for deregulation? Enron. Enron was put on every one of the committees by this government. Enron also contributed, so far as we can tell, at least \$20,000 to a number of the cabinet ministers for their election campaigns. But it was Enron that was on the technical design committee and on the design advisory committee and all the other committees. People across Ontario had better think twice about everything the minister says after that.

Then he says that the so-called market opening has been a tremendous success. But we read in the paper yesterday that one of the government's comrades-in-arms, one of its staunchest supporters for privatization and deregulation, one Tom Adams of Energy Probe, says that because Pickering A isn't coming on-stream, we may face an electricity shortage this summer. In fact, he's saying that consumers across this province are at risk of seeing their electricity bills go through the roof this summer. That's Tom Adams and he is a supporter of this government. He is saying that this government has botched it.

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Folks, all of you who may be at home, what you really have to listen to is this government's debt scaremongering. The truth of the matter is that every hydroelectric utility in the western world, whether publicly or privately owned, carries debt—every one. Hydro-Québec carries about \$20 billion in debt. No one is saying that Hydro-Québec is a disaster and has to be folded up. Manitoba

Hydro carries about \$8 billion in debt. No one is saying that they have to be folded up and put to bed.

*Interjections.*

**The Speaker:** Stop the clock. Order.

**Mr Hampton:** What the government doesn't want to tell you is that the assets are valued at over \$18 billion, and what they also don't want to tell you is that there is a dedicated revenue stream there of over \$13 billion. You see, generating and transmitting electricity is a business that takes in a lot of money, but the government doesn't want to tell you that you have this revenue stream dedicated to paying down debt. In fact, the government's own corporation, the Ontario Electricity Financial Corp, tells us that when you consider the value of the assets and the revenue stream, the so-called residual debt is only about \$7 billion for a huge enterprise that has served the people of this province very well.

The government says it is interested in consumer protection. We've had examples of people being misled on the doorstep. We've had examples of people being outright lied to on the doorstep. We've had examples of people's signatures being forged on these electricity retail contracts. What has the government done? Nothing. Nada. Why? Because this government is on the side of those private electricity marketers. This government would rather look after them than protect the consumers of Ontario.

The government also says that it has made this process transparent and with accountability. The first thing they did was to say that the freedom of information act no longer applies to what's happening here so that people wouldn't be able to find out the salaries and the bonuses—the bloated, greedy salaries and bonuses—that this government is now paying its cronies both at Hydro One and at Ontario Power Generation. There's no transparency here. This is a government that has increased the salaries from about \$400,000 a year to \$2.5 million a year, and the ratepayers of the province are paying for it. This is a government that has tried to keep it secret.

**Mr David Caplan (Don Valley East):** On a point of order, Mr Speaker: The Minister of Energy has indicated that Hydro lands will remain in public hands, and I take the minister at his word. In that instance, I would seek unanimous consent for an immediate third reading vote on Bill 13, the Electricity Amendment Act (Hydro Transmission Corridor Lands), standing in the name of my colleague Mr Sergio from York West.

**The Speaker:** Is there unanimous consent? I'm afraid I heard some noes.

## ORAL QUESTIONS

### HYDRO ONE

**Mr Dalton McGuinty (Leader of the Opposition):** My first question today is for the Minister of Energy. Minister, I'm sure this will be fresh in your mind. On the

15th of May we brought to the Legislature our concerns in connection with the outrageous compensation package awarded to Hydro One's senior executives.

On May 16, the Premier commented on those pay packages and said that they were inappropriate and he said that you were going to assume the responsibility to look into this and presumably fix it. On the very next day, May 17, the board of Hydro One filed an even richer compensation package for their senior executive members.

My question to you is, given such an egregious act of insubordination, can you tell us whether the board of Hydro One continues to enjoy the confidence of yourself, the Premier and your government?

**Hon Chris Stockwell (Minister of Environment and Energy, Government House Leader):** I will not stand here today and defend that act. It was improper. It was—  
*Interjections.*

**The Speaker (Hon Gary Carr):** Order.

**Hon Mr Stockwell:** I will not defend that act. That, in my opinion, was unacceptable, and it was unacceptable to the Premier. We are in the process of reviewing salaries and will have some options at the end of the day. Those options will have to be taken by this cabinet and this caucus. Let me say that those options will include suggesting to the board and to the senior staff that they roll those back. If they choose not to do that, we also have legislative options. We, as a government, are prepared to ensure that the ratepayers are protected. If in fact we need to take legislative action to protect them, we are prepared to do so.

**Mr McGuinty:** Your board, Minister, the one that approved a \$175,000 car allowance, a \$172,000 vacation allowance, a \$6-million golden parachute, felt so accountable to you and to your government, so intimidated by the random musings of your Premier, that the following day they actually moved to enrich the compensation package for senior executives. Who over there is going to take responsibility for bringing Hydro One board members to heel? If you can't control Hydro One as a public entity, how can we possibly have confidence in you to control its new manifestation as a private entity? What specifically are you going to do, Minister, to bring Hydro One's board to heel?

**Hon Mr Stockwell:** First let me say that there's been no decision with respect to the disposition of Hydro One—public, private, whatever. That's the first thing.

*Interjection.*

**Hon Mr Stockwell:** The second thing is, to the member from Vaughan, that we have agreed—

*Interjections.*

**The Speaker:** Would the member come to order, please? It's hard to hear when he's shouting at the minister like that. Sorry, Minister.

**Hon Mr Stockwell:** We have agreed in very clear terms that we don't accept that decision by the board of directors.

The decision this government will take will be to review the salary compensation that's in place today. We

will then take the necessary action to put in place a decision of this cabinet and this government. If that action necessarily leads to legislative reform, then we will take legislative reform.

There's no shortage of commitment on this side. We are simply putting it to you that we don't accept that decision and we will remedy it for the benefit of the taxpayers of Ontario.

**Mr McGuinty:** Tough talk, Minister. So tough, so threatening, so intimidating that the day following this matter being raised in the Legislature, the board moved to enrich the compensation package. That is irrefutable. That's how much credibility you have in the eyes of the board.

We, the people of Ontario, through you, are the sole shareholder in Hydro One. Why is it that you have been so weak, so incapable of bringing the Hydro One board to heel? You have been so ineffective that this board has actually moved to enrich the original compensation package. What specifically are you going to do to provide us with some confidence that tomorrow or the day following or maybe sometime next week this same board won't move to still further enrich the compensation package for themselves?

**Hon Mr Stockwell:** Specifically? I couldn't have been any more specific.

*Interjections.*

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**The Speaker:** It's a very important question that I'm sure the people of Ontario want to hear, but there'll be no question period and the minister will not be answering any questions as long as you continue to yell at him. The people of Ontario can look at the members who are yelling and screaming as the reason that this question won't be answered, and we'll just sit here.

Plus, you give the minister plenty of time to think about his response. If that's what you want to do, that's what we'll do. Not that he needs any. Minister.

**Hon Mr Stockwell:** Thank you, Mr Speaker. Look, I can't be any clearer than what I've said. We will sit down with the board of directors and with the senior staff. We'll encourage them to roll that back and put a compensation package in place that's more acceptable to us and the ratepayers.

Now, if the board of directors and senior staff choose not to do that, we have one tool left. It's called legislation. This government is very clear. We will move to legislation to protect the ratepayers in the province of Ontario. That's direct, that's clear and that's action.

When that legislation, and if that legislation, has to be introduced in this House, I would expect nothing but co-operation from the likes of McGuinty and Hampton and—

**The Speaker:** Order. New question.

#### CHILDREN'S HEALTH SERVICES

**Mr Dalton McGuinty (Leader of the Opposition):** My question is to the Minister of Health. Minister, I'm

sure you will have recognized by now that your decision to shut down the children's cardiac surgery programs in London and Ottawa has unleashed a firestorm of opposition.

Many in those communities are asking questions about your methodology, to say nothing of the conclusions you arrived at. More specifically, they're asking for an objective, independent review by an expert in cardiology. You will be well aware that no cardiac specialists were among the group of advisors who recommended to you that you shut down these children's cardiac surgery programs.

My question to you, Minister, is, will you now agree to an independent, objective review of the cardiac surgery programs for children in Ottawa and London?

**Hon Tony Clement (Minister of Health and Long-Term Care):** I thank the honourable member for the question. Indeed, I am hoping he was not meaning to impugn some of the world-renowned pediatricians who took part in the study and the report that was presented to the government.

Having said that, this issue was raised by CHEO and I'm pleased to inform the House that I've appointed Dr Wilbert Keon to conduct a review of the process, a review of the facts, and a review of any facts that CHEO wishes to put on the table. From that perspective I believe we can clear the air and make sure that we do the right decision on behalf of the people and children of Ontario.

**Mr McGuinty:** On behalf of my community in Ottawa, I want to say thank you for that, Minister.

One of the things I would ask of you through your reviewer, Senator Keon, is to take into account the impact that losing cardiac surgeons is going to have on our ability, in Ottawa specifically, to deal with emergencies. We deal with roughly 80 severe trauma cases on an annual basis at CHEO. One third of those arrive directly; two thirds are arriving from places like Cornwall and Brockville. About 10 of those involve cardiovascular problems of a very serious nature. To deal with these life-and-death situations we need a full service team in Ottawa, including cardiovascular surgeons and invasive cardiologists. You are going to take these away.

What are you proposing that we do in the future with these 10 children in need of immediate cardiovascular emergency care?

**Hon Mr Clement:** I would not presume to contradict either the findings of the pediatricians who composed the report in the first place, or indeed anything that Dr Keon might find. As the honourable member knows, or should know, Dr Keon is an eminent cardiac surgeon based at the Ottawa Heart Institute. As a member of the Order of Canada, as well as having other awards and recognitions, he has shown himself to be a truly great Canadian.

Having said that, I can tell the honourable member that the report that was put before me indicated that we were dealing with elective surgeries, that a number of emergency surgery situations in Ottawa are already airlifted to Sick Kids or other locations and that the committee found that the way to ensure the best results,

the healthiest kids possible who are faced with this procedure—their recommendations were the ones they posed to me. They made them in good faith, without politics, without those extraneous issues, strictly on a clinical basis.

**Mr McGuinty:** Your Premier is now claiming it is a mark of courage in your government to listen. He tells us he wants to listen and that he wants to lead a government that is responsive and responsible. With that in mind, I am going to recommend to you the letters to the editor that have been printed in Ottawa papers.

There is one today from a father who tells the story of his 10-day-old daughter who was undergoing ultrasound when she experienced cardiac arrest and her life was saved as a result of the cardiac expertise then in Ottawa. There is another case today where a mother and father write about their eight-year-old daughter who was in shock as a result of E coli and experienced a heart attack. Again, her life was saved in Ottawa at CHEO, in a very urgent matter, because of the cardiac expertise there. I'm asking you to admit, Minister, that as a matter of common sense and compassion we must have cardiac care expertise at all times at CHEO.

**Hon Mr Clement:** The honourable member is quite correct. Indeed, we should have cardiac care expertise in London and in Ottawa. We have pediatric cardiac care expertise in Hamilton and in Kingston as well as in Toronto. So the honourable member is correct.

I would like to assure honourable members that no recommendation in the report indicated that anyone was attempting to remove all cardiac care from the Ottawa region when it came to pediatrics. In fact, a number of cardiac procedures would still take place in both communities—in London and in Ottawa—just as they take place in Hamilton and in the other teaching centre at Kingston. I can assure the honourable member that there will be cardiac expertise in Ottawa and in London, as it is currently found at McMaster and in Kingston. Indeed, I believe the recommendation that there be a network of cardiac care that is province-wide and integrated leads to better care for all children in Ontario.

## HYDRO ONE

**Mr Howard Hampton (Kenora-Rainy River):** My question is for the Deputy Premier, and it concerns this government's overall accountability.

*Interjections.*

**The Speaker (Hon Gary Carr):** Sorry to interrupt. Order. Let's start over. We've got some discussions going on here. Sorry for the interruption. We'll give you your time over again. Could we just hold the clock for about 10 seconds?

**Mr Hampton:** In 1997, one Eleanor Clitheroe was being paid about \$400,000 a year as a vice-president at Ontario Hydro. In 1998, your government passed your legislation, the Electricity Act, which broke up Ontario Hydro and created Hydro One. You then exempted this body from the Freedom of Information and Protection of

Privacy Act, so that the public and the press would not be able to find out what they were being paid. You put the board in place, and you put Eleanor Clitheroe and her cronies in place as the executive people. And it's your government that says this should be privatized so that private sector discipline will prevail.

Your government has been in charge throughout this, while Eleanor Clitheroe's salary has gone from \$400,000 a year to \$6 million for just walking out the door. Is this what you call discipline and looking after the consumers of Ontario?

**Hon Elizabeth Witmer (Deputy Premier, Minister of Education):** I'll refer that to the Minister of Environment and Energy.

**Hon Chris Stockwell (Minister of Environment and Energy, Government House Leader):** Firstly, let's deal with freedom of information. You were in government. You didn't allow freedom of information to apply to companies such as Enbridge that were in the energy business. There was no freedom-of-information access to their information. You couldn't access the information of Toronto Hydro. You couldn't access that information, and that's also with respect to freedom of information. They're being treated like any other energy entity out there, like Toronto Hydro and like Enbridge. That's the first issue, that if you really felt strongly about it, why didn't you apply freedom of information to companies like that when you were in power?

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Second, we have been extremely clear with respect to the compensation packages. We find it unacceptable. The action that the board of directors took we find also unacceptable. We are reviewing the salaries and we will meet with them and ask them to come forward with a package that is less undesirable to the people of the province of Ontario. If they will not, I don't know how clear a government can be: we will take legislative action, I'm certain, in the near future if we need to and we'll have full co-operation via this line of questioning from the Hamptons and McGuintys et al in this House.

**Mr Hampton:** The point is that what has gone on here has been this government's creation. It's this government that has set this whole fiasco in place.

What's interesting is that the Hydro One board filed a statement with the Ontario Securities Commission that says they set their salaries based on comparable compensation in the private and public sectors. I challenge the minister: you find somebody in the public sector who's going to get paid \$6 million for just walking out the door. What's clear is that all this comes about as a result of your government's policy of privatization. Even though this company hasn't been privatized yet, you're the government that said they should behave like a private sector corporation.

Well, tell the hydro ratepayers of Ontario how it's good for them when you set up your cronies, the people you put in place at Hydro One, to get paid \$6 million just for walking out the door and \$3 million in salaries. How is that good for the hydro ratepayers of Ontario?

**Hon Mr Stockwell:** I've addressed the issue three times today with respect to this government's position on the compensation of Hydro One employees and senior staff and I can go through it again. But I think what we need to understand here is that this government has taken a direction to move forward on preserving the hydro market in Ontario.

You were the guy who spent five months travelling this province, telling people that when the market opened on May 1, 2002, prices were going to double and we'd have rolling blackouts across the province. That never happened. The fact of the matter remains that the leader of the third party consistently, over five months, has made suggestions and allegations that in fact never took place.

What I'm saying to you today is that we will meet, we will encourage them to remove that and we will ask them to review their compensation with an eye to moving it downward. If they won't, we will move forward on legislative initiatives. I don't know what more the leader of the third party could ask for than decisive, clear leadership by this party, this government, in the province of Ontario.

**Mr Hampton:** I just want to point out to the minister again that your own friend Tom Adams is saying to you that you've put the consumers of Ontario in a position where they could well see hydro prices go through the roof this summer.

What is at the root of this is this government's whole philosophy that what has been a successful public utility, what has provided electricity for people in this province for almost 100 years, can somehow be done better by your private sector friends. What do we see? We see boondoggle contracts for a billion dollars that they're forced to admit now may not work. We're seeing people getting paid gross salaries that are simply going to come out of hydro ratepayers' pockets. And what does this government say? What do you say? "Oh well, you know, we're going to go have a talk with them."

Minister, when are you going to admit that what happens under privatization are these kinds of bloated salaries and bonuses? These kinds of bloated payouts become the rule, not the exception. How do you plan to protect people from that kind of activity, not just at Hydro One but at Ontario Power Generation too?

**Hon Mr Stockwell:** You've got to be the only guy in this province who thinks hydro was properly and well run with a \$38-billion debt and \$17 billion of assets. You have got to be—no, maybe you're not. There are a few over here who might think the same way.

You are the only guy I know who comes up to me and says, "Boy, what a crackerjack, well-run, Swiss-watch operation Ontario Hydro was that ran up \$38 billion in debt and had \$17 billion in assets." You are the only guy I run into who says, "Maintain the status quo. I want my children to pay my hydro bills." You're the only one coming up and telling me that.

The reason we're in this mess is because the system broke, it wasn't well run, and we were the only

government with the integrity, reviewing it from a long-term angle, to concern ourselves with how power will be provided in Ontario. You sat idly by for five years, did nothing, ran up the debt, and all you tried to do was buy rain forest land in Costa Rica, like that was going to solve the problem.

#### ONTARIO SECURITY

**Mr Howard Hampton (Kenora-Rainy River):** My question is for the Minister of Public Safety and Security. Minister, you're having a bit of a problem. The head of the Canadian Security Intelligence Service says that he doesn't know what you're talking about when you say that somehow you had put a so-called al Qaeda sleeper cell out of business. This is starting to sound like an episode out of Maxwell Smart, but I have to say to you, the problem here is that these are really serious issues. In fact, people may have unfair allegations raised against them; people may be subjected to interrogation over it when they really don't deserve it.

I want to know from you, when the head of the Canadian Security Intelligence Service says that he finds your whole story unfounded, how do you explain to the public your conduct and behaviour in this matter?

**Hon Robert W. Runciman (Minister of Public Safety and Security):** It's interesting to see the new interest of the NDP in public safety and security issues. This is unique given their history in government.

I want to say with respect to the comments that were reported in the press this morning, I think that is a relatively modest situation in terms of definition. The reality is, I am told by the OPP that we have never in this country had a more coordinated effort on the part of the RCMP, CSIS, provincial and municipal police and intelligence officials in meeting the challenges that followed the terrorist attacks on September 11.

I'm proud of what we're doing in Ontario. I think the Canadian effort is something to be proud of, not ridiculed as the NDP are wont to do.

**The Speaker (Hon Gary Carr):** Supplementary?

**Mr Peter Kormos (Niagara Centre):** Minister, this is a very serious matter. CSIS is telling Canadians that if you were advised by the OPP that there was a sleeper cell, the advice you received was inaccurate. It was false. CSIS is telling us that there was no sleeper cell.

In what is a serious and volatile situation, you have had a rather cavalier approach to the facts. Was there a sleeper cell or not? When did it skip town? Why didn't your government disclose it then? Why weren't they charged? The list of questions is endless. You just can't blurt out something like you did in the midst of a war where thousands were killed, when emotions are high, and not take responsibility for those comments. It's not enough to hide behind the OPP. Who are you getting political advice from anyway—Art Eggleton?

Will you stand up before this House today and either retract your comment that there was a sleeper cell or tell us that CSIS is, in and of itself, wrong and is not aware of

the facts in Ontario or, third, explain to us what you will do to reconcile this clear conflict between CSIS and your OPP?

**Hon Mr Runciman:** I can assure the honourable member I'm not getting advice from Art or any of his friends, but I will say that if you look at the track record of this government, we were the first government in Canada to respond following the terrorist attacks of September 11. When there was important federal legislation changing the immigration act, C-11, and the terrorist legislation, C-36, it was our government that appeared before federal committees to testify with respect to their concerns and their input. The NDP wasn't there; the Liberals were not there. During their five years in office they were well known for second-guessing the police services of this province. We had a demonstration on the lawns at Queen's Park, 5,000 police officers dressed in blue, protesting that government that wouldn't open a door to a police officer in this province to listen to their concerns. And we're going to take advice from them? Not a chance.

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#### HYDRO ONE

**Mr Dalton McGuinty (Leader of the Opposition):** I think I've seen that movie before, Speaker.

My question is to the Minister of Energy. Minister, very simply, when did you first learn about Hydro One's outrageous pay package for its board of directors?

**Hon Chris Stockwell (Minister of Environment and Energy, Government House Leader):** Not wanting to avoid the question, the pay package they got or the revision to the pay package?

**Mr McGuinty:** The original pay package.

**Hon Mr Stockwell:** The revisional pay package. I learned about it last week, I believe. Last Thursday, I think.

**Mr McGuinty:** Minister, that pay package was made public by way of a prospectus filed on March 28, the original pay package.

*Interjections.*

**The Speaker (Hon Gary Carr):** We need the two-referee system too.

**Hon Mr Stockwell:** On a point of order, Mr Speaker: The question is about their original—I said to the leader, "Is it the revised pay package?" and he said, "Yes, the revised pay package."

*Interjections.*

**The Speaker:** Order.

It's called Hansard. The government House leader knows he will get a chance to answer the question and refute it. There was some disagreement. It's amazing how we can be across the aisle and hear two different things. The leader of the official opposition.

**Mr McGuinty:** Speaker, to be clear, is this my supplementary?

**The Speaker:** Yes, it is.

**Mr McGuinty:** All right. Minister, I take it from your response that you were unaware, as Minister of Energy, that on March 28 a prospectus had been filed which included among other things reference to this obscene and outrageous pay package. If I'm not getting this right, Minister, then you tell me, when did you first find out about this pay package and what specifically did you do?

*Interjections.*

**The Speaker:** Take your seat. Order. If people could settle down, the minister is going to get a chance to answer this. There's some difference of agreement. He's going to be able to, as he very well does, answer the question. I believe, if I'm not mistaken, there was about 10 seconds. Sorry for the interruption. If you could wrap it up, then we'll go to the minister. Leader of the official opposition.

**Mr McGuinty:** Minister, again, when did you find out about the pay package described within the prospectus filed on March 28 and what specifically did you do in response to that outrageous pay package?

**Hon Mr Stockwell:** I want to be very clear in what the original question was. I think it's only fair, because there's an allegation here about the question and the answer. When the original question came, I said to you, "I'm not certain if you're talking about the original pay package or the revised," and you said "Revised," and I found—

*Interjections.*

**The Speaker:** If the members remain cool, we could have the answer. The minister has the floor.

**Hon Mr Stockwell:** I would have been informed of the original pay package in one of my first briefings as Minister of Energy in the first week of getting the job.

#### HIGHWAY INTERCHANGES

**Mr John O'Toole (Durham):** I'm tempted to ask a question on energy, but my question is to the Minister of Transportation.

The minister will no doubt be aware of a unique partnership arranged between Durham region and the province of Ontario to build three interchanges on Highway 401 in Durham region.

*Interjections.*

**The Speaker (Hon Gary Carr):** Order. Sorry to interrupt the member. We're carrying on again. We'll allow you to start over.

**Mr O'Toole:** This question is to the Minister of Transportation. Minister, you're no doubt aware of the unique partnership arrangement between Durham region and the province of Ontario to build three interchanges on Highway 401. The partnership is a good idea, because two levels of government working together can build things faster and sooner, and preferably cheaper.

Unfortunately, the estimated costs have risen dramatically, as you know. Durham region council is concerned that the region may not be able to handle its new share of the funding arrangement. The two interchanges in question are at Stevenson Road in Oshawa and Lakeridge

Road in Whitby. The third interchange, at Pickering Beach Road in Ajax, is very much underway. I understand Durham region's share of its cost is estimated to be about \$29 million.

Can you please advise what steps are being taken to develop solutions that would let Durham region stay in the partnership and help the province and the region work together to build these interchanges?

**Hon Norman W. Sterling (Minister of Transportation):** I understand that transportation issues are extremely important to Durham region, because it's one of the fastest-growing areas in our province. Therefore, we entered into a number of agreements on these three interchanges.

Unfortunately, over the past number of years since that agreement was entered into in 1999, the costs have increased because of unforeseen problems with regard to the construction and design of those interchanges. We are looking—I must say, progressively—toward trying to work out with the region a kind of arrangement whereby they will not be using a substantial part of their overall budget, which I believe is about \$20 million a year, toward these particular interchanges. We unfortunately ran into difficulty. While their share has risen from \$18 million to \$29 million, our share has risen from about \$50 million to \$80 million.

**The Speaker:** Could we stop the clock, please?

**Hon Chris Stockwell (Minister of Environment and Energy, Government House Leader):** On a point of order, Speaker: I just want to offer my apologies to the leader of the official opposition. I understand that when I said "revised," you said "original." I apologize that there was that miscommunication.

**The Speaker:** I thank the minister for that.

The member for Durham has a supplementary.

**Mr O'Toole:** Minister, I personally want to thank you in public for the co-operative way you have worked with the MPPs representing Durham in the meeting we had today to try to find solutions, so that one of the ministers could meet with the mayor of Oshawa later today. I'd like to thank you for your response. I appreciate the fact that you and your ministry staff are aware of the issues and have met with representatives of Durham region to try to find solutions.

Could you advise us of the timetable for construction of the remaining two interchanges, provided that both the region and the province are ready to proceed, and what advice could you give the other members from Durham to try to work co-operatively with Durham region's public works?

**Hon Mr Sterling:** I did in fact meet with all the Durham members concerning these particular interchanges, because they are important to all of them and to the economy of Durham region.

As mentioned, the Stevenson Road interchange could go ahead earlier if we are successful in acquiring some troubled acquisitions with regard to property around that particular interchange. However, it is expected that if we have to expropriate or go around the original design, we

will not be able to get into construction and design probably until 2003 or 2004.

The Lakeridge Road interchange with the 401 is presently under the EA process, the assessment process, and we will get along with it as soon as we possibly can. We're very thankful that Durham is working in partnership with us on these three important projects.

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#### ONTARIO SECURITY

**Mr Michael Bryant (St Paul's):** My question is for the Minister of Public Safety and Security. Last week you said there were sleeper cells in Ontario, and I'm going to quote you: "They were in Ontario. It was a sleeper cell, that's the term used by intelligence officials."

It turns out that there were no sleeper cells in Ontario, and here's what the director of CSIS said: "The term 'sleeper cells' is one which has a clear definition in the intelligence business. And I think it's unfortunate that definition isn't always understood by those who use the term." That's a nice way the director of CSIS has of saying that you, Minister, don't know what you're talking about. You don't know what a sleeper cell is. Not only can you not keep the secret secret, you can't keep the secret straight. What do you say to Ontario's trading partners and all Canadians who see that you don't know what a sleeper cell is and think that you don't know what you're talking about?

*Interjections.*

**Hon Robert W. Runciman (Minister of Public Safety and Security):** I think they want to hear a response to this but I'm not sure.

I indicated this morning in a scrum that what is really important with respect to the testimony by the head of CSIS is the areas of agreement with respect to the challenges we face in this country and that we cannot be complacent. Really, the testimony of the head of CSIS reaffirmed virtually everything we were saying. The member opposite wants to second-guess the OPP. That is not my role. We believe that the OPP are doing an outstanding job in coordination and co-operation with federal and municipal agencies across this country.

**Mr Bryant:** I'm not second-guessing the OPP; I'm second-guessing you. You don't seem to get it. We look like we're mismanaging the terrorist file. Your blunder directly compromises Canada's reputation amongst the international intelligence community. What you did is going to ensure that we are kept out of the loop. It must drive you bananas that George W. and John Ashcroft are going to be providing intelligence briefings to Vladimir Putin and Tony Blair but they're not going to go anywhere near Sheriff Bob, because you don't know what you are talking about.

So my question for you is, will you acknowledge that mistakes have been made, that lessons have been learned and that you're never going to do that, ever again?

**Hon Mr Runciman:** I will respond briefly to those cheap theatrics.

*Interjections.*

**The Speaker (Hon Gary Carr):** Sorry, Minister.

**Hon Mr Runciman:** The member opposite says that I don't know what I'm talking about. Those members who were in the House last week will, I suspect, vividly recall him standing on his feet as a lawyer and as a critic in this government, accusing a member of this assembly of breaking the laws of this land, and he has the gall to get up in this House and suggest that I do not know what I'm talking about. He is the epitome of ignorance.

**The Speaker:** Minister, you're going to have to withdraw that word, please. You're going to have to withdraw that.

**Hon Mr Runciman:** Withdrawn.

**The Speaker:** New question. The member for York—

*Interjections.*

**The Speaker:** We'll just wait. The member for York North.

#### TOURISM

**Mrs Julia Munro (York North):** My question is for the Minister of Tourism and Recreation. At the economic summit held with the province and the state of New York at the tourism summit in June 2001, this government initiated a formal relationship with the governor of New York state to encourage tourists from the Niagara Peninsula and western New York state to enjoy the attractions. What has the government done to promote Ontario-New York state relations to increase tourism and increase partnered marketing efforts?

**Hon Cameron Jackson (Minister of Tourism and Recreation):** I want to thank the member for York North for her question. I wanted to share with all members of the House that about 31% of all the visitors to Niagara region are from the United States and predominantly from the shoulder states.

Prior to September 11, our government made a commitment to encourage economic relations and ties with the Niagara region in Ontario and the Niagara region and the Niagara frontier in the United States. This has netted us out some very positive results, both from an industry point of view and from tourism.

We have a joint marketing alliance that involves about 1,000 operators. We have a joint Web site. Quite frankly, it is a huge benefit for us to have our Ontario-based brochures in every tourism promotional kiosk throughout the state of New York, and we are getting results. Tourism is up with visits from New York and shoulder states into the Niagara region.

**Mrs Munro:** Thank you very much, Minister. Obviously from your description it's clear that the Niagara Peninsula is benefiting from this initiative. Clearly, then, by the statistics you've provided, the model is working well.

My question then is, does your ministry support any other initiatives of a binational marketing effort?

**Hon Mr Jackson:** Four years ago, we had no such binational agreements. In my previous responsibilities as Minister of Tourism, we developed one with the Great Lakes of North America alliance with all of the American states that border the Great Lakes, which are Michigan, Illinois, Minnesota, Ohio and New York. Ontario is the sixth contributing partner. We are globally selling the Great Lakes region. We also have a partnership in Kingston and Thousand Islands, with a \$100,000 investment which has increased tourism.

Within a couple of weeks, the Minister of Enterprise, Opportunity and Innovation will be leading a delegation in both Windsor and Detroit to establish a joint marketing opportunity for tourism as well as economic development with the state of Michigan.

We look forward to more positive results. It brings to a total of four these binational partnerships for the province of Ontario.

#### HEALTH CARE

**Ms Shelley Martel (Nickel Belt):** I have a question for the Minister of Health. Today an important study appeared in the Canadian Medical Association Journal which proved that American residents face a higher risk of dying in a for-profit hospital. Apparently you dismissed the study's outcome, saying the situation doesn't apply in Ontario.

Minister, I think you purposely missed the point that the researchers made, which is that the drive for profit in the health care system does negatively affect the health of people. This is critical in Ontario, because your government has dramatically increased the role of the private sector in long-term-care facilities and has introduced private sector delivery of both home care and even cancer treatment.

Minister, in light of the very serious conclusions reached in the study, will you now admit that your fascination with private sector health care delivery is bad for the health of Ontarians?

**Hon Tony Clement (Minister of Health and Long-Term Care):** The honourable member knows, or should know, that in the publicly funded, single-payer health care system which has been adopted in provinces throughout Canada, we have always had private sector deliverers of health care, such as doctors, in some cases dentists, in some cases nursing home operators, other medical practitioners and other deliverers of health. It is a single-payer system, and the payer is the government of Ontario representing the people of Ontario. But there are many different providers within the system. That has always been the case and, I suspect, always will be the case.

1510

**Ms Martel:** The point of the matter is that the outcome of the study was that the drive for profit in health care, driven by private health care providers, does negatively impact the health of people. In fact, the researchers said very clearly, " ... whatever the context

within which they function, for-profit care providers face the problem of holding down costs while delivering a profit. One would, therefore, expect the resulting problems in health care delivery to emerge whatever the setting."

You seem bound and determined to increase the role of the private sector in health care. In fact, you told the Romanow commission that you want to pursue health care reforms to expand the proven partnerships which already exist between the private sector service providers and the publicly funded system.

In light of the serious conclusions reached in this study that for-profit delivery of health care leads to negative health outcomes, will you now agree that your fascination with private sector delivery of health care is bad for the health of the people of Ontario?

**Hon Mr Clement:** The report to which the honourable member refers clearly dealt with for-profit hospitals that hired doctors and nurses in a for-profit atmosphere. No one in Ontario, least of all this government, is proposing such a two-tiered scheme, so the honourable member is barking up the wrong tree.

If the honourable member is saying that the NDP policy is to nationalize doctors, dentists and every single purveyor of health care in our system, she should come out and say so and then we can have that debate.

#### PRIVATE TUTORING SERVICES

**Mr Gerard Kennedy (Parkdale-High Park):** I have a question to the Minister of Education. Minister, I want to talk to you again about the students who are struggling in your public education system in Ontario. I want to talk to you specifically about what is happening with private tutoring services.

We talked to about 80 of these locations. In 1995, they were serving 14,000 students. Right now, they're serving 29,000 students, more than double, and the private tutoring component has tripled. This group of students is one sample. Their parents are spending \$16 million to try to help them cope with your curriculum, your school conditions and the barriers you've helped to put in their way. It might surprise you to learn that the very people who are running these private services are saying you, the minister in this government, are responsible for the growth in their need.

I want to know what you'll say to the students out there—and some of them are here in the House today—like Sam Kerr, who have to pull money out of their own pockets to learn mathematics, English, the things that public education should be teaching them effectively.

Minister, are you prepared to do something this year to make sure that private tutoring services don't have to continue to grow here in Ontario?

**Hon Elizabeth Witmer (Deputy Premier, Minister of Education):** I indicated yesterday, in response to a question the member raised on a similar issue, the issue of the curriculum, that it's important to remember that this curriculum has been developed in consultation with

secondary school teachers, curriculum specialists and people in this province. We are moving forward in a way that our students are going to be able to successfully compete and be prepared to go on to university, college or apprenticeship programs.

We have provided remediation money to help these students. I also indicated to you that we are taking a look at the challenges students are facing when it comes to the curriculum. In fact, yesterday I met with the president of the student councils in Ontario, the trustee representatives. We talked about this issue. We are looking to work with you and with the people in this province so that we can make sure we are providing the appropriate level of support to the students which they need to achieve success.

**Mr Kennedy:** Students are finding the way to succeed and it's costing them \$1,200. That's how much they pay to raise one grade in your Ontario while you pretend to be listening.

If you're hearing, Minister, then you're hearing what they're saying at some of these centres. Here's what Mary Ann Turnbull says: "If the hidden agenda of the Conservative government is to put education into the private sector, then they are doing a splendid job. As a supporter of public education, I really think that is a pity."

It's a pity when people like Mr Dino Aliferis, who is here with his family, open up a centre in my riding and today he's got 45 kids. He barely advertised and he is so full he can't take any more. Meanwhile our schools are going wanting for the lack of help for kids. The class sizes are too large. The curriculum isn't being worked with.

Minister, between grade 8 and grade 9 is a huge gap that you've known about for two years and that your predecessor knew about. So what people want to know, what the students want to know, is, do they have to continue to take money out of their own pocket to get into college or university or are you going to start to take an interest and announce something in time for them to get some help next year? Will you do that?

**Hon Mrs Witmer:** The member opposite doesn't seem to understand or be capable of listening. We have heard the concerns. We are responding to the concerns. We are meeting with the people who are prepared to work with us. But I would remind you that we have provided \$25 million in remedial programs for the students in grades—

**The Speaker (Hon Gary Carr):** I'm sorry to interrupt. Minister, take your seat, please. It's too noisy. We've got a couple more seconds to wrap up. Sorry for the interruption. Minister?

**Hon Mrs Witmer:** The member opposite can't seem to take yes as an answer. Yes, we understand the concerns. Yes, we have already taken action. I just mentioned to you that we have made \$25 million additional available in remediation support and we are continuing to work forward. But let's—

*Interjection.*

**Hon Mrs Witmer:** If you don't want to hear the answer, that's fine. Don't ask the question. You—

**The Speaker:** The minister's time is up.

#### LONG-TERM CARE

**Mr Raminder Gill (Bramalea-Gore-Malton-Springdale):** My question is for the Associate Minister of Health and Long-Term Care. Minister, I know that some of the constituents in my riding of Bramalea-Gore-Malton-Springdale have concerns about an article printed in today's Star entitled, "Poor Wait for Long-Term Care, NDP Says." As I'm sure you're aware, the article went on to suggest that our government made changes to regulations regarding basic care versus preferred accommodations in long-term-care facilities. Could you please explain the changes our government made to the regulations governing long-term care and why these changes were necessary?

**Hon Dan Newman (Associate Minister of Health and Long-Term Care):** I'd like to thank the very hard-working member for Bramalea-Gore-Malton-Springdale for the timely question. Let's be clear. In the article that the member referred to it was the NDP that suggested that our government made regulatory changes regarding and affecting the basic versus preferred accommodation ratio requirements in long-term-care facilities. Quite simply, this is not the case. As a matter of fact, long-term-care facilities can provide a maximum of 60% of their beds in the preferred accommodation category.

The government of the day put this regulation into place, and incidentally the government of the day was the NDP, who introduced these regulatory changes in 1994. Prior to 1994 no regulation—no legislation—even existed compelling long-term-care facilities to provide a set number of preferred basic accommodation beds. Unlike the Liberals, who had no position on this in 1994, through this regulation the NDP thought it was important to protect the interests of the less fortunate. We agreed and that's why nothing has changed.

**Mr Gill:** Thank you, Minister, for that answer. The Toronto Star article suggests that our government has done nothing to ease the waiting list for long-term-care facilities. I know that our government is committed to providing 20,000 new long-term-care beds by 2004 and that on May 1 changes to the placement regulations for long-term-care facilities came into effect. Minister, for the benefit of my constituents could you please tell us about some of these changes and how they will address the problem of bed blocking?

**Hon Mr Newman:** Again, I thank the member for Bramalea-Gore-Malton-Springdale for the question. Let me first say that our government is committed to providing quality, sustainable long-term-care services in Ontario and we recognize that as the population grows there will be increased demands on long-term-care services. That's why we announced an unprecedented \$1.2-billion investment in long-term care that includes the construction of 20,000 new long-term-care beds.

That's a 35% increase in the number of beds available across our great province.

May I suggest that even while this investment is staggering and unprecedented in our province's history, what's even more staggering is that during their time in government neither the Liberals nor the NDP built one new net long-term-care bed—not a single one. In fact, on May 1 of this year, the changes to placement regulations for long-term-care facilities came into effect. For what reason? So that waiting lists would be shortened and the application process would be sped up. The waiting lists for placement in long-term-care facilities are managed by community care access centre case managers, who can best determine the level of care that their clients need. Our government wants to ensure that patients who need long-term care are able to get it and are able to—

**The Speaker (Hon Gary Carr):** The minister's time is up.

1520

#### MINISTRY SPENDING

**Ms Caroline Di Cocco (Sarnia-Lambton):** My question is for the Chair of Management Board. Do you think it appropriate for a minister of the crown to hand the taxpayers the expense for a round of golf?

**Hon David H. Tsubouchi (Chair of the Management Board of Cabinet, Minister of Culture):** The ministers' handbook provides for reimbursement of expenses for ministers and their staff while on government business, provided the claims are supported by receipts and reasonable for locations where incurred.

We provide guidance to ministries in developing their policies. It's the responsibility of each minister to make sure that they're followed and are fair and the rules are adhered to.

**Ms Di Cocco:** Minister, I have in my hand a copy of an expense claim filed by Chris Stockwell. It's from the pro shop at the Royal Woodbine Golf Club in Etobicoke. It's for sporting goods—it could be for a round of golf or it could be for a dozen golf balls. It appears that the minister has inappropriately again expensed taxpayers for his other pastime. Considering the previous track record, will you ask the Provincial Auditor to review Chris Stockwell's expenses as minister from 1999?

**Hon Mr Tsubouchi:** I'll pass the question on to the Minister of Energy.

**Hon Chris Stockwell (Minister of Environment and Energy, Government House Leader):** At that point in time I was meeting with Mr Dillon, who is the union president for the building trades association. We had lunch at that time and I paid the lunch bill because it was a business meeting with respect to the building trades. If you had wanted to ask me beforehand, you could have asked me or you could have phoned Mr Dillon, who would have agreed that was in fact taking place, that we had lunch there—no golf, no golf balls, nothing involved. I'm beginning to understand what kind of person I'm dealing with now.

#### VICTIMS' RIGHTS

**Mr Doug Galt (Northumberland):** My question is directed to the Attorney General. In the throne speech the government committed to passing two pieces of legislation focused on protecting victims of crime. The first one is Bill 69, which would prevent criminals from profiting by retelling their crimes; the second is Bill 86, which deals with child prostitution. I know that victims' rights have been a major focus of our government and our initiatives have gone further than those of any other government. I also know that people in my riding care about what we do to help innocent—

*Interjection.*

**The Speaker (Hon Gary Carr):** Order. The member's own member is yelling. We'll just wait. We're almost done. I lost track of the time, too, so hopefully you're almost done.

**Mr Galt:** Thank you, Speaker. I'll just address my question. Minister, what will these new pieces of legislation mean to victims of crime, and what new supports will they put in place if passed?

**Hon David Young (Attorney General, minister responsible for native affairs):** I thank the member for raising this very important issue. Since coming to office, there has been a paradigm shift with respect to the role of victims through the court system. I will say to you that it wasn't that long ago that victims really had no voice at any stage of criminal prosecutions. That has changed. They have a very integral and important place in the system. These two bills will serve to enhance, to fortify, to solidify their place in the system.

In the case of Bill 69, dealing with literary proceeds, it will prevent criminals from profiting from their crimes. It will prevent victims from being revictimized. It will do that by returning any proceeds, any profit, that those criminals might derive, and that money will be paid back to victims.

In relation to the other bill that my friend referenced, it is rescuing children from sexual exploitation, a very important bill. It will give police and child care workers an extra tool to help those individuals in our society who are most vulnerable and most in need.

**Mr Galt:** Thank you, Minister, for the response. I know that our colleagues on the other side often try to criticize our record on victims' rights. In watching some of the debate yesterday afternoon, you'd think that we had done nothing for victims if you believed what the opposition was saying. It's a well-known fact that the opposition and the New Democratic Party are soft on crime. It's been their track record, particularly in that lost decade back in 1985-95.

In my view, the measure of success is how much you're doing for victims in need, how much you reach out to them and how you're willing to help them in difficult times. I know there has been a flurry of legislation on victims' rights in this House over the past seven years, and much of our time has been spent

debating those bills in the House and in committee. I personally have spoken to them a number of times.

Minister, what I'd like to know today is how much of that legislation has been translated into real action, and what services are available today that weren't seven years ago?

**Hon Mr Young:** Indeed there are now over 40 programs that are offered to victims, day in and day out, to people who unfortunately find themselves in a position where they are in front of the court or know of someone in front of the court or are the victims. Those services are available. As well, we now have programs that we spend in excess of \$140 million on to support victims throughout criminal proceedings. These programs include a victim support line, which, I should reference, has been expanded of late; the victim/witness assistance program, which operates throughout the province; as well as domestic violence courts, the number of which has been significantly increased over the past few years.

## PETITIONS

### AUTOMOTIVE INDUSTRY

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

"Whereas the auto industry accounts for approximately 50% of Ontario exports to the United States, supports another three or more jobs elsewhere in the economy, and contributes billions of dollars in tax revenues to governments; and

"Whereas the auto industry is the economic lifeblood of communities such as St Catharines, Oshawa, St Thomas, Alliston, Windsor, Oakville, Cambridge, Kitchener and Waterloo; and

"Whereas the auto industry has experienced job losses and seen challenges due to competition from industries in Mexico, the recent recession in the United States, and delivery problems at Ontario's borders; and

"Whereas the prosperity of the province of Ontario is dependent in large part on an auto industry that is competitive and dynamic; and

"Whereas select committees of the Legislature tend to be task-oriented and non-partisan in their deliberations;

"Be it resolved that the Ernie Eves government convene a select committee on the auto industry that consults with labour, business and the public in a timely fashion to address the challenges and opportunities that the engine of Ontario's economy will be facing in the future."

I affix my signature, as I'm in complete agreement with this petition.

### YOUNG OFFENDER FACILITY

**Mr Peter Kormos (Niagara Centre):** I have a petition, which states:

"Whereas the government of Ontario has pushed Kennedy House Youth Services (Uxbridge), an 80-bed young offender facility, out of the provincial public service and into the hands of a private sector employer;

"Whereas the new employer has shown complete contempt for the 130 unionized corrections services staff and has kept them locked out for almost a year ... while demanding outrageous concessions;

"Whereas, as a result of the lockout, provincial revenues are being wasted as the provincial government forces the taxpayers of Ontario to pay the Kennedy House operator full funding for the past year, as if this virtually empty facility were operating at capacity;

"Whereas the safety of the surrounding region continues to be compromised by the provincial government and by Kennedy House Youth Services as dangerous young offenders in need of supervision and secure custody are instead given passes or open custody;

"Whereas the few young offender inmates who remained in the facility since June 2001 were provided with little or no programming, thus raising serious concerns about their rehabilitation;

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

"We demand that the Minister of Community, Family and Children's Services act immediately to resolve this crisis by directing Kennedy House Youth Services to negotiate in good faith with its employees."

I have affixed my signature as well.

1530

### COLLINGWOOD GENERAL AND MARINE HOSPITAL

**Mr Bill Murdoch (Bruce-Grey-Owen Sound):** I have a petition to the Legislative Assembly of Ontario, which I'm reading on behalf of Jim Wilson and the citizens in his area.

"We, the undersigned, feel, with the current situation at the Collingwood General and Marine Hospital, namely the partial withdrawal of emergency department services, that the ministry's involvement is required to stabilize the operation of the local hospital to ensure it continues to meet the needs of the surrounding communities of the Georgian triangle.

"We respectfully ask that you undertake an immediate review of the governance structure of the General and Marine Hospital and appoint an interim supervisor to administrate and oversee the operation and development of the new governance plan."

I also delivered a letter to the minister, and this is on behalf of the citizens of Jim Wilson's area.

## HYDRO ONE

**Mr Michael Gravelle (Thunder Bay-Superior North):** I have an important petition to the Ontario Legislature.

“Whereas the Conservative government plans to sell off Hydro One and Ontario’s electricity transmission grid—the central nervous system of Ontario’s economy;

“Whereas the government never campaigned on selling off this vital \$5-billion public asset and never consulted the people of Ontario on this plan;

“Whereas Ontario families want affordable, reliable electricity—they know that the sale of the grid that carries electricity to their homes is a disaster for consumers;

“Whereas selling the grid will not benefit consumers—the only Ontarians to benefit will be Bay Street brokers and Hydro One executives”—we know that, Mr Speaker;

“Whereas selling Hydro One and the grid is like selling every 400-series highway”—highways up in northern Ontario—“to private interests—selling the grid means the public sector will no longer be responsible for its security and protection;

“Therefore, be it resolved that we, the undersigned, petition the Ontario Legislature as follows:

“To demand the Conservative government halts the sale of Hydro One until the government has a clear mandate from the owners of Hydro One—the people of Ontario.”

I am very proud to sign my name to this.

## ONTARIO DISABILITY SUPPORT PROGRAM

**Mr David Christopherson (Hamilton West):** I have further petitions from the disability community.

“To the Legislative Assembly of Ontario:

“Whereas the recipients of benefits under the Ontario Disability Act have not received a cost-of-living increase since a \$2.50 increase in 1987; and

“Whereas the cost of living in Ontario has increased in every one of the years since, especially for basic needs such as housing, food, utilities, transportation, clothing and household goods; and

“Whereas disabled Ontarians are recognized under the Ontario Disability Support Program Act, 1997, and as such have the right to have their basic needs met, including adequate housing, a proper and healthy diet, a bed that does not make them sicker and clothing that fits and is free of stains and holes; and

“Whereas their basic needs are no longer being met because the Ministry of Social Services has not increased the shelter and basic needs allowance of disabled Ontarians eligible to receive benefits under the Ontario disability support program to reflect the increased costs of shelter and basic needs (and in fact have reduced these benefits for those recipients who receive a disability benefit under the Canada pension plan);

“Therefore we, the undersigned citizens of Ontario, request the Ontario Legislature to urge the government to respect their own definition of basic needs and provide a cost-of-living increase to recipients of benefits through the Ontario Disability Support Program Act that is sufficient to cover the increased costs of their basic needs as of 2002 prices, and that this benefit not be reduced as a result of increases in the Canada pension plan benefit.”

I add my name to this petition as I am in total agreement.

## EDUCATION TAX CREDIT

**Mr Gerry Martiniuk (Cambridge):** I have a petition to the Legislative Assembly of Ontario.

“Whereas our society recognizes the rights of parents and students to be educated in a manner conforming to their beliefs and alternative methods of achieving academic excellence;

“Whereas freedom of choice is fundamental to a free and democratic society;

“Whereas the undersigned support the Ontario government’s initiative to provide tax relief for tuition paid while attending an independent school; and

“Whereas thousands of students are currently enrolled in Ontario independent schools and both the opposition Liberal Party and NDP oppose this tax credit;

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

“To maintain and support the policy of education tax credits for those attending independent schools while continuing a fully funded public system.”

I sign my name thereto.

## CHILDREN’S HEALTH SERVICES

**Mr Richard Patten (Ottawa Centre):** I have a petition to the Legislative Assembly of Ontario.

“Whereas the decision was undertaken by the Ministry of Health and Long-Term Care to remove pediatric cardiac surgery from the Children’s Hospital of Eastern Ontario; and

“Whereas the centralization in Toronto of this life-saving surgery will place an excessive emotional and financial burden on critically ill children and their parents; and

“Whereas the centralization of pediatric cardiac surgery will jeopardize the health of children needing immediate surgery....”

There are a number of other “whereases,” but I will move to the demand:

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

“We demand the Premier of Ontario direct the Minister of Health and Long-Term Care to announce immediately the government’s intention to keep pediatric cardiac surgery as close to home as possible due to the expertise and the ability to provide this regional service for critically ill children at the Children’s Hospital of

Eastern Ontario and not to centralize the surgery in Toronto, and to keep 'Ontario's Promise' to the children of eastern Ontario."

I affix my signature to this petition as well.

#### OHIP SERVICES

**Ms Shelley Martel (Nickel Belt):** I have a petition addressed to the Legislative Assembly of Ontario. It reads as follows:

"Whereas the Harris government's decision to delist hearing aid evaluation and re-evaluation from OHIP coverage will lead to untreated hearing loss; and

"Whereas these restrictions will cut off access to diagnostic hearing tests, especially in geographic regions of the province already experiencing difficulties due to shortages of specialty physicians; and

"Whereas OHIP will no longer cover the cost of miscellaneous therapeutic procedures, including physical therapy and therapeutic exercise; and

"Whereas services no longer covered by OHIP may include thermal therapy, ultrasound therapy, hydrotherapy, massage therapy, electrotherapy, stimulation and biofeedback; and

"Whereas one of the few publicly covered alternatives includes hospital outpatient clinics where waiting lists for such services are up to six months long; and

"Whereas delisting these services will have a detrimental effect on the health of all Ontarians, especially seniors, children, hearing-impaired people and industrial workers; and

"Whereas the government has already delisted \$100 million worth of OHIP services,

"Therefore, we, the undersigned, petition the Legislative Assembly of Ontario to immediately restore OHIP coverage for these delisted services."

This petition is signed by thousands of Ontario residents. I agree with the petitioners and I've affixed my signature to it.

#### COMPETITIVE ELECTRICITY MARKET

**Mr Tony Ruprecht (Davenport):** This petition is in regard to the very controversial issue of selling our hydroelectric system. It's addressed to the Parliament of Ontario and it reads as follows:

"We, the undersigned residents of Toronto, demand that the government immediately stop the process of privatizing our electricity transmission system, the network of steel towers, transformers and wooden poles which transmit power from generating plants to our homes, and further postpone the electricity deregulation process until the Ontario public is given proof that privatizing will not result in price increases, and place a moratorium on any further retailing of electricity until the Ontario Energy Board comes up with a standard contract to be used by all retailers; and

"That a standard contract spell out in clear terms that the residential users are waiving their rights to future

rebates in exchange for fixed rates over a specified period of time."

Since I agree wholeheartedly, I'll sign this document as well.

**Mr David Christopherson (Hamilton West):** I have a further petition from my riding of Hamilton West to the Legislative Assembly of Ontario.

"Whereas the Harris government's plan to privatize and deregulate Ontario's electricity system will lead to higher rates because private owners will sell more power to US customers whose rates are typically 50% higher than Ontario's; and

"Whereas selling coal plants like Nanticoke to the private sector will lead to more pollution because the private owners will run the plants at full capacity to earn full profit; and

"Whereas electricity deregulation in California has led to sky-high rates and blackouts; and

"Whereas Ontario needs a system of public power that will ensure rate stability, environmental protection and secure access to power;

"Therefore, be it resolved that the undersigned call on the government to scrap electricity deregulation and privatization and bring in a system of accountable public power. The first priority for such a public power system must be incentives for energy conservation and green power. Electricity rates and major energy projects must be subject to full public hearings and binding rulings by a public regulator instead of leaving energy rates to private profit."

I add my name to those of these petitioners.

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#### DOCTOR SHORTAGE

**Mrs Leona Dombrowsky (Hastings-Frontenac-Lennox and Addington):**

"To the Legislative Assembly of Ontario:

"Whereas the residents of Centre Hastings are facing an immediate and critical situation in accessing physician services; and

"Whereas a retiring family physician has been unsuccessful in procuring a replacement physician, potentially leaving 5,000 patients without a doctor; and

"Whereas accessibility to already overcrowded hospital emergency departments and walk-in clinics is limited because of distance and availability to transportation; and

"Whereas Centre Hastings has been designated as an underserved area in need of five physicians;

"We, the undersigned, petition the Legislative Assembly of Ontario to act immediately to establish a community health centre in Centre Hastings."

Because I support this petition, I'm very happy to sign it as well.

## PRIVATE HOSPITALS

**Ms Shelley Martel (Nickel Belt):** I have a petition addressed to the Legislative Assembly. It reads as follows:

“Whereas the Ontario government has proposed that for-profit corporations build, design, finance, own and maintain the Brampton Memorial hospital of the William Osler Health Centre; and

“Whereas this incursion by for-profit corporations into public medicare is unprecedented in Canada; and

“Whereas very similar projects in England have resulted in huge cost increases that require, on average, a 25% reduction in health care staff and services; and

“Whereas the burden of any extra costs will, in part, fall on the local community; and

“Whereas Brampton deserves a hospital that is fully accountable to the public and not shrouded in commercial secrecy;

“Therefore we, the undersigned, call on the Ontario government to construct a fully public Brampton Memorial hospital.”

This has been signed by hundreds of people who live in Brampton. It was sent to me by Ed Schmeler of the Brampton Health Coalition. I agree with the petitioners, and I have affixed my signature to it.

## OPPOSITION DAY

## COMPETITIVE ELECTRICITY MARKET

**The Acting Speaker (Mr Michael A. Brown):** Mr Hampton does not appear to be present.

**Mr David Christopherson (Hamilton West):** With the indulgence of the House, my leader is on his way. We just need a couple of moments, if you don't mind. He's just on his way up now.

**The Acting Speaker:** We could ask for unanimous consent for someone else to make the motion in his place. Do we have unanimous consent for—which member?

**Mr Rosario Marchese (Trinity-Spadina):** I will do that.

**The Acting Speaker:** Do we have unanimous consent for the member for Trinity-Spadina to place the motion? Agreed.

**Mr Marchese:** Shall I read the motion for the record, Speaker?

**The Acting Speaker:** Seeing that the leader of the third party is here, perhaps he would want to do it himself.

**Mr Howard Hampton (Kenora-Rainy River):** This is the NDP opposition day.

Be it resolved that this House declares unequivocally that the government should:

Abandon electricity deregulation and privatization in Ontario;

Set up a new system of accountable public power;

Shut down the so-called competitive market that was opened on May 1;

Cancel retail competition and free consumers from contracts signed with electricity marketers;

Ensure that no sale, lease or other privatization of Hydro One, Ontario Power Generation or the assets of either company, will take place;

Give the Ontario Energy Board the power to set electricity rates and approve or veto major generation projects by the major power provider;

Enact a legislative requirement that affordable energy conservation initiatives be given priority over new generation projects; and that when new generation is built, that renewable green power be given priority. Premier of Ontario.

**The Acting Speaker:** Mr Hampton has moved opposition day number 2.

**Mr Hampton:** It's very timely that we're debating this motion today because it's been disclosed that once again the government is fattening up the pockets of the people it has appointed to the executive positions at Hydro One, and we suspect in due time we will find they've done the same thing at Ontario Power Generation.

It's also timely because yesterday one of the government's principal supporters in terms of its direction, first of all, to deregulate our hydroelectricity system and then privatize it came out and said that the government has taken a major misstep, that it has put all Ontario consumers at risk of substantial hydroelectricity price increases this summer, not to mention shortages of hydroelectricity.

This resolution in the name of the New Democratic Party is very timely in that I believe it probably addresses an issue which touches not just all individual consumers across this province but also institutions like schools, hospitals and community centres, not to mention the major industries across Ontario.

Let me come right to point one, “Abandon electricity deregulation and privatization in Ontario,” and let me refer to the comments of Mr Tom Adams yesterday. Mr Adams is the head of Energy Probe. As you know, Energy Probe is a lobby organization that has a particular interest in electricity matters. In fact, Energy Probe is, by and large, financially supported by a number of Bay Street corporations and the Donner Foundation, which as a body believes that virtually all public services should be privatized. So in terms of their philosophical position, Mr Adams and Energy Probe are generally very much in favour of privatization and deregulation. But he is saying that this government, because it is choosing to deregulate at a time when we face a potential serious electricity shortage, is essentially putting the consumers of Ontario in a position where they might see their electricity rates go through the roof, as they did in California.

California is instructive here because when the government of California decided to sell off their electricity system and deregulate the so-called electricity market, they believed they had about a 20% surplus in

electricity. However, they found out that after profit-driven corporations like Enron got their hands on the hydroelectricity network, Enron began shutting down generating stations to create an artificial electricity shortage and then used that artificial electricity shortage to force prices up, not two times, not just 10 times, but literally in the magnitude of 100. In fact, the Governor of California was on television about three weeks ago making the statement that California now estimates that California consumers were overcharged to the tune of \$31 billion for their electricity by the likes of Enron and some of the other profit-driven corporations—\$31 billion in two years, essentially between the spring of 2000 and the end of 2001. What an incredible financial boondoggle.

Tom Adams is saying, “If you look at what’s happening to electricity supply in Ontario”—after this government has had its way for seven years, and now you look at their move to deregulate the market—“this looks very much like the setting in California.” That’s why he is concerned. One of the government’s primary supporters is concerned that hydroelectricity prices could go through the roof this summer.

But that’s not the only thing that’s happening out there. We know that hydro consumers in this province are being confronted at the doorstep by electricity retail marketers who are, in many cases, providing misleading information, or in some cases are just outright lying to people, or in other cases we’ve had examples where they’ve forged people’s signatures.

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I presented a private member’s bill to this government last week that would have, among other things, allowed them to take some measures to protect the hydro consumers of the province, and the government’s position was no, they’re not interested in protecting the hydro consumers. The government’s position is they’re interested in helping their corporate friends out there, even if it means ripping off hydro consumers across this province.

When you combine all of these things, when you combine the fact, as Tom Adams says, that this government has set hydroelectric consumers up for the kind of gouging and swindling and market manipulation that we saw in California, and that it is not prepared to pass adequate consumer protection legislation, then I think someone has to step up and say, “Look, this has to be stopped,” and New Democrats are saying that.

No matter where you look in the United States, whether you look at California, Montana, Pennsylvania, New York City, or you look at Alberta, there has been a history of prices going through the roof and consumers and industries being forced to pay billions of dollars more than they should. In California and Alberta, governments even had to step in and subsidize people, otherwise they would not be able to afford to pay their hydroelectricity bills.

I want to just mention a bit about privatization here. We can see in the last few days where privatization of

hydroelectricity is leading. Let’s remember, this was the government that in 1998 passed the new electricity bill, a bill that carved up Ontario Hydro, created the new Hydro One, and then the government said to the Hydro One directors and executives, “Behave like a profit-driven corporation.” What is the first evidence that they intend to behave like a profit-driven corporation? The first evidence is they want private sector salaries. The president of Hydro One, who was being paid about \$400,000 as a vice-president of the old Ontario Hydro, now, as the president of Hydro One, a smaller corporation, wants \$2.5 million in pay, \$175,000 for a car allowance and a \$1-million pension, and if she should decide that she doesn’t like the colour of the government’s policy or what the government is doing, she demands to be able to walk out the door and collect a \$6-million severance pay.

The government says this is protecting consumers. The government says this is imposing financial discipline. It’s pretty clear this is nothing but the government looking after its corporate friends, its cronies that it put into the executive positions at Hydro One, and the government that is participating in the rip-off of Ontario consumers. That’s what’s going on here.

What is the trend line in terms of hydro privatization? The privatization document, the prospectus that was released on March 28, makes for very interesting reading. The government has been saying all along that its measures in terms of privatizing our hydro system will look after consumers. When you read the privatization document, in fact the focus of the corporate plan of a privatized Hydro One—and it says this in black and white—would be to create more transmission lines under Lake Huron, to expand the transmission lines into New York and Michigan, and then to buy up transmission systems in New England, in the US Midwest, and then make it easier to transmit electricity that is generated in Ontario into the more lucrative US New England and Midwestern markets. It says very little about serving the consumers of Ontario; it says everything about opening up the markets to the United States.

Well, here is sort of where that takes us. If it is the corporate strategy of the generation companies and a privatized Hydro One to market more Ontario electricity in the United States, that too will potentially create a shortage in Ontario. And the reason they want to market the electricity in the United States is that they can get a higher price there.

I’ve spoken with some of the people who work for these corporations. I’ve spoken with some of the people at Brascan, and they’re very clear. They say, “As soon as we can establish a major export market into Milwaukee or Chicago or Detroit and we can get double the price we’re getting in Ontario or 70% more than we’re getting in Ontario, we’re not going to sell the electricity for less in Ontario. If we can get a higher price in New York or Chicago or Detroit or Boston, then that’s what we’ll start demanding from Ontario consumers, the same much higher price.”

I say to myself, how is that advancing the interests of Ontario consumers? How is that going to ensure that Ontario consumers have power that is reasonably priced, affordably priced? How is it going to ensure reliability or predictability of supply when the whole corporate focus of a privatized Hydro One would be to sell and transmit as much electricity as possible out of Ontario and into the United States?

The government says, "Well, that's not the strategy." What's important here is this: a prospectus is a legal document, based upon which people are supposed to spend billions of dollars. The penalty for putting a false or misleading statement into an investment prospectus is jail time—jail time. When the people put together the prospectus and the corporate strategy for a privatized Hydro One, I don't think they wanted to go to jail. I don't think they're telling us something misleading or false when they say their corporate strategy is to expand into the United States, build more transmission systems into the United States and transmit and market more electricity from Ontario into the United States.

The government says, "Even if that happens, we don't have to worry." They try to pretend that somehow they would be able to have a lower price in Ontario. Well, we wondered about that line of argument, so we New Democrats went out and asked a Bay Street law firm to provide us with a legal opinion on what would happen if you privatized generation, privatized transmission and started selling more electricity in the United States.

The answer came back that right now, because Ontario's hydro system is essentially run as a public utility, we're not subject to some of those NAFTA rules, because we run it as a public utility, just as Quebec is not subject to some of those NAFTA rules because they run it as a public utility, just as Manitoba Hydro is not subject to some of those NAFTA rules because they run it as a public utility. But the legal opinion we received said that as soon as you privatize and deregulate, you're caught by the NAFTA rules that say you can't have a two-price system, you can't sell your electricity for less in Ontario and more in the United States, you have to let the market decide what the price is. And if the market in the United States, in Chicago or New York or Boston, decides they'll pay double for the electricity, then that's technically what a profit-driven corporation could demand as their price here, and there's nothing the Ontario Energy Board or the National Energy Board or any other board or government could do about it. NAFTA says you have to let the market decide the price.

NAFTA also says you cannot control exports. The government couldn't step in after it privatized and deregulated and say, "Oops. We may have made a mistake here. All the electricity is needed in Ontario, so we're going to shut down the exports." NAFTA says you can't do that.

The government says they have their own legal opinions that say that's not true. I've said over and over again in this Legislature that if the government has a legal opinion that says NAFTA doesn't apply, a legal

opinion that says Ontario consumers would not have to accept a much higher American price, would not have to pay a much higher American price, if they have a legal opinion that says you can control exports after you privatize and deregulate, that you're not subject to NAFTA, I want the government to produce it. In fact, I have challenged the former Minister of Energy, the former Premier, the new Minister of Energy and the new Premier to produce that legal opinion.

**1600**

We have not seen any legal opinion from the government—none whatsoever. So I make that challenge here today. If the government believes that you can privatize Ontario's generators or privatize the transmission system, deregulate the system and then not be subject to the rules of NAFTA with respect to no two-price system or no control over exports, please produce your legal opinions. They haven't produced them, and the reason they haven't produced them is that they know their legal opinion says the same thing our legal opinion says. Once you privatize and deregulate, you're not going to be able to control price, you're not going to be able to control exports, and demand will essentially be established in the US Midwest and the US New England states. That's where much of Ontario's electricity will flow, and price will be established there too. That means the prevailing American price, which in many jurisdictions, many cities, like New York, is almost double the price here in Ontario, will become the Ontario price. Prices will double, and the government has not produced one study or one legal opinion that refutes that in any way.

The government says the reason they're doing this, and this is really important for people at home, is that Ontario's hydroelectricity system is in debt. Therefore, because it's in debt, you have to sell it off. I recognize that, yes, it's in debt, but I also want people to recognize that every hydroelectric utility in the world, whether it is publicly owned or privately owned, carries debt. That's the nature of this industry. It costs hundreds of millions, if not billions, of dollars to build generating stations. It costs hundreds of millions, if not billions, of dollars to build transmission lines and distribution lines. As far as I know, there's no one who carries around \$1 billion or \$2 billion in their pockets—no corporation, no individual. What normally happens in this industry, because it is so capital-intensive—and it happens in Europe, it happens in Australia, it happens in the United States, it happens in South America, it happens in Canada—is that when there is a demand for electricity, you build generating stations with borrowed money. You borrow the money to build the transmission lines and then you set your electricity rates over, say, a 30- or 40-year period, such that you can pay not only the operating costs but the construction cost and the debt financing cost.

In fact, that's a reasonable way to do it. Everybody who benefits from that electricity—I think we all agree that electricity is a huge benefit; if you don't have access to electricity, in many ways you're really shut out of the modern economy—not just this year, not just for the next

five years but for the next 30 or 40 years, ought to be paying some element toward the construction costs, some element toward the debt financing cost and also some element toward the operating cost. It's only rational to do that.

When the government says, "Oh, there's a debt in our hydro system"—yes, there's a debt in all hydro systems around the world. What really has to happen is that you look at the debt and then you need to look at what the assets are worth. In fact, if you look at the financial documents, again, legal documents put out by the Ontario Electricity Financial Corp, they will tell us that the assets are worth over \$18 billion. But they also tell us something else: that the hydro system, whether you're talking generation or transmission or distribution, raises billions of dollars of income every year. In fact, the dedicated revenue stream, which is dedicated to debt, comes to some \$13.5 billion. In other words, not only are they valuable assets, but there's a valuable income, a revenue stream. When you add up the value of the assets and the value of the dedicated revenue stream, your so-called residual debt is only about \$7 billion—\$7 billion in residual debt for what was the largest public utility in North America. Hardly an unreasonable sum; hardly unsustainable. So the so-called debt argument really doesn't hold water here—really doesn't hold water. Yes, there's a debt, but you can easily do the financial projections to show that debt could be paid in 15 years—certainly in 20 years.

So what is the reason? Why does the government want to pursue this? I think we've seen the rationale over the last six months. You don't see anybody from the public gathering in front of the Legislature saying, "Sell off our hydroelectricity system. Privatize Ontario's electricity system." No, the public is generally happy. In fact, the overwhelming majority of the public believes it should stay in public hands. They recognize that it's an essential public service.

Who wants it privatized? Overwhelmingly it's this government's Bay Street friends—its corporate friends. Why do they want it privatized? It's obvious: You can make a lot of money. You can do what Enron did in California. You can create a little bit of an energy shortage, a little bit of an electricity shortage. Once you've created that, you can force up the prices—not double, not just triple, but five and 10 times. You can do what they do in California: You can gouge people to the tune of \$31 billion in less than two years.

The people who were clamouring for the sell-off of our hydro system are the Bay Street investors, the very Bay Street investors who have contributed to the Conservative Party over \$1 million in the last four years. They want their payola. They want their money. That's why you see these letters in the *Globe and Mail* Report on Business and the *Star* business section and the *National Post's* Financial Post talking about how Bay Street wants it privatized. Bay Street wants it sold out because they stand to make a lot of money.

After the government got caught they created another phony argument. They said, for example with respect to Hydro One, that the transmission lines would need hundreds of millions of dollars of new investment. To check this out I went to the privatization prospectus to see what it said. I wanted to see where the plans were to invest hundreds of millions of dollars in maintaining, fixing and improving the transmission systems in Ontario, and I searched through the whole document and I couldn't find anything. Yes, there's a \$100-million plan to increase transmission into New York, there's a \$40-million plan to increase transmission into Michigan, what looks like a \$1-billion plan to put a transmission cable under Lake Erie, \$100-million plans to buy up transmission lines in New England and \$100-million plans to buy up transmission lines in the US Midwest, but nowhere was there a plan in the privatization document to make hundreds of millions of dollars of new expenditures in Ontario's transmission system. If it's not in the privatization document, if they don't consider it a strategic investment, then obviously somebody is not telling the truth here. But I know that the privatization prospectus would not say something that was untrue, because if it did, those who said it could go to jail. It must be the government who is somehow not giving us the full story here.

We know that electricity is essential. Electricity is more essential now for our economy and for people to participate in society than ever before. If you think about all of the computerization, all of the automation that has happened over the last 15 or 20 years, all of it is based upon electricity. If you think about it, your refrigerator wouldn't work without electricity; your stove wouldn't work; your lights wouldn't work; many people's heat would not work. You couldn't run computer systems without electricity. It's very clear that electricity is more essential than ever.

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It's also very clear that at this time we should be keeping this essential public service in public hands where it is accountable, where it is transparent, where if somebody wants to raise their salary to \$2 million and \$3 million, it can be brought up here in the Legislature every day, not just three years later when the prospectus is finally produced.

This is absolutely essential for the people of Ontario. That is why we ought to keep it public. That is why we ought to keep generation public, we ought to keep transmission public and we ought to keep distribution public. That is how we can ensure some control over rates, how we can ensure that the rates continue to be affordable and reasonable. That's how we can continue to ensure that Ontario industries and Ontario consumers will continue to have a predictable and reliable supply of electricity when many other jurisdictions in North America and elsewhere in the world are suddenly rubbing up against electricity shortages, à la California, à la New York.

We consider this to be the most important economic and public issue of the day in Ontario. I say to the Conservative government, you've run into a number of fiascos already with your deregulation and privatization plan. Save yourself the pain and save, most of all, the people of Ontario the pain. Stop the privatization. Back off from the deregulation. Ensure that this vital public service continues to be a public service.

I would say to Liberal colleagues here—who five months ago were writing letters to Bay Street saying the Liberal caucus and the Liberal leader consistently were in support of privatization and deregulation, saying to those same Bay Street corporations that want to see hydro privatized, “Please send your \$350 cheque to the Liberal Party”—it's not too late for you to see the light as well.

Privatization and deregulation of generation, of transmission, of distribution makes no sense. We do not want to have another California; we do not want to have another New York fiasco, a Pennsylvania or a Montana. It's an essential public service, more essential now than ever before. Let's do the right thing for Ontario industries and Ontario consumers. Let's keep it in public hands.

**Mr Joseph N. Tascona (Barrie-Simcoe-Bradford):** I am very pleased to join in the debate on the NDP opposition day motion. It covers a number of areas and I want to look at them all in the context in which they're being put forth.

They're being put forth in a manner that is meant not necessarily to inform the public; probably more accurately to put fear into the public with respect to dealing with electricity in this province. I would say that the party opposite isn't really offering any solutions. What they're offering is in essence their conclusion in terms of how they see the electricity market evolving and what they feel is going to happen. It's really not based on any facts or concrete evidence—a lot of conclusions without any real basis.

The NDP resolution we're debating today is not about improving Ontario's electricity sector; it's about a patronizing and demeaning Big Brother attitude that the NDP brings to governing, which Ontario voters have rejected since 1995. They did have a moment in the sun with respect to governing and dealing with Ontario Hydro. I think the Minister of Energy and Environment today indicated that they were involved in solutions dealing with Costa Rica. I don't know how that would have benefited the electricity market in Ontario.

They dealt with Hydro One, formerly known as Ontario Hydro, by freezing electricity rates. That was their solution. What that resulted in was an insulation from the real market forces. Obviously, their solution was to put it on the back burner.

The leader of the third party wants to second-guess the decisions of thousands of Ontario electricity customers who have made a choice. He wants to cancel the contracts of all those people who have chosen their electricity supplier based on the price and service that best meet their needs.

Putting that in context, that's not the situation that applies in many parts of Ontario. For example, in my riding of Barrie-Simcoe-Bradford, people who deal with the city of Barrie and the town of Bradford-West Gwillimbury deal with Barrie Hydro. The people in the town of Innisfil deal with Innisfil Hydro. Nothing has changed since May 1, the date when the electricity market was opened to competition. Nothing has changed in terms of the users and the choices that the people in my riding have.

The leader of the third party is saying that we, as consumers, don't know how to exercise choice, that the government is better positioned to make a one-size-fits-all decision for all of us. On this side of the House, we reject that kind of thinking. We have confidence in their ability to choose their own electricity supplier. It is the same kind of decision we make when we renew our mortgages or decide who we want to deal with our television set in terms of videos, in terms of dealing with telephone service, or whether you want to rent a car. You can go on and on. If you want to deal with a mortgage, we choose between a lower variable rate that can change from month to month and a higher fixed rate that remains constant for an agreed number of years.

The irony of Mr Hampton's position today is that he wants to void the agreements that thousands of Ontarians have made. Yet, as Tom Adams of Energy Probe points out, fearmongering by the member himself may be directly responsible for a lot of those contracts. The leader of the third party has been running around Ontario for most of the last year telling anyone who would listen that the world was going to end when the Ontario electricity market opened to competition. If Mr Hampton wasn't the leader of the NDP, he could well be the retailer's number one salesman. As you know, the Ontario electricity market opened 28 days ago and the sky hasn't fallen. Nothing has happened except that for most of the last four weeks electricity prices have been 30% lower than the regulated price we all paid before May 1.

I know the air conditioning season is ahead of us and that electricity may cost those of us without contracts more in July and August. But I am confident, as is our government, that over the long term prices will be lower than they would have been had we not opened the market.

Rather than listening to fearmongering from the other side, we listen to the experts. I listen to people like York University economics professor Fred Lazar. He compared future prices under the old monopoly with forecasts of competitive prices. He says, “Even under the most conservative assumptions, Ontario's electricity consumers could save between \$3 billion and \$6 billion between now and the year 2010.”

I also look at studies like the recent CIBC World Markets report, which confirms what the government has been saying about the benefits of electricity competition. It says, “Opening our market is positive for consumers, for the Ontario economy and for investors.” The report

agrees that Ontario's market has all of the key ingredients to function smoothly, especially with respect to ample supply and a robust market design. CIBC concludes that, "The future of the Ontario electricity industry and the companies that can create and capture value in the market is certainly bright."

This Legislature will not improve Ontario's electricity sector by adopting the resolution before us today. If Mr Hampton and his supporters opposite want to help fix the problems of the past and secure a safe, reliable and affordable electricity system for the future, they should be looking for ways to strengthen competition. They should take a look at some of the positive suggestions that were put forward when the Minister of Environment and Energy, Chris Stockwell, went to every corner of this province and listened to what people had to say about the future of the Ontario electricity system.

#### 1620

They should be suggesting ways for the government to deal with negative option renewals, a disturbing tactic being attempted by some electricity marketers. They should be suggesting how the government can better legislate to eliminate the few bad apples in the retail business who provide misleading information at the door, or they could try to make a positive contribution by looking at how we deal with the unfortunate instances of deceptive advertising. These are problems that damage our young market, and they must not be tolerated. The opposition would do well to consider how we resolve some of these real questions being raised by Ontarians about electricity restructuring. Taking away customer choice is not the way to improve our electricity system and reduce the debt.

To call for an end to competition, as Mr Hampton is doing, requires a short memory. It means you have to forget that the old monopoly was no longer working. You have to forget the \$38 billion in debt and liabilities that translates into \$10,000 for every electricity customer in the province. You have to forget that for most of the last decade, 35% of your electricity bill went to debt servicing. You have to forget the 94% increase in electricity prices that happened between 1983 and 1993. Only if you forget all these things can you begin to consider the resolution being advocated by Mr Hampton. For the rest of us who don't forget, we know that only a well-regulated, competitive market will allow us to escape the problems of the past and ensure a safe, reliable supply of affordable electricity into the future.

I think the Minister of Environment and Energy, in his statement to the House today, very clearly indicated what has been happening with Ontario Hydro. Since 1995, when we started consultation on reform—I'll quote from the statement by the minister today:

"It soon became clear that it would take more than yet another study of Ontario Hydro or a few team-building exercises, or worse, a massive influx of taxpayers' money, to fix Ontario's electricity sector. We knew that we had to rethink the entire sector from the ground up.

We consulted and listened and developed a plan for electricity restructuring in the interest of Ontarians.

"Much of that plan is already in place." The government "split generation and transmission into separate companies to create fairer, more focused competitors. We adopted provisions to mitigate and reduce Ontario Power Generation's market power, to strengthen competition and give consumers more choices." The government "restructured and refinanced the new companies to improve transparency and accountability."

That is what was done with respect to splitting generation and transmission. The next step in the plan was to ensure the continued viability of Hydro One Inc, which operates Ontario's transmission grid, without leaving taxpayers on the hook for the necessary investments.

After a ruling by the Ontario Superior Court, Premier Ernie Eves announced that the government would propose new legislation on the future of Hydro One. The Premier instructed the minister to hold a series of public consultation hearings throughout the province to gather input about that legislation. The minister wanted to know the views of the people of Ontario on the following four key objectives: first, to ensure an efficient supply of energy that is competitive for the people of Ontario and in the international marketplace; second, to ensure that the necessary capital is provided to rebuild and modernize the transmission and distribution of power in Ontario; third, to bring market discipline to Hydro One, the province's transmission company, and to eliminate and prevent any possibility of the recurrence of staggering debt, such as the current \$38-billion debt, and other liabilities; and, fourth, to achieve those goals while protecting consumers.

I would say that the minister has taken action, and certainly the government has taken action, with respect to consumer protection. It has put in place a rigorous code of conduct that energy retailers must adhere to. The Ontario Energy Board will continue to regulate rates, regardless of who owns the wires. But the toughest standards and regulations possible don't mean a thing without a way to ensure compliance—that is, regulations without teeth. That is why the government has already increased the Ontario Energy Board's power to enforce those standards. Those powers include the ability to impose fines and even revoke retailers' licences, depending on the severity of the infraction.

Some people suggested that these changes are still not enough, and the government has heard those concerns. Certainly we've heard allegations with respect to forgery and allegations with respect to misrepresentation. Those types of retail practices don't fall within the civil section of consumer protection. They fall within the Criminal Code with respect to dealing with those types of actions. It's something the police would deal with in terms of—let's put it bluntly—fraud. That's fraudulent conduct in that area, which can be dealt with. That's not something that is limited to dealings in the electricity sector. That happens every day with respect to improper retail practices, whatever product you want to distribute. It could

even happen with respect to what you watch on television and all the marketing practices that happen there.

We have consumer protection laws that are in place to deal with certain types of marketing practices. We have the Sale of Goods Act, to deal with products that are not sold for the purpose for which they were intended. It provides statutory warranties to deal with the product that is out there. But if you cross over and deal with fraudulent conduct, you know that type of conduct is going to be governed and regulated by the Criminal Code.

The fact remains that in terms of consumer protection the government is listening. If there are other things that need to be done, the Ontario Energy Board is the body that's going to deal with those matters.

One thing you have to realize in my area, in terms of dealing with Barrie Hydro or Innisfil Hydro, is that when they want to change the rates or how they're going to operate—and they've just put different rates in place, which I received in the mail the other day—they have to go through the Ontario Energy Board to set those rates and to deal with their practices. That's something the public should know when they're dealing with a city-run hydro operation: they are subject to the Ontario Energy Board, and they're regulated in that manner.

So the public controls are in place to deal with consumer protection and also with the hydro industry.

**Mr Michael Bryant (St Paul's):** I'm going to be sharing my time with the member for Renfrew-Nipissing-Pembroke.

I listened to the leader of the third party's speech very closely. Most of the speech dealt with the NDP plan, and then right at the very end I have to tell you I was disappointed when Mr Hampton, the leader of the third party, took what I view as really an unfair cheap shot and suggested some kind of tollgating among the official opposition. I think it's unfair, I think it's a cheap shot and I think it's misinformation. As a result, my remarks are going to be a little bit different than they would have been had we simply been dealing with the case for the New Democrats.

I listened to what the New Democrats said. But that I could stall the movement of time and shrug off the errors of the past, clinging to an illusion of the past that the status quo on energy generation is OK—it's not OK. My great concern and the reason I cannot support my New Democrat friends and occasional compatriots on their opposition day motion is for the simple reason that this plan of making electricity in Ontario that is being put forward by the New Democrats cannot be sustained.

Let's be very clear: there is a very big difference between making electricity and transmitting electricity. It's like the difference between a hospital and an ambulance. The debate over the future of Ontario Hydro and of electricity in Ontario in the 1990s was about generation. It was about what had happened to Ontario Hydro and about how we make electricity in Ontario. I know that Mr Conway is going to spend some time talking about that, because he was there, and I'm only going to touch on it for a moment.

**1630**

The problem with the New Democrats' plan for making electricity is this: it is going to mean more debt for Ontarians; it is going to mean less made-in-Ontario electricity; it is going to mean more reliance on US electricity, which in turn is going to cost Ontario taxpayers. It is not a plan for the future. It is a plan that clings to an illusion of the past that may have come and gone, but it is not a plan that addresses the realities of electricity generation, of making electricity for Ontarians today.

It is, I have to say, a fairly easy position to take in this sense. It is very simple to tell people we're just going to keep it the way we think it was, the way we were. We had a bit of a discrepancy. The energy minister thought that the official opposition leader had said one thing; it turned out he had said another thing: "You say po-tay-to; I say po-tah-to." We would like to say, "Let's call the whole thing off," when it comes to Hydro One and the selling of electricity transmission. Would that we could put off the tough decisions on the future of making electricity, but we can't. We cannot. Any party that is serious about governing electricity generation in the future has got to face that stark reality and the sober lessons of what happened to Ontario Hydro in the 1990s.

The position that Dalton McGuinty and the Ontario Liberals take when it comes to making electricity in Ontario attempts to address that challenge. That means not promising things we can't fulfill. That means no pipe dreams. I fear what I hear from New Democrats is a pipe dream. It is the equivalent of the promise, the pipe dream, on public auto insurance which, it turned out, once they ended up in government, they couldn't keep. But I want to be non-partisan about this. I want to say that we don't want to take a position that's equivalent to promising to scrap the GST, also a mistake. Rather, let us articulate a position that in fact one can govern with.

I don't believe for a moment that the plan set forth in terms of electricity generation in Ontario by the New Democrats is one that can sustain a future of more reliable electricity in Ontario. That's why we can't support this motion. To achieve a reliable, affordable supply of power in the province, Ontario Liberals are for keeping Hydro One public. We're against a Tory privatization of electricity transmission. Ontario Liberals are for more consumer protection through the McGuinty electricity consumer protection plan. We are against the Tory bungling of consumer protection to date. We are for more made-in-Ontario electricity. We are against the New Democrats' prohibition of more green power through failed electricity monopolies of the past. We are for cleaner and greener electricity for all and against the New Democrats' prohibition through these old monopolies. We are against the increased reliance of made-in-the-US electricity. We want more made-in-Ontario electricity. That means stopping the monopoly and letting in cleaner and greener alternatives. That's the future of electricity in Ontario.

Ontario Liberals are for more regulation and tougher regulation of how electricity is generated, sold and transmitted here in Ontario and we are against what has really been Tory bungling of deregulation to date. We're for reducing Hydro's \$38-billion debt and we are against the New Democrats' efforts, in effect, to keep that debt growing. It's a sad fact; it's a sober fact. I don't think the New Democrats are going to admit that fact, but it's the reality. If we're going to reduce the debt, then we need to take this tough step. Granted, I want to add again—I can't say it enough—Ontario Liberals are opposed to selling off Hydro One. Privatization of Hydro One in any way, shape or form makes no sense. This has been caucused, I know, on the government side. We know, because Mr Guzzo shared the fact with us that it was caucused and rejected. We look forward to what the government is going to do on Hydro One.

But I don't think there are very many people in this House who don't go home to their constituencies and hear loud and clear from their constituents that they don't want Hydro One to be sold off. We don't want Hydro One to be sold off. The government tried to sell it off, illegally, it turns out. They had no statutory authority to sell off Hydro One. They tried to sell it off, and they were caught out. So now we are in the midst of enormous volatility within the electricity world in Ontario, and as a result, in fact, electricity generation is suffering as well.

I just want to touch on the sober lessons of Ontario Hydro in the 1990s. Let's face it, we're going to have to talk about failures by all three parties over the years. There's no monopoly on getting it wrong when it comes to dealing with Ontario Hydro. I think that has to be said up front. That's why in 1997 all three parties came together and they came up with a position that I think is ultimately defensible. Unfortunately, what happened between 1997 and the present is that one of those parties, which very clearly took the position that competition in electricity generation was not only the right route but the only route to go, has now changed its tune, and I'm talking about the third party, the New Democrats. I want to get into that right now.

The cost of electricity went up 40% while the New Democratic Party was the government of Ontario—40%. Inflation didn't go up 40%, electricity went up 40%. New Democrats added over \$5 billion to the stranded debt through non-utility generation, called NUGs. NUGs, these contracts, are essentially private power. The member for Sault Ste Marie knows something about private power, because electricity generation, transmission and distribution is all private in the member for Sault Ste Marie's riding, and I know he wouldn't want that changed. I know he wouldn't want that nationalized. So let's not make this an ideological argument about the wisdom of who ought to be delivering the service; let's rather talk about how best to provide Ontarians with reliable, affordable power.

Between 1989 and 1996, 1,200 tonnes of toxic metals were dumped into Lake Ontario. Ontario Hydro knew of these leaks but never informed Ministry of the Environ-

ment officials. It was a bombshell. Note: 1989 to 1996. All three parties were in power in this House between those years, 1989 to 1996. There is no monopoly over success or failure on this front. As a result, we had convened a select committee on Ontario Hydro nuclear affairs, as one reason, among others. I know Mr Conway will be getting into that.

Let's be clear. The New Democrats took the position that changes had to be made, that the status quo could not be clung to, and they were right then. The representative on the committee was Floyd Laughren, the member for Nickel Belt. Dr Grant was one of the deputants at one point, and he said, "If ... it appears that Ontario's marginal power needs can be supplied by a whole different set of technologies, then that would be the right decision to make." He said we need more technologies. Dr Grant said, "I think removing the public monopoly from the playing field is exactly the right move in the way of setting directions for those new investments." That's what he said, to which Mr Laughren said, "I can understand" that. The New Democratic member said, "I don't have a big problem with bringing competition into the system."

The New Democrats' position was, at the time I think, quite a responsible one, an accountable one. Floyd Laughren was speaking—it was really not only the right way to go, as I said, it was the only way to go, because in fact Ontario Hydro had run itself into the ground. Everybody knew that. Everybody knew that then and all three parties agreed that changes had to be made.

#### 1640

Mr Laughren later on was responding to Donald Macdonald, author of the commission report that made some of the recommendations that have been followed, and some of which have not, by this government. Here's what Donald Macdonald said: "We're asking for a leap of faith that indeed a market can develop here for this commodity, electricity, as it has for natural gas, and that in the long run we won't get the enormous cost overruns that we've had under the previous form of organizing the industry," to which NDP member Floyd Laughren said, "I'm prepared to accept that leap of faith."

That resulted in a report from the NDP caucus in December 1997. The select committee on the Ontario Hydro nuclear report of the NDP caucus stated, and I'll go right to the last paragraph, very clearly reflecting Mr Laughren's comments—this is the NDP caucus speaking: "We support changes to the way Ontario's electricity market is structured."

Again, we might not all have agreed on exactly how you would do that restructuring but we all agreed it was time to let go of this illusion of the past, that the dream of Adam Beck in fact needed to evolve because it had devolved in the 1990s and the status quo was no longer acceptable. All three parties agreed that we needed reform. Of course we wouldn't agree on the details and of course we have enormous differences with this government on electricity policy. We have irreconcilable differences when it comes to the sale or otherwise

privatization of Hydro One, but when it comes to the future of providing electricity, all three parties agreed that we needed to do it. It reminds me in some ways of the debate sometimes that all three parties have on health care reform. We may not agree precisely on how it takes place and we may have great differences, particularly around privatizing public services, but we all agree that it has to be done. My concern with the NDP plan that has been articulated by Mr Hampton is quite simply that it won't move forward, that it ignores and is a total reversal of the position taken by that party in 1997.

The point here is not to play "gotcha" with quotes. That is not the point, but clearly it was the position of the New Democrats—

**Mr Christopherson:** That's exactly the point.

**Mr Bryant:** No, it is not the point. It was the position of New Democrats in 1997 that in fact restructuring had to be taken. There's no "gotcha" there. That was their position. That was the position of all three parties. Now in fact what has happened is that it's not the position of all three parties. My concern is that hanging on to the illusion, as the third party is doing, is the wrong direction for Ontarians. I would say that this position at times could be backwards, could be irresponsible and could lead to more debt and less electricity. That's not the direction we ought to be heading in. It could lead to less generation of grain power, not more, and that's not the direction we want to be heading in. It could in fact lead to meaning in the long term, because of a greater reliance on importing electricity, more expensive electricity for Ontarians, and that's not the direction we want to be heading in.

I say in closing, because I want to share my time with the member for Renfrew-Nipissing-Pembroke, that Ontario Liberals support more made-in-Ontario electricity. We want more consumer protection. We want cleaner and greener electricity for all. Ontario Liberals want more regulation for the transmission, distribution and generation of electricity for all and Ontario Liberals support the reduction of Hydro's \$38-billion debt.

I will be sharing my time with Mr Conway.

**Mr Marchese:** I want to first of all congratulate the people who are watching this debate, because it's not easy to listen to all of us here in this place. It can be tough, on some listeners more than others; tougher, I suspect, when they have to listen to my friend Joe Tascona, who's reading most of his speech. Who would listen to anybody reading an entire speech for 20 minutes? I would turn off the channel right away. God bless those who stay on, watching in the hope they might find some speaker they can listen to for a while.

**Interjection:** You.

**Mr Marchese:** Some are looking forward to listening to me, and so I'm happy to have 10 minutes or so to be engaged in this discussion.

I thank the member for St Paul's. We're buddies. We live close to one another; we're very close. I thank him and others today for telling you how different we are. Often people say, "Why can't you NDPers and Liberals

get together?" I say, "Well, we're not as close as some of you think we are." The member for St Paul's is reminding you folks out there of our differences, and I thank him. And I thank as well all the other Liberals who have spoken and who will speak, who will point to those differences, because the public needs to know there are three political parties. We are different from the Liberals.

Michael Bryant from St Paul's made reference to a number of comments by a previous speaker. I want to remind you listeners what the Liberals have said. Even the member for St Paul's has often made reference to the Tories' flip-flopping, which is a trademark of the Liberal Party, if anything can be said about them. So for your pleasure, listeners, this is what the Liberals have said, as a reminder, in case you weren't tuned in the other day.

*Interjection.*

**Mr Marchese:** Michael, listen to this. You've seen the letter, "Energy Sector Reception for Dalton McGuinty."

**Mr Bryant:** That is ridiculous.

**Mr Marchese:** Listeners, Michael is unhappy with my raising this issue.

**Mr Bryant:** No. I'm saying it's a cheap shot.

**Mr Marchese:** Michael is saying it's a cheap shot.

**Mr Bryant:** And misleading.

**Mr Marchese:** Michael is saying, "Rosario Marchese is about to mislead you." I don't know, Michael. If I had said it, Speaker, you would have been up on your feet. Come on. That's OK. Not to worry.

Here is the letter that was sent by Richard King—oh, there's Sean Conway; I didn't see that you were there too. This letter says, "We are writing to invite you to a reception to meet Dalton McGuinty, leader of the official opposition.... Throughout Ontario's electricity restructuring process, Dalton and the Ontario Liberals have been consistent supporters of the move to an open electricity market in Ontario," and they invite you to a \$350 fundraising event.

It's not bad. It's cheaper than some of the fundraisers you have for 500 bucks and certainly cheaper than the fundraising that Monsieur Jean Chrétien has for a thousand bucks. Three hundred and fifty bucks. Man, if only New Democrats could invite a couple of people who could pay \$350. It's really tough.

**Mr Sean G. Conway (Renfrew-Nipissing-Pembroke):** You do all the time.

**Mr Marchese:** Sean, my fundraisers are \$35. I'm sad about my inability to raise the kind of dollars you guys raise—\$250 events, \$350 events, a thousand bucks. Who do you think goes to those events? Working Joe Smith? No. The kind of people who go to these events are the wealthy energy types these people are connected to. I'm the guy who's seen as being fond of saying, "Only Tories are connected to the big guys." The Liberals too, I argue often.

Michael Bryant said reading this into the record is misleading. I'm just reading for the record this letter that says—

**Mr Bryant:** What are you saying?

**Mr Marchese:** Michael, I know you are unhappy with this letter. It's inviting people—the same energy people—to a fundraising event, and it says, "We support deregulation of Ontario Power Generation."

Michael, that's what that letter says. Sean will correct me if the letter says anything different and/or if it's misleading in any way, because he's next.

**Mr Bryant:** What's your point in reading it?

**Mr Marchese:** To put on the record your position on deregulation, Michael.

**Mr Bryant:** You're making another allegation.

**Mr Marchese:** Please, Michael, you're tiring me out. Now you're tiring me. I know we're buddies, but now what you're saying is meaningless.

Here's another quote for your pleasure, Speaker, from Louise Elliott of Canadian Press: "Liberal leader Dalton McGuinty said privatizing [Hydro One] was the right move, but should have been done following an open debate in the Legislature." He said as much in another article from February 20, 2002.

1650

Michael often speaks about the flip-flopping of the Tories, which they do from time to time.

And, by the way, it is true. When they make reference to the fact that we made a promise in auto insurance and backed away, they're right. We did do that. I was one of the members in that caucus. I'm sure that my friend from Hamilton West, Christopherson, was on the same team, where we said, "We've got to maintain that promise." Others argued, "It's a recession. We can't afford the fact that we will lose up to 15,000 workers. This is not the time." We said, "This is the time." We lost it, it's true. We, the NDP—and I'm included even though I was in disagreement with that—did not go through with public auto insurance.

On the other hand, the Liberals have no shame when it comes to taking one position and then taking another. Quite clearly, Dalton here is saying, "Not only are we in favour of the deregulation of Ontario Power Generation"—which they call competition, not privatizing really. On the issue of privatizing Hydro One, Dalton says, "It's OK, but we should have had a debate." I presume the debate would have made a whole lot of difference in the scheme that was being proposed by the Tories. But all of a sudden, after the NDP taking a clear position against both the deregulation of Ontario Power Generation and opposed quite clearly to the Hydro One and the hydro lines, the Liberals decided after doing some polling that maybe they should change their position, and they have. So have the Tories, because after the court decision that was made that said you can't do it, the Tories all of a sudden, through the election of Ernie Eves, have realized, "Perhaps we're on the wrong track too, and we might need some time"—right, Steve Gilchrist—"to get re-elected and then bring back the issue once again. In the meantime, if we've got to do anything, we might even lease, as we did with Bruce B."

Leasing, as I pointed out—

*Interjection.*

**Mr Marchese:** Yeah, you like leasing, don't you, Mr Miller? Leasing has given the profit to British Energy of 157 million bucks. They were wrong in their projections, and all of sudden they made some money. By the way, Steve Gilchrist, that money they're making in profits doesn't come from the consumers. I guess it magically appears somewhere, but you good people aren't paying for that. It's not coming out of your pocket. The \$157 million they're making this year is coming from some presumed, non-existent consumer. You taxpayers aren't paying for that profit, somebody else is. If we lease the Hydro One transmission lines to somebody else, don't worry, they'll be making a profit but you taxpayers won't be paying for that.

In California, as I stated earlier—and the member for Scarborough East, Steve Gilchrist, the last time I don't know what his answer was to this—they went bust. Jim Wilson had a heck of a time after it went bust to just purse his lips and not make any reference to California whatsoever. It went bust, all the blood-sucking corporate sector that was involved in delivering that private energy to those poor suckers. The taxpayers got stuck with a bill of anywhere from \$12 billion to \$20 billion as a result of those corporate bums that Tascona loves, those corporate individuals, the ones who swindled the taxpayers of California. Then the government, the state, has to come back in, take it over again, and who gets stuck with the bill? Gilchrist, the member for Scarborough West, says, "Oh, it's not the taxpayer; it's somebody else."

You've got to love them. You've got to love Stockwell. He's a good soldier. Steve Gilchrist, the member for Mississauga West, is a good soldier too. They are good soldiers. I love to watch Stockwell here and others, the Minister of Energy. Every day they have this flippant attitude, this dismissive attitude, this hubris that overwhelms the member for Scarborough West, and overwhelms and overtakes the Minister of Energy as well.

They're so dismissive. They say, "Only the NDP is in favour of the status quo." The Liberals make the same claim. Why is the NDP in favour of this? Because we believe it's the right thing and we believe the public believes it as well. There is no outcry from the public—from you, public watching—saying, "We need to disrupt, we need to dislocate, we need to break this Hydro thing down because it's not working." I've never heard one single constituent in my riding say, "We need to change because the status quo isn't working," except for the Liberals, who are claiming the status quo isn't working, except for the Tories, who are saying the status quo isn't working. But the majority of Ontarians are saying, "Keep Hydro as it currently is. If you've got to fix it, you'll fix it, because we do not trust the private sector to fix it, because we will be hoodwinked, because we will pay the cost of giving the private sector the luxury of making money to produce hydro and to bring it to our homes."

We New Democrats have been quite clear: we want it in public hands. The Liberals and the Tories are trying to convince you otherwise. It's up to you to convince Liberals and Tories that that is wrong, and you've got to

tell them to stop before they go any further. You've got to send that message to them.

**The Acting Speaker:** Further debate? The member for Scarborough East.

**Interjection:** West. Mississauga West.

**Mr Steve Gilchrist (Scarborough East):** You got it correct, Mr Speaker. I was the member for three different ridings in the course of a minute, thanks to the member opposite.

Of course, we're hardly surprised at the passionate defence for this very poorly worded and misdirected resolution that's been brought forward by the leader of the third party. The Chicken Little of the Year Award is certainly due to Mr Hampton and all of his colleagues over there for the outrageous approach they've taken to what should be a good-news story in the minds of any reasonable person, in the mind of anyone who understands anything about the competitive marketplace and the law of supply and demand. They would know that the opening up of electricity to competition in the marketplace will guarantee greater supply. They cannot, they have not and I am sure they never will be able to stand in their places and cite one single product in the course of their entire lives where there has been an increasing number of vendors offering an increasing number of products, and the price has gone up. The price of course goes down. I know the sophistry and rhetoric, the hallmarks of what we hear from the other side, not facts. But let's just look at what has happened and let's keep this debate really timely.

On the day that we opened up the marketplace for competition, every consumer in this province, with the exception of the 100 largest corporations that had side deals, was paying 4.3 cents a kilowatt hour for base electricity. At noon today, I am pleased to tell you that the price that they were paying was 3.19 cents.

**Hon David Young (Attorney General, minister responsible for native affairs):** That's a lot less.

**Mr Gilchrist:** That would be a lot less. In fact, that would be well over 30% less. That is consistent with the pricing every single day since the market opened on May 1, fully a one third lower cost for power as a result of competition.

We've heard other things brought forward in this resolution. First off, the very suggestion that deregulation should be part of the debate here today is preposterous, it is offensive, it is misleading to the people who are watching this debate. The fact of the matter is, there are actually more regulations governing the electricity market in Ontario today than at any time in our party's history and at any time in any other party's history. The reality is, particularly in the area of consumer protection, the members opposite know full well they cannot stand in their place and cite one regulatory power that ever resided with the OEB or any other agency of the government or the government itself to protect consumers that is not in place today. What is in place are not only more regulations, but regulations that have been recrafted and rewritten to make them easier for lay people to under-

stand. We want to make sure that everyone knows their rights. Where there have been instances of retailers or distributors or generators that transgress the laws as they're already written, we will continue to close loopholes and continue to throw the book at anybody who tries to play games with the consumers in this province. There are already record fines established from the OEB using the rules that have already been given to them, the powers that have been given to them. You can rest assured that if we find those fine levels are not adequate to police, they will be increased.

**1700**

I also want to speak briefly to some of the other antics. I'm very disappointed that the last section of the resolution advanced by Mr Hampton appears to be a backdoor effort to try and raise in this chamber issues that were debated in the course of the work done by the select committee on alternative fuel sources. As many of the members will know, earlier today our House leader introduced a motion to extend the deadline that had been established for the tabling of the comprehensive and visionary report of that committee. The deadline has now been moved to June 6 for one very simple reason: to accommodate the translation of the report into French, the other official language. That motion was accepted by all members in the committee—all parties, all members.

When people now stand up here and take virtually the same wording that they proposed in that committee in a report that has been embargoed until June 6, I think it's showing great disrespect for this House. I would suggest to all members that if that's the game you want to play, then let's all take the gloves off. There is no doubt there are just as many people on this side of the House—and I will count myself among them—who contributed to that report and who feel passionately about the need to green the energy generation and use in this province.

I refuse to be lectured by the member for Kenora-Rainy River through this resolution, who would suggest that somehow turning back the clock would accomplish the aim of improving air quality and greening electricity generation. The fact of the matter is, it was as a result of our government passing the Electricity Act in 1998 that we now have the world's largest wind turbine in Pickering. It is a fact that as a result of that bill, we have an energy co-operative working with the city of Toronto, erecting another wind turbine on the waterfront in our city. It is a fact that as a matter of right, anyone producing green power—wind, solar, biomass, hydrogen fuel cells—now has the ability to sell their electrons into the grid. Mr Speaker, you of all people would know that prior to the passage of that important piece of legislation by our government, the only entity that had the right to transmit electrons around this province was that vaunted monopoly, Ontario Hydro.

So when the member opposite suggests that we turn back the clock and go back to the great old days of a monopoly that had no interest in consumer protection, no interest in consumer choice, no interest in fiscal responsibility, no interest in competitive tendering—in fact,

when they built nuclear plants they consistently built them for twice the price they were quoted by the manufacturer and designer, Atomic Energy Canada. Billions and billions and billions of dollars worth of debt are the legacy of the monopoly operation that the members opposite would have us go back to. It is outrageous and it's just not going to happen.

The consumers are so far ahead of you that you need a telescope to see them. The consumers have already figured out that whether it's buying motor oil or whether it's buying cars or whether it's buying toaster ovens or whether it's buying electricity, the greater the choice, the greater the supply, the more stable the prices and in fact in almost every case, the lower the prices. That will be the inevitable result of the opening up of our marketplace to greater competition on the electricity generation and distribution side.

The member opposite who spoke before me commented on how outrageous it was that as a result of doing the deal with British Energy to lease the mothballed Bruce nuclear plant and the generators that were still functioning up there—no thanks to Ontario Hydro—they'd actually be making a return on their investment. We understand, as does every other person living in this province between the years 1990 and 1995, that the NDP doesn't have the slightest idea what fiscal responsibility means, what running a taut ship means, because they were losing \$11 billion a year in the richest province, in the richest country on the face of the earth. They couldn't make this turkey fly. Well, we're soaring like eagles now.

To the members opposite, Bruce Power, British Energy, are making that profit because they have brought over new technology. They've made extraordinary investments. They have taken reactors that Ontario Hydro had written off and made them work and have made money as a result of that initiative, as a result of that intellect, as a result of the efficiencies that the private sector has brought to that operation.

On the other side, as a contrast, in Pickering, where Ontario Power Generation is still the landlord, the \$800-million quote to refurbish four of their reactors has now ballooned to well over \$2 billion and, once again, we found out a week or so ago that the most recent deadline is going to be missed by another six months. There could not be a more stark contrast between bloated, bureaucratic, inefficient, irresponsible management on the one hand, under the control of the public monopoly, and the innovative techniques being developed and utilized in the private sector. One would have hoped by now that OPG would have seen the writing on the wall and would be adopting the same sort of innovation that Bruce Power has been able to bring to bear profitably in their operation, and maybe they still will.

I know one of my colleagues wishes to comment about this resolution as well.

Let me just close by saying there is absolutely no better guarantee of a cleaner electricity sector than competition. There is no better guarantee of stable and

low-cost pricing in this province than competition. We know there are already 3,000 megawatts of privately built and funded power either already on line or in the works, more power than it would take to run one and a half Torontos, and no taxpayer is on the hook for one red cent of any of that new electrical generation. The fact of the matter is, as every one of those new generators comes on line, they will continue to drive down the price. At the same time, the creation of new green sources of power will give an option to people who care just as passionately about air quality as they do about electricity prices. They'll give them the option, give them a choice that no government has ever given them before.

That's why I will be voting in opposition to this resolution. Thank you for your attention.

**The Acting Speaker:** Further debate?

**Mr Conway:** I am pleased to rise and speak to this debate. I will certainly not be supporting the motion standing in the name of Mr Hampton.

I want to spend most of my time today talking about the substance of a very important and difficult question facing the Legislature, the people and the economy of Ontario. But I must note, in passing, some of the remarks made by Mr Marchese. Sad to say, he certainly tried to leave the impression that I personally could somehow be bought by the power interests. I thought I knew Mr Marchese a little better than that.

**Mr Marchese:** I didn't say that.

**Mr Conway:** You certainly left that as a very clear implication.

*Interjection.*

**Mr Conway:** I'm not going to go there but I am disappointed that you have been so vigorous in your implication of that. If that's the way it's going to be, I guess that's the way it's going to be.

I do remember how he and his colleagues wrestled with this issue when they were in government. I could take the really cheap and easy way to attack them and observe that when they were responsible, electricity rates went up 40%. When they were responsible, one of their CEOs was Marc Eliesen, and he was certainly looking after his own interests over there at the executive suite of Hydro One.

**1710**

I well remember both Bob Rae and Maurice Strong saying toward the end of the mandate, "Listen, folks, the paradigm for electricity policy in this province has got to change." Strong particularly, obviously with some measure of support from the esteemed NDP Premier of the day, was clearly pointing in a new direction.

My colleague Mr Bryant cited some chapter and verse of Mr Laughren, a distinguished member of this Legislature, who served with me and others in the select committee reference in the fall of 1997, as we looked at the deep troubles afflicting the nuclear power division of Ontario Hydro.

It was very clear, from what Mr Bryant rightly said about the fair-minded and thoughtful Mr Laughren, as to where he was in the fall of 1997, confronted as we all

were with the reality of what had been going on for too many years in the nuclear power division of Ontario Hydro.

I suppose I could also observe that Mr Strong, supported by his colleagues, as the nuclear power division was unravelling—it wasn't entirely the NDP's fault. The Liberal government, and certainly the Davis government as well, deserve some criticism for our role and our sins of omission and commission there. But when that was going on we had the NDP talking about purchasing forests in Costa Rica, I remember. It certainly was a diversion away from what was a ticking time bomb in the state monopoly that was then Ontario Hydro.

My friends are forever telling me about the fact that they're going to NDP fundraisers. Mr Hampton, and before him Mr Rae, and before him Mr Lewis, had a very active and successful campaign of raising hundreds of thousands and I think annually they raise over a million or two dollars of funds to support the good work of the NDP. There is a very powerful, effective and efficient union check off that gives the NDP annually a seven-digit figure, and good for them. But am I going to go around impugning the integrity of the NDP and their relationships in terms of policy and pecuniary interest with the sources of some of that money? I don't think that would be sporting of me and I don't think it would be fair-minded of me.

But I cite a disappointment when my friend the member for Trinity-Spadina tries to so awkwardly impugn my integrity. If he thinks, or if anyone thinks, that I am going to be bought off by the power interests or anyone else, let me tell you that he's sadly mistaken.

I will say, like my friend Floyd Laughren, having sat through the testimony in 1997, I concluded that it was simply not sustainable, the old policy we had all embraced. Having said that, I want to take this opportunity to articulate with some degree of, I hope, fairness and candour where it is Dalton McGuinty and the Ontario Liberal party are with respect to the electricity question.

It is absolutely true to say that we support a competitive market for the generation of electricity. Dalton McGuinty and I have said, and we said that night at our fundraiser and we've said repeatedly before and since that, since Ontario Hydro in the beginning was not ever intended to be a monopoly generator—something that most people don't seem to remember. In the beginning, Adam Beck's Ontario Hydro was a municipally built, provincially guaranteed in a financial sense, transmission company. That's what the original Ontario Hydro was.

For many decades thereafter, Ontario Hydro was primarily a transmitter, although it increasingly got into the generation business. But it was only after the massive nuclear commitment of the 1960s, 1970s and 1980s that effectively we became what we were never intended to be, namely a monopoly generator. There is no evidence to me today to justify the NDP's position that we should return to a monopoly generator. I don't want either a public or a private monopolist generating all of the electricity in Ontario.

I think a fair-minded person, having looked at the last 30, 40 or 50 years, would have concluded that you would want to inject some reasonable competition into the generation of electricity. Let me be clear: when I say "competition" I mean competition in many cases from public generators. The NDP would have you believe that competition must and only mean privatization, and on that critical point we fundamentally disagree.

We have scores of publicly owned municipal utilities in this province that have the capacity to generate electricity. I had one in my community for years. And what do we get from the provincial Ontario Hydro? An endless effort to put that local public generator out of business. And in the end they succeeded.

I want competition to mean that a lot of publicly owned generators are going to have an opportunity to build generation for their local and regional markets. Toronto Hydro, Ottawa Hydro, Thunder Bay Hydro and many others have indicated—not all of them necessarily, but many of them—an interest to expand their franchise in generation, or in some cases to get into it for the first time. When I talk about competition in generation, I intend a world where we have several generators, many of them public.

I do not hear my good friend the member from Sault Ste Marie standing up in this debate and saying, "Get Great Lakes Power the hell out of the Algoma district in Sault Ste Marie," and I know why. For nearly a century we've had a private operator up in the Algoma district, apparently doing not a bad job in serving the needs of Sault Ste Marie and environs. I don't think that has been altogether a bad thing for the people of that part of mid-northern Ontario.

We have in eastern Ontario Gananoque, a small community in the western portion of Leeds county where something of the same has occurred. We favour, in the Ontario Liberal Party, competition in generation, but by that we mean a competition often between several public generators, most of which are going to be municipally owned utilities. Orillia, for example, has an utility that today produces something like 25% of its local generation requirement. There are several others that I could name.

We do not, as Liberals, accept the argument advanced by the NDP that competition necessarily means, or has to mean, privatization. Dalton McGuinty and I and the Ontario Liberal caucus have made it plain: we are not interested in a sale of the legacy assets at Ontario Power Generation. We do not support the sale of Niagara Falls. We are not, any of us, going to sell, quite frankly, any of the nuclear power stations. The federal regulator basically told us that that was a very unlikely possibility.

But we have to ask ourselves this question. We are going to have to bring on-line thousands of new megawatts if we're going to meet the residential, industrial and commercial electricity demand of Ontario going forward. How are we going to do that? It's not going to be easy.

The government talks a lot about the debt. I think the Premier actually agreed today or yesterday that the

overwhelming majority, well in excess of 90%, of the stranded debt at Ontario Hydro has arisen because of problems in the generation section of the electricity business. I think it's important to note that. Over 50% of our cost in the electricity business, about 80% of our trouble and 90% of our debt is in generation. When we looked as a select committee five years ago at the generating division, virtually all of us came to the conclusion that we had some serious—in fact, in some cases some almost intractable—problems.

But that's the problem we have to solve. Like all members here, I agree that we've got to look much more creatively at bringing alternate sources of energy into the mix. Ontario Liberals said at the time of the electricity debate in 1998—we asked for, in the legislation, a renewable standard. We didn't get it. The government voted us down. We're going to return to that.

But make no mistake about it, my friends. Unless you mandate a renewable portfolio standard, meaning wind power and other renewables, and unless the federal government and to some degree provincial governments enrich the tax support for those propositions, they're not going to happen. Even when they are happening, they're going to come on-stream today at about twice the cost of your current power sources.

I'm for renewable power, but make no mistake about it, it's not going to be cheap in the early going. And I'll say something else. I noticed in the Wall Street Journal the other day an article about the Tennessee Valley Authority wanting to establish a wind farm someplace on the Carolina hills. Well, I'll tell you, they were run out of town pretty fast. It may be renewable, it may be less degrading than other sources of electricity generation, but there was apparently a fair bit of community resistance, and they have pulled back.

1720

As you drive east now on the 401, what do you see just at the end? You see that rather large, daunting windmill. It's altogether for show, quite frankly. That's one of the other reasons why I wouldn't support this resolution. I think it's important for government to set a standard and legislate a renewable portfolio standard, but we should then leave it to the utilities and others to meet those requirements. I'll tell you, we learned a few years ago that if you're going to ask a gargantuan, vertically integrated public monopoly like the old Ontario Hydro to do that business, you're going to have maximum cost and minimum gain. But even if it all goes well, you're going to have a fight on your hands. There are going to be windmills in places where people don't want them. Everybody expects they'll be some place over the next ridge, some place beyond Pembroke and North Bay, where nobody really goes, and that'll be the solution to your problem.

The member who preceded me made the comment about the marketplace. The marketplace is, in this particular respect, not going to be as much of a friend as you might like. Anybody who's looked at the electricity business observes a salient reality, namely, electricity is a

commodity unlike just about any other commodity. How? You absolutely have to have it and you can't store it. Because of its essentially critical and essential nature, it has a political punch and salience like none other, and everybody knows it. As much as you might like to take the politics out of electricity, good luck, particularly in a large province like ours, where you've got subarctic conditions for four or five months of most years; 2001-02 may be an exception.

I say to this Legislature, and I particularly say to my friends in the NDP, yes, we're going to have more demand management, more conservation. I agree absolutely. There are significant lifestyle implications that we're all going to have to accept. I'm not so sure that people who advocate this are fully cognizant of the implications. But we're all going to have to make some changes.

My question is, how are we going to meet the next generation requirement? Most of us in the last number of years have heard how the community has decided what we don't like. I happen to represent an area which has at least a half-dozen hydroelectric dams, big cement curtains draped across the Ottawa River at Rapides-des-Joachims or across the Madawaska River at Bark Lake or Barrett Chute or at Arnprior, generating hundreds of megawatts of electricity for our system. Do you know what? You couldn't build any one of those plants today, and if you could, it would be one hell of a fight.

So we're not going to have much more hydroelectric generation in southern Ontario. Apparently there's not much appetite for the nuclear option, and I understand why, although I have some views on that which might be more personal.

How are we going to do this? If you want wind, good, get ready to pay in the short and intermediate term twice the price for it, and that's if you can settle the environmental hassles if it's going to be in Bracebridge or going to be someplace in my part of the province. Wherever it is—

*Interjection.*

**Mr Conway:** Well, I say, my friends, we all laugh, but there are going to be more cottages built in Muskoka. Drive up 400. Drive anywhere in southern Ontario, the population's growing. Every one of those new houses is a new demand source for electricity. The population of Ontario grew by 6.1% in the last five years. Hopefully the economy is going to recover.

How are we going to do this, I say, particularly to my friends in the NDP. I'll tell you one of the ways you're going to do it, and you're going to be damn happy to do it. You're going to have broadly beneficial industrial cogeneration. And for that, you're going to want and require the active participation of industry, large and small, right across the province. You're going to want that for both generation purposes and for transmission purposes. That's going to be an important part of the electricity future of this province. That's not going to happen, quite frankly, under the policy framework outlined in Mr Hampton's resolution today.

I want to say something else to my friends in the New Democratic Party and I think it is important that my friend Mr Marchese listen to this and perhaps report this to Mr Hampton. The current stranded debt of the old Ontario Hydro is about \$21 billion. According to one of the independent analyses of this debt issue, and this one is done by Nesbitt Burns, a little over \$5 billion of that stranded debt has arisen out of the non-utility generation business. I say to my friend Marchese—I want him to hear this—of the current stranded debt of nearly \$21 billion, over \$5 billion has been assigned to what we used to call non-utility generation. Much of that is private power and much, though not all, of that was developed in the NDP's day.

*Interjection.*

**Mr Conway:** Listen. Not all of it, because some of it was done under the Tories and some of it was done under us. But it is a stunning figure to have before this House that over \$5 billion of the total \$21 billion worth of stranded debt is on account of the so-called non-utility generation that we committed to some years ago, and a lot of that was done under the Rae government for all kinds of good reasons. And that's, in the main, private power. When I hear the NDP saying, "Well, we don't believe in private power"—baloney, you don't believe in private power. You built and encouraged the building of a very substantial amount of what we used to call non-utility generation, but it is largely private power, and today we have a \$5.3-billion stranded debt on that account.

My only point in telling that story is that yes, the NDP supports private power. Howard Hampton was on a radio program in Sarnia not too long ago saying as much again, that he's not opposed to private generators being involved, and I will talk to him about that another time. But it is a salient point to observe that over \$5 billion of our \$21 billion worth of stranded debt is attached to non-utility generation, much of it is private power and much of it built under the Rae government. I will say this: it was the panacea of its time, not just here but in New York state and in a lot of other places. One of the problems with it is trying to graft local, private or utility generation on to the back of the big elephant of the vertically integrated monopoly. You just can't do it.

I say to my friends in the Conservative Party—the minister has joined us—the problem is a real one but the problem is in generation, overwhelmingly. Why are we selling Hydro One? The transmission business is good business. There have been some problems around investment, I accept, but those are largely the result of 10 or 15 years of every discretionary dollar being poured into the nuclear power division. Presumably that is now ameliorated to some considerable degree. When we look at the transmission company, the Ontario Liberal Party believes strongly that the electricity highway, the transmission company, should remain in public hands for a variety of reasons.

**Hon Chris Stockwell (Minister of Environment and Energy, Government House Leader):** There are capital infrastructure costs.

**Mr Conway:** Listen, according to the latest numbers, the latest financials from Hydro One, in the last couple of years they've been spending in the neighbourhood of half a billion dollars on capital upgrades to the transmission company, they're paying a variety of other new charges and they're still reporting a net income of \$325 million approximately, over two thirds of which is coming from the transmission company. There is no doubt in our mind that there is a very good public interest case and a very strong business case for keeping the transmission company in private hands.

The minister said earlier today, "You know, we've got the Macdonald report," and he's right. Do you know what the Macdonald report said? They basically said, on the distribution side, that under no conditions should you be allowing Ontario Hydro retail to expand its franchise in southern Ontario. The advice was absolutely declaratory in 1996, when this report was tabled.

**1730**

What has happened in the intervening years? Ontario Hydro One, against the very clear evidence of their own blue ribbon panel, went out and spent about half a billion dollars they didn't have to buy 88 utilities they didn't need, and they paid a premium price, in most cases, of between 25% and 35% to buy the bloody businesses. They bought Brampton Hydro, for example, at \$260 million, almost all of it with borrowed money, as purely a defensive play to stop Mississauga Hydro and Toronto Hydro, two public utilities in the distribution business, from reorganizing, hopefully, in some more efficient and creative way.

I repeat: Hydro One, under the nose of Mike Harris and Ernie Eves, went out and did precisely what they were told not to do and they did it with borrowed money and paid premium prices to make most of these acquisitions. In doing so, they have managed to confound and frustrate what everyone in this debate has basically agreed to for the last decade or more: that there needs to be an orderly rationalization of the distribution business in favour of many fewer, but larger, LDCs, local distribution companies, most of which are going to be public and, hopefully, most of which or all of which will be more customer-sensitive.

I want to conclude my remarks by saying today, who is looking out for the customer in this debate? Do you know what the reality is in the utility business? Everybody, particularly the special interests that are going to drive this, is going to want to get at, in the case of Ontario, the approximately four million residential consumers of electricity. If you can just get your hands on that group of people and dump more and more of the cost on them—individually it might be just a little bit—boy, you can really do some interesting and creative things for special interests.

Let's deal with the problems in generation sensibly, and will somebody in the government start seriously looking after the customers.

**Mr Norm Miller (Parry Sound-Muskoka):** It's my pleasure today to join in the debate on the NDP's opposition day resolution to "Abandon electricity deregulation...; shut down the so-called competitive market...; ensure that no sale, lease or privatization of Hydro One, Ontario Power Generation or the assets of either company, will take place."

There are many good reasons that I do not support this resolution. One that comes to mind is debt. That's something the NDP doesn't like to talk too much about. I was glad to see the member for Renfrew-Nipissing-Pembroke raising debt and the contribution of the NDP toward that debt. The \$38-billion legacy of debt and other liabilities that were run up by the old Ontario Hydro before our government developed a plan to address this problem is certainly significant. That's \$10,000 for every electricity customer in the province. For most of the last decade it has represented about 35% of your electricity bill. Of course, you wouldn't be aware that it was 35% of your electricity bill because it wasn't labelled as such, something we'll be changing in the not-too-distant future.

The leader of the third party might want us to continue down the road of increasing debt, but most of us have had enough. We don't want to continue mortgaging our electricity use on the backs of our children. We don't want to see our tax dollars funding an inefficient electricity system. We want to see investment in priority programs like education and health, which all my constituents have told me are the priority items they would like to see our government concentrating on.

That is why we support electricity competition. It is our best guarantee of a safe, reliable electricity supply at competitive prices that promotes rigorous cost control, delivering power prices lower than we would have had under a continued monopoly.

The market opened on May 1. Prior to the May 1 opening, the regulated price was 4.3 cents per kilowatt hour. Since then, for the last 28 days, it has been around three cents per kilowatt hour—a huge reduction of about 30%. So far the competitive market is working very well.

When they were in government, even the NDP realized there were serious problems at Ontario Hydro. That is why they froze electricity prices, which had almost doubled between 1983 and 1993. Power costs went out the window under the NDP government and, yes, you heard me correctly: prices increased 90% from 1983 to 1993. That was when Ontario lost its competitive edge in electricity, which is so important for business in this province, so important for all individual residents and consumers.

When we were elected in 1995, our government continued the price freeze. It was no solution, but it helped to protect customers while we developed our plan to fix the electricity system. Our plan was the result of an open consultation process undertaken by the government. We began by asking former Liberal federal finance minister

Donald Macdonald to provide advice on how to proceed. After Macdonald reported, the government issued its white paper, *Direction for Change*. We established a stakeholder-led Market Design Committee to develop the rules for competition. Bill 35, the Energy Competition Act, was toured around the province by legislative committee before it was passed in 1998. There have been numerous other stakeholder committees established along the way as we restructured the electricity market. It is already showing results.

Private investors proposed and in some cases are building billions of dollars in new generation. I think at the opening of the market there was something like \$3 billion in new generation projects that were coming on stream; that was roughly 3,000 megawatts, which I believe is the equivalent of power for about three million homes. Of course, the competitive market for electricity opened on May 1. I know prior to that the leader of the third party was going around the province—scaremongering is the best way I can describe it—in his bus, openly repeating many, many times that prices would double, triple, quadruple at the opening of the market. As I already pointed out, what happened? The price went from 4.3 cents to three cents a kilowatt hour, a 30% drop since market opening.

All this is happening while the electricity sector is being regulated for the first time. Of course, one of the points in the resolution is to abandon electricity deregulation. Actually, what we're doing with the competitive market is bringing a lot more regulation into effect. We have strengthened the Ontario Energy Board, which licenses retailers and regulates prices and service levels in the monopoly transmission and distribution businesses. Regulation is very important in an open market, so we have two regulators. There's the Ontario Energy Board and there's also the Independent Electricity Market Operator, which ensures safety and reliability. It's very important to have strong regulation in a competitive market, and that's something we're implementing.

Mr Hampton still likes to talk about how competitive markets failed in California and Alberta. He won't acknowledge that these jurisdictions turned the corner quite some time ago. This past winter in California, the price for electricity was \$30 a megawatt—that's three cents per kilowatt—down dramatically from what it was a year ago. That is, of course, cheaper than the price that electricity was in Ontario at the same time. In Alberta, average prices for the commodity electricity have been below the regulated price in Ontario prior to the market opening as well.

The problem in both of these places was supply. Both California and Alberta opened their markets at a time of increasing demand with no new generation being built. But it didn't take long for investors to respond to shortages and begin building new plants. We do not have supply problems in Ontario. The IMO has said clearly that we have enough generation available to meet our needs for the next 10 years. That's critical: you have to have supply to keep the price down.

One of the points the NDP are making in their resolution is they want to “ensure that no sale, lease or other privatization of Hydro One, Ontario Power Generation or the assets of either company, will take place.” We can compare the Pickering nuclear plant and the Bruce nuclear plant, which is being leased by British Energy. The British Energy Bruce nuclear plant has been a huge success story. They’ve brought reactors back on stream. I believe they’re bringing another 1,500 megawatts on stream by 2003. It’s being done not on the backs of the taxpayers, but through funding through the company itself. Even the 18,000-member-strong Power Workers’ Union supports Bruce.

Then we look at Pickering and what’s happening there. I think I just saw in the newspaper yesterday the news that Pickering, which was supposed to be bringing some reactors back on stream, is going to be delayed another six months. In fact these reactors were supposed to come back on stream in 2000 for \$800 million. What’s the price tag now? It’s over \$2 billion. I think that’s a fair comparison as to why maybe it does make sense to lease a nuclear plant if it’s going to result in more electricity, which is going to increase the supply of electricity in this province and result in cheaper prices for business and consumers in this province.

1740

Professor Marc Jaccard at the C.D. Howe Institute says there is a lesson to be learned from California, but the lesson is not to abandon restructuring and retreat to an expensive, inefficient and debt-laden monopoly. Professor Jaccard is the head of the energy and materials research group at Simon Fraser University and the former chair and CEO of the British Columbia Utilities Commission. He says we should not turn our backs on the benefits of electricity market reform, which is what the leader of the third party is asking us today to do. I notice the NDP doesn’t mention the Ontario study by Professor Fred Lazar, showing that there will be a \$3-billion to \$6-billion saving for Ontario consumers by 2010.

Competition is working in many jurisdictions around the world. The leader of the third party mentioned Pennsylvania. In Pennsylvania, according to the Department of Revenue, competition has saved customers about \$3.8 billion to date and should create more than 40,000 new jobs by 2005. Savings to customers in the United Kingdom are about 750 million pounds a year, equivalent to about \$1.7 billion Canadian. This information comes from the UK regulator. In Australia since 1991, 11 years ago, market reforms have resulted in an average real price decline of 24%. Also noticeable is the productivity improvement in the electricity sector, about 11% since 1993.

Does the leader of the third party want the people of Ontario to pay a premium for their electricity prices? Does he not realize how important it is for business to succeed in this province to have the best competitively priced electricity? Mr Hampton spends a lot of time arguing that we in Ontario are going to end up paying American prices—I’ve heard him say that a lot—for our

electricity because of competition. He doesn’t tell you that for much of the recent past, prices in Michigan and New York were actually lower than they’ve been in Ontario prior to the market opening. I think the prices in Canadian dollars this past winter of most of the competing states around us, from what I’ve seen, were around three cents per kilowatt hour, while we were paying 30% more: 4.3 cents per kilowatt hour in Canadian dollars.

That aside, healthy trade can be expected to keep prices in check on both sides of the border and help ensure reliability. During last summer’s heat wave, Ontario and the US bought and sold power from each other to meet the demand during peak periods. Cross-border electricity flows are a fact, but Ontario’s exports to the US are limited by the transmission capacity. Our interconnections can carry no more than 20% of our supply. In any event, neighbouring states are not relying on Ontario to meet their electricity needs. They are significantly increasing their own generating capacity. The midwest-Michigan region added 4,000 megawatts of power last year and has another 6,000 megawatts under construction. Each 1,000 megawatts, as I understand it, is about one million homes. The PJM, or Pennsylvania-New Jersey-Maryland, market has 4,000 megawatts newly operating or under construction. New England has 7,000 megawatts of capacity under construction. So there’s a lot of supply out there. Of course we have Quebec on one side, with its cheap hydroelectric power, and we have Manitoba on the other side, also with cheap hydroelectric power. They are bidding their power into the Ontario market, helping to keep the prices down. All this new capacity is available to Ontario customers.

At the same time we have continued to protect our needs first when it comes to ensuring a reliable supply. For those who are interested, you can go on to the Web and check out the current price of electricity at [www.iemo.com](http://www.iemo.com). You can see what the hourly price is and how much electricity is being used in the province at any given time and what it’s predicted to be for the day. As I say, most of the time it’s been around three cents per kilowatt hour to this point.

A return to central planning in Ontario, as advocated by the NDP, would be a step backwards. It would destroy the retail market that we have created and return Ontario to the days of out-of-control electricity price increases and ballooning taxpayer-guaranteed debts. I certainly do not support returning to that, so I will not be supporting the resolution advocated by the member opposite today.

I think the news recently about the compensation at Hydro One shows us that—and I just noticed the Premier in the paper yesterday saying that recent revelations about executive compensation packages at Hydro One point to the—

**The Acting Speaker:** Thank you. This completes the time allocated for debate.

Mr Hampton has moved opposition day number 2. Is it the pleasure of the House that the motion carry?

All in favour will say “aye.”

All opposed will say "nay."

In my opinion, the nays have it.

Call in the members. This will be a 10-minute bell.

*The division bells rang from 1746 to 1756.*

**The Acting Speaker:** Those in favour of the motion will rise one at a time and be recognized by the Clerk.

**Ayes**

Bisson, Gilles	Hampton, Howard	Martel, Shelley
Christopherson, David	Kormos, Peter	Prue, Michael
Churley, Marilyn	Marchese, Rosario	

**The Acting Speaker:** All those opposed will rise one at a time and be recognized by the Clerk.

**Nays**

Arnott, Ted	Gerretsen, John	Ouellette, Jerry J.
Baird, John R.	Gilchrist, Steve	Patten, Richard
Barrett, Toby	Gill, Raminder	Peters, Steve
Bartolucci, Rick	Gravelle, Michael	Phillips, Gerry
Beaubien, Marcel	Guzzo, Garry J.	Pupatello, Sandra
Boyer, Claudette	Hastings, John	Ramsay, David
Bryant, Michael	Hodgson, Chris	Runciman, Robert W.
Chudleigh, Ted	Jackson, Cameron	Ruprecht, Tony
Clark, Brad	Kennedy, Gerard	Sampson, Rob

Cleary, John C.	Klees, Frank	Sergio, Mario
Clement, Tony	Lalonde, Jean-Marc	Smitherman, George
Coburn, Brian	Marland, Margaret	Spina, Joseph
Colle, Mike	Martiniuk, Gerry	Sterling, Norman W.
Conway, Sean G.	Mazzilli, Frank	Stewart, R. Gary
Crozier, Bruce	McDonald, Al	Stockwell, Chris
Cunningham, Dianne	McGuinty, Dalton	Tascona, Joseph N.
DeFaria, Carl	McLeod, Lyn	Tsubouchi, David H.
Di Cocco, Caroline	McMeekin, Ted	Turnbull, David
Dombrowsky, Leona	Miller, Norm	Wettlaufer, Wayne
Dunlop, Garfield	Molinari, Tina R.	Wilson, Jim
Ecker, Janet	Munro, Julia	Witmer, Elizabeth
Elliott, Brenda	Murdoch, Bill	Wood, Bob
Flaherty, Jim	Mushinski, Marilyn	Young, David
Galt, Doug	O'Toole, John	

**Clerk of the House (Mr Claude L. DesRosiers):** The ayes are 8; the nays are 71.

**The Acting Speaker:** I declare the motion lost.

It being 6 of the clock, this House stands adjourned until 6:45 of the clock.

*The House adjourned at 1800.*

*Evening meeting reported in volume B.*

**LEGISLATIVE ASSEMBLY OF ONTARIO**  
**ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO**

Lieutenant Governor / Lieutenant-gouverneur: Hon / L'hon James K. Bartleman

Speaker / Président: Hon / L'hon Gary Carr

Clerk / Greffier: Claude L. DesRosiers

Clerk Assistant / Greffière adjointe: Deborah Deller

Clerks at the Table / Greffiers parlementaires: Todd Decker, Lisa Freedman

Sergeant-at-Arms / Sergent d'armes: Dennis Clark

Constituency Circonscription	Member/Party Député(e) / Parti	Constituency Circonscription	Member/Party Député(e) / Parti
Algoma-Manitoulin	Brown, Michael A. (L)	Guelph-Wellington	<b>Elliott, Hon / L'hon Brenda</b> (PC) Minister of Community, Family and Children's Services / ministre des Services à la collectivité, à la famille et à l'enfance
Ancaster-Dundas-Flamborough-Aldershot	McMeekin, Ted (L)	Haldimand-Norfolk-Brant	Barrett, Toby (PC)
Barrie-Simcoe-Bradford	Tascona, Joseph N. (PC)	Haliburton-Victoria-Brock	<b>Hodgson, Hon / L'hon Chris</b> (PC) Minister of Municipal Affairs and Housing / ministre des Affaires municipales et du Logement
Beaches-East York	Prue, Michael (ND)	Halton	Chudleigh, Ted (PC)
Bramalea-Gore-Malton-Springdale	Gill, Raminder (PC)	Hamilton East / -Est	Agostino, Dominic (L)
Brampton Centre / -Centre	Spina, Joseph (PC)	Hamilton Mountain	Bountrogianni, Marie (L)
Brampton West-Mississauga / Brampton-Ouest-Mississauga	<b>Clement, Hon / L'hon Tony</b> (PC) Minister of Health and Long-Term Care / ministre de la Santé et des Soins de longue durée	Hamilton West / -Ouest	Christopherson, David (ND)
Brant	Levac, Dave (L)	Hastings-Frontenac-Lennox and Addington	Dombrowsky, Leona (L)
Bruce-Grey-Owen Sound	Murdoch, Bill (PC)	Huron-Bruce	<b>Johns, Hon / L'hon Helen</b> (PC) Minister of Agriculture and Food / ministre de l'Agriculture et de l'Alimentation
Burlington	<b>Jackson, Hon / L'hon Cameron</b> (PC) Minister of Tourism and Recreation / ministre du Tourisme et des Loisirs	Kenora-Rainy River	Hampton, Howard (ND) Leader of the New Democratic Party / chef du Nouveau Parti démocratique
Cambridge	Martiniuk, Gerry (PC)	Kingston and the Islands / Kingston et les îles	Gerretsen, John (L)
Chatham-Kent Essex	Hoy, Pat (L)	Kitchener Centre / -Centre	Wettlaufer, Wayne (PC)
Davenport	Ruprecht, Tony (L)	Kitchener-Waterloo	<b>Witmer, Hon / L'hon Elizabeth</b> (PC) Deputy Premier, Minister of Education / vice-première ministre, ministre de l'Éducation
Don Valley East / -Est	Caplan, David (L)	Lambton-Kent-Middlesex	Beaubien, Marcel (PC)
Don Valley West / -Ouest	<b>Turnbull, Hon / L'hon David</b> (PC) Associate Minister of Enterprise, Opportunity and Innovation / ministre associé de l'Entreprise, des Débouchés et de l'Innovation	Lanark-Carleton	<b>Sterling, Hon / L'hon Norman W.</b> (PC) Minister of Transportation / ministre des Transports
Dufferin-Peel-Wellington-Grey	<b>Eves, Hon / L'hon Ernie</b> (PC) Premier and President of the Executive Council, Minister of Intergovernmental Affairs / premier ministre et président du Conseil exécutif, ministre des Affaires intergouvernementales	Leeds-Grenville	<b>Runciman, Hon / L'hon Robert W.</b> (PC) Minister of Public Safety and Security / ministre de la Sécurité et de la Sécurité publique
Durham	O'Toole, John R. (PC)	London North Centre / London-Centre-Nord	<b>Cunningham, Hon / L'hon Dianne</b> (PC) Minister of Training, Colleges and Universities, minister responsible for women's issues / ministre de la Formation et des Collèges et Universités, ministre déléguée à la Condition féminine
Eglinton-Lawrence	Colle, Mike (L)	London West / -Ouest	Wood, Bob (PC)
Elgin-Middlesex-London	Peters, Steve (L)	London-Fanshawe	Mazzilli, Frank (PC)
Erie-Lincoln	<b>Hudak, Hon / L'hon Tim</b> (PC) Minister of Consumer and Business Services / ministre des Services aux consommateurs et aux entreprises	Markham	<b>Tsubouchi, Hon / L'hon David H.</b> (PC) Chair of the Management Board of Cabinet, Minister of Culture / président du Conseil de gestion du gouvernement, ministre de la Culture
Essex	Crozier, Bruce (L)		
Etobicoke Centre / -Centre	<b>Stockwell, Hon / L'hon Chris</b> (PC) Minister of Environment and Energy, Government House Leader / ministre de l'Environnement et de l'Énergie, leader parlementaire du gouvernement		
Etobicoke North / -Nord	Hastings, John (PC)		
Etobicoke-Lakeshore	Kells, Morley (PC)		
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Mississauga South / -Sud Mississauga West / -Ouest Nepean-Carleton	Marland, Margaret (PC) Snobelen, John (PC) <b>Baird, Hon / L'hon John R.</b> (PC) Associate Minister of Francophone Affairs, chief government whip, deputy House leader / ministre associé des Affaires francophones, whip en chef du gouvernement, leader parlementaire adjoint	Scarborough-Agincourt Scarborough-Rouge River Simcoe North / -Nord Simcoe-Grey	Phillips, Gerry (L) Curling, Alvin (L) Dunlop, Garfield (PC) <b>Wilson, Hon / L'hon Jim</b> (PC) Minister of Northern Development and Mines / ministre du Développement du Nord et des Mines
Niagara Centre / -Centre Niagara Falls Nickel Belt Nipissing Northumberland Oak Ridges Oakville	Kormos, Peter (ND) Maves, Bart (PC) Martel, Shelley (ND) McDonald, Al (PC) Galt, Doug (PC) Klees, Frank (PC) <b>Carr, Hon / L'hon Gary</b> (PC) Speaker / Président	St Catharines St Paul's Stoney Creek	Bradley, James J. (L) Bryant, Michael (L) <b>Clark, Hon / L'hon Brad</b> (PC) Minister of Labour / ministre du Travail Cleary, John C. (L)
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Ottawa Centre / -Centre Ottawa-Orléans	Patten, Richard (L) <b>Coburn, Hon / L'hon Brian</b> (PC) Associate Minister of Municipal Affairs and Housing / ministre associé des Affaires municipales et du Logement	Thunder Bay-Atikokan Thunder Bay- Superior North / -Nord Timiskaming-Cochrane Timmins-James Bay / Timmins-Baie James	Ramsay, David (L) Bisson, Gilles (ND) Smitherman, George (L)
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Prince Edward-Hastings Renfrew-Nipissing- Pembroke Sarnia-Lambton Sault Ste Marie Scarborough Centre / -Centre Scarborough East / -Est	Parsons, Ernie (L) Conway, Sean G. (L)  Di Cocco, Caroline (L) Martin, Tony (ND) Mushinski, Marilyn (PC) Gilchrist, Steve (PC)	Windsor West / -Ouest Windsor-St Clair York Centre / -Centre York North / -Nord York South-Weston / York-Sud-Weston York West / -Ouest	Pupatello, Sandra (L) Duncan, Dwight (L) Kwinter, Monte (L) Munro, Julia (PC) Cordiano, Joseph (L)  Sergio, Mario (L)

A list arranged by members' surnames and including all responsibilities of each member appears in the first and last issues of each session and on the first Monday of each month.

Une liste alphabétique des noms des députés, comprenant toutes les responsabilités de chaque député, figure dans les premier et dernier numéros de chaque session et le premier lundi de chaque mois.

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