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**Official Report
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(Hansard)**

Wednesday 6 November 2002

**Journal
des débats
(Hansard)**

Mercredi 6 novembre 2002

**Standing committee on
estimates**

Ministry of
Intergovernmental Affairs

**Comité permanent des
budgets des dépenses**

Ministère des Affaires
intergouvernementales

Chair: Gerard Kennedy
Clerk: Trevor Day

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

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*The committee met at 1536 in room 151.*MINISTRY OF
INTERGOVERNMENTAL AFFAIRS

The Chair (Mr Gerard Kennedy): I'll call the meeting to order. I believe we have 20 minutes left in the rotation for the official opposition.

Mr Steve Peters (Elgin-Middlesex-London): It's nice to have you back again, Mr Dunlop. I hope you enjoyed your freedom yesterday and took advantage of that and were able to accomplish a number of things.

Hydro seems to be the dominant issue in the Legislature right now. I think every member, and certainly our constituency offices are hearing about it. I was pleased to see your comments in the Orillia Packet and Times of your own concern over hydro. I know Mr Mazzilli has expressed his concern as well. I think it's important that the government members speak up and express the views of their constituents. I saw Mr Arnott and Mr O'Toole presenting petitions as well, today. I think that's important.

One of the real craws in everybody's back over this number of issues with hydro seems to be the issue of the GST and whether it's a good or whether it's a service. The feds blame the province and the province blames the feds over the implementation and the charge of the GST on hydro bills. Seeing that this is the Ministry of Intergovernmental Affairs and this is an issue that I think is of extreme importance to Ontarians right now, could you tell me what steps or actions the Ministry of Intergovernmental Affairs is taking to address the issue of the GST going charged on the debt, what the progress is of those discussions and when we may be hearing some sort of an answer and explanation as to why we're paying GST on a debt which we can't determine is a good or a service? What is the Ministry of Intergovernmental Affairs doing at this time to deal with this Issue?

Mr Garfield Dunlop (Simcoe North): Thank you very much for the question. I think the GST on the debt retirement charge is certainly something that we're all very concerned about. At the present time, we in the Ministry of Intergovernmental Affairs, that file, the whole concept of the GST, of course, has been turned over to Minister Ecker. I know her staff at the Ministry of Finance is, in my understanding, working with their counterparts in the federal ministry and I think they're

trying to find some kind of resolution to that. The short answer is we are not involved at this time; it's a Ministry of Finance project at the current time. I'm looking with interest to see what kind of a resolution they can find. I think a debt is a debt and I don't pay a GST when I go and pay my Visa bill off, or if I have a mortgage or a car payment I don't pay GST on a loan, so I think it's unfair myself, and I hope Minister Ecker can find a good resolution to that.

Mr Peters: Maybe you could educate me a bit about the process. If finance is handling this, then at what point does it become a Ministry of Intergovernmental Affairs issue? If we're delegating that responsibility for the negotiations to the Minister of Finance, why then do we need a Ministry of Intergovernmental Affairs? Why would this ministry not be taking the lead in entering into those discussions with the federal government and pressing the case for Ontario? Could you explain to me why your ministry isn't dealing with this and why finance is? At some point, if finance hits a roadblock, will they then come to your ministry and say, "We want you to pick up the ball"?

Mr Dunlop: The whole concept of the GST and negotiations on different taxes is part and parcel of literally thousands of issues involving the Ministry of Finance and the federal Ministry of Finance. It's far beyond the scope of the Minister of Intergovernmental Affairs to deal with an issue of this magnitude. If it included different provinces and they all had the same issue, something like what we see with health care, gasoline taxes or whatever it may be, then that would be an issue for the Ministry of Intergovernmental Affairs at that point. It's certainly beyond the scope at this time. I'm going to ask the deputy if he could add anything to your concern.

Mr Ross Peebles: I think that assessment is correct. There are about 400 agreements between Ontario and the federal government. What we attempt to do is track the issues that are interministerial in scope. So when there's an opportunity to establish a relationship between one issue and another issue, or where there's an issue of consistency of approach, that's where we play a role. But when it comes to finance matters, those are more or less part and parcel of the responsibilities that Ontario's Ministry of Finance carries with the federal Department of Finance. There are a whole bunch of ongoing discussions between those two bodies. There are federal-

provincial meetings of finance ministers where the more important issues from the officials' interchanges are referred. We don't really attempt to track all of those.

Mr Peters: I read the ministry's overview statement, and the ministry's core business is that "The ministry's role is to provide advice and analysis on" an "effective way of managing ... diverse issues in order to achieve Ontario's intergovernmental objectives." Could you please tell me what advice the Ministry of Intergovernmental Affairs is providing to the Ministry of Finance in dealing with this issue of having this ludicrous GST paid on the debt? What advice are you providing to the minister to deal with this issue?

Mr Dunlop: Very simply, as I said earlier, it's beyond the scope of this ministry. But certainly there's no question about it, our Minister of Intergovernmental Affairs, who of course is the Premier, will be in constant discussions with our Minister of Finance on this issue. It's not something that is dealt with in Mr Peebles's ministry on a day-to-day basis. As he said earlier, it's one of maybe 400 separate types of agreements that we have with the federal government. When you think of the size of the Ministry of Finance handling, I believe it's \$68 billion a year, as opposed to a \$4-million budget, that is dealing with something that is much more broad, such as dealing with our counterparts in other jurisdictions across the country.

Mr Peters: Seeing the gravity of the situation with hydro and the uproar and the pain that we're hearing from across this province right now, I would hope this issue of the GST is a top priority. The feds are raking in millions of dollars off the backs of Ontario citizens right now. I recognize that you're dealing with a wide number of issues, but I would hope that this is a priority and that when we return you might be able—my question, I guess, is, what is the status of the discussions between the federal and provincial governments at this time? I recognize that it's a finance issue, but it is an intergovernmental affairs issue, and I'm hoping that maybe at the next meeting you could provide us with the status of the discussions that are taking place so the GST is removed from our hydro bills.

Mr Frank Mazzilli (London-Fanshawe): We can probably start a petition on that, too.

Mr Peters: I'm sure you will. Let's—

Mr Mazzilli: The federal Liberals—

The Chair: Mr Mazzilli, it's Mr Peters's time.

Mr Dunlop: The fact that we're not involved with it at the Ministry of Intergovernmental Affairs certainly doesn't make it any less of a problem. Of course, the Ministry of Finance is very, very concerned about this, and I will endeavour to get a status update from the Ministry of Finance on that for you.

Mr Peters: Thank you. In yesterday's presentation, on page 16, Mr Gill talked about a number of initiatives that are taking place regarding the Premiers and the health care system and, in particular, from a January 2002 meeting. I'm very interested in one comment that Mr Gill made yesterday. In London, we've witnessed the London

Health Sciences Centre board, as a result of funding constraints, cancel a number of programs, including the pediatric cardiac surgery program. We saw Dr Wilbert Keon undertake a review of pediatric cardiac surgery in the province, and he has made a number of recommendations. The one I think is most concerning is the centralization of pediatric cardiac surgery services at Sick Kids hospital. I'm concerned that Sick Kids continues to build an empire at the expense of other hospitals, and we need to recognize that we need to provide these services close to home.

On page 16, it talks about sites of excellence being designed to allow provinces to share specialized services, and one of the areas that has been identified is pediatric cardiac surgery. So we've had Dr Keon talk about Ontario. Could you please tell me what the Ministry of Intergovernmental Affairs is doing as far as what has been identified here in this report? What is the ministry doing in this regard?

Mr Dunlop: This is simply an issue or a concern of the Ministry of Health. This is Tony Clement's department we're dealing with here. I mean, all the questions go to Tony on this. It's something like your previous question with the GST; it's certainly beyond the scope of this ministry to get into the exact details of each program of the many thousands of programs that are run by the Ministry of Health. Again, it's a \$25.5-billion-a-year ministry and we're dealing with literally thousands of issues and concerns and programs.

Mr Peters: This was identified in the estimates statement yesterday as an issue that is of an intergovernmental nature. My question is that I would like to know, what are the provinces and the feds talking about when it comes to pediatric cardiac surgery? I'm concerned. Is the province talking about looking at consolidating these services in another province? I think the parents of children need to know. It's not like I'm pulling this out of the air from someplace. Mr Gill read this into the record yesterday, and I would like to know what the status is of the discussions between the province and the federal government when it comes to pediatric cardiac surgery. Quite honestly, if you can't provide me with an answer right now, you can bring me the status back. But it troubles me that you attempt to put the issue into the portfolio of the Ministry of Health. But this was identified in this ministry's statement yesterday. So could you please provide me with an update as to what is going on with pediatric cardiac surgery in the province of Ontario and how it relates to medical care across the country?

Mr Dunlop: Thank you very much. I—

Mr Peters: It's page 16.

Mr Dunlop: Yes, I have the page.

1550

As I said earlier, I believe very strongly that it's a Ministry of Health concern. We talk about the Canada health and social transfer. I think you're aware of the types of programs that are covered. Those are discussions; there's no question about it. Those types of dis-

cussions concerning the funding from the federal government do take place between the Minister of Inter-governmental Affairs, the Minister of Health and of course the Premier's office.

The exact details of each program and how they will fit into pediatric concerns across our country is something I can't answer today. I think I can assure you that we're not consolidating pediatric services in another province.

Mr Peters: But I want those assurances. This is my concern. We've seen the turmoil parents have been through in southwestern Ontario. We've seen what has happened in eastern Ontario with CHEO. For the parliamentary assistant to the Premier to come in and make a statement yesterday, talk about pediatric cardiac surgery—and we know how close an issue it is to people across this province—why make the statement? Were you hoping we wouldn't pick up on something like this? All I'm asking is if you could please provide me with what the status is of the discussions that are taking place between the Ministers of Health and the first ministers of this province so I can have assurances that we're not moving these services out of Ontario.

Mr Dunlop: If I can, I'm going to ask the deputy minister to respond a little more to your question. I think he may have a little more analysis or detail.

Mr Peebles: The reason we mentioned this was because at the last two meetings of Premiers, as we said, health care reform and health care funding were two of the principal issues the Premiers discussed. They tried to work together to do things for the health care system through co-operative initiatives among provinces that would be in the nature of making the system more efficient and effective, without necessarily just asking the federal government for more money, which they have done as well, but this was in the nature of, "What can we do to make the system work better?"

Among other things, the communiqué that came out of the Vancouver meeting had this reference in it, and perhaps I could just read it so you'll get the context:

"Premiers recognize that some types of surgery and other medical procedures are performed infrequently and that the necessary expertise cannot be developed and maintained in each province and territory. Building on the experience in Canada's three territories and Atlantic Canada, Premiers agreed to share human resources and equipment by developing sites of excellence in various fields, such as pediatric cardiac surgery and gamma knife neurosurgery. This will lead to better care for patients and more efficient use of health care dollars. Premiers directed their health ministers to develop an action plan for implementation of such sites before their August meeting in Halifax."

That obviously had a whole lot more relevance for the smaller provinces. Particularly, this was an initiative that had come out of Saskatchewan, Manitoba, Alberta and BC to some extent. The Atlantic Premiers had already agreed to rationalize some services.

I think Premier Harris at the time had said that to the extent that Ontario was a big jurisdiction, we already

took in people from other parts of Canada who needed very specialized treatment that would perhaps be available in Toronto and maybe a few other centres that you wouldn't expect to have it available in, say, Winnipeg or Regina, that sort of thing. So that's the context in which the statement was made.

Mr Peters: We're seeing the centralization of this program. I'm concerned about the ability of Sick Kids, that Sick Kids is working at full capacity right now. Having heard the word "Halifax," I would appreciate it if you could provide me with this answer. I would like to know if the Ministry of Health has entered into discussions with the first ministers or health ministers in the Atlantic provinces, and is Ontario looking at taking over the program that is currently being offered in Halifax and moving that program to Ontario? It's something I've heard, and I'm asking if you could check with the Ministry of Health and confirm or deny that Ontario is looking at taking over the pediatric cardiac surgery program, moving it from Halifax and placing it here in Ontario at Sick Kids.

Mr Dunlop: We can certainly try to find that out. I can't guarantee I can get that exact answer—it's news to me—but we'll do what we can to get that information for you.

Mr Peters: I would very much appreciate it.

Mr Alvin Curling (Scarborough-Rouge River): I'm so glad that I get two minutes here to ask you this. It's good to see you back.

Racial profiling: has the Premier himself taken any initiative on this? This has some jurisdictional stuff like the city, it has other countries and all that. What is the status and what is the position of your ministry in this regard?

Mr Dunlop: I think we went over this before and I said very clearly that any consultation that was taking place on this particular issue has been done with the Minister of Public Safety and Security. He has made a number of statements in the House and he is looking forward to input and dialogue from anyone who can provide him with any information. Certainly at this time it's an issue.

Mr Curling: We heard that, Mr Dunlop, but what we've heard is that they were waiting for Justice Dubin and then they were waiting for Lincoln Alexander. Justice Dubin has just resigned. He has stepped down, so that's gone. The Honourable Lincoln Alexander has not yet defined his stuff. Then the Premier is saying, "I'm waiting and waiting." I want to know if his position is just to wait until somebody else does something. Is that very clear? Am I very clear about that? Am I right? Is that what his position is?

Mr Dunlop: No, I think the Premier is having the Minister of Public Safety and Security take the lead on this issue, and he will report to the Premier.

The Chair: We can return to that in the next round. It now goes to Mr Bisson with the third party.

M. Gilles Bisson (Timmins-Baie James) : Laissez-moi premièrement aller à travers le document pour une

couple de minutes. Voulez-vous aller à la page 9 de votre document ?

Mr Dunlop: Excuse me. Is it on number two?

M. Bisson : Je n'ai aucune idée. Moi, je te demande la page 9.

Mr Dunlop: I'm sorry, Mr Chairman. You turn this to nine?

Interjection: Two.

M. Bisson : Je n'ai aucun problème avec les petits boutons. C'est pas mal facile. Tu parles, ça sort, ça rentre, tu écoutes.

OK, à la page 9 : en-dessous de « Services », vous avez 757 700 \$. Pouvez-vous expliquer exactement ce que c'est ?

Mr Dunlop: Mr Chairman, mine is not working. I'm sorry.

The Chair: Setting one.

Mr Bisson: OK. While they're getting you another one—

Le Président: Pardon, M. Bisson. Une minute. D'accord—is it OK for you? Mr Dunlop, are you hearing now?

Mr Dunlop: I can't hear anything right now.

The Chair: Can I ask one of the staff to please assist Mr Dunlop to ensure that he gets the translation device? This won't come from your time, Mr Bisson. It will just take a moment.

M. Bisson: C'est correct.

The Chair: OK.

M. Bisson: OK. Regardez à la page 9 de votre livret et vous allez voir qu'en-dessous de la ligne « Services » vous avez 757 700 \$. Pourriez-vous expliquer exactement sur quoi cet argent-là est dépensé ? Est-ce que ce sont des contrats ou quoi ?

Mr Dunlop: Mr Chairman, I've got it working perfectly now but I missed the first half of the question.

M. Bisson: OK, on va recommencer.

Mr Dunlop: Thank you very much.

M. Bisson: Pas de problème.

OK, à la page 9 vous avez une section pour « Services », 757 700 \$. Ma question est, sur quoi dépensez-vous cet argent ? C'est pour quoi, cet argent-là ? Expliquez où vous allez dépenser cet argent. C'est pour quoi ?

Mr Dunlop: I do apologize for—the translation here. The \$757,000 : I'm going to ask Mr Peebles to respond to that. It's his ministry. It's on page 9.

1600

M. Bisson: J'aimerais que l'assistant parlementaire lui-même réponde, s'il vous plaît. Can you answer yourself, Mr Dunlop? Just talk to him, find out what the answer is and get back to me. I'd rather deal with you directly. This is disconcerting. Can you just ask him what it is and give me my answer?

Mr Dunlop: Mr Bisson, I was just talking to the deputy. It's primarily for office leases and computers.

M. Bisson: OK, le loyer. Vous avez besoin de payer un loyer à travers votre budget ? Vous êtes un building commercial ? Peut-être que j'ai besoin de demander cette

question à—c'est M. Peebles ? Je n'ai pas pris le nom. Excusez-moi.

Interjection.

Mr Bisson: Yes, Peebles? I think it's written somewhere.

Interjection: Yes.

M. Bisson: Vous avez des locations ? C'est une location, vos bureaux ? Est-ce que ce sont des locations avec un building privé quelque part ? Pour quelle raison n'essaie-t-on pas de mettre le ministère à l'intérieur d'un des buildings du ministère lui-même pour sauver cet argent ? Y a-t-il une raison ? Je ne suis que curieux.

Mr Peebles: Yes. Everybody pays rent, whether you're in an office building owned by the government or by a private landlord. That's just the way Management Board has the accounts set up.

M. Bisson: Je comprends le processus: qu'il y a un transfert entre les ministères. Mais vous-autres, vous êtes un building privé ? C'est ça, ma question. You're in a private building, right?

Mr Peebles: No, we're in the Macdonald Block.

Mr Bisson: OK. I thought he was saying you were in a private building. I was asking, why are you in a private building when you can be in a government building? It would make more sense.

Mr Peebles: Yes. We are in a government building.

Mr Bisson: OK. That explains that.

Retournez à la page numéro 8 en-dessous de « Special Warrants ». Pourriez-vous expliquer en un peu plus de détail ? C'est quoi, ça ? Je ne comprends pas exactement.

Mr Peebles: Special warrants are amounts that are established by the Lieutenant Governor in Council when the Legislature is not in session to keep the government running, when there's not the ability to get—

M. Bisson: Je comprends cette partie. Est-ce que c'est parce que, dans vos estimés de l'année passée, vous avez sous-estimé l'argent dont vous avez eu besoin et que vous avez fallu faire une demande pour l'argent pour continuer l'année ?

Mr Peebles: You're looking at the—

M. Bisson: Page 8.

Mr Peebles: There's \$2.2 million in special warrants. Is that the line you're looking at?

Mr Bisson: Yes.

Mr Peebles: We got that money through the process of special warrants. That's backed out of the amount that is then voted—

Mr Bisson: I understand that it doesn't make a change overall. What I'm asking is, isn't a special warrant normally done in a case where there hasn't been enough money voted in the original estimate, so you have to get a special warrant to get the dollars to flow to the ministry to keep it operating during the year? Is it because the original money was not requested in the original estimates? I'm unsure of what happens there.

Mr Peebles: I think I'd better get the chief administrative officer to explain.

Mr Bisson: Could somebody just explain that so that I and other members of the committee can better understand?

Can you say who you are, please?

Mr Kevin Owens: Kevin Owens.

Mr Bisson: Could you just explain the process a little more clearly?

Mr Owens: We required the special warrant because we didn't have the spending authority. The printed estimates hadn't been passed in the Legislature yet, so we had to get spending authority to keep operating.

Mr Bisson: But the part I don't understand is, was it because there was not enough money asked for in the original estimates of last year?

Mr Owens: No. All ministries got a special warrant this year.

Mr Dunlop: Even the Premier's office had a line for a special warrant.

Mr Bisson: So in the original estimate there was the \$5 million or whatever your ministry gets—\$4.2 million or \$4.7 million. What you're basically saying is that it's just the mechanism to flow the dollars once we're not here.

Le Président: —sur le ministère est choisi par ce comité. Ce n'est pas approuvé dans la législature avant la troisième semaine de novembre.

M. Bisson: Ah, c'est vrai.

Le Président: D'accord? C'est pour tous les ministères qu'il est nécessaire d'avoir une provision spéciale.

M. Bisson: Ah, c'est vrai. Ça me l'explique. Je le regardais puis je ne me rappelais pas pourquoi le mécanisme marchait de cette manière-là. OK. Là, ça explique ma question. Si on revient à la page numéro 6, en-dessous du bureau du ministre, le staffing, vous avez un total de 41 personnes en 2001, 38 cette année; vous avez 25 qui sont dans le ministère. J'imagine que les 25 que vous avez là—c'est dans mon livre Strategic Intergovernmental Advice. Je l'ai seulement en anglais. Je ne sais pas pourquoi, mais je sais que vous me l'avez donné. Si vous êtes capable de me donner une copie en français, ce serait un peu plus facile.

Vous avez sept personnes qui travaillent au bureau du ministre et vous avez cinq personnes au bureau du député ministre. A-t-il toujours été ce même nombre, qu'il y a plus de staff dans le bureau du ministre, un staff politique, que dans l'administration elle-même?

Mr Peebles: Are you asking whether the numbers have changed over the last short while?

M. Bisson: Oui, je veux savoir si ça a changé. Ma première question est, est-il le même nombre de personnes, les sept au bureau du ministre, qu'il y avait pour M. Harris, tel qu'il est aujourd'hui? Ma première question.

Mr Peebles: At the moment there is no minister, therefore there are a couple of people in the Premier's office who are covered out of this appropriation. But this will be significantly underspent for the current fiscal year.

M. Bisson: Retournons à mon point originel. En tout cas, M. Harris était le premier ministre. Est-ce qu'il y avait sept personnes qui travaillaient au bureau du ministre? Je pense à M^{me} Cunningham dans le temps. Y avait-il sept personnes dans son staff politique?

Mr Peebles: The previous minister is Mrs Elliott. There were seven people, or she had an establishment for seven. I'm not sure she ever actually staffed up to her full complement, but there was establishment for seven.

M. Bisson: Présentement, le monde qui travaille au bureau du premier ministre, en vertu de ce ministère, est-ce que ce monde-là sont payés à travers le bureau du premier ministre ou à travers des estimés des affaires intergouvernementales?

Mr Peebles: Two of them are being covered by the appropriation from the intergovernmental estimates.

M. Bisson: S'attend-on à ce que ces nombres vont augmenter? Va-t-on avoir plus de staff au bureau du premier ministre qui vont être payés à travers ce budget?

Mr Peebles: I would not think so. I have no indication that they intend to expand the number.

M. Bisson: Ce qui veut dire qu'on peut s'attendre à ce qu'à la fin de l'année fiscale de cette année, s'il y a seulement deux personnes au lieu de sept, cet argent-là va être remis du ministère aux revenus?

Mr Peebles: That's correct. The money at the end of the year will be returned.

M. Bisson: Et puis vous, dans votre bureau, avez cinq staffs? Est-ce que ces cinq staffs sont compris, sont engagés, en place?

Mr Peebles: I think they are. Yes, there are five.

M. Bisson: Dans les 25—vous avez fait la demande d'estimés pour cette année—ce sont-ils les 25 qui sont en place présentement ou est-ce qu'il en manque? Avez-vous un plein complément de staff?

Mr Peebles: I think we have a few vacancies at the moment. I think we have two vacancies and there are a couple of people on secondment, I believe.

M. Bisson: Puis vous allez remplir ces positions-là, j'imagine? Ce sont des positions à remplir?

Mr Peebles: In the fullness of time, yes.

M. Bisson: La dernière personne qui a dit ça n'a pas eu de changement, je peux vous dire.

Mr Peebles: One tries to balance the work in this whole process.

M. Bisson: The last guy who used that didn't do very well.

À la page numéro 5 : une question un peu simple autour de—

Mr Dunlop: Are we doing it backwards?

M. Bisson: C'est juste la manière dont je l'ai fait. On recule à la page numéro 5. Sous le poste de directrice, Wendy Noble—c'est une parenté de Leslie Noble? Oh, elle est là.

Mr Peebles: Not as far as I know.

Mr Bisson: Just checking.

Mr Peebles: She says not.

Mr Bisson: I'm sure she's a very noble person. I'm just checking.

L'autre affaire : dans vos documents qu'on a regardés justement tout à l'heure—je l'ai seulement en anglais, toute la question de l'habilité des Canadiens de circuler d'une province à une autre et d'être capables de travailler d'un bord à l'autre—est-ce qu'il y a eu des approches avec le gouvernement du Québec vis-à-vis ce qui se passe dans l'industrie de bois ?

1610

Mr Dunlop: I think it's safe to say that from our perspective, labour mobility is a very complex issue because of the interdependency that's been built up over the years between Ontario and Quebec, and other provinces as well. As you know, we implemented the Fairness is a Two-Way Street Act so we could ensure fairness for the workers and contractors in other parts of the province. We're working at enforcing our legislation to ensure that those commitments are in fact met.

Mr Peebles, is there anything else you can add to that at this time?

Mr Bisson: My specific question is in regard to the woodland industries. There are a lot of complaints in northeastern Ontario, because of our proximity with the province of Quebec, of workers crossing from the Quebec side and coming into Ontario, mostly in the woodland industries; not so much in the mills, but basically those engaged in harvesting timber.

One of the large complaints I get, and that I'm sure other members in northeastern Ontario get as well, is that there isn't fairness and it ain't a two-way street. If an Ontario contractor tries to go into Quebec—first of all, you'd never be able to get in to cut any wood, because they have a much different system from Ontario's—there is an unfair competition of contractors coming into Ontario to compete against Ontario contractors in the woodland industries and you're not able to reciprocate that competition in Quebec.

My question is, has there been any attempt to deal with that issue by way of your ministry or through MNR?

Mr Dunlop: We have permitted short-term authorization for the movement of timber from the Kirkland Lake area to the Timmins and Cochrane sawmills. By allowing this wood to be rerouted, the forest workers and logging contractors will not be affected by any kind of shutdown.

Mr Bisson: That's a different issue, and we can talk about that at great length. That's in regard to what's happening with the Tembec mill in Kirkland Lake.

The specific issue—and I think Mr Miller would know something about this because he probably gets it to an extent in the woodland industries in his area—is that there's not enough wood in the province of Quebec to keep all their mills going because of a whole bunch of reasons I'm not going to get into. Suffice it to say that the government of Quebec some years ago said, and rightfully so, that the only way you can make paper is by using wood chips. So they encouraged the establishment of sawmills across the northern part of Quebec, which was a good employment strategy; it made sure you had best use of the logs and then you'd take the chips to make

paper. The problem now is that the wood basket is getting very small in northern Quebec, and they have to compete and look around to be able to get wood. So there are two issues. One is wood flow, which we can talk about later, and that's the one you somewhat alluded to—

Mr Dunlop: Yes, the Matagami mill.

Mr Bisson: Yes. But the other big issue is the mobility of workers and contractors from one side of the border to the other. We have Ontario contractors, for example, who are either logger operators, skidders, feller-bunchers or whatever it might be, who would love to have the opportunity to go and compete for work in the province of Quebec but can't because of the way the regulations are set up. Conversely, you have all kinds of contractors who are coming into Ontario and quite frankly are being very successful in being able to land work in Ontario, but there isn't any ability for the Ontario contractor to get work back in Quebec.

My question is, has there been any attempt by way of your ministry to deal with this issue, so that we at least start negotiations with the Quebec government to find a solution, and if not, to apply the Fairness is a Two-Way Street Act provisions, and I would argue even stronger than that, in order to fix this problem?

Mr Dunlop: I'm going to ask Mr McFadyen to help us with this question

Mr Bisson: Sure.

Mr Craig McFadyen: If your question is concerning whether or not Quebec has more stringent regulations in place with respect to the cutting and milling of timber—

Mr Bisson: The answer is yes.

Mr McFadyen: The answer is yes.

Mr Bisson: We know that, but—

Mr McFadyen: We'd have to refer the question of what discussions are actually taking place between Ontario and Quebec on that specific issue to the Ministry of Natural Resources.

Mr Bisson: But this becomes a labour mobility issue, in much the same way as with the construction industry. What is frustrating people no end is that they're seeing a contractor from Quebec, who may be a trucker, a delimeter or whatever part of the industry he or she is involved in, who is able to come into Ontario and compete—and that's fine; the last time I checked, we're all for competition in Ontario—but the problem is, our contractors can't reciprocate. From an intergovernmental affairs position, has there been any attempt to sit down with the government of Quebec to find some solution to this? Either Quebec allows us to go in and compete freely, as we allow them to compete in Ontario, or we say, "Let's have a reciprocal agreement of some type that says whatever you do to our people, we're going to do the same to you."

Mr McFadyen: There have been discussions, but with respect to the details and the exact nature of those discussions, we'd have to refer to the ministry of—

Mr Bisson: So your ministry itself would not be dealing with that directly?

Mr McFadyen: We're not dealing with that issue directly, no.

Mr Bisson: But labour mobility falls under your purview, doesn't it? Isn't labour mobility one of your, sort of, bailiwicks?

Mr McFadyen: We deal with labour mobility in a general sense, not in the specific sense, as it might apply to a specific sector. For example, the construction labour mobility issue, which Mr Dunlop was referring to—the Ministry of Labour is the lead ministry on that issue. On an issue that has to do with softwood lumber, MNR is the lead ministry. We'll advise and help coordinate, but with 25 staff members and hundreds and hundreds of agreements—

The Chair: Mr Bisson, you have two minutes.

Mr Bisson: Let me just say it's very frustrating for people who are in the business, because they're finding it quite unfair. We, as Ontarians, believe that people should have the right to compete for work when it comes to contracting, and we would like to know that we have a reciprocal ability to do so in the province of Quebec. But if they're not going to do that, let's not kid ourselves. It seems to me that we have to take a much different approach as a provincial government and say, "If you guys have rules that prevent our people from competing in the province of Quebec, we'll establish the same rules here."

Mr John O'Toole (Durham): Fairness is a two-way street.

Mr Bisson: That's what I would advocate.

Has there been any kind of discussion at the Premiers' meetings when the first ministers get together or at other meetings you'd be at that deal with this issue? Has it ever been raised at the table?

Mr McFadyen: Not at the Premiers' meetings, not bilateral issues between Ontario and Quebec.

Mr Bisson: Last question, because I don't have time: are you in intergovernmental affairs involved at all with the softwood lumber dispute?

Mr McFadyen: Just in a peripheral sense.

Mr Bisson: How peripheral?

Mr McFadyen: We monitor the issue and work with the Ministry of Natural Resources, which makes representations to the federal government, which of course is the lead jurisdiction in the international dispute.

The Chair: We now turn to the government caucus.

Mr Mazzilli: Mr Dunlop, we're happy to see you back after your holiday yesterday. We've heard there are some 400 agreements between the province of Ontario and the federal government—is that what I heard you say?

Mr Dunlop: That's my understanding.

Mr Mazzilli: How many bilateral agreements would there be between Ontario and all the provinces?

Mr Dunlop: It's a very small number. Most of the agreements are with the federal government.

Mr Mazzilli: When we look at free trade and trade issues, there's a dispute resolution mechanism; obviously you go to the trade courts. Mr Peters brought up a good

point. Certainly the federal Liberals have sort of arbitrarily tacked the GST on to the hydro debt. What dispute resolution system is in place on any of those 400 agreements? If the province of Ontario feels the spirit of the agreement is not being followed, is there a dispute resolution mechanism in place to deal with that, or do we just have to harp and go to the media and so on?

Mr Dunlop: My understanding is there's not a dispute resolution mechanism in place with this particular issue. That's why, as I said earlier, the Minister of Finance and her staff will work with Mr Manley's office to see if we can find a resolution to it.

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Mr Mazzilli: I understand that. I guess that's the problem. Has anyone at the Premiers' conferences—400 agreements is a lot of agreements. Obviously, you can dispute each one in court and you can go to court all the time, but it would make sense to me that there would be some other system, a dispute resolution system, in place between all the provinces and the federal government so that when you have a complaint, you can have outside people listen to the complaint and make a decision.

Mr Dunlop: I'm going to ask Mr Peebles to answer this.

Mr Peebles: There are a couple of approaches that are in place. One is under the AIT agreement that provides for a flow of people and goods around the country, within Canada; there's a dispute resolution mechanism there. Also, under the social union framework agreement that we referenced yesterday, one of the major parts of that agreement was the establishment of a dispute resolution process. This was a significant bone of contention that took, between the provinces and the federal government, the better part of three years to resolve. But finally last April or May, there was an agreement worked out for the Canada Health Act, which of course was hugely significant, given that Romanow is likely to be proposing changes to the system. For some of the jurisdictions that are already proposing to make changes to the health care system, this always raises the issue about whether or not the proposed changes are or are not compatible with the five principles set out in the Canada Health Act. There was no mechanism other than going to court to resolve that, which of course nobody was too keen to do.

So the provinces and the federal government had been trying to work through some sort of a process, and there were significant concerns about what the federal government had proposed initially. But finally, as I said, last April or May there was an agreement worked out and it was essentially the labour relations model, where both jurisdictions—first of all, there was a good-effort clause to make attempts to resolve issues through direct consultation and so on. In the absence of a resolution at that level, both parties would appoint an outside person, who together would agree on a chairperson, and that would be the three-person panel that would hear the dispute and make non-binding recommendations. Under that arrangement, it is still up to the federal minister at the end to decide, but obviously the persuasive ability of this panel

is significant, particularly given that the recommendation from the panel is to be made public. So that's how we together resolved that issue.

Mr Mazzilli: So at the present time, if I understand it correctly, the ministers fight it out at both levels of government; if somehow that doesn't work, people are appointed to present both sides and then at some point the arbitrator will make a decision, but it's non-binding on the federal minister. So it's not really—

Mr Peebles: Recommends.

Mr Mazzilli: But it's a non-binding recommendation.

Mr Peebles: It's non-binding.

Mr Mazzilli: So it's not much of a dispute resolution. To me, a dispute resolution mechanism is something where people know they can go to this body, the decision is final and it's binding. It's probably something worth pursuing. I know it may take a long time to get all parties to agree on what that body would be and so on, but it seems to me that we could likely avoid some of the current situations.

I have a quick question. Premier Eves decided to keep the intergovernmental affairs portfolio himself. I know Mr Dunlop is doing a great job, but why did the Premier decide to keep this portfolio himself?

Mr Dunlop: The Premier's decision to take on the portfolio of Minister of Intergovernmental Affairs really suggests the importance that he places on relations between the provincial and federal governments. As you know, the Premier is not the first Premier to have a dual role. I believe Mr Peterson and Mr Rae both held dual portfolios. My understanding is he wants the role so he can work closely with the federal government and, as well, with our other partners in Confederation and the three territories.

Mr Ted Chudleigh (Halton): I thought it was because he had a strong parliamentary assistant.

Mr Dunlop: That's right.

Mr Mazzilli: That role didn't seem to help Mr Peterson.

Mr O'Toole: It's good to see you back. [Inaudible] A couple of points were made here yesterday that were really not on the list here, but over the last four or five years this whole CHST and the Canada transfer payment stuff have been a significant issue. In fact, the federal member in my riding, Alex Shepherd, [inaudible] sent out a rather misleading statement to the people of the riding and it put me in a very tough position. That information came with the tax points—I'm going back. We talked about the 1977 agreement that established program financing.

The Chair: Mr O'Toole, I'm just going to remind you that we follow the conventions of the Legislature here, so I will perhaps ask you to reword that.

Mr O'Toole: I'll withdraw that "misleading"—

The Chair: Thank you.

Mr O'Toole: —and insert the word "incorrect." It's my understanding, though, that from what I heard yesterday, and I wonder if you can verify this, the tax points—this was room, and whether it's a 34% tax rate or

35% or 41%—represented space in income or corporate earnings, whatever, for some level of government to tax, either at the municipal level or the provincial level or the federal level. Shortly after that agreement, they moved in and recaptured or clawed back all that space for that tax points group. Is that a correct layman's interpretation of that set of very spurious kinds of tax policy initiatives?

I know this might be more of a question for the senior staff here. I follow this stuff very closely. They even avoided the GNP escalated costs. This all comes back to the credibility of the argument that it's 14 cents on the dollar from the federal government's pocket to pay for health care. Am I communicating the wrong information or is it Mr Shepherd who is communicating the wrong information? That's the question. It's sort of like a 17-word answer. It's not one of these, "Refer it to a committee who will give a non-binding opinion," which is what I heard you say to Mr Mazzilli.

Mr Dunlop: Mr Peebles and I have discussed this and, as the senior deputy minister, I think he's got a good response for that.

Mr Peebles: I think you've touched on an issue where it's as you're wont to describe it. If you go to the federal finance department's Web site, they actually claim that they're contributing 40%, which of course is at significant odds with the 14% that we assert is the federal contribution. So it very much depends how you work the numbers.

You're right. In 1977, 25 years ago, the federal government did make a tax point transfer to the provinces and that means that they borrowed their taxes and we increased ours by an equivalent amount. So it was a non-issue for the taxpayers and the additional revenue then flowed to the provinces, as opposed to the federal government. The reason we now tend to not count that is that after the 1977 reduction in taxes, the federal government then, through a series of tax increases that followed in the successive years, resulted in the tax room being reoccupied by the federal government. That's why we don't tend to refer to that as a valid contribution that the federal government is now making.

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If you were to include that as far as Ontario is concerned, that would mean that for health care and other social spending that's covered by the CHST, the contribution the federal government would make in that circumstance would be about 26%, I believe, not 40%. They get 40% by also including all of the equalization payments as a federal contribution to social services. Of course, the equalization payments are for everything and are not in any way targeted to social programs and, in addition, Ontario doesn't receive equalization. That 40% is an attempt to spin the numbers on a national basis instead of working them on a province-by-province basis. The 14% that we refer to is the actual amount that is contributed in cash each year, as a cash transfer from the federal government to the provinces.

Mr O'Toole: I could pursue that. I think Mr Miller has a question, but I appreciate that and still would request a written response to that.

The Chair: So you asked for a written response?

Mr O'Toole: Yes. I think it's important for all—

The Chair: Is one possibly forthcoming on that?

Mr Peebles: Yes, that would be no problem.

The Chair: Thank you.

Mr Norm Miller (Parry Sound-Muskoka): I was very interested in the question Mr O'Toole asked. There have been suggestions in the media that Ontario is seeking a more co-operative approach with federal-provincial relations. Can you tell us if this approach has had any success?

Mr Dunlop: Yes. Our government is committed to a positive constructive approach to federal-provincial relations, and I think I said that earlier when I mentioned Premier Eves taking on the dual responsibility again. I think it's safe to say that we, as a government, want to work with the federal government and with all other provinces and territories to resolve all of the important issues that are in our country. Our province is optimistic that dialogue between the provinces and Ottawa will help ensure that governments address priorities such as health care funding, and that's something you've heard over and over again, probably since you've been elected—the issue of health care funding.

The Ministry of Intergovernmental Affairs and the Premier's office certainly welcome the Prime Minister's statement that, following the release of Mr Romanow's report on health care, he will convene a first ministers' conference, and I think we're expecting that to take place this coming winter. That, we hope, is happening before the next federal budget. I'd also note that the Premier spoke to the Prime Minister just prior to the Premiers' annual conference and raised the idea of holding a first ministers' meeting on health care, and he certainly responded. The Prime Minister was not opposed to any such thing.

Another thing is that at the annual Premiers' conference itself, all of the first ministers in attendance agreed that the regular first ministers' meeting should be held to discuss matters of mutual interest, and agreed to communicate language on the subject. I wanted to read a statement into the record on that, from the first ministers' conference:

“Canadians expect their governments to work together. Premiers recognized the need for regular meetings with the Prime Minister to deal with important provincial, territorial and federal issues. Noting that it has been almost two years since the last first ministers' meeting was held in September 2000, Premiers called on the Prime Minister to commit to an annual first ministers' meeting beginning this fall.”

Since Premier Eves assumed office, there have been several announcements of federal funding for projects in Ontario. The federal government committed \$76 million to Toronto transit funding on April 26, matching funds previously committed by our province. Again, on May 31, Premier Eves and Prime Minister Chrétien announced a funding package for the arts worth \$232 million. On September 25 of this year, Premier Eves and Prime

Minister Chrétien committed a total of \$300 million to infrastructure improvements to the Windsor-Detroit border crossings. The cost of the improvements will be shared equally by the two governments.

Obviously, there are differences that we have as well. We want to see the federal government's Kyoto implementation plan and we'd like to see the FFM before the federal government decides to ratify it. I think that's something we've heard a number of questions in the House about and we've heard Minister Stockwell make his comments on this as well. But I think overall our approach is that we want to see common ground reached on all of the issues and we hope our ongoing negotiations with the federal government are to be constructive as well.

The Chair: You have about two minutes, Mr Miller.

Mr Miller: It sounds like this more co-operative approach has benefits for the TTC, the arts and border crossings, and certainly health care is one of the biggest issues for the people of Ontario. It sounds like the federal government has been involved with some creative accounting. They've been taking lessons from Enron by the sounds of the explanation we had a few minutes ago in terms of how they get to 40% funding to the province of Ontario.

The Chair: I would intervene that I used it myself in the House the other day and it was acceptable. Go ahead.

Mr Miller: I don't think my next question could be answered in the minute that's left, so do you have any other questions?

Mr O'Toole: I just want to follow up on this, if I may. Is there a number known as the total amount of revenue collected from the province of Ontario, whether it's GST, payroll tax, corporate tax, and the total amount of transfers? Let's not get caught up in the dollars—

Interjection: It's \$71 billion, I think.

Mr O'Toole: Yes, that's where the gap is. That's the difference of the transfers. What is the amount of the difference in other large provinces like Quebec, BC and Alberta, for instance? Those numbers would be very helpful. As a senior province in this country, it's important for us to pay more than our share, perhaps, on equalization. I understand that. In fact, I endorse that. But there's a point where, under certain initiatives created by the Canada Health Act, which mandates certain things, they don't provide core funding. That's where I have the problem.

We need the economy of Ontario to help all Canadians—I am a federalist from that perspective; I don't care what country, what language or what origin—and I think that needs to be clear to the people. I'd like to fight the next election on that very premise: clarity in the information we're providing and fairness in that information.

Mr Curling: Who calls the election?

Mr O'Toole: Well, the Premier calls the election, but I'm ready now. We're ready now.

The Chair: Unfortunately, that declaration took up all of the time, but perhaps in another round we can hear Mr

Dunlop's response to that. We now turn to Mr Curling for the official opposition.

Mr Curling: I'm going to go to page 10, Mr Dunlop, of the wonderful opening statement made by your colleague. It says, "It is rare in this country to find a field of public policy which does not have some degree of intergovernmental involvement." Having said that, therefore your ministry gets involved with every policy, especially public policy, that is on the table.

Immigration is an area where many of us feel the provinces don't get involved, but it has the greatest impact, especially in this province of Ontario. If my figures are right, I think of all the immigrants coming to this country of Canada, about 40% come to Ontario, or somewhere in that region.

Mr Dunlop: It's 59%.

Mr Curling: So 59% come to Ontario. As a matter of fact, I was low. And of that, a whopping amount come to Toronto, too. Is it 70% of those or something like that who come to Toronto?

Mr Dunlop: We don't have that exact information, but it's certainly a large percentage.

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Mr Curling: Therefore, it has a great impact on the economy, on the social policies of this country. Many of these immigrants need some language help. They're quite proficient in their own profession but maybe just a bit of English as a second language would be extremely helpful to them. Is there anything ongoing with the federal government about the enormous amount of immigrants who come to Ontario, and the help and support you need to have these immigrants settled? What amount of money does your government put aside provincially and what arrangement do you have with the federal government for support and help? I am trying to be quite balanced here since your colleagues like to bash the federal government. How much money do they put in place for English as a second language to help these new immigrants coming here?

Mr Dunlop: It may just take me a second to get some of this data. The best I can do for an answer is that the federal government's allocation to Ontario for settlement services and adult language training is 42%. That amount of money in the 2002-03 fiscal year would be \$108.2 million in settlement funds for the 59% of immigrants who actually come to Ontario. The provincial money, of course, is made up in many, many areas, and it's not defined and totalled as \$108 million, because that's a straight transfer from the federal government.

I might ask Mr Peebles if he can elaborate a little more on the types of services that are provided through the different ministries that would total the provincial—

Mr Curling: English as a second language. I don't want you to tell me how much that money is and where it is spent. I want to know how much of that money is spent on English as a second language. Are you able to give me that figure?

Mr Peebles: The Ministry of Education would have that number easily available. I can undertake to get it for you. I don't have it at the moment.

Mr Dunlop: Would you like to know some of the other services that—

Mr Curling: I would love to know, but my time is limited. I'm just going to ignore it all.

Mr Dunlop: I just want to provide you with information.

Mr Curling: I'm quite sure that 100-million-odd dollars is widespread. I'm just focusing on English as a second language and the settlement of immigrants. As long as we have them under-productive and under-utilized because of language, Canada and Ontario lose an enormous amount of those abilities that they are just oozing, just ready to come out, and yet we have such low funding—this is my estimation—of ESL programs.

I would even go beyond that. You said it's in education. In the schools, for instance, there's a great need for the young immigrant who is trying to understand geography and history as he or she comes along, and doesn't even have an ESL program or teacher. Maybe some would have a part-time person, two hours a day or something like that, when there's a great need. In many classrooms around this province or in Toronto, if you have a classroom of 32 students, it's easy to find 18 to 20 different languages in that classroom. The teachers are then challenged to communicate without the great assistance of ESL.

What I'm saying here is that the involvement of the provincial governments over the past has been so lax in making sure that the human resources that do come to our province are adequately supported. What has happened? We find many of them struggling to get support either through welfare or support with housing. They don't want that. I just want to know what sort of initiative your government is doing on this now to rectify this awful situation.

Mr Dunlop: First of all, it's important to note that a lot of the immigration in our province, and in any of the other provinces where there are substantial numbers—say, for example, Quebec or BC—takes place in the larger urban areas, such as Toronto, Montreal and Vancouver. You've mentioned that you go to a classroom and you could find 18 or 20 languages. I have a friend who is a principal of a school here and she has 22 languages in her school. That's a fact of life, and it's difficult. In my part of the province, there's one language, or maybe two the odd time in some of the school boards.

However, our government—and I think it's safe to say governments in the past as well—has dealt with English as a second language through the Ministry of Education. I think earlier we mentioned to you that we would try to provide you with that figure, the actual value of that. There is a specific amount of funding that goes to it as a provincial number. I think it will be in the millions of dollars. We can provide it to you.

Mr Curling: I would appreciate getting that figure.

Mr Dunlop: Yes.

Mr Curling: Let's follow it more. The other part about this too is that there are too many individuals who

are coming to our country and finding that when they are recruited, the great pitch that is given is “how much Canada needs you and your ability.” They are doctors or lawyers or whatever profession. We specifically only recruit those and that is why their points are high, because we are looking for the high-demand professions that are in need here. Upon arrival, all of a sudden, the profession and ability they have just withers away. They’re not being accepted or they’re given the circular thing about “Canadian experience” and they’ve just arrived.

Again, I want to emphasize, is the government playing a stronger role in that kind of relationship of immigrants coming to the province? Because it seems to me that, as you said, the federal government does the recruiting, the individuals end up in Ontario, and we can’t deliver because of the pressure of the social programs, because some of the support services are limited. I’m not hearing, though, from your ministry that you’re doing anything of that nature. Give me some semblance of something that says, “Yes, we’re at the table with the minister when he goes out there and sells this wonderful, beautiful country of ours, and when they arrive, it’s a different country altogether that receives them.”

Mr Dunlop: It’s important to note that a country like Canada and a province like Ontario is a multicultural province and country as well. I’m sure you can understand, and anyone in this room can understand, that without immigration and without the people who have come into our province and our country over the last 25, 50 or 100 years, or even back to Confederation—it’s always been immigration and the people who have found Ontario and Canada their new home. I think the history is wonderful. The fact that they’ve built such strong communities, that they’ve contributed in many ways to making—

Mr Curling: I know the sales pitch line. I know that. They know that too.

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Mr Dunlop: I understand. But I can’t understand where you’re coming from as far as—you’re making it sound like it’s bad for immigrants to come to Canada and Ontario. I think it’s just exactly the opposite. I think it’s actually one of the most wonderful places in the world for someone to come to.

Mr Curling: It is sad that you read that into my comments. I’m saying that these are wonderful people, bright, intelligent, articulate, in their language or what have you, who are attracted to this country because of the strict criteria Canada offers. When they do arrive, you’re getting the best of the crop of the world. As a matter of fact, you don’t even have to train them when they come here. As a matter of fact, that’s why your post-secondary institutions and training institutions lack all that kind of money: because you have trained people here.

I’m saying, why are you underutilizing them? Why is it no funding is there? Why is it that you’re not at the table with the federal government to say, “We want to make sure that these wonderful, bright individuals are up and coming?”

But what you read into my speech was that you thought I wasn’t encouraging immigrants to come here and that I don’t want them here. No. I’m saying something different. Of course we welcome them. We don’t want the engineers to be driving taxis. We don’t want the doctors to be orderlies in hospitals. The barrier is the government policies right there that have no assistance and support. You’d rather them go on welfare forever or other things like that. And you’re telling me that I’m not welcoming? I would love to welcome them. I want to make sure they get the support that is needed to make them operative and productive for society.

Tell me then, what are the programs in here, intergovernmental affairs—are they at the table? Are they with the federal government at all?

Mr Dunlop: Those are always ongoing discussions with the federal government, which of course in the province of Ontario is responsible for immigration. I may stand to be corrected, but I think the only province that has its own immigration rules would be the province of Quebec. They have a separate inspection department, on—

Mr Curling: Permit me. Other provinces are playing roles right now.

Mr Dunlop: My understanding is that a lot of the other provinces are asking for more immigration—Alberta and BC as well.

I’m sorry for what I read into your earlier comments, but I’ve just met so many wonderful people in this province who have been so successful. Some of their families immigrated here 100 years ago, and some of them have immigrated here in the last two or three years. They seem to be doing very well. They just love our province and our country. So I—

Mr Curling: Let me tell you, there are many who are not doing very well but who want to do well. They want to do well.

Let me go on to another subject: housing, homelessness and all of that, which is a part of your—

Mr Bisson: That’s a good one.

Mr Curling: That is a very good one itself. Your government has moved housing away to another jurisdiction called the city, you see, and as we come in the pecking order, the federal government will pass on some of the responsibility, and you passed it on to the city—

Mr Peters: It’s called a three-storey outhouse.

Mr Curling: Oh. I think that’s what it is.

I understand that the federal government has come up with some sort of money—maybe it’s not adequate enough—to help with housing. What are the matching funds? I understand that somehow the strings attached to housing—you and the city would like transitional housing, which to me means temporary housing. But I’m saying to you, what role is the provincial government now playing with housing, co-ops and things like that? At one stage, the federal government and the provincial government had tremendous interest in co-op housing. Where is that sort of jurisdiction now? Who owns what and who’s doing what now in housing? Because I’m lost.

I don't know who's responsible for housing these days, since your government has come into power.

Mr Dunlop: Thank you very much for that question. Again, the Minister of Intergovernmental Affairs looks at housing on very, very broad terms, but the actual agreements that are taking place today and the negotiations that are going on, of course, are done by the Ministry of Municipal Affairs and Housing. I don't have an up-to-date policy or position of where the Ministry of Municipal Affairs and Housing is today, as we speak. I can probably try to find information for you for another day on that.

Mr Curling: I would really like to find out who plays what role in housing.

Mr Dunlop: But I think we all realize that not only in Ontario but across our country we have some housing issues that we have to resolve, not only for low income but around homelessness as well. We as a government understand that and the federal government understands that and the municipalities understand that. We're doing our best to work, and the lead on that of course, as I said earlier, is Minister Hodgson's ministry.

Mr Curling: When is the next first ministers' conference coming up?

Mr Dunlop: My understanding right now is that it'll be probably in Ottawa, it'll be in February, and it'll be a first ministers' conference with the emphasis being put on health care, because often other ministries get involved as well. But a lot of it will be following the recommendations that we expect to be released on the Romanow report. Health care officials and stakeholders right across our country are eager to see his comments.

Mr Curling: You have almost second-guessed my other question. Are there on the agenda, other than health care, things we talk about today, like a stronger role in immigration? Would that be on the agenda? Or could you then send my message to say, "Could we put that on the agenda?" I ask you to put that forward. That's why I need the minister to be here, to have immigration on the agenda.

Mr Dunlop: The first ministers' conference, this one, where the Prime Minister is involved: our understanding, and I'm quite sure of this, is that the Prime Minister's office sets the agenda for those. I'm thinking there would be a number of recommendations coming. I know there's—

Mr Curling: The Prime Minister sets the major agenda, but there are agendas that the province can put on that agenda too.

Mr Dunlop: Absolutely. There are always open discussions. Whether they're on the actual agenda or not, I'm sure many conversations take place around many issues.

The Chair: We have one minute left.

Mr Peters: A quick question. We've seen advertisements on television and newspapers signed by the Premiers all across Canada. Can you tell me how much we have spent, how many Ontario tax dollars have been

spent, on all those advertisements dealing with health care?

Mr Dunlop: The budget on the Premiers' Council on Canadian Health Awareness is what you're referring to. I think we talked a little bit about this.

Mr Peters: Yes, and at that point you referred me to this committee.

Mr Dunlop: Right. I'm just trying to get the exact—20 cents per citizen is what we've allocated for that. Ontario's annual contribution will be \$2.28 million toward the Premiers' Council on Canadian Health Awareness. It has a total annual budget of \$6 million for all the Premiers together.

Mr Peters: But we're spending \$2.2 million of tax dollars—

Mr Dunlop: Yes, about \$2.28 million.

Mr Peters: That could have saved a number of programs at the London Health Sciences Centre.

The Chair: The time has now expired for this round. We go to Mr Bisson for the third party.

1700

M. Bisson: Si on peut aller au livret, pages 16 et 17, et si on regarde sous les estimés le total pour ce qu'on appelle les paiements de transfert, on remarque que 5 % du budget du ministère est utilisé pour des transferts à d'autres associés adjoints. Je ne sais pas trop, mais si je regarde la page 17, ça décrit un peu où on dépense l'argent.

Ils disent ici dans le livret, sur l'Institut des relations intergouvernementales, que l'institut fait partie de l'Université Queen's et qu'il s'agit d'une ressource importante pour les recherches indépendantes sur le système fédéral et les affaires gouvernementales.

C'est exactement quoi qu'ils font là, eux autres ? C'est un partenariat avec d'autres gouvernements provinciaux et le fédéral qui fait des études seulement pour la province ? Pourriez-vous expliquer ça ?

Mr Dunlop: Mr Bisson, you are referring to the \$11,000?

Mr Bisson: Twenty-four thousand.

Mr Dunlop: Oh, the Institute of Intergovernmental Relations. I'm going to ask Mr Peebles to respond to that.

Mr Peebles: That's an institute at Queen's University that is funded by I think all of the governments; the federal government and all of the provinces make a contribution. It's run by a man called Dr Harvey Lazar. I think it has a staff of three or four people who basically do research into various topical issues of federations. They look at various issues. They've done some work around the social union framework agreement. They issue a variety of research documents every year and they hold conferences and that sort of thing.

M. Bisson: Les études et les recherches qu'ils font à cet institut, avez-vous une liste des documents qu'ils ont faits la dernière année ?

Mr Peebles: I don't at the moment, but I can certainly get you a copy of that, if you'd be interested.

M. Bisson: Pourriez-vous, pour la semaine prochaine, ou dans deux semaines, quand vous revenez le mardi—je

regarde seulement une année, une période de 12 mois. Quelles sortes de papiers eux autres ont-ils produits ? Ils sont intitulés quoi, ces papiers-là ? Puis une petite explication d'exactly ce qu'ils font avec chacun de ces documents-là; c'était quoi qu'ils ont fait ?

La deuxième question : ça fait combien de temps qu'on a cet institut-là qui est financé à travers les provinces ?

Mr Peebles: I think it's been three or four years that Ontario has contributed. The federal government has contributed for a little longer, I believe.

M. Bisson: Ça veut dire qu'il y a eu une manière d'entente entre les premiers ministres, quand ils se sont rencontrés, de financer un tel institut ? Quand est-ce que la décision était faite ? C'était toutes les provinces en même temps, ou le fédéral et puis les provinces qui sont rentrées après ?

Mr Peebles: I'm not sure every province is an active contributor. I know Ontario has contributed for about three years. I don't think it has ever been discussed among the Premiers themselves.

M. Bisson: Donc, ça fait trois ans que la province de l'Ontario contribue à cet institut ?

Mr Peebles: I think that's right, subject to confirmation.

M. Bisson : OK. Vous êtes capable de vérifier. C'est pour quelle raison que l'Ontario a décidé de financer—la décision avait été faite comment ? C'est ça que j'aimerais savoir. C'était eux autres qui nous ont approchés pour un octroi ? C'était le premier ministre qui a décidé que c'était une bonne idée ? C'est comment que c'est arrivé ? C'est quoi l'historique ?

Mr Peebles: I'm sorry; I can't give you history. It has been funded for a while, I know. If you're interested in this, I can also give you more details on what our contribution has been and how long we've made the contribution.

M. Bisson: Vous êtes capable de préparer une note qui dit qui a fait la demande, d'où vient cette affaire-là ? C'est un institut qui a été créé par les premiers ministres; donc c'est eux autres qui nous ont approchés ? Deuxièmement, comme j'ai dit, j'aimerais avoir une liste des papiers de discussion qu'ils ont produits pour avoir un sens de ce qu'ils ont fait. C'est intéressant et c'est bon, mais je ne comprends pas pourquoi on sort du secteur—pour quelle raison on ne fait pas ça à l'intérieur du ministère. Vous n'avez pas de chercheurs ?

Mr Peebles: Well, we do have some staff in the ministry, but with about 20-odd people, we wouldn't be able to do the sorts of in-depth, academic-type research, nor would it be efficient to try and do that type of research.

M. Bisson : OK. Vous êtes capables de revenir à la prochaine réunion avec ça. Ça serait correct.

La deuxième partie, c'est les 11 000 \$ que l'assistant parlementaire avait soulignés tout à l'heure, les subventions visant à promouvoir les relations fédérales-provinciales. Ça dit que ce fonds de paiements de transfert était créé en 1983-1984 dans le but d'appuyer une

variété d'initiatives liées aux relations fédérales-provinciales.

Onze mille dollars : on n'a pas fait beaucoup, j'imagine ? C'est quoi qu'ils ont fait, eux autres, avec ces 11 000 \$?

Mr Peebles: We haven't allocated any of that money this year. I don't think we allocated all of it last year either. It had been used in the past, and it's established here in case the requirement comes up to support some initiative with extra research we may or may not in any particular year need to do.

M. Bisson: Si ces 11 000 \$ ne sont pas dans vos estimés, est-ce que vous avez l'habilité de les prendre quelque part d'autre ? Si vous ne les dépensez pas—vous ne les avez pas dépensés totalement l'année passée. Jusqu'à date, vous ne les avez pas dépensés du tout. Ce n'est pas beaucoup, mais c'est 11 000 \$ quand même. Y a-t-il une habilité d'aller rechercher cet argent-là de votre budget autrement ? Je me demande pourquoi il est encore là si vous ne vous en servez pas.

Mr Peebles: It's set aside as a contingency in case the requirement to do research or to support some policy work requires extra external consulting. In the last short while we haven't had that kind of need. I expect probably, given where we are in the fiscal year, that money will go unspent this year.

M. Bisson: Mais, si j'ai soulevé la question, c'est que, si on ne le dépense pas puis on va avoir l'argent à la fin de l'année, c'est bien beau, mais je me demande pourquoi on le met dans les estimés. C'est un peu bizarre.

L'autre est le 90 600 \$ pour le Secrétariat des conférences intergouvernementales canadiennes. Ça dit que le secrétariat a été créé en 1973 par les premiers ministres afin de fournir des services de soutien aux réunions intergouvernementales. Les 90 000 \$, est-ce que c'est normal, haut ou bas comparé aux autres années ? Je n'ai pas une comparaison là-dedans.

Mr Peebles: The organization itself, the Canadian Intergovernmental Conference Secretariat, exists to support the provincial-federal meetings and the sectoral meetings that happen. It doesn't change very much from year to year because there are roughly the same number of meetings that happen every year. They're at the annual Premiers' conference, any first ministers' meetings that might be—

M. Bisson: Est-ce que chaque province paie un montant égal ?

Mr Peebles: It's a proration. The federal government pays half of the cost and the provincial share is divided up on the basis of population. We pay 38% of the 50% that falls to the provinces and we charge the ministry back to the extent they have used the service.

M. Bisson: Physiquement il est où, ce secrétariat ?

Mr Peebles: It's located in Ottawa.

M. Bisson: Ce sont des travailleurs fédéraux ou indépendants ?

Mr Peebles: I believe they're part of the federal public service.

M. Bisson: OK.

Mr Dunlop: I think it's safe to say, if I may, Mr Chairman, if you look on page 16 and you compare the actuals in 2001-02 and also the year before, 2000-01, they came very close to the budget in each of those years, within \$9,000 or \$10,000.

M. Bisson: Non, j'ai demandé la question parce que je me demande—si il y a une augmentation d'activité d'une année à l'autre, ce nombre va changer d'une manière à l'autre. Si on veut dire que dans une année il y a beaucoup plus de rencontres, ça veut dire que le montant qu'on paie au secrétariat aurait été augmenté.

Mr Peebles: Yes, if there's a sudden increase in meetings.

M. Bisson: Ce qui veut dire que vous avez besoin d'aller rechercher l'argent quelque part d'autre dans votre budget, ou que là vous faites une demande spéciale? Faites-vous des demandes supplémentaires aux estimés dans un cas comme ça? Je ne suis rien que curieux.

1710

Mr Peebles: We have actually capped our contributions to them, and the federal government has picked up the excess when it has happened. There's supposed to be a proration exactly, but if their budget gets a little overspent, every year the feds have put in the extra money.

M. Bisson: Pour revenir sur un point—j'ai oublié de demander la question. Dans l'Institut des relations intergouvernementales, est-ce que le mécanisme de paiement des 24 000 \$ qu'on paie est la même formule dont vous vous servez pour le secrétariat, ou c'est un montant égal payé par toutes les provinces pour l'institut?

Mr Peebles: No, there's a difference in the sense that the conference secretariat is an agreement among our jurisdictions to contribute. The Institute of Intergovernmental Relations at Queen's is a voluntary issue, so there's no mandated amount we have to contribute.

M. Bisson: Comment est-ce qu'on arrive à 24 000 \$? C'est le même montant que le Québec et le Manitoba vont payer, ou est-ce que chaque province paie ce qu'ils pensent comme cotisation?

Mr Peebles: Everybody makes a decision as to how much they want to contribute. For example, I think the federal government contributes significantly more than our share. Obviously the institute tries to shop their services around and tries to get as much as they can.

M. Bisson: Mon point, ce n'est pas qu'ils font quelque chose de négatif. C'est même une bonne idée, toutes les provinces qui paient pour être capables de soutenir un département de recherches en Ontario. C'est un peu intéressant.

OK. Moving on to another number of questions, I want to get back to the mobility rights of both labour and materials between the provinces. We didn't get a chance to complete this, and I'd just like to finish what we were talking about.

When it comes to the ability for contractors to work on one side of the border of Quebec or Ontario, if I understood correctly what you're saying, there is no specific

initiative that's been put in place by the province through your ministry to deal with the problems we're having when it comes to logging contractors working in Ontario and our contractors not having the ability to go back and reciprocate in competition. There's nothing at your ministry that deals with this issue?

Mr Dunlop: No. We tried to make that clear in the beginning. Although this ministry would look at that in a broad sense, the Fairness is a Two-Way Street Act and issues surrounding labour mobility are dealt with by Mr Clark, the Minister of Labour. I know Mr Clark and Mr Rochon, the Quebec Minister of Labour, meet on a regular basis and discuss these issues.

Mr Bisson: Maybe the question is more aptly put to the Ministry of Labour and MNR, I would agree, but let me just say on that particular issue, it's a really large irritant for contractors, and I imagine it's the same in other parts of the province. You have a province that takes a pro-trade position, and rightfully so. We take the position that in Ontario we believe in a competitive system in the woodland industries, and rightfully so. It's not a bad system. But it's very frustrating for our contractors, who are saying, "Here I am, my own equipment, and I'm being outbid by a Quebec contractor because they're desperate and they want to make payments on their machines and are willing to do it for a lot less." The Ontario contractor doesn't have the ability to go back and compete in the Quebec woodlands industry. At times, it becomes a really huge issue, depending on how much work there is on both sides of the border. If there's lots of work in Quebec, we don't hear much about this; our Ontario people are working, because they are not coming over. But right now it's starting to be an issue again.

Maybe we'll bring that back to the Ministry of Labour, but I wish there would be something more specifically done on that issue, because it seems to me if we take a pro-competition position in Ontario and we have a jurisdiction that takes a more restrictive one, either we have to negotiate for them to open up their trade with us or, quite frankly, we have to say, "We have a mirrored policy. Whatever your rules are in Quebec will be the same as ours," to find a way to get them to negotiate a settlement that makes some sense on this issue.

Mr Dunlop: If I may just quickly ask you a question back, I know that in the construction industry in the city of Montreal, a lot of the movement of labour is controlled of course by the unions, and I want to get your comments on the pulp and paper industry, just for my own information. Is it union driven, or is it—

Mr Bisson: No. In the woodland industry, most of it is not organized, especially contractors. The contractors are basically hired as contractors by companies like Tembec and others to do a specific piece of work in the bush, either to haul or to fell or cut trees or whatever. There are some areas—the Gorden Cousens Forest up at Spruce Falls and others—that are under licence with IWA, and those would be unionized workers who would work for the company or their contractors. But by and large I would say a pretty big chunk of the industry is not unionized at that level.

The issue for us is that it's not the unions in Quebec that are preventing the mobility; it's that the Quebec government takes a much more restrictive view on licences and permits that are needed in order to work in Quebec as a contractor. The biggest thing is that people stick together in Quebec. That's the issue. The contractors gang up and say, "If you come in the bush and compete with me, you're going to have to deal with me," and the Ontario contractors don't feel sufficiently protected by the laws of Quebec, and by the police themselves, so they're somewhat leery to put their equipment in that position. It's really a bad situation.

Mr Dunlop: In a way, that's rather unfortunate, because if you look at what Ontario workers have contributed to the building of Canada, not only in Ontario but if you go into the territories and the pipelines throughout the west, there's been a lot of demand to get Ontario expertise to those other provinces. So it is rather unfortunate. But again, I just wanted to point out that the Ministry of Labour is the lead on this.

Mr Bisson: I understand. I guess what I'm looking for is a bit of help here.

The Chair: Two minutes, Mr Bisson.

Mr Bisson: Is that all I have left? My God, time flies when you're having fun.

It seems to me that you need to have some sort of central approach to this issue, because it's the same problem we have in trucking, in logging and in the construction industry. They're all having the same kind of problem. We need to find some way to centrally coordinate whatever our strategy is provincially to deal with this issue. I say again: if Ontario takes a position that we encourage competition within our economy, that's fine, but we certainly have to have a policy to address in some way someone who doesn't encourage the same thing and is competing with us. I don't think it's fair to our people and our contractors not to be able to work freely in the woodland industry in the province of Quebec.

I can tell you that in the trucking industry, it's really bad. In northeastern Ontario I talk not only to people in the woodland industry but to haulers who basically have highway haulage. Some of them have real difficulty trying to transport loads into Quebec. They may get the proper permits, but if they happen to mess up on one permit, they get the book thrown at them. It really discourages people from going back. Conversely, it's a lot easier to get permits in the province of Ontario, and they're not hassled to the same degree.

My argument is: if we take a pro-competition position in Ontario, we have to try to get Quebec to take the same. If they don't, we have to find some way, quite frankly, to say, "We'll adopt the same rules with you." Maybe that way they'll be able to negotiate, in the end, something that makes some sense for everybody.

Mr Dunlop: If I could just very quickly ask: being from the north and covering a huge area in the north, how far does this problem extend into the north from the Quebec border, as far as you're concerned?

Mr Bisson: Anywhere there is a border crossing. It would start in Mattawa, through Mr McDonald's riding, all the way into my riding, up by Cochrane etc. It's a huge issue.

Mr Chudleigh: The domino effect would go right across the north?

The Chair: That concludes—

Mr Bisson: If I could, Chair, the final thing is that I would imagine we don't have the same problem in Manitoba, because Manitoba takes much the same position as we do when it comes to open competition. I'm just saying that we need to find some way to get Quebec off this position, or we have to get a little bit tougher. It's as simple as that.

The Acting Chair (Mr Steve Peters): Thank you, Mr Bisson. Mr Chudleigh?

1720

Mr Chudleigh: It's a very good point that Mr Bisson makes, and it's been in the north for some time, particularly when some of our mills are in difficulty. Logs keep coming in from Quebec at prices that are difficult to compete with.

My question revolves around agricultural trade. This is one that I think is extremely important, not only on a provincial basis or a national basis, but indeed on a worldwide basis. Agricultural commodities play a huge role in worldwide economies, particularly in the Third World. We in Ontario are faced with a situation where we have to be competitive with US grain prices. US grain prices are set based on a US farm bill that has gone up and up and up.

When I entered the food business back in about 1959, 1960 or 1961, I think the US farm bill would probably have been in the \$15-million to \$20-million range. Today the US farm bill approaches \$300 billion, just an astronomical level. When you look at that, that translates in Ontario as our need to subsidize our farmers so they can continue to grow corn and soybeans and the other products that corn and soybeans feed. It affects the poultry industry, it affects the pork industry, it affects the beef industry, it affects the lamb industry. What happens with that is our budget has to increase, and we have to keep our farmers competitive. The subsidies the Ontario farmer is now receiving probably top \$200 million in the jurisdiction of Ontario—those would be provincial and federal dollars.

That's how it affects us in Ontario. Those are dollars we have to find somewhere, and it does have an effect on us. Those are dollars that aren't available to health care, they're not available to education and they're not available to community safety. So it does affect us. But take that position and look at a different country, a Third World country where they have to compete with corn at \$3 a bushel or soybeans at \$5 a bushel. A Third World country can't possibly produce that crop, export it and get anything back other than possibly their shipping costs.

I don't know what a bushel of corn would sell for in an unsubsidized market. I think it would be around \$5 to

\$6, which might return 25 cents or 50 cents a bushel to a Third World country. Right now it's costing them over a buck a bushel in subsidy to produce the crop, and so they're not producing the crop. That puts tremendous pressure on Third World countries, which are primarily agriculturally based.

What do they do? Well, in Mexico they produce marijuana to export to the United States. In Colombia they produce cocaine to export to the States—illegally, but it's a crop they can profitably produce. In eastern Turkey, they produce poppies for heroine. In the triangle of Thailand, Laos and Myanmar, they produce more poppies to export heroin around the world.

I would submit to you that there is an argument to be made that all this drug trade, and much of the woe of the Third World, is based on the huge subsidies of the US farm bill.

Since your Ministry of Intergovernmental Affairs deals with the issue provincially to the national government, I wonder how big an effort our province is making—and I suggest to you that it should be huge, in a humanitarian sense—to convince the federal government to make this a particularly large issue with the world in general, and in particular with our largest trading partner and closest friend internationally, the United States, to scale back their farm bill. They should stop subsidizing and creating a fictitious market in the agricultural commodities area, in order to allow Third World countries, which is their natural propensity, to take part in an agricultural growth sector and to move out of the crops that are harmful to both our society and their society. I wonder how big an effort is being made in that direction from your ministry.

Mr Dunlop: Thank you very much for the question and the comments. You certainly enlightened us on where the illegal drugs in the world come from. I wasn't aware of all those jurisdictions.

Mr Chudleigh: Well, it's not that I deal in them; it's that—

Mr Peters: You forgot Ontario.

Mr Chudleigh: Marijuana has become an export commodity for Ontario, but that's another story; that's a crime-related story. The US farm bill can be directly attributed to the production of drugs in Third World countries, and that's wrong. Also, in Africa, it prevents the Africans from producing soybeans or corn crops or meat crops—pork, beef—and feeding that grain to beef and then exporting that beef to Europe or to some other world market. It prevents that because the US farm bill has kept those prices so artificially low through their massive—absolutely massive—subsidies. When you put pen to paper and work out what a corn producer in the mid-western United States is making on an acre of corn, it's no wonder that their pick-up trucks are much bigger and better equipped than our pick-up trucks back on the gravel roads, because they're making a massive amount of money, especially when they're growing 5,000, 6,000 or 7,000 acres of these crops.

Mr Dunlop: I certainly didn't mean to think that you were into selling illicit drugs or anything like that. What you point out is something that not only our minister, the Minister of Agriculture and Food—but I think it's a federal concern as well. We hear this continually all the time. I want to point out that agriculture is a shared federal-provincial jurisdiction. Under the Constitution, agriculture support programs, and I think you probably already know this, but they're shared jointly by the federal government at 60% and 40% by the provincial government.

Mr Chudleigh: If I could just interject. I realize it's a shared program, but the feds are doing nothing, in my opinion. They're doing nothing in this area. I think they need a sharp stick prod, or maybe a little cattle prod with a sharp jolt on it, to get them going.

I think Ontario, which has the largest farm gate value for agricultural commodities in Canada—we're significantly larger than almost all other programs. Alberta with their huge increase in beef production has come close to our farm gate value, but they're well behind us. With that kind of leadership role, I think it's incumbent on us to bring this to the feds' attention in the strongest possible way. I haven't seen that happening in the past. I think it's this ministry, intergovernmental affairs, that has to drive that agenda.

Mr Dunlop: Well, that's certainly an interesting comment. I know that in the recent—

Interjection.

Mr Dunlop: OK. I have to tell you that our Ontario Premier has discussed this with the other Premiers as well. I'm not so sure—

Mr Chudleigh: It's made the agenda, has it?

Mr Dunlop: Pardon me?

Mr Chudleigh: It's made the agenda of the first ministers' conferences?

Mr Dunlop: Yes. But we've talked so many times in our own caucus, we've talked so many times in committees and just in general with the public. Certainly all of our stakeholders, our farmers right here in the province of Ontario, make us aware of that, particularly those of us who come from rural ridings. We hear this on a continual basis, and I agree that it's a problem that's not only affecting our producers here in the province of Ontario, but it's affecting producers right around the world. It's something we can talk about at a federal-provincial conference or at a first ministers' conference, but certainly we need the feds on side big-time on this.

1730

Mr Chudleigh: We so often get involved in the mixed messages. We go to Ottawa and ask them to increase our subsidies to our corn producers, soybean producers, pork producers, beef producers and chicken producers so we can compete in the international marketplace, when the real problem is not the subsidies that we should be going to Ottawa to ask for, but that we should be going to Ottawa to ask them to lobby the Americans to cut their subsidies. Because if you want to compete in a fair world, competing with the US treasury isn't a very smart

game to get involved in. So competing with increased subsidies is wrong-headed, in my opinion. We have to continue to do that until we can get the Americans to stop the subsidies they're pursuing that are destroying agriculture in the Third World and destroying their development.

Look at Zimbabwe, old Rhodesia. They were a food exporter at one time. There's a racial thing down there that people point to, but the basic problem in Zimbabwe is not the quality of the farmers, which is excellent, by the way; the problem is the US farm bill. They're in a situation now where they're going to have to import food because so many farmers have gone out of business because they can't compete internationally in the soybean market, the white bean market, the sorghum market and in some of the meat businesses that they've moved into. They can't compete against the US farm bill. They're destroying Africa and they're destroying agricultural production in South America because of the competition factor. They're competing with the American treasury, and no one can survive that.

I think it's this ministry that should drive that message as strongly as it possibly can in Ottawa, to point out the folly of the road we're on, both in Ontario and Canada, and in particular the United States, which is leading the way.

Mr Dunlop: I certainly appreciate your comments. Possibly there is a leadership role there. I'd like to ask Deputy Minister Peebles if he could just add a couple of comments to that as well.

Mr Peebles: Just as an indication that the Premiers have in fact discussed this, following last year's Premiers' conference, the chairman of the conference, Premier Campbell, wrote to the Prime Minister on August 30. The reflection of the comments you've been making is in this paragraph here that I can read:

"Premiers are well aware of the massive problems that are currently facing farm families in all jurisdictions. Premiers are asking the federal government to work in an all-out effort to reduce trade-distorting agricultural subsidies, including the elimination of export subsidies. Premier Calvert will be reporting back to the Premiers by the end of September on this and related farm safety net issues."

The issue did come up and it's reflected in that.

Mr Chudleigh: I guess all I would say is, yes, it has come up and they've given lip service to it, but I think we should drive that agenda just as hard as we possibly can. I think the future of agriculture in Ontario and I think the future of agriculture in Canada and the United States is going to depend on getting off the treadmill that we're on now. I think it would move a long way—a long way—to getting the Third World countries more fiscally secure if they were able to get into the agricultural business that the United States is shutting them out of.

We talk about Kyoto and those kinds of things—if Brazil could make money growing corn and soybeans, they might be less anxious to cut down the rainforests. They're cutting down the rainforests in the Amazon in

order to pay the interest on their World Bank debt. They're not paying off any of the principal; all they're doing is paying the interest on it. They've got another 40 or 50 years to cut down the rainforests. It's a lot of wood. But maybe if we had some agricultural opportunities down there, they'd be less willing to take that route. And it could start right here.

Mr Dunlop: I certainly appreciate the input you've had here on this. I wasn't familiar with some of those countries and the issues they face with the American subsidies and the US farm bill. However, I can tell you that people like myself and Mr O'Toole attend the corn producers' meetings on a regular basis in our zone. We hear this from our producers of corn and soybeans on a regular basis. I guess we seem to be adding some subsidies, some kind of relief each year to get farmers through the years. In the big picture, the US farm bill is what's behind it all. We hear that from farmers across our nation. There is a role there to play and maybe there is a stronger role for Premier Eves to play at a first ministers' conference. It's something that I know our Minister of Agriculture and Food is very much aware of and very concerned about as well.

Mr Chudleigh: I've tried to help her with that.

Mr Dunlop: Thank you very much.

Mr Chudleigh: That's all I have.

Mr O'Toole: Actually we're trying to find issues that—you won't answer any questions on electricity or anything. I'm on a panel later today so I need some answers.

I want to go back to the labour mobility agreements, which have been a long-standing issue. I don't think we have any answer that I'm aware of. Maybe from your civil servant's perspective—we've tried twice that I'm aware of. One was Minister Flaherty's—I remember all the fanfare, the fairness-is-a-two-way-street issue. That was the policy.

Mr Lalonde, in fairness, has been a large advocate for this Fairness is a Two-Way Street Act, as well as members on our side: Mr Sterling, Mr Guzzo, Mr Baird and other Ottawa members. Could you tell me, outside of the pure politics and unionism stuff, what is the cause? What's the problem here? Clearly they're working in Ontario. Whether it's the compensation, premiums, training or licensing, why can't our union groups, our skilled trades people work in Quebec? What's the problem here? What do we have to do in a policy sense? Because you can't do anything unless we say that's what we want done.

Mr Peebles: You're asking, as I understand it, what's the reason that these two ministers—

Mr O'Toole: We can't enforce the law.

Mr Peebles: —can't resolve this issue and haven't resolved it in all this time. There's a simple answer, and that is that the Quebec government, in order to deal with another issue entirely, turned the whole structure of the construction trades in Quebec over to the unions to run. They have created a structure of rules that is almost unfathomable by anybody who is not steeped in this stuff.

What we're asking, by way of saying that we would like to have as free a situation in Quebec for Ontario workers as exists for Quebec workers in Ontario—I wouldn't say it's an impossibility for them but it certainly is a daunting request, given what they've done with the labour industry in Quebec.

Mr O'Toole: I wouldn't presume to understand.

The Chair: Last minute, Mr. O'Toole.

Mr O'Toole: The last observation is, why don't we decamp the ministry to our labour councils so they can fight it out and find out it's a one for one, net hours, or some kind of formula where at the end of the year we'll tally it up and there would be a transfer of money? Why can't we do that?

Mr Peebles: I think that's a question that, as a civil servant, I would defer to the parliamentary assistant.

Mr O'Toole: Well, you should bring that suggestion up. I appreciate it. There's got to be some money solution to this problem.

The Chair: We now turn to the official opposition. I saw the parliamentary assistant looking at the clock, I'm sure mindful of the fact that there is a vote coming up at 5:50. So I would just advise all parties that we may have a bell intervening. I think we'll proceed and perhaps use the first five minutes, Mr Peters, if that's all right.

Mr Peters: I'd like to go back to the pediatric cardiac surgery that you're going to be providing some further information about. I would really like to know specifically—because you've got concern in the southwest about their ability to get into Sick Kids hospital. You have concern in eastern Ontario about their ability to transfer a program from CHEO to Sick Kids.

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We had this wonderful surgeon in London, Dr John Lee, who was part of the pediatric cardiac surgery program that is no longer in place in London. Dr Lee left and went to Halifax. The province could have intervened to keep Dr Lee in Ontario. He's a brilliant surgeon. I'd like to know if the province has entered into these discussions about consolidation of programs in Ontario and potentially at Sick Kids. I'd like to know how Sick Kids is going to be able to deal with this influx.

It's important enough that somebody needs to look at this. If we're going to consolidate programs from other provinces and bring them into Ontario, we need to first determine whether we've got the ability to look after Ontario citizens. I'm not trying to get into a provincial war, but I think it's incumbent on us provincially to look after those individuals in our own backyard first. I'd like to know truly what the status is of these negotiations, and is the province actively pursuing trying to bring Dr Lee back to Ontario. We had this doctor here and we let him leave Ontario. Is Dr John Lee an individual we're trying to bring back to this province?

Mr Dunlop: Certainly it's a very valid concern you have, Mr Peters. The details are under the Ministry of Health and Minister Clement's office. I don't know whether there's any kind of internal recruitment or anything like that trying to relocate people here, but I do

know that any time we lose a doctor out of our country who would go to another country to practise, it's unfortunate, because there's a shortage here.

Mr Peters: He didn't leave the country; he left the province.

Mr Dunlop: Sorry.

Mr O'Toole: If I could be helpful here, yesterday I thought there was a very good point—

The Chair: Mr O'Toole, I'm sorry. If it's not a point of order, I have to leave the engagement between the parliamentary assistant.

Mr O'Toole: OK. Good point yesterday on page 16.

Mr Peters: I know, and that's where it came from, page 16. Anyway, I'll be looking forward to your response.

Mr Dunlop: Yes.

Mr Peters: I just want to follow up a bit on what Mr Chudleigh said because I think his comments as far as agriculture are important. Ontario is the grain basket, the bread basket of Canada. We are truly a leader when it comes to agriculture. I really would encourage this ministry to step up its efforts at working with the federal government in fighting the subsidy wars we're into. We need to support our farmers, there's no doubt about that, but as Mr Chudleigh rightfully pointed out, farmers don't want to receive them. We would rather see those dollars allocated in other areas. It's incumbent on Ontario to be a leader, to work with the federal government in fighting these subsidy battles. I would really encourage you to bring that message back to the Premier and the Minister of Agriculture, to fight these battles.

Mr Chudleigh made some excellent points that need to be pursued, and it's incumbent on you as the parliamentary assistant to help. You represent a rural riding as well. You made that point. Collectively, in many ways it's a non-partisan issue, but we need this province to show true leadership and step up its efforts with the feds at putting an end to this subsidy battle we're facing.

Mr Dunlop: I have to agree with you that it is a non-partisan issue. We've heard your comments here today, and Mr Chudleigh's. He brought up, as you said, some excellent remarks. He pointed out that there probably is a stronger role here for this ministry. However, I know from talking many times to Minister Johns that she's very concerned about this and has been very active as well in our government caucus. She speaks to us on a regular basis about our concerns with agriculture, trying to resolve some of the issues, and we always respond, "The American farm bill." We hear this over and over again from our friends the corn producers and the soybean producers.

Mr Peters: It's in the latest issue of the Ontario Corn Producer again.

Mr Dunlop: I haven't seen that particular copy, but I'm sure it's in there. It's something we take very seriously and I will pass that on to the Premier.

Mr Peters: I'd like to know what the position of Ontario is when it comes to supply management. What role does the province play at any World Trade Organ-

ization discussions? Is the province working with the federal government at defending the interests of supply management in Ontario? We know dairy farmers are under attack right now at the World Trade Organization. What role do we play provincially in World Trade Organization talks?

Mr Dunlop: I'm going to ask Greg if he could maybe comment on this. He's more up to date on it than I am.

Mr McFadyen: You're quite right that supply management is an issue in the World Trade Organization talks as well. Oftentimes when Canada raises the issue of subsidies with the United States, the issue of supply management is raised by the US. The issue of supply management has gone to WTO panels and has been upheld as consistent with the WTO. I think at this point, Ontario feels that the federal government is doing a reasonably good job in representing the interests of producers in those sectors.

Mr Peters: I take it from those comments that Ontario is supportive of supply management?

Mr Dunlop: I can't speak on behalf of what the minister herself is saying at different meetings and in her meetings with Mr Vanclief, but from our perspective everything should be open for negotiation. I think it's safe to say that the dialogue has always been good between our federal and provincial Ministers of Agriculture when we're dealing with either supply management or the issues facing farmers, not only in Ontario but across the country. Of course a lot of that goes right back to what Mr Chudleigh and yourself have both mentioned, the American farm bill.

Mr Peters: I think it's important to be putting it on the record that we need to show our unequivocal support for supply management.

Mr Dunlop: I appreciate your comments on that.

Mr Peters: On the question of railways, I recognize railways are a federal issue. I have a rail line from St Thomas almost to Welland, the Canada Southern Railway, that CN and CP are abandoning. You've got rail lines in your own riding that I know you've seen abandoned. There have been efforts made to acquire rail lines up your way. What role does your ministry play in dealing with initiatives by a private corporation like CN to abandon railways? What role do you play at trying to ensure that these corridors, first, should be preserved as rail land corridors, but at least, secondly, that we land-bank these corridors to keep them intact? Because once they're gone, they're gone. You just sell one piece of a right of way and that's it. Does your ministry get involved in discussions of trying to preserve rail corridors in this province?

Mr Dunlop: My understanding is no, we have not. Again, it's a broad issue, but the corridors have been done locally in Ontario by the Ministers of Transportation. I understand. I know exactly what you're saying.

Mr Peters: I would really urge the Premier to look at this because it's a huge transportation issue. As a country, we're going backwards. Other countries are putting railways in and we're sitting back provincially and federally and letting CN and CP rip out rail line after rail line. I think it's an issue that should rise to some prominence within your ministry.

The Chair: Mr Peters and Mr Dunlop, I don't want to make assumptions about the average speed of MPPs getting to the vote, so I think we'll allow ample time. We'll close off at this juncture, with another 10 minutes approximately to the opposition party when we resume. We're now adjourned.

The committee adjourned at 1750.

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